

**CONDOMINIUM OFFERING PLAN
FOR SALE OF RESIDENTIAL UNITS**

IN

40 EAST END AVENUE CONDOMINIUM

A Condominium Located at

**40 East End Avenue
New York, New York 10028
New York County**

Total Purchase Price of Offering (29 Residential Units & 29 Storage Room Licenses):\$198,868,710.00

Working Capital Fund/Reserve Fund*.....\$ 0.00

* See the sections of the Plan titled, "Working Capital Fund" and "Reserve Fund."

Name and Address of Sponsor:

**40 East End Ave. Associates LLC
c/o Lightstone Group
460 Park Avenue
New York, New York 10022**

Name and Address of Selling Agent:

**NRT New York LLC d/b/a
Corcoran Sunshine Marketing Group
888 Seventh Avenue
New York, New York 10106**

**Date of Acceptance for Filing: _____ . This Offering Plan May Not Be Used After
_____ Unless Extended By An Amendment to the Offering Plan.**

THIS OFFERING PLAN IS THE SPONSOR'S 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.

BECAUSE SPONSOR IS RETAINING THE UNCONDITIONAL RIGHT TO RENT RATHER THAN SELL UNITS, THIS PLAN MAY NOT RESULT IN THE CREATION OF A CONDOMINIUM IN WHICH A MAJORITY OF THE UNITS ARE OWNED BY OWNER-OCCUPANTS OR INVESTORS UNRELATED TO THE SPONSOR. MOREOVER, THE OWNER-OCCUPANTS OF UNITS MAY NEVER CONTROL THE BOARD OF MANAGERS OF THE CONDOMINIUM UNDER THE TERMS OF THIS PLAN. (SEE THE SPECIAL RISKS SECTION OF THE OFFERING PLAN).

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

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SPECIAL RISKS

The following is a summary of certain special risk considerations in connection with the Plan but is not intended to summarize all major features of the Plan. Prospective purchasers are urged to read the following special risk factors in conjunction with the Plan for a discussion of these and other important aspects of this Condominium offering.

THE PURCHASE OF A CONDOMINIUM UNIT HAS MANY SIGNIFICANT LEGAL AND FINANCIAL CONSEQUENCES AND MAY BE ONE OF THE MOST IMPORTANT FINANCIAL TRANSACTIONS OF YOUR LIFE. THE ATTORNEY GENERAL OF THE STATE OF NEW YORK STRONGLY URGES YOU TO READ THIS OFFERING PLAN CAREFULLY AND TO CONSULT WITH AN ATTORNEY BEFORE SIGNING A PURCHASE AGREEMENT TO PURCHASE A CONDOMINIUM UNIT. See the section of the Offering Plan located in Part I, titled "Introduction," for further details.

1. Purchasers should note that as of the date of filing of this Offering Plan, Sponsor is working to amend the building plans filed with the Department of Buildings of the City of New York ("DOB") and approved on June 10, 2016 (the "Current DOB-Approved Plans"). The Current DOB-Approved Plans depict, among other items, a subterranean parking garage and vehicle lift running between the cellar and ground floors of the Building. Sponsor's amended building plans (the "Amended Building Plans") will show the Building as Sponsor intends to construct it, which shall match how the Building is described in this Offering Plan and shown on the Site Plan and Floor Plans included in Part II hereof. For avoidance of doubt, the subterranean parking garage, vehicle lift, and other items depicted on the Current DOB-Approved Plans but not described in this Offering Plan or shown on the Site Plan and Floor Plans included in Part II hereof, will not be constructed by Sponsor and will not be part of the Building. Sponsor shall have the obligation to (a) cause the Amended Building Plans to be filed with DOB; and (b) upon filing of the Amended Building Plans with DOB, amend this Offering Plan to disclose the same. See the section of the Offering Plan located in Part I, titled "Description of Property and Improvements," for further details.

2. It is noted that although all Residential Units are being offered pursuant to the Offering Plan, subject to the consent of the Sponsor's Construction Lender as defined hereinafter, Sponsor has reserved the right to withhold certain Residential Units from sale. In the event that the Sponsor withholds one (1) or more of the Residential Units from sale, Sponsor shall amend the Plan to disclose which Units are being withheld. If Sponsor leases certain Residential Units to tenants and such Units are subsequently offered, Sponsor shall amend the Plan, accordingly, if such Units are offered subject to such tenancies and further disclose whether such previously occupied Units will be offered by Sponsor in their "as is" condition at that time. See the section of the Offering Plan located in Part I, titled "Introduction," for further details.

3. Although Sponsor shall make a good faith effort to sell the Residential Units to Purchasers who will occupy their Units as their personal residences ("owner-occupants"),

prospective Purchasers should be aware that the decision to sell, not to sell or rent any Unit shall be made by the Sponsor based upon its evaluation of market conditions and its own financial considerations and shall be in the sole discretion of the Sponsor. Further, if Sponsor decides to do a bulk sale ten (10) or more of its Unsold Units or twenty percent (20%) or more of the total number of Units in the Building, then the transferee/purchaser shall be deemed a successor sponsor as to those Units and shall be bound by Sponsor's representation regarding its good faith efforts to sell Units. Such successor sponsor will also have the right not to sell and instead rent Units in its sole discretion based upon market conditions and its own financial considerations.

In the event that Unsold Units are not offered for sale they may be rented at such rents as the Sponsor or a sponsor's successor determines and market conditions allow. Prospective Purchasers should also be aware that if the Unsold Units are not offered for sale and/or are subsequently rented, such decision by Sponsor or a sponsor's successor may have an impact on the types of financing available to Purchasers, the cost of such financing, and even, perhaps, on the availability of financing. The policy of banks may vary and may involve restrictions in the types and varieties of loan terms available (such as the percentage of financing offered; fixed/variable; term of loan; verification requirements; etc.) to possible unwillingness to provide any financing. Purchasers should 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 to experience difficulty obtaining a loan in a building or group of buildings where the sponsor or holder of unsold shares has not sold a substantial percentage of the apartments in the building or group of buildings, which in some cases may be as high as seventy percent (70%). Moreover, some lenders will not provide financing in a building or group of buildings where an investor other than the original sponsor has an ownership interest of ten percent (10%) or more. It also may be difficult for a purchaser to resell an apartment if prospective buyers are unable to obtain a loan due to the same minimum sales and investor ownership restrictions. Prospective Purchasers are advised to consult with their intended lenders/mortgage brokers with regard to the percentage of units which may be held as Unsold Units, and the lender's policies with regard to same, prior to entering into a Purchase Agreement to purchase a Unit. The decision of Sponsor or a successor sponsor to withhold Units from sale and/or rent same may continue to apply indefinitely and may have an adverse impact on the ability of a Unit Owner to resell their Unit and/or the price which they are able to obtain for the Unit. See the section of the Offering Plan located in Part I, titled "Rights and Obligations of Sponsor," for further details.

4. Sponsor intends in good faith to sell, rather than rent, the Residential Units. However, under the terms of the Offering Plan, Sponsor has reserved the unconditional right to rent, rather than sell, Units after consummation of the Offering Plan. Because the Sponsor is not limiting the conditions under which it will rent, rather than sell, Units, there is no commitment on the Sponsor's part to sell more Units than the fifteen percent (15%) of Residential Units necessary to declare the Offering Plan effective, which, here, is equal to five (5), and as a result owner-occupants may never gain effective control of the Condominium. Further, pursuant to the terms of the Offering Plan and By-Laws of the Condominium, the Board of Managers has no right to

approve or reject the sale of a Unit to a prospective Purchaser and therefore there is no limit as to the number of "investor" or "non-occupant owners" of Units in the Building and therefore there always may be a substantial percentage of owners who are not residents. As stated above, this may affect a Unit Owner's ability to either resell or refinance his or her Unit, as some lenders will not provide financing in a building or group of buildings where an investor has an ownership interest of ten percent (10%) or more. However, as set forth in Article III, Section 1(c) of the By-Laws of the Condominium which are set forth in Part II of the Offering Plan, subsequent to the date that the Sponsor, including any designee thereof, relinquishes control of the Board of Managers, all Board members, other than those members which the Sponsor or its designee have the right to appoint thereunder, must be owner-occupants of the Condominium who are not related to Sponsor or to any principal of Sponsor. In the event that the number of owner-occupants of the Condominium is insufficient to establish a majority of the Board Members, then, in such event, pursuant to the By-Laws any owner-occupant shall be entitled to one (1) seat on the Board of Managers. See the section of the Offering Plan located in Part I, titled "Rights and Obligations of Sponsor," for further details.

5. The project is currently being financed from Sponsor's own funds and construction loan financing provided by Bank of the Ozarks (hereinafter the "Construction Lender"). Pursuant to the terms of Sponsor's construction loan financing, provided Sponsor is not in default of any loan provision, the Sponsor shall have the right to sell the Units at offering prices that are not less than minimum sales prices negotiated by the Sponsor with the Construction Lender. Sponsor represents that all of the offering prices, as set forth in Schedule A located in Part I of the Offering Plan, will be above any proposed minimum sales prices negotiated by Sponsor with the Construction Lender. Further, the Construction Lender has agreed that upon the payment by Sponsor of the greater of the minimum sales or a percentage of gross or net sales proceeds from the closing of each Unit until the loans are paid in full, the Construction Lender will release the Unit closed from the lien of the Construction Lender's loans. Additionally, the Sponsor will not have the right to lease any portion of the Property without the consent of the Construction Lender.

See the sections of the Offering Plan titled "Introduction" and "Sponsor's Rights and Obligations," located in Part I of the Offering Plan for further details.

6. Upon the earlier of (i) the closing of title to all of the Units; or (ii) five (5) years from the First Unit Closing, Sponsor, including any designee thereof, will relinquish control of the Board of Managers if it has such control and will not elect a majority of its nominees for positions on the Board of Managers, even though its total percentage of Common Interest may otherwise enable it to do so. Accordingly, it is possible that Sponsor and/or its designee(s) may control the Board of Managers for as long as five (5) years from the date of the First Unit Closing. See the section of the Offering Plan located in Part I, titled "Control By Sponsor," for further details.

7. As long as the Sponsor or any Sponsor-designee shall continue to own twenty-five percent (25%) of the Common Interest allocated to the Units, but in no event for a period in excess of five (5) years from the date of the First Unit Closing, the Board of Managers may not,

without the Sponsor's or Sponsor-designee's prior written consent, (i) make any addition, alteration or improvement to the Common Elements, including but not limited to the Building's façade, or to any Unit or (ii) assess any Common Charge for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund, except that Sponsor will consent to replacements to (a) the contingency fund provided for in Schedule B of the Offering Plan for the Property to the extent that the aggregate amount of such fund does not exceed four percent (4%) of the budgeted expenses of the Condominium, and (b) the Major Capital Improvement Replacement Reserve Fund provided for in Schedule B for the Property and as required by the Federal Housing Administration and Fannie Mae guidelines, to the extent that the aggregate amount of such fund does not exceed ten percent (10%) of the budgeted expenses of the Condominium, but subject to Sponsor's right to obtain a reserve study that may justify the reduction of the requisite percentage or (iii) borrow money on behalf of the Condominium (except where necessary to perform work required by law to the extent that existing reserves are insufficient) or (iv) increase the number or change the type of employees from that described in Schedule B of the Offering Plan or (v) provide for new or additional services from those indicated in Schedule B of the Offering Plan, unless the annual cost of all other services being provided is no greater than the total cost of those provided for in Schedule B. However, notwithstanding these restrictions, the Sponsor or Sponsor-designee shall not withhold its consent to the making of capital repairs to the Common Elements or assessment of any Common Charge for expenses required to comply with applicable law or regulation, to remedy any notice of violation or to remedy any work ordered by an insurer. See the section of the Offering Plan located in Part I, titled, "Control By Sponsor," for further details.

8. Pursuant to the Offering Plan, one of Purchaser's costs of closing title to his or her Unit shall be the payment of the cost of fee title insurance which, if requested by Purchaser, Sponsor shall order on Purchaser's behalf from Madison Mahwah Abstract. However, notwithstanding anything herein to the contrary, Purchaser may elect to obtain title insurance and/or a title report from any other title insurance company and/or abstract company. There shall be no additional cost if Purchaser elects to obtain title insurance from another title insurance company and/or abstract company. See the section titled, "Unit Closing Costs and Adjustments" located in Part I of the Offering Plan for further details.

9. At the time the Offering Plan is accepted for filing, the Sponsor will be financially capable of performing Sponsor's obligations. However, no bond or other security has been furnished to secure the performance of the Sponsor's obligations, and in the event that Sponsor is unable to perform its obligations pursuant to the Offering Plan, Sponsor shall cease all sales activity and amend the Offering Plan to disclose its current financial condition. The amendment will also provide that Purchasers, who are not then in default, will be given, for a period of fifteen (15) days after the presentation of the amendment, a right to rescind their Purchase Agreement by written notice to Sponsor and be refunded, except as provided for in the Plan, all monies paid thereunder, with any interest earned thereon. However, such rescission, as to a Purchaser who first became an occupant of the Building pursuant to a Purchase Agreement, will be conditioned on the cancellation of any interim use and occupancy agreement and surrender of possession of his Residential Unit within fifteen (15) days thereafter. For a further discussion

please consult the section of the Offering Plan located in Part I, titled “Rights and Obligations of Sponsor”.

10. As set forth in the section of the Offering Plan titled “Procedure to Purchase,” **although a Purchaser may obtain financing from a lending institution or any other source, his or her obligation to purchase a Unit pursuant to the Purchase Agreement shall not be contingent on obtaining financing for such purchase.** Neither the Sponsor nor the Selling Agent makes any representations as to the terms or availability of any mortgage financing. Prospective Purchasers are, therefore, advised to consult with a lending institution and finalize their financing arrangements before signing a Purchase Agreement. However, prospective Purchasers should be aware that even if a loan commitment is obtained, its term may be fixed, and it could expire before the closing of title to the Unit. The failure of a Purchaser to obtain financing will not relieve a Purchaser from his or her obligations under the Purchase Agreement to pay the balance of the Purchase Price when due and if payment is not made when due, including the applicable grace period, the Down Payments may be forfeited.

Notwithstanding the fact that a Purchaser’s Purchase Agreement will not be contingent upon financing, to the extent permitted by applicable Law, the provisions of the Declaration and By-Laws may comply with certain requirements of the Federal National Mortgage Association (“Fannie Mae”) and the Federal Housing Authority (“FHA”). Sponsor, at its sole cost and expense, may, but has not obligated itself, to file applications with Fannie Mae and FHA in order to have the Condominium added to a list of “approved” condominiums. There is no guaranty, assurance or obligation that Sponsor will complete said applications or satisfy the criteria for approvals, or in the event that either or both of the Fannie Mae and FHA requirements are satisfied, whether the Condominium will continue to satisfy such criteria. Purchasers should further be advised that if FHA approval is granted to the Condominium, no more than thirty percent (30%) of the total Residential Units may be encumbered by FHA securitized, guaranteed or insured loans. It shall not be a basis for a Purchaser to rescind a Purchase Agreement if for any reason, Sponsor’s application to either or both of Fannie Mae and FHA, is not submitted or approved. In addition, in accordance with the requirements of Fannie Mae and FHA, at least ten percent (10%) of the total operating budget for the First Year of Condominium operation is required to be set aside for capital expenditures and replacement reserve fund in order to fund the replacement reserves for capital expenditures and deferred maintenance (the “Reserve Contribution”), as more particularly described in “Schedule B, Projected Budget for First Year of Condominium Operation Commencing January 1, 2019,” located in Part I of the Plan, subject to Sponsor’s right to obtain a reserve study that may justify the reduction of the requisite percentage. There is no guarantee or assurance that the Reserve Contribution will be provided as a line item in the operating budget after the First Year of Condominium operation or that Purchasers will be able to obtain mortgages insured by Fannie Mae and/or FHA. The Condominium Board reserves the right, in its sole discretion (including without limitation during the time that Sponsor controls the Condominium Board) to use the Reserve Contribution towards any capital expenditures it deems appropriate. However, the Reserve Contribution can only be used for the repair and replacement of the Common Elements. Please see Article VI of the By-Laws of the Condominium set forth in Part II of the Plan for further details.

A Purchaser will be obligated to pay the balance of the total purchase price regardless of the fact that either: (i) such Purchaser fails, or is unable to obtain a satisfactory mortgage commitment, or (ii) once a satisfactory mortgage commitment has been obtained, the same either lapses, expires or is terminated. In the event that a Purchaser fails, neglects or refuses to duly pay the balance of the total purchase price for any reason, including financing problems, such Purchaser will be in default under the Purchase Agreement.

In general, see the section of the Offering Plan located in Part I, titled "Procedure to Purchase," for further details.

11. Pursuant to the terms of the Offering Plan and the Purchase Agreement contained in Part II, the Purchaser is required to pay as a closing cost the New York State Real Property Transfer Tax ("deed stamps") and the New York City Real Property Transfer Tax ("NYCRPT"). In condominium transactions, either seller or the purchaser can pay these transfer taxes. The obligation is assumed by the purchaser if such obligation is imposed on the purchaser by the terms of the sale. New York State Real Estate Transfer Taxes ("deed stamps") are currently at the rate of \$2.00 per each \$500.00 of consideration or part thereof. New York City Real Property Transfer Tax are currently equal to one percent (1%) of the purchase price with respect to the Residential Units which are sold for \$500,000.00 or less and 1.425% where the consideration is greater than \$500,000.00. For purposes of paying this tax with respect to this project, consideration also includes the amount of deed stamps and NYCRPT to be paid for the Unit as well as Purchaser's payment of Sponsor's legal fees. See the section of the Offering Plan located in Part I, titled "Unit Closing Costs and Adjustments," for further details.

In the event that the taxing authority of the City of New York determines that the conveyance of either (i) a Residential Unit together with a Storage Room, or (ii) the conveyance of more than one (1) condominium unit to the same Purchaser, is taxable at the "commercial transfer tax rates," then, in such event, the transfer tax to be paid by Purchaser shall be 1.425% of the aggregate consideration, as discussed above, where the consideration is \$500,000.00 or less, and 2.625% of the aggregate consideration when the consideration is greater than \$500,000.00. In the event that the City of New York determines additional transfer taxes are due following an audit of any closed transactions, it shall be the Purchaser's sole obligation, which shall survive the closing, to respond to and defend such audit and pay any additional tax imposed.

Under the State Tax Law, Section 1402-a, a tax of one percent (1%) of consideration (or part thereof attributable to the real property being conveyed) is payable by the grantee (Purchaser) on each conveyance of residential real property, including condominium units, where the consideration for the entire conveyance is \$1,000,000.00 or more (the "Mansion Tax"). Residential real property includes a 1 to 3 family house, an individual condominium unit and a cooperative unit that is or may be used, in whole or in part, as a personal residence. The Mansion Tax applies to conveyances occurring on or after July 1, 1989 other than conveyances pursuant to binding written contracts entered into on or before February 16, 1989. If applicable, a Purchaser under the terms of the Offering Plan shall be liable for payment of the Mansion Tax at the closing of title of the Unit being purchased. For purposes of paying this tax with respect to

this project, consideration also includes the amount of the New York City Transfer Tax and deed stamps to be paid for the Unit by Purchaser as well as Purchaser's payment of Sponsor's legal fees.

Furthermore, in the event the City or State of New York shall promulgate a new or additional real estate transfer tax that shall apply to a transaction contemplated hereunder (e.g., a City equivalent of the "Mansion Tax"), such transfer tax shall be payable solely by the Purchaser.

See the section of the Offering Plan located in Part I, titled "Unit Closing Cost and Adjustments," for further details.

12. It is a special risk of this Offering Plan that if Purchaser obtains a mortgage loan for the purchase of the Unit (the "Purchase Money Mortgage"), the Purchaser will pay to Sponsor a sum equal to the partial mortgage tax credit to which the Purchaser may be entitled pursuant to Section 339-ee(2) of the Condominium Act, which sum shall be paid as a reimbursement for the mortgage recording tax previously paid by Sponsor in connection with any existing mortgage(s), including, but not limited to Sponsor construction mortgage(s). Alternatively, Sponsor may require in its sole discretion that a Purchaser who is financing the purchase of said Unit with a Purchase Money Mortgage, to cause the lender making such loan to accept from the Sponsor an assignment of a portion of any mortgage securing the Property in an amount up to the Purchase Money Mortgage as determined by Sponsor. Upon such assignment, that portion of the Purchase Money Mortgage assigned by Sponsor, will be exempt from mortgage recording tax under Section 255 of the Real Property Tax Law. Sponsor shall be solely entitled to the benefits of such exemption and accordingly, Purchaser must pay to Sponsor an amount equal to the mortgage recording tax which would have otherwise been due in connection with the recording of the Purchase Money Mortgage.

See the section of the Offering Plan located in Part I, titled "Unit Closing Cost and Adjustments," for further details.

13. Pursuant to the terms of the Offering Plan, Sponsor may declare the Plan effective when Purchase Agreements have been signed and accepted by Sponsor for the sale of five (5) Residential Units, which represents a minimum of at least fifteen percent (15%) of the Units offered under the Plan. However, if after Sponsor declares the Offering Plan effective, all Purchase Agreements are rescinded and/or terminated prior to the date of the First Unit Closing, the Sponsor shall re-declare the Offering Plan effective, regardless of whether the Declaration of Condominium has been recorded, prior to closing on any Units. The availability of financing to Purchasers may be limited based upon such minimum sales. Purchasers should 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 to experience difficulty obtaining a loan in a building or group of buildings where the sponsor or holder of unsold shares has not sold a substantial percentage of the apartments in the building or group of buildings, which in some cases may be as high as

seventy percent (70%). Moreover, some lenders will not provide financing in a building or group of buildings where an investor other than the original sponsor has an ownership interest of ten percent (10%) or more. It also may be difficult for a purchaser to resell an apartment if prospective buyers are unable to obtain a loan due to the same minimum sales and investor ownership restrictions. See the section of the Offering Plan located in Part I, titled "Effective Date of Plan," for further details.

14. Purchasers will be required to make an initial down payment ("Initial Down Payment") upon signing a Purchase Agreement in an amount equal to fifteen percent (15%) of the total purchase price of the Unit, including the purchase price of any Storage Room, and within six (6) months after receipt of the signed Purchase Agreement from Sponsor or upon the Plan being declared effective, whichever is earlier, an additional down payment ("Additional Down Payment") equal to ten percent (10%) of the total purchase price as stated above. It is a special risk of this Offering Plan that Purchasers are required to deposit in escrow with Sponsor's Attorneys aggregate down payments of twenty-five percent (25%) of the total purchase price. 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 Down Payment equal to fifty percent (50%) of the applicable total purchase price and will not be required to make an Additional Down Payment. The requirement of this fifty percent (50%) Down Payment is also a special risk of the Offering Plan.

Sponsor shall deliver the Units as described in the Offering Plan and does not intend to perform special custom work in any Unit. However, in the event that Sponsor, in its sole and absolute discretion, agrees to perform special custom work or install any upgrades or extras at the request of a Purchaser ("Custom Work"), such agreement shall be memorialized, and such Custom Work shall be itemized, in the Purchase Agreement. Further, pursuant to the terms of the Offering Plan, the twenty-five percent (25%) or fifty percent (50%) Down Payments made by Purchaser upon signing a Purchase Agreement may be increased by the Custom Work amount agreed upon between Sponsor and Purchaser and memorialized in the Purchase Agreement. All funds received by Sponsor for such Custom Work will initially be placed in an escrow account. However, subsequent to the Offering Plan being declared effective pursuant to its terms, the escrowed funds for Custom Work may be released from the escrow account to Sponsor as long as Sponsor uses the additional escrowed funds for Custom Work. As a result, in the event a Purchaser is entitled to rescind his Purchase Agreement subsequent to the release of the additional escrowed funds, the Purchaser will not receive a refund of any such funds required for the actual costs incurred or due for any such Custom Work. Notwithstanding anything to the contrary herein, in the event Sponsor abandons the Offering Plan, Sponsor shall refund all additional escrowed funds for Custom Work to the Purchaser, notwithstanding whether any such funds have been expended or allocated to costs incurred by Sponsor. See the section of the Offering Plan located in Part I, titled "Procedure to Purchase," for further details.

15. If a Purchaser defaults under his Purchase Agreement, Sponsor shall notify Purchaser in writing of such default and advise Purchaser that he has thirty (30) days from the mailing date or

thirty (30) days after personal delivery of such notice within which to cure such default. TIME IS OF THE ESSENCE FOR THE PURCHASER TO CURE ANY DEFAULT UNDER THE PURCHASE AGREEMENT WITHIN SUCH THIRTY (30) DAY PERIOD. "Time is of the essence" means that if the default is not timely cured the Sponsor may (but is not obligated to) elect to cancel the Purchase Agreement. If Sponsor elects to cancel the Purchase Agreement, Sponsor shall notify Purchaser in writing of said cancellation and the Down Payments, together with any accrued interest, and any other amounts paid by the Purchaser for any Custom Work shall be paid over to Sponsor as and for liquidated damages and thereafter the Purchase Agreement shall become null and void. Sponsor hereby waives any right to seek specific performance in the event of a default by Purchaser.

Additionally, pursuant to the form Purchase Agreement set forth in Part II of the Offering Plan, Sponsor and Purchaser agree to keep all of the terms and conditions of the Purchase Agreement confidential. Sponsor and Purchaser agree that any information which is required to be disclosed to the parties' respective lawyers, architects/engineers, accountants, individuals who "need to know" or governmental agencies shall not be deemed to be a breach by Sponsor or Purchaser of the parties undertaking of confidentiality contained in the Purchase Agreement. Any failure by Purchaser to keep the terms and conditions of the Purchase Agreement confidential shall be a default by Purchaser, entitling Sponsor to the default remedies set forth therein. See the form Purchase Agreement located in Part II of the Offering Plan for further details.

16. If, through no fault of Sponsor, Purchaser fails for any reason to close title to his Unit on the originally scheduled Closing Date, or the Adjourned Closing Date (as defined in the form of Purchase Agreement set forth in Part II of the Offering Plan), and Sponsor does not have the right to, or elects not to, cancel this Agreement as a result of the same, (a) the adjustment for real estate taxes and Common Charges will be made as of midnight of the day preceding the originally scheduled Closing Date, regardless of when the actual closing of title occurs, and (b) Purchaser will be required to pay to Sponsor, as a reimbursement of Sponsor's higher carrying costs for the Unit by virtue of the delay, and in addition to the other payments to be made to Sponsor under this Agreement and the Plan, an amount equal to 0.03% (though such amount charged shall in no event exceed the New York State legal limit regarding the same) of the Total Purchase Price for each day starting from (and including) the originally scheduled Closing Date to (and including) the day before the actual Closing Date, plus any other applicable fees due to Sponsor and/or Sponsor's Attorneys as disclosed in the "Closing Costs and Adjustments" section located in Part I of the Offering Plan. If, through no fault of Purchaser, Sponsor postpones the originally scheduled Closing Date, these provisions shall apply to the rescheduled Closing Date if Purchaser fails for any reason to close title to his Unit on the rescheduled Closing Date.

Purchaser shall be obligated to reimburse Sponsor for any legal fees and disbursements incurred by Sponsor in defending Sponsor's rights under the Purchase Agreement, or in the event Purchaser defaults under the Purchase Agreement beyond any applicable grace period, in canceling the Purchase Agreement or otherwise enforcing either Seller's rights or Purchaser's obligations thereunder.

See the section of the Offering Plan located in Part I, titled, "Procedure to Purchase," for further details.

17. A Purchaser who is interested in acquiring the right to use a Storage Room must commit to such acquisition at the time the Purchaser signs a Purchase Agreement. Therefore, the Initial Down Payment paid under the Purchase Agreement shall include, in addition to the Initial Down Payment for the Residential Unit, fifteen percent (15%), or, if applicable as explained below, fifty percent (50%), of the Storage Room License Payment (hereinafter the amount of the down payment attributed to the Storage Room License shall be referred to as the "License Down Payment" or "License Down Payments"). Further, in addition to the Additional Down Payment for the Residential Unit, an Additional Down Payment equal to ten percent (10%) of the Storage Room License Payment is also required pursuant to the terms of the Purchase Agreement and therefore included as part of the License Down Payments. 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 Down Payment equal to fifty percent (50%) of the applicable total purchase price and will not be required to make an Additional Down Payment. If Sponsor is entitled to cancel the Purchase Agreement due to Purchaser's default, Sponsor shall also be entitled to cancel the Storage Room reservation. Sponsor will be entitled to retain the License Down Payment(s) as liquidated damages in connection with any termination of the Purchase Agreement and/or Storage Room reservation due to Purchaser's default.

If Sponsor elects to cancel the Purchase Agreement, Sponsor shall notify Purchaser in writing of said cancellation and the monies held by the Escrow Agent, but not more than twenty-five percent (25%) or, if applicable, fifty percent (50%) of the total purchase price plus any interest earned thereon, shall be paid over to the Sponsor as and for liquidated damages and thereafter the Purchase Agreement shall become null and void. Notwithstanding the above, in the event that Sponsor, in its sole and absolute discretion, agrees to perform special custom work or install any upgrades or extras at the request of a Purchaser ("Custom Work"), Sponsor may receive the actual costs incurred for any such Custom Work as a part of its liquidated damages even though the total amount of liquidated damages thereby exceeds twenty-five percent (25%) or, if applicable, fifty percent (50%) of the total purchase price.

See the section of the Offering Plan located in Part I, titled "Procedure to Purchase," for further details.

18. In accordance with section 71-a(3) of the Lien Law the Sponsor has appointed the law firm of D'Agostino, Levine, Landesman & Lederman, LLP, 345 Seventh Avenue, 23rd Floor, New York, New York 10001, telephone number (212) 564-9800, to serve as the escrow agent ("Escrow Agent") for Sponsor and Purchaser to hold all payments or monies, including, but not limited to, the Initial Down Payment, the Additional Down Payment and all License Down Payments or advances, other than the deposit for a copy of the Offering Plan, received by it from Purchasers, either directly or through its agents or employees in trust, whether received before or

after the date of Consummation of the Plan (the “Down Payment” or “Down Payments”). The Escrow Agent shall establish a special segregated escrow account or accounts at HSBC Bank N.A., located at 452 Fifth Avenue, New York, New York 10018 (the “Bank”), a bank authorized to do business in the State of New York. The escrow account is titled “D’Agostino, Levine, Landesman & Lederman, LLP, Escrow Account for 40 East End Avenue Condominium” or a similar name (the “Escrow Account”). Within five (5) business days after the Purchase Agreement is signed by all necessary parties and tendered along with the Down Payments to Escrow Agent, Escrow Agent shall place the Down Payments in the Escrow Account. Purchasers are advised that a Purchaser’s funds are insured by the Federal Deposit Insurance Corporation (“FDIC”) up to \$250,000.00 in the aggregate per account type per insured bank. If a Purchaser makes a Down Payment in excess of \$250,000.00 for the purchase of a Unit, such Down Payment will not be federally insured in excess of \$250,000.00. Additionally, if Purchaser has an additional account at the Bank, the aggregate of Purchaser’s funds at the Bank, including funds in the additional account and the Down Payment, may not be insured in excess of \$250,000.00. Therefore, if a Purchaser has an additional account at the Bank, Purchaser’s Down Payment, including a Down Payment that is less than \$250,000.00, may not be insured in part or in its entirety. Furthermore, while the Down Payment is in the non-interest bearing check portion of the Master Escrow Account, the Down Payment may not be fully federally insured, even if the Down Payment does not exceed \$250,000.00. Purchaser should consult with the FDIC website and with their attorneys to determine which part, if any, of their funds are insured by the FDIC. Sponsor and Escrow Agent make no guarantee of the solvency of the Bank. If the limits of federal bank deposit insurance change in any manner in the future, Escrow Agent will have no obligation to make any changes to the Escrow Account. See the section of the Offering Plan located in Part I, titled “Procedure to Purchase,” for further details.

19. The risk of loss from fire or other casualty with respect to the Unit shall remain with the Sponsor until the closing of title for the Unit. The Sponsor, at its sole discretion, reserves the right to either repair or restore such Unit, whereupon Purchaser shall be obligated to close without an abatement in the purchase price, or not repair or restore and grant Purchaser the right to rescind the Purchase Agreement. Notwithstanding the above, in the event that Purchaser, or one claiming by or through Purchaser, enters into possession of the Unit prior to the closing of title, then Purchaser shall bear the risk of loss or other casualty not otherwise covered by either Sponsor’s insurance or the Board’s insurance with respect to the Unit. Additionally, Purchaser shall be solely responsible for any damage to, or loss or other condition in, the Unit and Sponsor shall not be obligated to repair any damages to the Unit and/or, including but not limited to its appliances, fixtures and equipment. For further details, see the section of the Plan titled “Procedure to Purchase,” located in Part I of the Offering Plan.

The Housing Merchant Implied Warranty Law of the State of New York is not applicable to the Property since the Building will be in excess of five (5) stories. The Sponsor will promptly correct any patent defects in the construction of the Building and the Units therein, or in the installation or operation of any mechanical equipment therein, due to substantially improper workmanship or materials substantially at variance with the architectural plans and specifications, provided Sponsor is notified of such defects in writing by the Unit Owner as to

the Unit, or Limited Common Elements appurtenant thereto, affected within six (6) months from the date of closing of title to such Unit or, with respect to the General Common Elements, that Sponsor is notified by the Board of Managers within six (6) months from the later of the issuance of the first certificate of occupancy or the completion of that portion of the General Common Elements claimed to be defective. Sponsor will also correct any latent defects in the construction of the Building and the Units therein or in the installation or operation of any mechanical equipment therein due to substantially improper workmanship or materials substantially at variance with the architectural plans and specifications, provided Sponsor is notified of such defects in writing by the Unit Owner as to the Unit, or Limited Common Elements appurtenant thereto, affected within one (1) year from the date of closing of title to such Unit or, with respect to the General Common Elements, that Sponsor is notified by the Board of Managers within one (1) year from the later of the issuance of the first certificate of occupancy or the completion of that portion of the General Common Elements claimed to be defective. However, nothing herein shall be construed to limit any rights which the Attorney General may have under the Martin Act, Executive Law or any other applicable law or regulation. Notwithstanding anything contained herein to the contrary, any work shall be comparable to local standards customary in the particular trade and shall be done in accordance with all applicable codes and approved plans and specifications for the Building. See the section of the Plan titled "Rights and Obligations of Sponsor," located in Part I of the Offering Plan, for further details.

Sponsor's obligation, regardless of any limitations in the warranty or in this Offering Plan, is to construct the premises in accordance with all applicable codes and filed plans and specifications (subject to Sponsor's right to substitute anything that is of Equal or Better Quality), and any conflict between the disclaimers and the Sponsor's obligation to construct the premises in accordance with all applicable codes and filed plans and specifications shall be resolved in favor of the latter.

20. The projections of real estate taxes due for each of the Residential Units set forth in Schedule A, located in Part I of the Offering Plan, (i) for the anticipated First Year of Condominium operation; and (ii) upon 100% completion of Sponsor's construction of the Building, are estimates only. These estimates may vary due to future changes in the assessment guidelines and procedures of the Department of Finance of the City of New York and future increases in the tax rates for the City of New York. In the event such projections for real estate taxes increase due to future changes in the assessment guidelines and procedures of the Department of Finance of the City of New York and future increases in the tax rates for the City of New York, Sponsor shall amend the Plan to set forth the revised estimates. **HOWEVER, SAID AMENDMENT SHALL NOT AFFORD ANY PURCHASER THE RIGHT TO RESCIND HIS OR HER PURCHASE AGREEMENT.** Upon 100% completion of the construction by Sponsor, which is assumed to be prior to January 5, 2019 for assessment purposes, and the implementation of the post construction actual total assessment of the Property, the post construction actual assessed valuation for all of the Residential Units has been projected by Steven J. Schleider, MAI, of Metropolitan Valuation Services ("MVS"), as \$10,214,530.00. Based upon the projected completion date for the Building, this projected actual total assessment for the Property will not be effective until July 1, 2019 for the 2019/2020 tax

year. MVS has noted that the City of New York has tentatively assessed the Property at a taxable value of \$2,765,790.00 as of the January 5, 2018 taxable status date for the 2018/2019 tax year, which reflects the Building as only partially completed. MVS has opined that it is unlikely that this tentative taxable assessment will not become the final taxable assessment for the 2018/2019 tax year. Further, MVS has projected the 2018/2019 and 2019/2020 tax rates for the Residential Units to be 12.846% and 12.974%, respectively. The projected First Year of Condominium operation of January 1, 2019 – December 31, 2019 falls into the latter half of the 2018/2019 tax year and the first half of the 2019/2020 tax year. **BASED UPON: (a) THE 2018/2019 TENTATIVE TAXABLE ASSESSMENT FOR ALL THE RESIDENTIAL UNITS OF \$2,765,790.00 AND A 2018/2019 PROJECTED TAX RATE 12.846% FOR THE RESIDENTIAL UNITS, THE REAL ESTATE TAXES DUE FOR THE ENTIRE 2018/2019 TAX YEAR WOULD BE APPROXIMATELY \$355,293.38 FOR THE RESIDENTIAL UNITS, HALF OF WHICH, CORRESPONDING TO THE LATTER SIX MONTHS OF THE 2018/2019 TAX YEAR, WOULD BE \$177,646.68; AND (b) THE PROJECTED AGGREGATE 2019/2020 POST-CONSTRUCTION ACTUAL TOTAL ASSESSMENT FOR ALL THE RESIDENTIAL UNITS OF \$10,214,530.00 AND A 2019/2020 PROJECTED TAX RATE 12.974% FOR THE RESIDENTIAL UNITS, THE REAL ESTATE TAXES DUE FOR THE ENTIRE 2019/2020 TAX YEAR WOULD BE APPROXIMATELY \$1,325,233.12 FOR THE RESIDENTIAL UNITS, HALF OF WHICH, CORRESPONDING TO THE FIRST SIX MONTHS OF THE 2019/2020 TAX YEAR, WOULD BE \$662,616.54; IT IS PROJECTED THAT (c) THE REAL ESTATE TAXES DUE FOR THE PROJECTED FIRST YEAR OF CONDOMINIUM OPERATION WOULD BE APPROXIMATELY \$840,263.22 FOR THE RESIDENTIAL UNITS.**

See Notes 7 and 8 of the Notes to Schedule A, located in Part I of the Offering Plan, for a full discussion of Sponsor projections of real estate taxes.

21. On January 1, 2018, the Tax Cuts and Jobs Act of 2017 went into effect. This federal law significantly changed the previously existing Internal Revenue Code, including the taxes and deductions related to homeownership. With respect to deductions related to ownership of a Residential Unit at the Condominium, please see the tax opinion by D'Agostino, Levine, Landesman & Lederman, LLP ("Sponsor's Counsel"), set forth in the Section of Part I of the Offering Plan titled "Counsel's Income Tax Opinion Letter." As set forth therein, it is the opinion of Sponsor's Counsel that a Residential Unit Owner who itemized his deductions and whose Unit is used by him for residential purposes will, for Federal income tax purposes, be entitled to a deduction limited to \$10,000.00 (\$5,000.00 in the case of a married individual filing a separate return) for real estate taxes incurred with respect to his Unit in the year paid under Section 164 of the Internal Revenue Code, as amended. The Federal limitation on the deduction for real estate taxes applies in the aggregate to state and local income taxes paid as well. Thus, the maximum amount a Residential Unit Owner may deduct for real estate taxes and state and local income taxes combined is \$10,000.00 (\$5,000.00 in the case of a married individual filing a separate return). Though the foregoing limitation is in effect as of the date of filing of the Offering Plan, neither Sponsor nor Sponsor's Counsel make any representation as to whether the

same will be in effect, or what the Internal Revenue Code or state or local tax code will provide, at any time in the future, as such applicable law is subject to change without notice. See the section of the Offering Plan located in Part I, titled "Income Tax Deductions to Unit Owners and Tax Status of the Condominium," for further details.

22. It is a special risk of this Offering Plan that Sponsor has reserved to itself or to Sponsor's designee, their successors or assigns, all unused transferable air rights and/or development rights (hereinafter "Unused Development Rights"). As against all other Unit Owners and the Board of Managers, and any mortgagees thereof, the Sponsor, or Sponsor's designee, their successors or assigns, shall have the exclusive right to cause any part or all Unused Development Rights pertaining to the Property to be conveyed, transferred or otherwise assigned to any other adjoining premises, "zoning lot," "development" or "enlargement" as those prior three terms are now defined in the Zoning Resolution of the City of New York, as amended.

As a result of Sponsor's reservation of Unused Development Rights, the floor area of the Building is limited and may not be expanded. Additionally, the transfer of such Unused Development Rights to adjoining premises may allow the owner of an adjoining premises to build a bigger and/or taller structure than permitted as of right under the Zoning Resolution and therefore block views of the Units being offered pursuant to the Offering Plan.

Based upon the Building Plans, upon construction of the Building, approximately 370 square feet of Unused Development Rights pertaining to the Property will remain. Additionally, if the floor area ratio for the zoning district changes in the future, such change may create excess transferable development rights and/or air rights at that time. Until such time that the floor area ratio for the applicable zoning district changes, it is not possible for Sponsor to represent the maximum amount of additional excess development rights and/or air rights that would be generated or how many stories that may be added to the adjoining properties.

Further, Sponsor and Sponsor's designee have bound themselves, and their successors or assigns, from transferring Unused Development Rights, if such transfer, assignment or surrender shall (i) make illegal the erection, existence or restoration or use of the Building at the time of the recordation of the Condominium Declaration, or (ii) as will allow any party, including Sponsor or Sponsor's designee as the holder of Unsold Units, to build on or directly above the land and/or expand the Building. However, with regard to (ii) above, the Sponsor or Sponsor's designee, their successors or assigns, may transfer in whole or in part any Unused Development Rights to the Board of Managers of the Condominium subsequent to Sponsor relinquishing control of the Board of Managers. In such event, any construction by the Condominium shall (i) not increase the number of Units in the Building; (ii) be limited in scope to a minor alteration to a Unit and/or the Building; (iii) not have any material impact on the operating budget of the Condominium; (iv) not impact the Percentage of Common Elements allocated to any of the Units; and (v) be made only in accordance with the Condominium's Declaration and By-Laws, all applicable law, including the requirements of 13 NYCRR 20.3(a) of the Attorney General's Regulations.

At the closing of title to a Unit, Purchasers shall appoint the Sponsor and/or Sponsor's designee, their successors or assigns, as their attorney-in-fact, to sign any document to effectuate the transfer, assignment or conveyance by Sponsor, Sponsor's designee and/or their successors or assigns, in whole or part, of the Unused Development Rights which Sponsor has retained for itself or for Sponsor's designee, their successors or assigns.

Failure of the Unit Owners and Board of Managers to comply with the terms of the Condominium Declaration shall result in liquidated damages payable by the Board of Managers to the Sponsor, Sponsor's designee and/or their successors and assigns, as the case may be, in an amount equal to the purchase price to be paid to Sponsor, Sponsor's designee and/or their successors and assigns for the transfer, assignment or surrender of such Unused Development Rights.

See the section of the Offering Plan titled, "Reservation of Air and Development Rights," located in Part I of the Offering Plan for further details.

23. Construction is a complicated process requiring the coordination of numerous tasks, contractors, and suppliers and the balancing of complex mechanical and architectural systems. It is both customary and anticipated that certain issues will arise during the course of the construction process that warrant the taking of corrective action, including the repair or replacement or construction defects in order to satisfy Sponsor's obligations under the Offering Plan. No assurance can be given with regard to the accuracy of any projected completion dates set forth herein. It is anticipated that construction workers and related personnel will be at the Building from time to time, making adjustments, corrections, and otherwise completing construction of the Building. During this period, Purchasers should be aware that there may be increased levels of noise, traffic (pedestrian and vehicular), and smells, and that various Building systems, including water supply, HVAC, and elevators, may be undergoing completion work and may need to be shut down temporarily from time to time. Adjustments to windows, elevators, and other systems may require substantial time to be completed after the First Unit Closing. Additionally, the presence of scaffolding, hoists, or construction elevator shafts or similar temporary construction facilities may delay the Closing of title to certain Residential Units or lines of Residential Units until such temporary construction facilities are removed. During the construction period, Sponsor shall provide increased site supervision and monitoring, and construction shall only be performed during those hours permitted by applicable law.

With regard to the foregoing, in executing a Purchase Agreement, Purchaser acknowledges that Sponsor shall not be liable to Purchaser or any third party, nor will Purchaser be entitled to any credit, offset, or reduction in the Purchase Price of the Residential Unit or otherwise be relieved from any obligation under the Purchase Agreement: (i) as a result of any of the conditions described above, including but not limited to interruption of services in the Building, presence of scaffolding or other temporary construction facilities, or presence of workers or continuation of construction at the Building; or (ii) in the event of non-completion of any item on construction on any projected date. See the section of the Offering Plan located in Part I, titled "Rights and Obligations of Sponsor," for further details.

24. Prospective Purchasers are advised that for a period following the First Unit Closing, some of the services and facilities described in the Plan (such as a full staff of building personnel, the Storage Rooms, the bicycle storage room, the fitness center, game room, library, lounge, and common kitchen) may not be immediately available during the First Year of Condominium operation. These services will be available no later than twelve (12) months from the First Unit Closing. However, at all times after the First Unit Closing of any Residential Unit, the lobby will be attended twenty-four (24) hours a day, seven (7) days a week. The interim level of staffing will at all times be adequate to maintain the Building during this period. Though the Condominium's projected budget set forth in Schedule B in Part I hereof assumes a fully operational building, the actual costs of operation for the First Year of Condominium operation may or may not be lower than as projected in Schedule B in the event the services and facilities described herein are not immediately available. Though Sponsor makes no warranty or representation with respect to the foregoing, in the event of such delay, it is not anticipated that the budget will need to be increased as a result of the commencement of such services or availability of such facilities. See the section of the Plan titled "Notes to Schedule B" in Part I of the Offering Plan for further details.

25. It is a special risk of this Offering Plan that there are Lot-Line Windows on portions of the north façade of the Building (collectively "Lot-Line Windows"). Specifically, the following Units have Lot-Line Windows:

<u>Unit</u>	<u>Location</u>
7A	Master Bathroom
8A	Master Bathroom
9A	Master Bathroom
10A	Master Bathroom
11A	Master Bathroom
12A	Master Bathroom
14A	Master Bathroom
PH15	Master Bedroom
PH16	Master Bedroom
PH17	Breakfast Room
PHA	Master Bathroom on PHA Lower Level, Great Room on PHA Upper Level

All Lot-Line Windows shall be constructed in full compliance with all applicable building codes and other regulations, shall be sprinkler protected as required by DOB, and all Units will meet the light and ventilation requirements for residential occupancy without taking the Lot-Line Windows into account. In the unlikely event that the owner of the adjacent property opposite the applicable lot line, located at 44 East End Avenue, expands or reconstructs the same such that it adjoins the Building directly in front of a Lot-Line Window, such affected Lot-Line Window will need to be sealed, and the view from such window will be blocked or otherwise obstructed. The Lot-Line Windows do not provide the legal light and air required for residential occupancy. In any circumstance, all Residential Units containing a Lot-Line Window have other

windows located at the south and/or east façades that, under the existing Building Code, will satisfy any such applicable light and air requirements. The Lot-Line Windows provide supplementary light and air only, and the sealing of any or all of the Lot-Line Windows will not affect the validity of the certificate of occupancy.

In the event that any or all of the Lot-Line Windows must be sealed, it is customary for the adjacent property owner whose construction caused the necessity of sealing, to bear the responsibility of the cost and expense of the same. Should this not be the case, all construction to enclose the windows shall be performed by the Sponsor, at its sole cost and expense, during the time period that Sponsor controls the Board of Managers of the Condominium, or after such control period, by the Board of Managers of the Condominium, as a Common Expense of all Unit Owners.

See the section of the Offering Plan in Part I titled "Description of Property and Improvements" for further details.

26. The elevator foyer and adjacent corridor on each of the Penthouse Floors shall be a part of the sole Unit occupying that floor. The Building Code of the City of New York mandates that the elevator foyer on each of the Penthouse Floors shall be enclosed with fire doors on each side of such foyer (the "Interior Fire Doors"), which are further described in the "Description of Property and Specifications" in Part II hereof. It is a special risk that the Unit Owner of each of the Penthouse Units shall not remove, disable, or otherwise tamper with the Interior Fire Doors, which shall be a part of his or her respective Unit, and shall be responsible for the upkeep and maintenance thereof at his or her sole cost and expense. Notwithstanding anything to the contrary herein, on each of the Penthouse Floors, the two (2) fire doors between the common stairways and the respective Unit's corridor adjacent thereto shall be General Common Elements for which the Condominium shall be responsible for the cost of the upkeep and maintenance thereof. See the section of the Offering Plan in Part I titled "Description of Property and Improvements" for further details.

27. 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 the Purchaser's Unit, to expressly waive any and all immunity from suit by Sponsor and/or the Board of Managers of the Condominium. Such Purchasers at closing will be required to sign the "Waiver of Diplomatic or Sovereign Immunity and Consent to Jurisdiction" set forth as Exhibit "B" to the Purchase Agreement which is included in Part II of the Offering Plan. See the section of the Offering Plan titled, "Procedure to Purchase," located in Part I for further details.

28. Sponsor notes that Local Law 10 of 1981 requires an elevator inspection to be made by September 15th of each year by an insurance company, elevator maintenance company, elevator manufacturer or elevator inspection company, and that a report be filed with the Department of Buildings of the City of New York within ten (10) days after delivery of such report to the owner. Failure to comply will result in a civil monetary penalty levied against the owner.

Sponsor shall not be responsible for having such inspection or report made unless Sponsor controls the Board of Managers at the time such inspection report is due. However, even though the Sponsor is in control of the Board of Managers, the cost of such inspection report will be a Common Expense of the Condominium. Subsequent to Sponsor relinquishing control of the Board of Managers, the Board of Managers on behalf of all the Residential Unit Owners shall be responsible for obtaining the requisite inspections for the passenger elevator and the cost of such inspections shall continue to be a Common Expense.

Amendments to the high-rise façade safety statute (formerly known as Local Law 10 of 1980, later known as Local Law 11 of 1998, and now known as the Façade Inspection Safety Program, or “FISP”) passed by the City Council and signed by the Mayor of New York City require professional engineers or registered architects to advise the Buildings Department of the City of New York and the owner of a property of any unsafe condition in a building’s exterior walls revealed during a FISP inspection. The amendments also subject all exterior walls to be inspected; previously, only walls fronting on a street were affected by the law. The revised law also calls for a certification by the registered professional that a wall is either safe or unsafe; the latter declaration by the professional means that an immediately hazardous condition exists and must be corrected within thirty (30) days with the option of a ninety (90) day extension upon application to the Buildings Department. A building is considered either safe with no further action necessary, or fit, but in a condition that warrants a repair and/or maintenance program. In the latter case, the condition must be corrected during the five (5) year period between mandatory inspections. As a result of the new construction of the Building, the completed Building will require regular five (5) year inspections in accordance with FISP. The first inspection will be required five (5) years after the issuance of the first temporary certificate of occupancy for the Building. Thereafter, the Building must be inspected in accordance with FISP’s five (5) year cycle.

It is a special risk of the offering that although not budgeted for the First Year of Condominium operation, the cost of any future additional inspections, if any, required by FISP and any amendments thereto, shall be a Common Expense of all of the Residential Unit Owners. See the Notes to Schedule B located in Part I of the Offering Plan for further details.

29. Pursuant to the Geographic Targeting Order issued on January 6, 2016 (as revised and as may be further revised from time to time, the “Order”) by the Director of the United States Department of the Treasury’s Financial Crimes Enforcement Network (“FinCEN”), title companies are now required to collect and report information regarding purchasers in transactions where: (1) the purchaser is a “Legal Entity” as defined in the Order; (2) the purchaser purchases residential real property located in the Boroughs of Brooklyn, Queens, Bronx, Manhattan, or Staten Island; (3) the total purchase price is in excess of \$3,000,000.00 in the Borough of Manhattan or the total purchase price is in excess of \$1,500,000.00 in the Boroughs of Brooklyn, Queens, Bronx or Staten Island; (4) the purchaser does not obtain a bank loan or similar form of external financing; and (5) the purchase is made, at least in part, using currency or a cashier’s check, a certified check, a traveler’s check, a personal check, a business check, or a money order in any form, or a funds transfer. The Order affects all residential real

property closings occurring on or after March 1, 2016 and until the expiration of the effective period of such Order, i.e., March 20, 2018, which date is subject to change by FinCEN. See the section of the Offering Plan located in Part I, titled "Procedure to Purchase," for further details

30. Prospective Purchasers of a Storage Room are advised that the construction of a Storage Room may or may not be completed prior to the closing date of a particular Residential Unit. In such event, the Purchaser of a Residential Unit shall be required to close title to his or her Residential Unit and Storage Room License regardless of the fact that the Storage Room is not completed and available for use by such Residential Unit Owner. However, that portion of the total purchase price of the Unit allocated to the Storage Room, if any, will be held in escrow by Sponsor's Attorneys until the date that the Storage Room is made available for Purchaser's use. Sponsor intends to complete the construction of all of the Storage Rooms prior to the issuance of the Temporary Certificate of Occupancy for all of the Residential Units in the Building.

Additionally, Purchasers should note that the Storage Rooms are General Common Elements of the Condominium. Each Storage Room will be sold as a license, not as a fee interest, and will be made available for the exclusive use of an individual Residential Unit Owner pursuant to a Storage Room License. It shall be in the sole discretion of Sponsor as to which Purchasers will be allowed to purchase a Storage Room License and whether a Purchaser will be allowed to purchase more than one (1) Storage Room License. Storage Room Licenses will not be sold on a first come, first served basis, but at the sole discretion of Sponsor. The Storage Room License Payment (as defined in the form Purchase Agreement set forth in Part II of the Plan) is deemed additional consideration for the Residential Unit being purchased and will thus be aggregated with the Purchase Price for the Residential Unit for the purpose of computing any applicable transfer taxes. A reservation and a fifteen percent (15%) or, if applicable, a fifty percent (50%) License Down Payment for the right to enter into a Storage Room License Agreement must be made at the time a Purchaser signs a Purchase Agreement for a Residential Unit. For Purchasers who are required to make a fifteen percent (15%) License Down Payment, an additional ten percent (10%) License Down Payment will also be required pursuant to the terms of the form Purchase Agreement set forth in Part II of the Offering Plan.

During the First Year of Condominium operation, each Unit Owner who enters into a Storage Room License Agreement will not be required to pay a monthly Storage Room License Fee to the Board of Managers at the inception of the Storage Room License Agreement. However, notwithstanding anything to the contrary herein, subsequent to the First Year of Condominium operation, the Board of Managers reserves the right to establish, and to charge to each Storage Room Licensee, a monthly Storage Room License Fee, which may be increased annually thereafter by the Board of Managers in its sole discretion, but based on the cost of maintenance and operation of the cellar storage area and all Storage Rooms located therein. For avoidance of doubt, as to any unsold Storage Room Licenses, Sponsor will not be required to pay Storage Room License Fees.

See the form of Storage Room License Agreement in Part II of the Plan for more details.

Pursuant to the Condominium Declaration and By-Laws, the future assignment or rental of any Storage Room owned by Sponsor or a Sponsor-designee does not require the ownership by Sponsor or a Sponsor-designee of a Residential Unit. However, the future assignment or rental of a Storage Room owned by any other Unit Owner, other than the Sponsor or a Sponsor-designee, requires the simultaneous ownership by such Unit Owner of a Residential Unit.

31. The approximate gross square footage of all Units other than Penthouse Units (as defined below) is measured horizontally on their respective floor or floors from the exterior side of the glass or the exterior side of the exterior walls of the Building to the centerline of the interior walls and partitions separating one Unit from another Unit, or the exterior side facing Common Elements of the interior walls and partitions separating a Unit from common corridors, common stairways, common elevators and elevator shafts, mechanical equipment spaces, and other Common Elements. Columns, mechanical pipes, shafts, shaftways, chases, chaseways, and conduits (whether located within the Unit or along the perimeter of the Unit) are included in the approximate gross square foot area of these Units; however, common corridors, common stairways, common elevators and elevator shafts, mechanical equipment spaces, and other Common Elements located outside of these Units are not included in the square footage calculations for these Units.

The approximate gross square footage of Units PH15, PH16, PH17, and PHA (each, a "Penthouse Unit" and collectively, "Penthouse Units") is measured horizontally on their respective floor or floors from the exterior side of the glass or the exterior side of the exterior walls of the Building to the exterior side of the glass or the exterior side of the exterior walls of the Building, or the exterior side facing Common Elements of the interior walls and partitions separating a Penthouse Unit from common stairways, common elevators and elevator shafts, mechanical equipment spaces, and other Common Elements. Columns, mechanical pipes, shafts, shaftways, chases, chaseways, and conduits (whether located within the Unit or along the perimeter of the Unit) are included in the approximate gross square foot area of these Units; however, common stairways, common elevators and elevator shafts, mechanical equipment spaces, and other Common Elements located outside of these Units are not included in the square footage calculations for these Units.

As set forth above, the approximate square footage of a Unit set forth on the Floor Plans and on Schedule A is an approximate gross square footage of the Unit, which is greater than the approximate square footage of a Unit measured by using the legal definition of the Unit which appears in the Declaration of the Condominium in Part II of the Plan. As is customary in New York City, these approximate gross square footages substantially exceed the useable floor area of each Unit.

The approximate exterior private terrace and private garden areas are measured from the exterior face of the Unit wall to the exterior side of the walls, railings, or fencing delineating such areas, as may be applicable.

The approximate square footage of the Storage Rooms is measured horizontally from the exposed, interior face of the wall (or, if applicable, column) at the perimeter of the Storage Room to the exposed, interior face of the opposite wall (or, if applicable, column) at the perimeter of the Storage Room.

Any floor layout, plan or sketch shown to a prospective Purchaser is only an approximation of the square foot area and layout of the Unit in question and shall be subject to normal construction variances and tolerances. However, any material change will be set forth in an amendment to the Plan, and no material adverse change will be made in the size, configuration, or layout of a Unit for which a Purchase Agreement has been countersigned by Sponsor and returned to the Purchaser unless the same is dictated by construction conditions at the Property, and in such event, Sponsor will, in the amendment disclosing such change and delivered to Purchasers, offer the affected Purchaser(s) the right, for at least fifteen (15) days, to rescind their Purchase Agreements and receive a refund of their Down Payments, together with all interest earned thereon. There shall be a rebuttable presumption that a reduction in square foot area by five percent (5%) or less is not material.

Further, please note that the ceiling heights for the Units and/or Common Elements as set forth in the "Description of Property and Specifications" in Part II of the Offering Plan are approximate and may vary in certain areas due to field conditions at the Property.

32. Notwithstanding anything in the Offering Plan to the contrary, until title to all Units has been conveyed, the Sponsor or its designee as the owner of any Unsold Units, may delay the commencement of Common Charges and decide that all Unit Owners will, at Sponsor's or Sponsor's designee's sole option and discretion, pay in lieu of payment of each Unit's Common Charges, provided that such "in lieu" payments are less than the Common Charges then due, an amount which equals each Unit's proportionate share (based upon each Unit's Percentage Common Interest) of the total cost necessary to operate the Condominium with the services to be provided under the Offering Plan.

In the event that Sponsor or its designee as the owner of all Unsold Units elects to have all Unit Owners make in lieu payments, Sponsor or its designee shall (i) file an amendment to the Offering Plan prior to the First Unit Closing indicating that the collection of Common Charges will not commence with the beginning of Condominium operations and the anticipated length of

such delay period; (ii) file an amendment to the Offering Plan disclosing the expiration of the delay period at least thirty (30) days prior to such expiration; (iii) during any such delay period timely pay all expenses of the Condominium out of the aggregate in lieu payments, including, but not limited to, insurance premiums; (iv) pay from Sponsor's funds any reserve fund payments required by Sponsor's lenders; and (v) remain obligated to update the budget for the Condominium, as provided in the governing regulations. Additionally, Sponsor represents that upon commencement of the collection of Common Charges, and during the period that Sponsor controls the Board of Managers, there will not be an assessment for any item set forth in the approved Budget of the Condominium. Purchasers should note that during a period of delay in commencement of collection of Common Charges, any expenses that are the responsibility of individual Unit Owners, including but not limited to payment of electric bills and real estate taxes, shall continue to be the sole responsibility of such individual Unit Owners. See the section of the Offering Plan located in Part I, titled "Rights and Obligations of Sponsor," for further details.

33. It is a special risk of this Offering Plan that the Sponsor, at Sponsor's sole cost and expense, will obtain, prior to the closing of a particular Unit, the issuance of a temporary or permanent Certificate of Occupancy for the Unit closed. Sponsor shall complete construction and obtain a permanent Certificate of Occupancy for the entire project within two (2) years subsequent to the First Unit Closing or at such sooner time as the temporary Certificate of Occupancy, as same may be renewed, replaced or extended, expires. If, at the time of closing of title to a Residential Unit Sponsor has only obtained a temporary "Class A" residential Certificate of Occupancy covering such Unit, then Sponsor shall place in escrow with its attorney an amount, as determined by an architect chosen by Sponsor, which is sufficient in such architect's opinion to cover the cost of obtaining a permanent "Class A" residential Certificate of Occupancy covering that Unit. Such escrow amount shall be released to Sponsor or its designee upon the obtaining of a permanent "Class A" residential Certificate of Occupancy covering such Unit or the Building. Alternatively, the Sponsor shall have the option of either depositing with an escrow agent an unconditional, irrevocable letter of credit in the amount determined by Sponsor's architect or posting a surety bond in the amount so determined.

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

for sponsors to commence unit closings when some or all units are covered by a TCO rather than an FCO. Sponsor anticipates this scenario may occur. Sponsor will undertake the responsibility for extending each TCO received prior to expiration thereof, and ultimately for obtaining an FCO covering the entire Building within two (2) years from the date of issuance of the first TCO, subject, however, to (i) force majeure, (ii) actions by Unit Owners or tenants of Unit Owners, (iii) work undertaken in a Unit by a Unit Owner, except in instances where Sponsor or the Board of Managers, if controlled by Sponsor, have given its consent to a Unit Owner to perform alterations, (iv) work undertaken in Common Elements by the Condominium Board after Sponsor no longer controls the Board of Managers or (v) any other cause over which Sponsor has no control. Sponsor and its principal make no representation or guarantee that DOB will issue the FCO within such two (2)-year period. NOTWITHSTANDING THE FOREGOING, SPONSOR IS OBLIGATED TO PROCURE THE FCO FOR THE ENTIRE BUILDING, AND SHALL USE ITS BEST EFFORTS TO OBTAIN THE FCO WITHIN SUCH TWO (2)-YEAR PERIOD WHILE KEEPING THE TCO CURRENT. Unit Owners and the Board of Managers shall be obligated to cooperate with and refrain from obstructing Sponsor in these undertakings.

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

See the section of the Offering Plan located in Part I, titled “Rights and Obligations of Sponsor,” for further details.

34. If at the time a Unit Owner seeks to perform alterations to his or her own Unit, a Permanent Certificate of Occupancy is not issued for the Building, the Unit Owner, prior to commencing any alteration, must obtain the consent of the Sponsor or its designee, which consent shall be at the sole and absolute discretion of Sponsor or its designee. The Sponsor or its designee may refuse to permit a Unit Owner to perform alterations in a Unit until such time as the Building has been completed and a Permanent Certificate of Occupancy has been obtained therefor. In furtherance thereof, a Unit Owner, who has been granted the consent by the Sponsor or its designee, to perform alterations shall indemnify Sponsor or its designee for any cost, expense, claim or liability incurred or suffered by Sponsor or its designee as a result of any violation of Law or delay in obtaining a Temporary or Permanent Certificate of Occupancy. In the event the alterations performed by a Unit Owner do adversely affect the issuance or validity of the Certificate of Occupancy, then upon the written request of Sponsor or its designee, the Unit Owner shall, at such Unit Owner’s sole cost and expense, either (a) halt pending alteration work, restore the Unit to its original condition, and close out any pending jobs as to the Unit or (b) expedite pending alteration work and promptly bring the same to a state of completion that is sufficient to cause DOB to sign off on any pending jobs as to the Unit. If such Unit Owner fails to commence diligently and continuously, restoring or completing the Unit within fifteen (15) days of receipt of the written request, then the Sponsor or its designee, as the case may be, requesting such restoration or completion shall be entitled to enter and restore or complete the Unit at the sole expense of the Unit Owner and to exercise any other remedies provided in the

By-Laws. See the section of the Offering Plan located in Part I, titled “Rights and Obligations of Sponsor,” for further details.

35. Sponsor anticipates that the First Unit Closing will occur on or about January 1, 2019. Purchasers will be afforded a right of rescission if: (i) the actual date of the First Unit Closing; or (ii) the projected date of the First Unit Closing, occurs later than December 31, 2019, twelve (12) months after the projected date of the First Unit Closing. If the Plan is amended to provide for a later projected date for the First Closing, Purchasers will be entitled to an offer of rescission if the First Closing occurs more than twelve (12) months beyond the amended, later date.

The First Year of Condominium operation is estimated to be January 1, 2019 through December 31, 2019. As in any new construction project, given the vagaries of the construction process, it is difficult to predict with precision the date Sponsor will first be able to close title to the Residential Units. Accordingly, it is a special risk of this Offering Plan that the First Residential Closing may occur sooner or later than the projected First Year of Condominium operation and closing to certain Residential Units may occur substantially before or after closings for other Residential Units.

Purchasers should note that even if the First Unit Closing occurs on or before January 1, 2019 (or, in the event Sponsor amends the Plan to disclose an updated projected date of commencement of the First Year of Condominium operation, such updated date projected at the time the Purchase Agreement was entered into) or within the twelve (12) month period thereafter, the closing of subsequent Units may be substantially delayed beyond such dates if a TCO has not been issued for such Units or for the floor on which such Units are located. In such case, provided that Sponsor is diligently pursuing completion of construction and the issuance of a certificate of occupancy and is otherwise in compliance with its obligations under the Plan, Purchaser will not be entitled to a right to rescission or to make claims against the Sponsor for damages or losses as a result of such delays and will not be excused from paying the Total Purchase Price for the Unit. PROSPECTIVE PURCHASERS SHOULD THEREFORE CAREFULLY CONSIDER THE POSSIBILITY OF SUCH DELAYS IN THEIR DETERMINATION AS TO WHETHER TO PURCHASE A UNIT.

See the Section of the Offering Plan titled “Procedure to Purchase” in Part I of the Plan for further details.

36. It is a special risk of this Offering Plan that Sponsor and its designee(s) shall have the right, until the fifth anniversary of the First Unit Closing, to use, without charge, portions of the Building, including the Common Elements, for exhibitions, events, promotional functions, but only in connection with any sales programs for Unsold Units. Such activities will result in increased traffic and noise in the Building, and may interfere with owner-occupants' enjoyment of the Building. However, in exercising this right, Sponsor shall follow all Rules and Regulations of the Condominium, which are disclosed as an addendum to the By-Laws in Part II of the Offering Plan. See the section of the Offering Plan located in Part I titled "Rights and Obligations of Sponsor" for further details.

37. Legally compliant window stops will be provided by Sponsor in all operable windows in the Residential Units. All Unit Owners must maintain the window stops in all such windows and shall not remove them unless permitted by applicable law and in any event, without the consent of the Board of Managers. With respect to child safety compliance, a Unit Owner must notify the Board of Managers in writing when a child or children under the age of eleven (11) years lives or resides (even temporarily) in the Unit. See the section of the Offering Plan located in Part I titled "Rights and Obligations of Unit Owners" for further details.

38. Certain Units have a library that may be used as a legal bedroom, if desired. Specifically, the Maisonette Unit and Unit 7A each have three bedrooms in addition to a library that may be used as a fourth bedroom; Unit 5/6C and 7/8B each have four bedrooms in addition to a library that may be used a fifth bedroom. Each aforementioned library has a window providing legal light and air and is a livable room under the Building Code, and, provided such library complies with all other applicable law, may be used for sleeping purposes. For this reason, the aforementioned libraries are counted as bedrooms in the bedroom count shown in column numbered (2) of Schedule A. Additionally, certain Units have a foyer, gallery, pantry, utility room, refuse room, and/or private storage area. Any of the aforementioned rooms is not intended for sleeping purposes, which use is not permitted under, and could result in a violation issued pursuant to, the Building Code.

The great room located at the Garden Level of the Maisonette Unit may be used for sleeping or dining purposes, as it receives sufficient legal light and air for such use. However, no other portions of the Garden Level of the Maisonette Unit may be used for sleeping or dining purposes, which use is not permitted under, and could result in a violation issued pursuant to, the Building Code. See the section of the Offering Plan titled "Description of Property and Improvements," located in Part I of the Plan for further details.

39. It is a special risk of the Offering Plan that the Storage Rooms are located on the cellar level of the Building and Sponsor cannot make any representation that the Storage Rooms will remain dry or will not experience any water infiltration and neither the Sponsor nor the Board will be responsible for any damage to items placed in the Storage Rooms. Unit Owners who place items in the Storage Rooms do so at their own risk and Purchasers are advised to consult with their insurance brokers regarding appropriate coverage for such stored items.

Any Storage Room which is licensed by a Residential Unit Owner may be used for any lawful use which is accessory to the residential use of the Unit, including, but not limited to, the storage of personal effects of the Residential Unit Owner, provided that no stored article or material that shall pose a threat to the health or safety of the Unit Owners or other occupants or tenants of the Building or shall otherwise create a nuisance shall be permitted to be brought into or stored in said Storage Room by any Residential Unit Owner. In no event may a Storage Room be used for sleeping or dining purposes, which use is not permitted under, and could result in a violation issued pursuant to, the Building Code. See the section of the Offering Plan located in Part I, titled "Introduction," for further details.

40. In addition to Sponsor, the individual principal of Sponsor is required by the Department of Law to sign the Certification by Sponsor and Sponsor's Principal (the "Certification") set forth in Part II of the Plan, solely in connection with enforcement by the Department of Law of Article 23-A of the General Business Law (the "Martin Act"). The principal of Sponsor who has signed the Certification expressly disclaims the existence of any private right of action in connection with or arising from his signing of the Certification. As decided by the unanimous appeals court in the recent case entitled 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), Appellate Division, First Department, individual principals of a sponsor are not personally liable for claims (as described in the case and pleadings) by individual unit owners or the Condominium Board to the extent such claims are premised solely on alleged violations of an offering plan and the certification of sponsor and principals contained in the offering plan, absent liability under another statute or under an alter-ego or other veil-piercing theory. See the section of the Offering Plan located in Part I, titled "General," for further details.

41. The construction of the Building by Sponsor shall include additional permitted floor area which has resulted from the construction of off-site Affordable Housing located at 321-323 East 60th Street, New York, New York (the "Transferor's Property"). Pursuant to the Inclusionary Housing Program, as set forth in Sections 23-90 through 23-962 of the Zoning Resolution of the City of New York, as amended, the construction of the improvements at Transferor's Property has generated approximately 12,842 square feet of additional floor area development rights (the "Floor Area Bonus") which Sponsor contracted to purchase from the owner of Transferor's Property, and which have been transferred to Sponsor for use at the Property that is the subject of this Offering Plan, as evidenced by a Completion Notice – Certificate of Floor Area Compensation Transfer (the "Certificate of Transfer") issued by the Department of Housing Preservation and Development of the City of New York as of November 14, 2017. A copy of the Certificate of Transfer is set forth in Part II of the Offering Plan. The Floor Area Bonus has been incorporated as part of the new building permits obtained by Sponsor. See the section of the Offering Plan located in Part I, titled "Introduction," for further details.

42. Pursuant to a Zoning Lot Development and Easement Agreement between Sponsor and 554 E 82nd Associates LLC ("Lot 31 Owner"), the owner of the property immediately north of the Premises known as Lot 31 in Block 1578 on the Tax Map of the City of New York, with an address of 554 East 82nd Street, New York, New York ("Lot 31"), dated June 30, 2015 and

recorded on July 20, 2015 as CRFN 2015000248949 in the New York County office of the Office of the City Register (the "ZLDA"), the Lot 31 Owner granted Sponsor certain Excess Development Rights comprising approximately 7,130 square feet as of the date of the ZLDA, that Sponsor plans to utilize in its construction of the Building. The Declaration of Condominium shall be subject to the provisions of the ZLDA, and upon submission of the Premises to condominium ownership, the Board of Managers of the Condominium shall assume the obligations of Sponsor thereunder.

As evidenced by a Declaration of Zoning Lot Restrictions filed by Sponsor and the Lot 31 Owner, dated June 30, 2015 and recorded on July 20, 2015 as CRFN 2015000248954 in the aforementioned Office of the City Register, the Premises, which is known as Lot 23 on the Tax Map, and Lot 31 now form a combined zoning lot.

Purchasers are referred to Part II of the Plan, where the terms of the ZLDA and the Declaration of Zoning Lot Restrictions are set forth in their entirety.

43. No person may carry or smoke any kind of lighted pipe, cigar, cigarette, tobacco, or any other lighted smoking apparatus, equipment or product, including but not limited to electronic cigarettes, in any area of the Building, whether indoor or outdoor, at any time. For clarification of doubt, smoking shall be prohibited in all common areas of the Building as well as in all Units and Limited Common Elements appurtenant thereto, including any private terrace and/or garden. This paragraph shall be deemed to be incorporated into the Purchase Agreement for each Unit. See the section of the Offering Plan titled "Rights and Obligations of Unit Owners," located in Part I hereof, for further details.

44. As set forth in the Purchase Agreement and the By-Laws, a Unit Owner who acquired his Unit from Sponsor ("Sponsor Sale") is prohibited from (a) listing the Unit for sale with any broker or placing or authorizing any listing in any broker's listing system or other listing service or from otherwise advertising or otherwise, offering, promoting or publicizing the availability of the Unit for sale for twelve (12) months after Closing, without Sponsor's prior written consent, which consent may be withheld, conditioned, or delayed in Sponsor's sole and absolute discretion; or (b) entering into a contract or other agreement for the sale of the Unit or reselling the Unit prior to the first anniversary of the Closing of the Sponsor Sale ("Resale"), except to such Residential Unit Owner's family member(s), or a trust for the benefit of such family member(s) or to an entity or individual that owns more than fifty percent (50%) of the legal and beneficial interest of such Unit Owner or to an entity with respect to which such Unit Owner (individual or otherwise) owns more than fifty percent (50%) of the legal and beneficial interest thereof, or to a permitted mortgagee or its nominee, who has acquired title to any Unit at a foreclosure sale of its permitted mortgage or by deed in lieu thereof delivered in a bona fide transaction. The foregoing restriction shall not apply from and after the date that Sponsor has conveyed title to all of the Units. For purposes of this clause, "family member(s)" shall mean the spouse, domestic partner, children, stepchildren, grandchildren, siblings, stepsiblings, aunts, uncles, nieces, nephews, parents, stepparents, parents-in-law and grandparents of a Unit Owner. Leasing of the Unit is permitted after closing in accordance with and subject to the provisions set

forth in the By-Laws. See the section of the Offering Plan located in Part I, titled "Rights and Obligations of Unit Owners," for further details.

45. Prior to the Closing of title to a Unit, a Purchaser is prohibited from listing the Unit for sale with any broker or placing or authorizing any listing in any broker's listing system or other listing service or from advertising or otherwise offering, promoting or publicizing the availability of the Unit for sale, without Sponsor's prior written consent, which consent may be withheld, conditioned, or delayed in Sponsor's sole and absolute discretion. Any such action by Purchaser will be deemed a material default under the Purchase Agreement, and Sponsor may, at its option, cancel the Purchase Agreement and retain, as liquidated damages, the entire Down Payment made by the Purchaser, together with any interest earned thereon. See the Purchase Agreement in Part II of the Plan for further details.

46. In no event shall the presence of any furniture, furnishings, finishes, light fixtures, equipment or decorations, wall coverings, window treatments, carpeting, built-ins, light fixtures and the like ("FFE") in any portion of the Building or Units set forth in any marketing materials, advertisements, and/or websites used in connection with the sales and marketing of the Units imply or represent that any such FFE will be located within any portion of the Building or Units. The presence of FFE in such marketing materials is for illustrative purposes only. In addition, marketing materials may use designations, labels or nomenclature to describe certain areas or rooms within Units that differ from, but are consistent with, the designations utilized on the Floor Plans of the Units set forth in Part II of the Offering Plan, including, without limitation, closets, hallways, foyers, galleries, pantries, utility rooms, private storage areas, and powder rooms; however, in no event shall any such designation, labels or nomenclatures conflict with the legally permitted uses of such areas or rooms. The use of such designations, labels or nomenclature is for marketing purposes only and does not obligate Sponsor to deliver such areas or rooms designed or fitted out in the manner depicted or implied in the marketing materials. See the section of the Offering Plan titled "Rights and Obligations of Sponsor," located in Part I hereof, for further details.

47. It is currently anticipated that the Residential Units will be delivered with natural materials (including, but not limited to, wood flooring, wood paneling, molding, and/or marble or stone surfaces, where applicable) in certain rooms, which may require special finishing and maintenance procedures in order to preserve the appearance and quality of the natural materials, and therefore, all natural materials must be maintained in accordance with the recommendations of the manufacturer thereof. Purchasers are referred to the "Description of Property and Specifications" located in Part II of the Offering Plan for details on Unit finishes. Purchasers should also note that, as natural material finishes are often cut from different sources, there may likely be variations in the tone and color of such finishes. In addition, while a Unit Owner is occupying the Residential Unit, the Unit should be environmentally controlled, as seasonally appropriate, for humidity, and the Unit's temperature should be maintained in the range of sixty-six (66) to seventy-nine (79) degrees Fahrenheit. While a Residential Unit is unoccupied, the Unit should be environmentally controlled, as seasonally appropriate, for humidity, and the temperature should be maintained in the range of sixty (60) to eighty (80) degrees Fahrenheit.

The cost of any damage resulting from a failure to abide by the provisions of this paragraph by a Residential Unit Owner or their respective family members, guests, domestic employees, agents, visitors or licensees shall be borne solely by such Residential Unit Owner. See the section of the Offering Plan located in Part I, titled "Rights and Obligations of Unit Owners," for further details.

48. As detailed in the "Description of Property and Specifications" located in Part II hereof, the Building will contain certain major mechanical equipment including, but not limited to, an emergency generator, boilers, hot water heaters, HVAC equipment, and a garbage compactor, located in the cellar, on terrace areas, or in other mechanical areas of the Building. The use and operation of such equipment may cause noise and vibration in the Building, and as a result, Residential Units, Storage Rooms, and common amenities areas may be affected. However, any such noise or vibration shall not violate the applicable Building Code. See the section of the Offering Plan titled "Introduction," located in Part I of the Plan for further details.

49. As detailed in the "Description of Property and Specifications" located in Part II hereof, Sponsor shall install an emergency generator to provide electrical power to certain Common Elements, including life-safety equipment such as the fire pump, elevators, and fire alarm system and certain non-life-safety equipment such as the booster pumps, boilers, and hot water heaters. The emergency generator is not capable of running all of the systems in the Building and does not provide power to the Units. No representation is made as to the duration of time that the emergency generator will be able to provide emergency power to such facilities of the Building in the event of a power outage. The Board of Managers, Managing Agent, and/or Sponsor have the right to operate the emergency generator as necessary, as well as to activate the same for testing from time to time. During such testing periods, Unit Owners may experience excessive noise and vibration, which may exceed applicable New York City noise requirements. See the section of the Offering Plan titled "Introduction," located in Part I of the Plan for further details.

50. Purchasers are advised that the Building is multi-family and located in an urban environment. It is common for odors and noise to travel from the exterior to the interior of the Building, and between the Units, and to carry from the Units into the Common Elements and vice versa. Sponsor is not responsible for, and makes no representations regarding and shall have no liability to Unit Owners with respect to, the level of noise or odors from outside of or within the Building or resulting from the operation of the Building or the Units. The presence or transmission of noises and odors shall not be deemed to be a construction defect. See the section of the Offering Plan titled "Introduction," located in Part I of the Plan for further details.

51. Sponsor (for so long as Sponsor owns at least one (1) Unsold Unit), the Board of Managers, the Managing Agent, and their servicemen, consultants, repairmen and/or any other party authorized by the same (each, a "Requesting Party") shall have an easement for access in and to the Units, Storage Rooms and all other Common Elements for purposes of construction, repair, refurbishment, correction, alterations, finishing, servicing (including but not limited to garbage collection) and similar work; including, but not limited to, an easement over, through, and upon the Unit PHA elevator vestibule at the roof level in order to access any mechanical roof

and bulkhead areas for purposes of maintaining, servicing, or inspecting those areas and the equipment located therein. Requests for entry by the Requesting Party shall be made in advance and such entry shall be at a time reasonably convenient to the Unit Owner. In case of an emergency, such right of entry shall be immediate, whether or not the Unit Owner is present at the time. See the section of the Offering Plan titled "Rights and Obligations of Sponsor," located in Part I hereof, for further details.

52. Certain Residential Units (namely, Units 5/6C, 7/8B, PH15, PH16, PH17, and PHA) will have one (1) or more individual private terraces which are adjacent to and directly accessed from those Units, and the Maisonette Unit will have a private rear garden which is adjacent to and directly accessed from such Unit. These private terraces and private garden will be Limited Common Elements for the exclusive use of the individual Unit Owners of the Units to which the foregoing are appurtenant. See the section of the Offering Plan titled "Description of Property and Improvements," located in Part I of the Plan for further details.

53. Pursuant to the form Purchase Agreement set forth in its entirety in Part II of the Offering Plan, Purchaser shall thereby waive trial by jury in any action, proceeding, or counterclaim involving any matter whatsoever arising out of, or in any way connected with, the Purchase Agreement or the relationship of the parties as Purchaser and Sponsor, or the right of Purchaser to any statutory relief or remedy.

INTRODUCTION

General

40 East End Ave. Associates LLC, a limited liability company formed pursuant to the laws of the State of Delaware and duly authorized to transact business in the State of New York, hereinafter the "Sponsor," presents this Plan with the intention of setting forth herein all material information relating to the conversion to Condominium ownership of the land and building being newly constructed thereon (the "Building") located at 40 East End Avenue, New York, New York. Specifically excluded from such conversion are any unused transferable air rights and/or development rights pertaining to the land and Building, which rights are being reserved by Sponsor for itself and any successors or assigns. See the section of the Plan titled "Reservation of Air and Development Rights," located hereinafter. The property consists of one (1) parcel of land which is currently one (1) tax lot on the assessment roll of the City of New York. The site is approximately 7,569 square feet, with approximately 51 feet 2 inches of frontage on East End Avenue and approximately 123 feet of frontage on East 81st Street.

The land, Building and appurtenances are hereinafter sometimes referred to as the "Premises," the "Property," and/or the "Condominium." The Plan may be amended from time to time to reflect changes in the terms of the offering when such amendment is filed with the New York State Department of Law. The Plan may be declared effective when Purchase Agreements have been both signed and accepted by Sponsor for the sale of five (5) Residential Units, which represents a minimum of at least fifteen percent (15%) of the Units offered under the Plan. However, if after Sponsor declares the Offering Plan effective, all Purchase Agreements are rescinded and/or terminated prior to the date of the First Unit Closing, the Sponsor shall re-declare the Offering Plan effective, regardless of whether the Declaration of Condominium has been recorded, prior to closing on any Units. The Plan must be declared effective when Purchase Agreements have been both signed and accepted by Sponsor for the sale of twenty-four (24) Residential Units, which represents a minimum of at least eighty percent (80%) of the Units offered under the Plan. The closing of title to any Unit may not occur until after the Plan has been declared effective and an amendment has been filed substantiating same, and the Condominium Declaration and By-Laws have been duly recorded.

All filed amendments will be served on (i) Purchasers who have signed and delivered Purchase documents to Sponsor and/or the Selling Agent, and are not in default, (ii) Unit Owners and (iii) any other offeree who is required by law to receive such amendment. Service shall be by either personal delivery, ordinary mail or registered mail. Service by personal delivery is deemed complete upon delivery. Service by mailing shall be presumed complete on the fifth day subsequent to the date of mailing.

The Condominium will be organized pursuant to Article 9B of the Real Property Law of the State of New York, as amended, commonly known as the New York Condominium Act.

The Condominium

The land, and the Building which is being newly constructed thereon, is owned by 40 East End Ave. Associates LLC, a Delaware limited liability company duly authorized to transact business in the State of New York, which acquired the Property from 40 East End LLC, by deed dated May 14, 2015 and recorded on June 2, 2015 as CRFN 2015000184973. Accordingly, 40 East End Ave. Associates LLC is the sponsor (the “Sponsor”) of this Plan.

The construction of the Building by Sponsor shall include additional permitted floor area which has resulted from the construction of off-site Affordable Housing located at 321-323 East 60th Street, New York, New York (the “Transferor’s Property”). Pursuant to the Inclusionary Housing Program, as set forth in Sections 23-90 through 23-962 of the Zoning Resolution of the City of New York, as amended, the construction of the improvements at Transferor’s Property has generated approximately 12,842 square feet of additional floor area development rights (the “Floor Area Bonus”) which Sponsor contracted to purchase from the owner of Transferor’s Property, and which have been transferred to Sponsor for use at the Property that is the subject of this Offering Plan, as evidenced by a Completion Notice – Certificate of Floor Area Compensation Transfer (the “Certificate of Transfer”) issued by the Department of Housing Preservation and Development of the City of New York as of November 14, 2017. A copy of the Certificate of Transfer is set forth in Part II of the Offering Plan. The Floor Area Bonus has been incorporated as part of the new building permits obtained by Sponsor.

Pursuant to a Zoning Lot Development and Easement Agreement between Sponsor and 554 E 82nd Associates LLC (“Lot 31 Owner”), the owner of the property immediately north of the Premises known as Lot 31 in Block 1578 on the Tax Map of the City of New York, with an address of 554 East 82nd Street, New York, New York (“Lot 31”), dated June 30, 2015 and recorded on July 20, 2015 as CRFN 2015000248949 in the New York County office of the Office of the City Register (the “ZLDA”), the Lot 31 Owner granted Sponsor certain Excess Development Rights comprising approximately 7,130 square feet as of the date of the ZLDA, that Sponsor plans to utilize in its construction of the Building. The Declaration of Condominium shall be subject to the provisions of the ZLDA, and upon submission of the Premises to condominium ownership, the Board of Managers of the Condominium shall assume the obligations of Sponsor thereunder.

As evidenced by a Declaration of Zoning Lot Restrictions filed by Sponsor and the Lot 31 Owner, dated June 30, 2015 and recorded on July 20, 2015 as CRFN 2015000248954 in the aforementioned Office of the City Register, the Premises, which is known as Lot 23 on the Tax Map, and Lot 31 now form a combined zoning lot.

Purchasers are referred to Part II of the Plan, where the terms of the ZLDA and the Declaration of Zoning Lot Restrictions are set forth in their entirety.

All of the aforementioned Residential Units are intended to be sold as condominium units in accordance with this Plan at the prices noted in Schedule A. Schedule A is located in Part I of the Offering Plan. Additionally, all of the Storage Room Licenses are intended to be sold in

accordance with this Plan at the prices noted in Schedule A-1, which is also located in Part I of the Offering Plan. These prices have been established solely by the Sponsor and are not subject to review or approval by the Department of Law or any other governmental agency.

Withholding of Units for Sale:

It is noted that although it is the intent of Sponsor that all Residential Units be offered for sale pursuant to this Offering Plan, subject to the consent of the Sponsor's Construction Lender, as defined hereinafter, Sponsor is hereby reserving the unconditional right to withhold certain Residential Units from sale. In the event the Sponsor withholds one or more of the Residential Units from sales, Sponsor shall amend the Plan to disclose which Units are being withheld. If Sponsor leases certain Residential Units to tenants and such Residential Units subsequently are offered, Sponsor shall amend the Plan, accordingly, if such Residential Units are offered subject to such tenancies and further disclose whether such previously occupied Units will be offered by Sponsor in their "as is" condition at that time. Additionally, Sponsor is hereby also reserving the unconditional right to determine which Purchasers of Residential Units will be allowed to purchase a Storage Room License and how many Storage Room Licenses are sold to an individual purchaser. A Storage Room License will only be sold by Sponsor to a Purchaser of a Residential Unit.

Sponsor's Unlimited Right to Rent Units; Effect on Resales and Financing of Units:

Although Sponsor shall make a good faith effort to sell the Residential Units to Purchasers who will occupy their Units as their personal residences ("owner-occupant"), prospective Purchasers should be aware that the decision to sell, not to sell or rent any Unit shall be made by the Sponsor based upon its evaluation of market conditions and its own financial considerations and shall be in the sole discretion of the Sponsor. Further, if Sponsor decides to do a bulk sale ten (10) or more of its Unsold Units or twenty percent (20%) or more of the total number of Units in the Building, then the transferee/purchaser shall be deemed a successor sponsor as to those Units and shall be bound by Sponsor's representation regarding its good faith efforts to sell Units. Such successor sponsor will also have the right not to sell and instead rent Units in its sole discretion based upon market conditions and its own financial considerations.

In the event that Unsold Units are not offered for sale they may be rented at such rents as the Sponsor or a Sponsor successor determines and market conditions allow. Purchasers should 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 to experience difficulty obtaining a loan in a building or group of buildings where the sponsor or holder of unsold shares has not sold a substantial percentage of the apartments in the building or group of buildings, which in some cases may be as high as seventy percent (70%). Moreover, some lenders will not provide financing in a building or group of buildings where an investor other than the original sponsor has an ownership interest of ten percent (10%) or more. It also may be difficult for a purchaser to resell an apartment if prospective buyers are unable to obtain a loan due to the same minimum sales and investor ownership restrictions. Prospective Purchasers are advised to consult with

their intended lenders/mortgage brokers with regard to the percentage of units which may be held as Unsold Units, and the lender's policies with regard to same, prior to entering into a Purchase Agreement to purchase a Unit. The decision of Sponsor or a successor Sponsor to withhold Units from sale and/or rent same may continue to apply indefinitely and may have an adverse impact on the ability of a Unit Owner to resell their Unit and/or the price which they are able to obtain for the Unit.

Control of Board of Managers and Condominium:

Sponsor intends in good faith to sell, rather than rent, the Residential Units. However, under the terms of the Offering Plan, Sponsor has reserved the unconditional right to rent, rather than sell, Units after consummation of the Offering Plan. Because the Sponsor is not limiting the conditions under which it will rent, rather than sell, Units, there is no commitment on the Sponsor's part to sell more Units than the fifteen percent (15%) of Residential Units necessary to declare the Offering Plan effective, which, here, is equal to five (5), and as a result owner-occupants may never gain effective control of the Condominium. Further, pursuant to the terms of the Offering Plan and By-Laws of the Condominium, the Board of Managers has no right to approve or reject the sale of a Unit to a prospective Purchaser and therefore there is no limit as to the number of "investor" or "non-occupant owners" of Units in the Building and therefore there always may be a substantial percentage of owners who are not residents. As stated above, this may affect a Unit Owner's ability to either resell or refinance his or her Unit, as some lenders will not provide financing in a building or group of buildings where an investor has an ownership interest of ten percent (10%) or more. However, as set forth in Article III, Section 1(c) of the By-Laws of the Condominium which are set forth in Part II of the Offering Plan, subsequent to the date that the Sponsor, including any designee thereof, relinquishes control of the Board of Managers, all Board members, other than those members which the Sponsor or its designee have the right to appoint thereunder, must be owner-occupants of the Condominium who are not related to Sponsor or to any principal of Sponsor. In the event that the number of owner-occupants of the Condominium is insufficient to establish a majority of the Board Members, then, in such event, pursuant to the By-Laws any owner-occupant shall be entitled to one (1) seat on the Board of Managers.

Sponsor's Financing of the Development of the Property:

The project is currently being financed from Sponsor's own funds and construction loan financing provided by Bank of the Ozarks (hereinafter the "Construction Lender"). Pursuant to the terms of Sponsor's construction loan financing, provided Sponsor is not in default of any loan provision, the Sponsor shall have the right to sell the Units at offering prices that are not less than minimum sales prices negotiated by the Sponsor with the Construction Lender. Sponsor represents that all of the offering prices, as set forth in Schedule A located in Part I of the Offering Plan, will be above any proposed minimum sales prices negotiated by Sponsor with the Construction Lender. Further, the Construction Lender has agreed that upon the payment by Sponsor of the greater of the minimum sales or a percentage of gross or net sales proceeds from the closing of each Unit until the loans are paid in full, the Construction Lender will release the Unit closed from the lien of the Construction Lender's loans. Additionally, the Sponsor will not

have the right to lease any portion of the Property without the consent of the Construction Lender.

New Building to be Constructed at the Property

It is the intention of Sponsor to construct a new eighteen (18) story, plus cellar and roof/bulkhead level, building (the "Building") at the Property, which Property Sponsor intends to submit to the provisions of the Condominium Laws of the State of New York. The Building will be located at the northwest corner of East End Avenue and East 81st Street and will have its principal entrance on East End Avenue. As shown on the Floor Plans, the floors of the Building are designated cellar, floor 1 (ground floor), floors 2 through 18, and roof. However, for purposes of marketing, there is no designated floor 13, and construction floor 13 has been designated as floor 14, construction floor 14 has been designated as floor PH15, construction floor 15 has been designated as floor PH16, construction floor 16 has been designated as floor PH17, construction floor 17 has been designated as floor PHA Lower Level, and construction floor 18 has been designated as floor PHA Upper Level. Collectively, floors PH15, PH16, PH17, PHA Lower Level, and PHA Upper Level shall be known as the "Penthouse Floors." All Units located on Penthouse Floors shall be known as the "Penthouse Units." Additionally, with respect to the Maisonette Unit (as defined below), for marketing purposes, the cellar level thereof may be referred to as the Garden Level and floor 1 thereof may be referred to as the Parlor Level.

The newly constructed Building shall be comprised of twenty-nine (29) residential units (the "Residential Units") plus other common elements ("Common Elements") of the Building. The Common Elements shall either be for the use of all of the Unit Owners ("General Common Elements") or for the exclusive use of one or more Unit Owners ("Limited Common Elements").

The Residential Units will be comprised of twenty-five (25) simplex Units, two (2) duplexed Units, one (1) triplexed Unit, and one (1) Unit which shall be known as the "Maisonette Unit." The Maisonette Unit will be comprised of portions of the cellar, floor 1, and floor 2, each level of which will be connected by an internal access stair as well as by an internal private elevator. Additionally, a private internal dumbwaiter, not intended for passenger use, will run between the Garden Level and Parlor Level portions of the Maisonette Unit. Each of floors 3 and 4 will contain three (3) simplex Units. Floor 5 will contain two (2) simplex Units and the lower level of one (1) duplexed Unit. Floor 6 will contain two (2) simplex Units and the upper level of the aforementioned duplexed Unit, the two levels of which will be connected by an internal access stair. Floor 7 will contain one (1) simplex Unit and the lower level of one (1) duplexed Unit. Floor 8 will contain one (1) simplex Unit and the upper level of the aforementioned duplexed Unit, the two levels of which will be connected by an internal access stair. Each of floors 9, 10, 11, 12, and 14 will contain two (2) simplex Units. Each of floors PH15, PH16, and PH17 will contain one (1) simplex Penthouse Unit. Floor PHA Lower Level will contain the lower level living space of one (1) triplexed Penthouse Unit and floor PHA Upper Level will contain the upper level living space of the aforementioned triplex Penthouse Unit, each level of which will be connected by an internal access stair which will also lead to a stair landing in such triplex Penthouse Unit at the roof level, which will provide access to a

private roof terrace appurtenant to the same Unit. Additionally, the roof level will contain an elevator vestibule, accessed by one of the common elevators, as well as an adjacent private storage area. This elevator vestibule and private storage area will be a part of Unit PHA, though such areas are not contiguous with or directly accessible from the Unit PHA stair landing.

Any internal access stair or internal private elevator or dumbwaiter, along with any related mechanical equipment, shall be deemed a part of its respective Unit.

Certain Residential Units (namely, Units 5/6C, 7/8B, PH15, PH16, PH17, and PHA) will also have one (1) or more individual private terraces which are adjacent to and directly accessed from those Units, and the Maisonette Unit will have a private rear garden which is adjacent to and directly accessed from such Unit. These private terraces and private garden will be Limited Common Elements for the exclusive use of the individual Unit Owners of the Units to which the foregoing are appurtenant.

The Building's southerly façade at certain Units will feature Juliette Balconies. Collectively, a Juliette Balcony shall consist of the following components: (a) the door that is part of the window wall system, which shall be part of the applicable Unit, and (b) the railing and slab beyond the door at the exterior of the Unit, which shall be General Common Elements. Though the Offering Plan, the Floor Plans included in Part II of Offering Plan, and any marketing descriptions or depictions may refer to these Units as having Juliette Balconies, the Juliette Balconies are an architectural feature of a decorative nature and the railing and slab component thereof shall not be stepped upon or accessed from the interior of the applicable Units.

The Common Elements located at the cellar level will include a residential storage area containing a total of twenty-nine (29) individual storage rooms (the "Storage Rooms") which will be General Common Elements of the Condominium. The Storage Rooms will be licensed by the Board of Managers of the Condominium to certain Unit Owners at the sole and absolute discretion of the Sponsor. Other than a Storage Room License held by Sponsor or a Sponsor-designee, a Storage Room may only be licensed in conjunction with the ownership of a Residential Unit. With regard to a Storage Room held by the Sponsor or a Sponsor-designee, the assignment or rental of a Storage Room held by Sponsor or a Sponsor-designee does not require the simultaneous ownership by such licensee of a Residential Unit.

Since the Storage Rooms are located at the cellar level of the Building, the Sponsor and the Board cannot make any representation that the Storage Rooms will remain dry or will not experience any water infiltration and neither the Sponsor nor the Board will be responsible for any damage to items placed in the Storage Rooms. Residential Unit Owners who place items in the Storage Rooms do so at their own risk and Unit Owners are advised to consult with their insurance brokers regarding appropriate coverage for such stored items. Residential Unit Owners must comply with Applicable Law regarding the Storage Rooms, which may be subject to periodic inspection by the Board of Managers and any City of New York and other governmental agencies having jurisdiction thereover.

Any Storage Room which is licensed by a Residential Unit Owner may be used for any lawful use which is accessory to the residential use of the Unit, including, but not limited to, the storage of personal effects of the Residential Unit Owner, provided that no stored article or material that shall pose a threat to the health or safety of the Unit Owners or other occupants or tenants of the Building or shall otherwise create a nuisance shall be permitted to be brought into or stored in said Storage Room by any Residential Unit Owner. In no event may a Storage Room be used for sleeping or dining purposes, which use is not permitted under, and could result in a violation issued pursuant to, the Building Code.

Additional Common Elements located at the cellar level will include a bicycle storage room, boiler room, gas meter room, emergency panel room, electrical meter room, water meter room, fire pump room, detention tank, elevator control room, and compactor room, as well as common corridors and stairs and the common elevator shafts and pits.

Common Elements located floor 1 will include the main residential entrance to the Building located on East End Avenue, the residential lobby and adjacent double-height lounge, the mail room, package room, dry cleaning closet, and general storage area; the elevator lobby, a refuse room, the driveway and porte-cochère at East 81st Street and the additional entrances to the Building accessed therefrom, as well as common corridors and stairs and the common elevator shafts.

Common Elements located at floor 2 will include the fitness center, game room, library, common kitchen, a refuse room, as well as common corridors and stairs and the common elevator shafts.

Common Elements located at each of floors 3, 4, 5, and 6 will include a refuse room, as well as common corridors and stairs and the common elevator shafts.

Common Elements located at floor 7 will include a mechanical area occupying a portion of the rooftop over floor 6, a refuse room, as well as common corridors and stairs and the common elevator shafts.

Common Elements located at each of floors 8, 9, 10, 11, 12, and 14 will include a refuse room, as well as common corridors and stairs and the common elevator shafts.

Common Elements located at each of floors PH15, PH16, PH17, PHA Lower Level, and PHA Upper Level will include common stairs and the common elevator shafts.

Common Elements located at or above the main roof level of the Building will include mechanical terrace space and a bulkhead containing the common elevator shafts, elevator machine room, common stairs, and various mechanical and utility equipment. Additionally, the bulkhead will contain an elevator vestibule as well as an adjacent private storage area, both of which will be a part of Unit PHA.

Other than the lounge located at floor 1 and the fitness center, game room, library, and common kitchen located at floor 2, there are no other common recreational areas or facilities at the Property. Any roofs, yards, or areaways of the Building, including, but not limited to, the mechanical terrace areas located at the main roof or other roofs of the Building, are either common areas not meant for public access or use or Limited Common Elements for the exclusive use of one of the Unit Owners. Additionally, there are no parking facilities which are part of the Property and the Building does not have balconies or terraces other than the Juliette Balconies and private terraces described above.

There will be two (2) fire staircases at the Building, which act as two (2) separate means of egress in the form of a "scissor stair," which run from the cellar level to the main roof of the Building. Additionally, there will be one (1) curved staircase connecting the lounge located at floor 1 and the library located at floor 2. The Building will have two (2) common passenger elevators, one (1) of which that will service all of the floors of the Building and one (1) of which that will service all of the floors of the Building except for the main roof level.

The individual Residential Units will be provided with a laundry closet or laundry room with individual hook-ups for one (1) electric washer and one (1) vented electric dryer or, at the sole discretion of Sponsor, for a stackable unit which is a combination thereof. The washer and dryer units are being supplied by the Sponsor as part of the Offering Plan.

Certain Units have a library that may be used as a legal bedroom, if desired. Specifically, the Maisonette Unit and Unit 7A each have three bedrooms in addition to a library that may be used as a fourth bedroom; Unit 5/6C and 7/8B each have four bedrooms in addition to a library that may be used a fifth bedroom. Each aforementioned library has a window providing legal light and air and is a livable room under the Building Code, and, provided such library complies with all other applicable law, may be used for sleeping purposes. For this reason, the aforementioned libraries are counted as bedrooms in the bedroom count shown in column numbered (2) of Schedule A. Additionally, certain Units have a foyer, gallery, pantry, utility room, refuse room, and/or private storage area. Any of the aforementioned rooms is not intended for sleeping purposes, which use is not permitted under, and could result in a violation issued pursuant to, the Building Code.

The great room located at the Garden Level of the Maisonette Unit may be used for sleeping or dining purposes, as it receives sufficient legal light and air for such use. However, no other portions of the Garden Level of the Maisonette Unit may be used for sleeping or dining purposes, which use is not permitted under, and could result in a violation issued pursuant to, the Building Code.

Unit PHA will contain a working natural gas fireplace in the Unit.

The Unit PHA private roof terrace and Maisonette Unit private garden will each have a gas-fired barbeque grill.

The Condominium shall comply with New York City Administrative Code §27-2052, et seq. by providing a full-time, non-resident superintendent, on call twenty-four (24) hours per day, to provide janitorial services to the Building.

Parts I and II of the Plan, including all Schedules, and Parts A, B, C and D of the Exhibits, constitute the entire offer of Sponsor, and contain all material terms thereof. Parts A, B, C and D of the Exhibits will be available for review without charge and for copying at a reasonable charge to prospective purchasers and their attorneys at the off-site sales office located at 744 Madison Avenue, 4th Floor, New York, New York at all times such office is open or, in the event there is no sales office, at the offices of Sponsor's Attorneys. All documents forming a part of this Offering Plan are important. It is suggested that you consult your own attorney or financial advisor before purchasing and provide him with a copy of this Offering Plan.

Features of Condominium Ownership

The Purchaser of a Residential Unit, hereinafter referred to either as a "Unit Owner" or "Residential Unit Owner," owns his Unit similarly in many respects to the manner in which a private home owner owns his home. (References to the masculine gender in the Plan shall be deemed to refer to the feminine gender or plural where the context so requires and shall be deemed to include any duly formed partnership, corporation, limited liability company, trust, estate, fiduciary, unincorporated association or any other entity permitted to own real property in the State of New York.) The Residential Unit Owner owns the Unit in fee and is entitled to the exclusive possession thereof. He is also the owner, in common with the owners of all other Units, of all remaining parts of the Property except for the Units themselves, including the land upon which the Units are built, the foundations and supports of the Building, the exterior walls and the roofs, (hereinbefore and hereinafter called "Common Elements"). Each Unit Owner's proportionate share ("Common Interest") of the Common Elements has been determined upon the basis of such Unit's floor space, location, uniqueness, overall dimensions and similar factors of relative value to other space in the Condominium. These allocations are made pursuant to Section 339-i(1)(iv) of the Real Property Law, which is part of Article 9-B of the Real Property Law of the State of New York ("the Condominium Act"). Any portion of the land or Building, other than the Units themselves, which are for the use of one or more specified Units to the exclusion of all others, are known as "Limited Common Elements." The Plan provides that individually defined private terraces and the private rear garden which are adjacent to and directly accessed from certain Residential Units shall be Limited Common Elements for the exclusive use of individual Residential Unit Owners.

A Unit Owner is privileged to mortgage his Unit generally on the terms and in such amount as he chooses. With respect to the Residential Units, the By-Laws state that a first mortgage or second mortgage shall be either with an institutional lender, the Sponsor, a family member, business associate or employer, or a selling Residential Unit Owner.

A mortgage may be made with a reputable private lender other than the Sponsor or selling Residential Unit Owner subsequent to the obtaining of the written permission of either the Sponsor, prior to Sponsor's relinquishing control of the Board of Managers, or the Board of

Managers. No Residential Unit Owner shall be permitted to encumber his Unit with a third mortgage. His Unit is not subject to the lien of any mortgages placed by other Unit Owners on their Units.

Although a Purchaser may obtain financing from a lending institution or any other source, his or her obligation to purchase a Unit pursuant to the Purchase Agreement shall not be contingent on obtaining financing for such purchase. Neither the Sponsor nor the Selling Agent makes any representations as to the terms or availability of any mortgage financing. Prospective Purchasers are, therefore, advised to consult with a lending institution and finalize their financing arrangements before signing a Purchase Agreement. However, prospective Purchasers should be aware that even if a loan commitment is obtained, its term may be fixed, and it could expire before the closing of title to the Unit. The failure of a Purchaser to obtain financing will not relieve a Purchaser from his or her obligations under the Purchase Agreement to pay the balance of the Purchase Price when due and if payment is not made when due, including the applicable grace period, the Down Payments may be forfeited.

Notwithstanding the fact that a Purchaser's Purchase Agreement will not be contingent upon financing, to the extent permitted by applicable Law, the provisions of the Declaration and By-Laws may comply with certain requirements of the Federal National Mortgage Association ("Fannie Mae") and the Federal Housing Authority ("FHA"). Sponsor, at its sole cost and expense, may, but has not obligated itself, to file applications with Fannie Mae and FHA in order to have the Condominium added to a list of "approved" condominiums. There is no guaranty, assurance or obligation that Sponsor will complete said applications or satisfy the criteria for approvals, or in the event that either or both of the Fannie Mae and FHA requirements are satisfied, whether the Condominium will continue to satisfy such criteria. Purchasers should further be advised that if FHA approval is granted to the Condominium, no more than thirty percent (30%) of the total Residential Units may be encumbered by FHA securitized, guaranteed or insured loans. It shall not be a basis for a Purchaser to rescind a Purchase Agreement if for any reason, Sponsor's application to either or both of Fannie Mae and FHA, is not submitted or approved. In addition, in accordance with the requirements of Fannie Mae and FHA, at least ten percent (10%) of the total operating budget for the First Year of Condominium operation is required to be set aside for capital expenditures and replacement reserve fund in order to fund the replacement reserves for capital expenditures and deferred maintenance (the "Reserve Contribution"), as more particularly described in "Schedule B, Projected Budget for First Year of Condominium Operation Commencing January 1, 2019," located in Part I of the Plan, subject to Sponsor's right to obtain a reserve study that may justify the reduction of the requisite percentage. There is no guarantee or assurance that the Reserve Contribution will be provided as a line item in the operating budget after the First Year of Condominium operation or that Purchasers will be able to obtain mortgages insured by Fannie Mae and/or FHA. The Condominium Board reserves the right, in its sole discretion (including without limitation during the time that Sponsor controls the Condominium Board) to use the Reserve Contribution towards any capital expenditures it deems appropriate. However, the Reserve Contribution can only be used for the repair and replacement of the Common Elements.

A Purchaser will be obligated to pay the balance of the total purchase price regardless of the fact that either: (i) such Purchaser fails, or is unable to obtain a satisfactory mortgage commitment, or (ii) once a satisfactory mortgage commitment has been obtained, the same either lapses, expires or is terminated. In the event that a Purchaser fails, neglects or refuses to duly pay the balance of the total purchase price for any reason, including financing problems, such Purchaser will be in default under the Purchase Agreement.

A Residential Unit Owner can sell or lease his Unit to anyone, without restriction or limitation, subject only to a right of first refusal by the Board of Managers of the Condominium (sometimes herein referred to as the "Condominium Board" or the "Board of Managers") at the same price and terms the Owner has been offered. Such right of first refusal is hereinafter described in the section of the Offering Plan titled "Rights and Obligations of Unit Owners." He can alter and decorate the interior of his Unit in any way he desires, subject to local codes, and he is obligated for the cost of his own interior decoration, maintenance and repair after closing. Each Unit will be taxed as a separate tax lot for real estate tax purposes and the Unit Owner will not be responsible if any of the other Unit Owners fail to pay their real estate taxes. In the opinion of counsel for the Sponsor, a Residential Unit Owner, like a home owner, may, under most circumstances, deduct from his income for income tax purposes his real estate taxes and the interest paid on the mortgage encumbering the Unit(s) owned by him, subject, however, to certain exceptions and limitations that are more particularly set forth in the Section of Part I of the Offering Plan titled "Counsel's Income Tax Opinion Letter." The Board of Managers of the Condominium will assess against each Unit Owner, in proportion to his respective percentage of Common Interest, as defined in the section of the Plan titled "Definitions," charges (hereinafter called "Common Charges") for the maintenance of the Common Elements and for the operating costs of the Property (hereinafter called "Common Expenses"), as provided in New York State Real Property Law Section 339(i) and 339-m and each Unit Owner shall be obligated to pay such Common Charges. Each Unit Owner will pay for all electricity consumed within his own Unit, the charges for which shall be separately metered.

Purchasers should note that the Storage Rooms are General Common Elements of the Condominium. Each Storage Room will be sold as a license, not as a fee interest, and will be made available for the exclusive use of an individual Residential Unit Owner pursuant to a Storage Room License. Any Residential Unit Owner assigned a Storage Room at the Building will be required to sign a Storage Room License governing the use of the Storage Room. The Storage Room License may only be assigned to a Residential Unit Owner either (i) simultaneously with such Unit Owner's acquisition of a Residential Unit, or (ii) the transfer of a Storage Room License from one Residential Unit Owner to another Residential Unit Owner. In the event a Residential Unit Owner elects to terminate a Storage Room License and does not transfer same to another Residential Unit Owner, the rights to the Storage Room in question will devolve to the Board of Managers which shall have the right to issue a new Storage Room License to another Residential Unit Owner in its sole discretion. Residential Unit Owners can only lease their respective Storage Rooms to other Residential Unit Owners in the Building after obtaining the written consent of the Board of Managers thereto. With regard to Storage Rooms held or rented by Sponsor and/or a Sponsor-designee, Sponsor and/or a Sponsor-designee may

assign and/or rent its Storage Rooms to residents or non-residents in its sole discretion without charge and without the consent of the Board of Managers of the Condominium. However, a Storage Room License will only be sold by Sponsor to a Purchaser of a Residential Unit.

In addition, the assigned Storage Room may not be completed prior to the closing date for a particular Residential Unit and the fact that a Storage Room may not be available for use at the time of the Closing will not constitute a basis for a Purchaser to fail to close title to a Residential Unit. However, that portion of the total purchase price of the Unit allocated to the Storage Room, if any, will be held in escrow by Sponsor's Attorneys until the date that the Storage Room is made available for Purchaser's use. Sponsor intends to complete the construction of all Storage Rooms prior to the issuance of the Temporary Certificate of Occupancy for all of the Residential Units in the Building. Purchaser shall also be responsible for the payment of any state and city transfer taxes due in connection with the licensing of the Storage Room, which obligation shall survive the Closing.

Since the Storage Rooms are located at the cellar level of the Building, the Sponsor and the Board cannot make any representation that the Storage Rooms will remain dry or will not experience any water infiltration and neither the Sponsor nor the Board will be responsible for any damage to items placed in the Storage Rooms. Residential Unit Owners who place items in the Storage Rooms do so at their own risk and Unit Owners are advised to consult with their insurance brokers regarding appropriate coverage for such stored items. Residential Unit Owners must comply with Applicable Law regarding the Storage Rooms, which may be subject to periodic inspection by the Board of Managers and any City of New York and other governmental agencies having jurisdiction thereover.

Any Storage Room which is licensed by a Residential Unit Owner may be used for any lawful use which is accessory to the residential use of the Unit, including, but not limited to, the storage of personal effects of the Residential Unit Owner, provided that no stored article or material that shall pose a threat to the health or safety of the Unit Owners or other occupants or tenants of the Building or shall otherwise create a nuisance shall be permitted to be brought into or stored in said Storage Room by any Residential Unit Owner. In no event may a Storage Room be used for sleeping or dining purposes, which use is not permitted under, and could result in a violation issued pursuant to, the Building Code.

During the First Year of Condominium operation, each Unit Owner who enters into a Storage Room License Agreement will not be required to pay a monthly Storage Room License Fee to the Board of Managers at the inception of the Storage Room License Agreement. However, notwithstanding anything to the contrary herein, subsequent to the First Year of Condominium operation, the Board of Managers reserves the right to establish, and to charge to each Storage Room Licensee, a monthly Storage Room License Fee, which may be increased annually thereafter by the Board of Managers in its sole discretion, but based on the cost of maintenance and operation of the cellar storage area and all Storage Rooms located therein. For avoidance of doubt, as to any unsold Storage Room Licenses, Sponsor will not be required to pay Storage Room License Fees.

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

The Board of Managers of the Condominium shall be elected by the Unit Owners with the number of votes allocated to each Unit Owner determined by their percentage of Common Interest. The Board of Managers shall have the authority to manage and administer the affairs of the Condominium, including, but not limited to, the determination of Common Charges and the adoption of Rules and Regulations covering the Condominium. Please see the section of the Offering Plan entitled "Rights and Obligations of Board of Managers/Summary of By-Laws" for further discussion.

No closing of title to a Unit may occur until the issuance of a temporary or permanent certificate of occupancy for the Unit.

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

As detailed in the "Description of Property and Specifications" located in Part II hereof, the Building will contain certain major mechanical equipment including, but not limited to, an emergency generator, boilers, hot water heaters, HVAC equipment, and a garbage compactor, located in the cellar, on terrace areas, or in other mechanical areas of the Building. The use and operation of such equipment may cause noise and vibration in the Building, and as a result, Residential Units, Storage Rooms, and common amenities areas may be affected. However, any such noise or vibration shall not violate the applicable Building Code.

As detailed in the "Description of Property and Specifications" located in Part II hereof, Sponsor shall install an emergency generator to provide electrical power to certain Common Elements, including life-safety equipment such as the fire pump, elevators, and fire alarm system and certain non-life-safety equipment such as the booster pumps, boilers, and hot water heaters. The emergency generator is not capable of running all of the systems in the Building and does not provide power to the Units. No representation is made as to the duration of time that the emergency generator will be able to provide emergency power to such facilities of the Building in the event of a power outage. The Board of Managers, Managing Agent, and/or Sponsor have the right to operate the emergency generator as necessary, as well as to activate the same for testing from time to time. During such testing periods, Unit Owners may experience excessive noise and vibration, which may exceed applicable New York City noise requirements.

Purchasers are advised that the Building is multi-family and located in an urban environment. It is common for odors and noise to travel from the exterior to the interior of the Building, and between the Units, and to carry from the Units into the Common Elements and vice versa. Sponsor is not responsible for, and makes no representations regarding and shall have to liability to Unit Owners with respect to, the level of noise or odors from outside of or within the Building or resulting from the operation of the Building or the Units. The presence or transmission of noises and odors shall not be deemed to be a construction defect.

Purchasers should note that as of the date of filing of this Offering Plan, Sponsor is working to amend the building plans filed with the Department of Buildings of the City of New York ("DOB") and approved on June 10, 2016 (the "Current DOB-Approved Plans"). The Current DOB-Approved Plans depict, among other items, a subterranean parking garage and vehicle lift running between the cellar and ground floors of the Building. Sponsor's amended building plans (the "Amended Building Plans") will show the Building as Sponsor intends to construct it, which shall match how the Building is described in this Offering Plan and shown on the Site Plan and Floor Plans included in Part II hereof. For avoidance of doubt, the subterranean parking garage, vehicle lift, and other items depicted on the Current DOB-Approved Plans but not described in this Offering Plan or shown on the Site Plan and Floor Plans included in Part II hereof, will not be constructed by Sponsor and will not be part of the Building. Sponsor shall have the obligation to (a) cause the Amended Building Plans to be filed with DOB; and (b) upon filing of the Amended Building Plans with DOB, amend this Offering Plan to disclose the same.

Purchasers are advised that for a period following the First Unit Closing, some of the services and facilities described in the Plan (such as a full staff of building personnel, the Storage Rooms, the bicycle storage room, the fitness center, game room, library, lounge, and common kitchen) may not be immediately available during the First Year of Condominium operation. These services will be available no later than twelve (12) months from the First Unit Closing. However, at all times after the First Unit Closing of any Residential Unit, the lobby will be attended twenty-four (24) hours a day, seven (7) days a week. The interim level of staffing will at all times be adequate to maintain the Building during this period. Though the Condominium's projected budget set forth in Schedule B in Part I hereof assumes a fully operational building, the actual costs of operation for the First Year of Condominium operation may or may not be lower than as projected in Schedule B in the event the services and facilities described herein are not immediately available. Though Sponsor makes no warranty or representation with respect to the foregoing, in the event of such delay, it is not anticipated that the budget will need to be increased as a result of the commencement of such services or availability of such facilities. See the section of the Plan titled "Notes to Schedule B" in Part I of the Offering Plan for further details.

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

DEFINITIONS

- | | | |
|---|---|--|
| “Appurtenant Interest” | - | With respect to any Unit, the undivided interest of the owner thereof, pursuant to the terms of Section 339-x of the Condominium Act, in and to: (i) the Common Elements; (ii) any other Units owned or leased at the time in question by the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners; (iii) any proceeds of the sale or lease of Units of the nature described in subdivision (ii) above; and (iv) any other assets of the Condominium. |
| “Assessments” | - | The charges allocated and assessed by the Board of Managers to the Unit Owners, pro rata, in accordance with their respective Common Interest, (except as otherwise provided in the Declaration or in the By-Laws). |
| “Board of Managers” or
“Condominium Board” | - | The governing board of the Condominium composed of representatives elected by Unit Owners voting in accordance with their respective percentages of Common Interest. |
| “Building” | - | The structure known as 40 East End Avenue Condominium, being newly constructed at 40 East End Avenue, New York, New York 10028. |
| “Common Charges” | - | Each Unit Owner’s proportionate share of the Common Expenses (as defined in the Condominium Documents), payable by the individual Unit Owner; |
| “Common Elements” | - | All portions of the Property other than Units. Common Elements are comprised of General Common Elements and Limited Common Elements. |
| “Common Expenses” | - | <div style="margin-left: 20px;">(a) Expenses of operation of the Property, and</div> <div style="margin-left: 20px;">(b) All sums designated Common Expenses by or pursuant to the provisions of the New York Condominium Act, the Declaration or the By-Laws.</div> |

- “Common Interest”

 - The proportionate, undivided interest in fee simple absolute in the Common Elements appertaining to each Unit as expressed in the Declaration.
- “Condominium”

 - A form of ownership of real property in which individual Units as component parts of a whole are owned in fee simple with the right of exclusive use, by separate individuals or entities, which separate individuals and/or entities jointly own those parts of the whole designated as Common Elements. In the context of this Offering Plan, “Condominium” specifically refers to 40 East End Avenue Condominium.
- “Condominium Act”

 - Article 9-B of the Real Property Law of the State of New York, as the same may be amended from time to time.
- “Condominium Documents”

 - The Declaration and all Schedules thereto, the By-Laws, the Rules and Regulations, the Floor Plans, form of Unit Deed and the form of Unit Owners Power of Attorney.
- “Consummation of the Plan”

 - Means (a) acceptance of the Amendment by the Department of Law confirming or declaring the Plan effective; (b) the recording of the Declaration of Condominium; and (c) the first transfer of title to a condominium unit to at least one (1) purchaser under the Plan following a declaration of effectiveness by the Sponsor.
- “Declaration”

 - The instrument, as may be amended from time to time, by which the Property is submitted to the provisions of the New York State Condominium Act, consistent with the provisions of the New York Condominium Act and the By-Laws.
- “Down Payment” or
“Down Payments”

 - Means all deposits, advances and payments made by Purchaser, pursuant to the Purchase Agreement, including, but not limited to, the initial down payment (“Initial Down Payment”), any additional down payment (“Additional Down Payment”), if applicable, any initial and/or additional reservation payment for a Storage Room License (“License

Down Payment”) and any other amounts paid by Purchaser for any special or custom work and/or upgrades, other than the deposit for a copy of the Offering Plan.

- “Eligible Holder”

 - A holder, insurer or guarantor of a first mortgage on a Unit.
- “Equal or Better Quality”

 - This phrase shall mean comparable or higher quality as recognized by industry standards or performance, efficiency, longevity and/or classifications, as applicable.
- “Facility” or “Facilities”

 - As used in the Declaration, the word “Facility” or “Facilities” includes, but is not limited to, the following items (grouped more or less functionally) which are set forth only for purposes of illustrating the broad scope of that term: system, equipment, apparatus, radiator, heater, convertor, heat exchanger, mechanism, device, machinery, motor, pump, control, tank or tank assembly, insulation, induction unit, condenser, compressor, fan, damper, blower, thermostat, thermometer, coil, vent, sensor, shut-off valve or other valve, gong, panel, receptacle, outlet, relay, alarm, sprinkler head, electric distribution facility, wiring, wireway, switch, switchboard, circuit breaker, transformer, fitting, siamese connection, hose, plumbing fixture, lighting fixture, other fixture, bulb, sign, telephone, meter, meter assembly, scaffolding, piping, line, duct, conduit, cable, riser, main shaft, pit, flue, lock or other hardware, rack, screen, strainer, trap, drain, catch basin, leader, filter, canopy, incinerator, closet, cabinet, door, railing, coping, step, furniture, mirror, furnishing, appurtenance, urn, basket, mailbox, carpeting, tile or other floor covering, drapery, shade or other window covering, wallpaper or other wall covering.
- “Filing”

 - Means the issuance of a letter from the Attorney General stating that an Offering Plan and/or an Amendment has been accepted for filing.
- “First Unit Closing”

 - The first closing of title with a bona fide purchaser of a Residential Unit.

“Floor Plans”

- The floor plans of the Units certified by a licensed engineer or registered architect, and filed in the Register’s Office of New York County simultaneously with the recording of the Declaration, together with any supplemental floor plans thereto.

“General Common Elements”

- The General Common Elements include, without limitation:

- (1) The land on which the Building is physically erected, including any rear or side yard or courtyard areas, if any, and all other lands comprising the Property, if any. Specifically excluded are any unused transferable air rights and/or development rights pertaining to the Land and Building, which rights are being reserved by Sponsor for itself or Sponsor’s designee and any successors or assigns thereof. Rear or side yards and/or other areaways at the Property, if any, other than the Limited Common Elements described below, are not intended for public use except for ingress or egress purposes;
- (2) To the extent they exist, all foundations, footings, columns, girders, floor slabs and concrete ceilings, beams, supports, and interior bearing walls (except to the extent included below as Limited Common Elements); those portions of the exterior walls and any insulation or framing beyond the unexposed face of the dry wall at the exterior face of the Building, or where applicable, those portions of the exterior walls beyond the interior face of the exterior walls or the concealed blockwork, brickwork or masonry or concealed structural members of those walls; those portions of the walls and partitions dividing the Units from the corridors, the elevator shafts, mechanical equipment spaces which are not part of a Unit, fire staircases and stairs located beyond the unexposed face of

the dry walls enclosing the Units, or, where applicable, the blockwork, brickwork, masonry or concrete work of the interior walls of the Building separating one Unit from another Unit, or from corridors, the elevator shafts, fire staircases, stairs, vestibules or lobbies not within a Unit; the subfloors and framing joists, if any, including any framing attached to such joists from which the dry wall ceiling of the Unit below is attached;

- (3) Roof bulkheads and roof areas which are not for the exclusive use of a particular Unit or Units, the use of which shall be at the sole discretion of the Board of Managers; skylights and/or glass enclosures, if any, other than those directly over Units;
- (4) Service corridors, fire corridors, halls, stairs, stairway areas and elevator lobbies located at all levels of the Building which are beyond the unexposed face of the dry walls or blockwork, brickwork, masonry or concrete work of the walls enclosing a Unit and are not specifically designated below as a Limited Common Element (which shall exclude the elevator foyer and adjacent corridor on each Penthouse Floor, which shall be part of the sole Unit occupying that floor);
- (5) Storage and utility areas, mechanical rooms and equipment closets, if any, located at all levels of the Building and which are not part of a Unit or which are not specifically designated below as Limited Common Elements, and are located beyond the unexposed face of the drywalls or blockwork, brickwork, masonry or concrete work enclosing a Unit; all cellar areas which are not specifically designated below as a Limited Common Element and not part of a Unit;

- (6) The sidewalks in front of the Building, including any tree, shrubbery, flower or other planting or horticulture tub or box located thereon; the service entrances to the Building, if any; the entrances to and exits from the Building, including any handicapped ramp and/or lift, if any, adjacent thereto, together with any canopies, which are not part of a particular Unit or which are not specifically designated as a Limited Common Element;
- (7) The Building's driveway and porte-cochère at East 81st Street;
- (8) The mechanical rooms or other rooms located at the cellar level of the Building, including, but not limited to, the water meter room, gas meter room, emergency panel room, fire pump room; the detention tank; the emergency generator; the gas meters, water meters, electric meters, pumps and other equipment in the cellar; any and all cellar or other areas of the Building and Facilities which are not designated as part of a Unit or a Limited Common Element;
- (9) The compactor room together with any refuse room and compactor machinery and related Facilities located at the cellar level of the Building; the refuse rooms and compactor chutes located on all floors of the Building, all of which shall be used in a manner to be determined by the Board of Managers in its sole discretion (except that each refuse room located on a Penthouse Floor shall be part of the sole Unit occupying that floor);
- (10) Except to the extent they are deemed part of a Unit, the elevators, elevator machinery, the shafts and pits; the elevator switch rooms, the elevator bulkheads and elevator machine rooms, if any, for the elevators, together

with all Facilities related thereto, located on any floor or roof of the Building;

- (11) On floor 2 of the Building, the fitness center, game room, library, and common kitchen, which shall be for the exclusive use of all of the Unit Owners in a manner to be determined by the Board of Managers. The use of the foregoing areas shall be subject to the By-Laws of the Condominium and any and all rules and regulations promulgated with regard thereto by the Board of Managers in their sole discretion;
- (12) The lobby to the Building together with the adjacent lounge, mail room and mail boxes for the Units located therein, package room, dry cleaning closet and general storage area;
- (13) The residential storage area, including any and all individual Storage Rooms located therein, located at the cellar floor of the Building. Each Storage Room shall be made available for the exclusive use of an individual Unit Owner pursuant to a Storage Room License between such Unit Owner and the Board of Managers. The use of any Storage Room shall be subject to the By-Laws of the Condominium and any and all rules and regulations promulgated with regard thereto by the Board of Managers in their sole discretion;
- (14) The bicycle storage room located at the cellar level which shall be for the exclusive use of all of the Unit Owners in a manner to be determined by the Board of Managers. The use of the bicycle storage room shall be subject to the By-Laws of the Condominium and any and all rules and regulations promulgated with regard thereto by the Board of Managers in their sole discretion;
- (15) All installations and Facilities on the Property outside the Units for services such

as gas, power, light, cable television, heat, telephone and water which service the Units and/or the General Common Elements;

- (16) All sewer pipes and drainage pipes; sprinkler systems and standpipe systems;
- (17) Those portions of the main roofs located at any level of the Building and those portions of the land, if any, which have been designated for the installation of mechanical equipment, including, but not limited to, roof tanks, cooling towers, any ventilation or air-conditioning equipment or other related Facilities, if any, which service the Units and/or the General Common Elements;
- (18) The boilers, heating equipment or hot water heaters or equipment, if any, ventilation and/or air-conditioning equipment, cooling towers and water tanks, if any, and related machinery or Facilities, wherever located in the Building, which service the Units and/or the General Common Elements;
- (19) Any piping and/or ductwork which is necessary for the functioning of the heating equipment or hot water heaters or equipment, if any, ventilation and/or air-conditioning equipment and cooling towers, if any, wherever located in the Building, which service the Units and/or the General Common Elements;
- (20) Any and all windows of the Building which are not part of a particular Unit;
- (21) All street vaults, if any. To the extent there are any charges for said vault areas, such charges shall be paid by all of the Unit Owners as a Common Expense;
- (22) Any common tanks, common water and cooling towers or tanks, pumps, including, but not limited to, motors, fans,

compressors, ducts, siamese connections, and, in general, all apparatus and installations and Facilities existing for common use;

- (23) The railing and slab component of each Juliette Balcony;
- (24) On each of the Penthouse Floors, the two (2) fire doors between the common stairways and the respective Unit's corridor adjacent thereto; and
- (25) All other apparatus, installations and Facilities existing in the Building for common use or necessary or convenient to the existence, maintenance or safety of the Building and the Units.

"Insurance Trustee"

- A bank, a trust company or savings and loan association, having an office in the City of New York, from time to time appointed to serve as such by the Condominium Board.

"Juliette Balcony"

- Refers to a decorative architectural feature that will be provided on the Building's southerly façade at certain Residential Units. Collectively, a Juliette Balcony shall consist of the following components: (a) the door that is part of the window wall system, which shall be part of the applicable Unit, and (b) the railing and slab beyond the door at the exterior of the Unit, which shall be General Common Elements.

"Land"

- All that certain tracts, plots, pieces and parcels of land situate, lying and being in City of New York, County and State of New York as more particularly described in Schedule A to the Declaration.

"Law"

- The laws and ordinances of any or all of the Federal, New York State, New York City, and New York County governments, the rules, regulations, orders and directives of any or all departments, subdivisions, bureaus, agencies, or offices thereof or of any other governmental, public, or quasi-

public authorities, including the Landmarks Preservation Commission, having jurisdiction over the Property and/or the Condominium, and/or the direction of any public officer pursuant to law.

“Limited Common Elements”

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Parts of the whole which are owned as Common Elements, but the exclusive use of which is granted to a single Unit Owner or several Unit Owners and, unless otherwise specified, the maintenance and repair of which is the responsibility of the Unit Owners or Owners to which the exclusive use has been allocated. In this Plan, the following are Limited Common Elements which shall be for the exclusive use of an individual Unit Owner(s):

- (1) The skylights, if any, existing or installed at some future date, that are directly above any Unit which shall be for the exclusive use of such Unit Owner. The maintenance, repair and replacement of such skylights shall be the responsibility of the individual Unit Owners of such Units;
- (2) Any fireplace, together with any flue and/or ductwork attached thereto, whether gas-fired or wood-burning, existing or installed at some future date in any Unit shall be for the exclusive use of such Unit Owner;
- (3) The private terraces, together with any fencing delineating such area and any landscaping located thereon, which are adjacent to or directly accessed from a particular Unit, as delineated on the Floor Plans, which shall be for the exclusive use of the Unit Owner of such Unit. Nonstructural, ordinary repairs and maintenance of each private terrace, together with any fencing which delineates such area and any landscaping located thereon, shall be the sole responsibility of the individual Unit Owner who has the exclusive use thereof; and

- (4) The private garden, together with any fencing or walls delineating or enclosing such garden and landscaping located therein, which is adjacent to and directly accessed from the Maisonette Unit, as delineated on the Floor Plans, which shall be for the exclusive use of the Unit Owner of such Unit. Non-structural, ordinary repairs and maintenance of the private garden, together with any fencing or walls delineating or enclosing such garden and any landscaping located therein, shall be the sole responsibility of the individual Unit Owner who has the exclusive use thereof.

“Majority”

- Majority of Unit Owners means either (i) more than fifty percent (50%) in Common Interest in the aggregate, or (ii) more than fifty percent (50%) in number of Units in the aggregate, or (iii) more than fifty percent (50%) in the aggregate in both Common Interest and in number of Units, as may be specified herein or in the Declaration or the By-Laws with respect to any matter or matters. Any specified percentage of Unit Owners means (i) such percentage in Common Interest in the aggregate, or (ii) such percentage in number of Units in the aggregate, or (iii) such percentage in Common Interest and such percentage in number of Units, as may be specified herein or in the Declaration or the By-Laws with respect to any matter or matters, provided, however, that different percentages in interest and in number of Units may be so specified.

“Managing Agent”

- A person employed by the Condominium Board pursuant to Article II, Section 3 of the By-Laws, who shall undertake to perform the duties and services that the Condominium Board shall direct and who shall have whatever powers the Condominium shall delegate, subject to the limitations contained in such Section of the By-Laws.

“Offering Plan”

- The document filed with the New York State Department of Law which describes the

condominium property and pursuant to which individual Units in the Condominium are offered for sale, as the same may be amended from time to time. Sometimes herein referred to as the "Plan".

- "Operation of the Property" - The administration and operation of the Property and the maintenance, repair and replacement of, and the making of any additions and improvements to, the Common Elements.
- "PCO" - Refers to a permanent certificate of occupancy issued by the Department of Buildings of the City of New York.
- "Penthouse Floor" - Refers to each of floors PH15, PH16, PH17, PHA Lower Level, and PHA Upper Level.
- "Person" - A natural person, corporation, limited liability company, partnership, association, trustee or other legal entity.
- "Power of Attorney" - The document, signed by Unit Owners, which appoints:
 - (i) the Board of Managers as attorney-in-fact to acquire, on behalf of all Unit Owners, any Unit the Unit Owner of which wishes to sell or abandon together with the Appurtenant Interests thereto and to deal with any such Units so acquired as they may determine.
 - (ii) the Sponsor and/or Sponsor's designee, their successors or assigns, as attorney-in-fact, to amend the Declaration, the By-Laws, and the Rules and Regulations of the Condominium or any of said documents under certain conditions set forth in the Power of Attorney.
 - (iii) the Sponsor and/or Sponsor's designee, their successors or assigns, as attorney-in-fact, to sign any document to effectuate the transfer, assignment or conveyance by Sponsor, in whole or part, of the unused transferable air rights and/or development rights which

Sponsor has retained for itself and/or Sponsor's designee, and/or their successors or assigns.

- "Property"

 - Means and includes the Land, the Building and all other improvements thereon, (i) owned in fee simple absolute, (ii) all easements, rights and appurtenances belonging thereto, and (iii) all other property, personal or mixed, intended for use in connection therewith, which have been or are intended to be submitted to the provisions of the New York State Condominium Act.
- "Purchase Agreement"

 - Means the agreement to initially purchase a Unit in the Building.
- "Purchaser"

 - Any Person who has entered into a Purchase Agreement with Sponsor for the right to purchase a Residential Unit and is not in default thereunder.
- "Recording officer" and
"Recording" or "Recorded"

 - Shall have the meanings stated in section two hundred ninety of the New York State Real Property Law.
- "Residential Unit"

 - A designated apartment in the Building comprising the Condominium which is owned in fee simple absolute.
- "Residential Units"

 - Collectively, all the apartments in the Building.
- "Residential Unit Owner"

 - Means the person, persons or entity owning a Residential Unit in fee simple absolute.
- "Rules and Regulations"

 - The rules and regulations of the Condominium, which are annexed as an addendum to the By-Laws, as any of the same may be amended, modified, added to, or deleted from time to time pursuant to the terms of the By-Laws, provided that they are not in conflict with the terms of the Condominium Act, the Declaration, or the By-Laws.
- "Selling Agent"

 - The entity which will, on behalf of the Sponsor, originate and supervise sales of Units. NRT New York LLC d/b/a Corcoran Sunshine Marketing

Group is the Selling Agent pursuant to the terms of the Offering Plan.

- “Sponsor”

 - The promoter of the project and/or Offering Plan to convert a particular parcel of property to Cooperative or Condominium Ownership; 40 East End Ave. Associates LLC is the Sponsor of this Offering Plan.
- “Sponsor-designee”

 - Any Person designated by Sponsor to hold title to any Unit. Sponsor’s statement in writing that a Person is a Sponsor-designee shall be conclusive evidence of such status so as to entitle such Person to all the rights of a Sponsor-designee under this Offering Plan. A Sponsor-designee shall have the right to designate a Person to succeed to its rights and any such designee shall also be deemed a “Sponsor-designee”.
- “Sponsor’s Attorneys”

 - Shall mean D’Agostino, Levine, Landesman & Lederman, LLP.
- “Storage Room”

 - Refers to one of the individual storage rooms located at the cellar floor of the Building which will be made available for the exclusive use of an individual Residential Unit Owner pursuant to a Storage Room License and which constitutes a General Common Element.
- “Storage Room License”

 - Refers to the license to be granted to a Residential Unit Owner evidencing the Residential Unit Owner’s right to the exclusive use of a Storage Room.
- “TCO”

 - Refers to a temporary certificate of occupancy issued by the Department of Buildings of the City of New York.
- “Unit”

 - Any space in the Building designated as a Unit. Such Units are a part of the Property intended for any type of legal use or uses, and adjoin an exit to a public street or highway or a Common Element or elements leading to a public street or highway, and may include such appurtenances as a private terrace or private garden. Any private elevator,

dumbwaiter, or access stair located within a Unit which is for the exclusive use of the individual Unit Owner shall be deemed a part of the Unit. Such Unit Owner shall be responsible for the cost of any maintenance, repair or replacement of said private elevator, dumbwaiter, or access stair. Further, any mechanical or other equipment, including, but not limited to, sprinkler, heating, hot water and air-conditioning equipment, communication equipment, elevator or pool equipment, outdoor kitchen equipment, with all related ductwork, piping, wiring, and conduits attached thereto, located outside or inside a Unit which only services a particular Unit shall be a fixture which is the personal property of the Unit Owner of the Unit it services. Such Unit Owner shall be responsible for the cost of any maintenance, repair or replacement of such mechanical equipment.

- | | | |
|--------------------|---|--|
| “Unit Deed” | - | The deed transferring title to a specified Unit from Sponsor to Purchaser in fee simple absolute. |
| “Unit Designation” | - | The number, letter or combination thereof or other official designations conforming to the tax lot number, if any, designating the Unit in the Declaration and on the floor plans. |
| “Unit Owner” | - | The person or persons, or entity owning a Unit in fee simple absolute. It collectively means the respective owners of the Residential Units. |
| “Unsold Units” | - | Any Unit owned by Sponsor or its designee at the time in question. |

DESCRIPTION OF PROPERTY AND IMPROVEMENTS

The property consists of one (1) parcel of land which is currently one (1) tax lot on the assessment roll of the City of New York. The site is approximately 7,569 square feet, with approximately 51 feet 2 inches of frontage on East End Avenue and approximately 123 feet of frontage on East 81st Street.

The construction of the Building (as defined below) by Sponsor shall include additional permitted floor area which has resulted from the construction of off-site Affordable Housing located at 321-323 East 60th Street, New York, New York (the "Transferor's Property"). Pursuant to the Inclusionary Housing Program, as set forth in Sections 23-90 through 23-962 of the Zoning Resolution of the City of New York, as amended, the construction of the improvements at Transferor's Property has generated approximately 12,842 square feet of additional floor area development rights (the "Floor Area Bonus") which Sponsor contracted to purchase from the owner of Transferor's Property, and which have been transferred to Sponsor for use at the Property that is the subject of this Offering Plan, as evidenced by a Completion Notice – Certificate of Floor Area Compensation Transfer (the "Certificate of Transfer") issued by the Department of Housing Preservation and Development of the City of New York as of November 14, 2017. A copy of the Certificate of Transfer is set forth in Part II of the Offering Plan. The Floor Area Bonus has been incorporated as part of the new building permits obtained by Sponsor.

Pursuant to a Zoning Lot Development and Easement Agreement between Sponsor and 554 E 82nd Associates LLC ("Lot 31 Owner"), the owner of the property immediately north of the Premises known as Lot 31 in Block 1578 on the Tax Map of the City of New York, with an address of 554 East 82nd Street, New York, New York ("Lot 31"), dated June 30, 2015 and recorded on July 20, 2015 as CRFN 2015000248949 in the New York County office of the Office of the City Register (the "ZLDA"), the Lot 31 Owner granted Sponsor certain Excess Development Rights comprising approximately 7,130 square feet as of the date of the ZLDA, that Sponsor plans to utilize in its construction of the Building. The Declaration of Condominium shall be subject to the provisions of the ZLDA, and upon submission of the Premises to condominium ownership, the Board of Managers of the Condominium shall assume the obligations of Sponsor thereunder.

As evidenced by a Declaration of Zoning Lot Restrictions filed by Sponsor and the Lot 31 Owner, dated June 30, 2015 and recorded on July 20, 2015 as CRFN 2015000248954 in the aforementioned Office of the City Register, the Premises, which is known as Lot 23 on the Tax Map, and Lot 31 now form a combined zoning lot.

Purchasers are referred to Part II of the Plan, where the terms of the ZLDA and the Declaration of Zoning Lot Restrictions are set forth in their entirety.

It is the intention of Sponsor to construct a new eighteen (18) story, plus cellar and roof/bulkhead level, building (the "Building") at the Property, which Property Sponsor intends to

submit to the provisions of the Condominium Laws of the State of New York. The Building will be located at the northwest corner of East End Avenue and East 81st Street and will have its principal entrance on East End Avenue. As shown on the Floor Plans, the floors of the Building are designated cellar, floor 1 (ground floor), floors 2 through 18, and roof. However, for purposes of marketing, there is no designated floor 13, and construction floor 13 has been designated as floor 14, construction floor 14 has been designated as floor PH15, construction floor 15 has been designated as floor PH16, construction floor 16 has been designated as floor PH17, construction floor 17 has been designated as floor PHA Lower Level, and construction floor 18 has been designated as floor PHA Upper Level. Collectively, floors PH15, PH16, PH17, PHA Lower Level, and PHA Upper Level shall be known as the "Penthouse Floors." All Units located on Penthouse Floors shall be known as the "Penthouse Units." Additionally, with respect to the Maisonette Unit (as defined below), for marketing purposes, the cellar level thereof may be referred to as the Garden Level and floor 1 thereof may be referred to as the Parlor Level.

The newly constructed Building shall be comprised of twenty-nine (29) residential units (the "Residential Units") plus other common elements ("Common Elements") of the Building. The Common Elements shall either be for the use of all of the Unit Owners ("General Common Elements") or for the exclusive use of one or more Unit Owners ("Limited Common Elements").

The Residential Units will be comprised of twenty-five (25) simplex Units, two (2) duplexed Units, one (1) triplexed Unit, and one (1) Unit which shall be known as the "Maisonette Unit." The Maisonette Unit will be comprised of portions of the cellar, floor 1, and floor 2, each level of which will be connected by an internal access stair as well as by an internal private elevator. Additionally, a private internal dumbwaiter, not intended for passenger use, will run between the Garden Level and Parlor Level portions of the Maisonette Unit. Each of floors 3 and 4 will contain three (3) simplex Units. Floor 5 will contain two (2) simplex Units and the lower level of one (1) duplexed Unit. Floor 6 will contain two (2) simplex Units and the upper level of the aforementioned duplexed Unit, the two levels of which will be connected by an internal access stair. Floor 7 will contain one (1) simplex Unit and the lower level of one (1) duplexed Unit. Floor 8 will contain one (1) simplex Unit and the upper level of the aforementioned duplexed Unit, the two levels of which will be connected by an internal access stair. Each of floors 9, 10, 11, 12, and 14 will contain two (2) simplex Units. Each of floors PH15, PH16, and PH17 will contain one (1) simplex Penthouse Unit. Floor PHA Lower Level will contain the lower level living space of one (1) triplexed Penthouse Unit and floor PHA Upper Level will contain the upper level living space of the aforementioned triplex Penthouse Unit, each level of which will be connected by an internal access stair which will also lead to a stair landing in such triplex Penthouse Unit at the roof level, which will provide access to a private roof terrace appurtenant to the same Unit. Additionally, the roof level will contain an elevator vestibule, accessed by one of the common elevators, as well as an adjacent private storage area. This elevator vestibule and private storage area will be a part of Unit PHA, though such areas are not contiguous with or directly accessible from the Unit PHA stair landing.

Any internal access stair or internal private elevator or dumbwaiter, along with any related mechanical equipment, shall be deemed a part of its respective Unit.

Certain Residential Units (namely, Units 5/6C, 7/8B, PH15, PH16, PH17, and PHA) will also have one (1) or more individual private terraces which are adjacent to and directly accessed from those Units, and the Maisonette Unit will have a private rear garden which is adjacent to and directly accessed from such Unit. These private terraces and private garden will be Limited Common Elements for the exclusive use of the individual Unit Owners of the Units to which the foregoing are appurtenant.

The Building's southerly façade at certain Units will feature Juliette Balconies. Collectively, a Juliette Balcony shall consist of the following components: (a) the door that is part of the window wall system, which shall be part of the applicable Unit, and (b) the railing and slab beyond the door at the exterior of the Unit, which shall be General Common Elements. Though the Offering Plan, the Floor Plans included in Part II of Offering Plan, and any marketing descriptions or depictions may refer to these Units as having Juliette Balconies, the Juliette Balconies are an architectural feature of a decorative nature and the railing and slab component thereof shall not be stepped upon or accessed from the interior of the applicable Units.

The Common Elements located at the cellar level will include a residential storage area containing a total of twenty-nine (29) individual storage rooms (the "Storage Rooms") which will be General Common Elements of the Condominium. The Storage Rooms will be licensed by the Board of Managers of the Condominium to certain Unit Owners at the sole and absolute discretion of the Sponsor. Other than a Storage Room License held by Sponsor or a Sponsor-designee, a Storage Room may only be licensed in conjunction with the ownership of a Residential Unit. With regard to a Storage Room held by the Sponsor or a Sponsor-designee, the assignment or rental of a Storage Room held by Sponsor or a Sponsor-designee does not require the simultaneous ownership by such licensee of a Residential Unit.

Since the Storage Rooms are located at the cellar level of the Building, the Sponsor and the Board cannot make any representation that the Storage Rooms will remain dry or will not experience any water infiltration and neither the Sponsor nor the Board will be responsible for any damage to items placed in the Storage Rooms. Residential Unit Owners who place items in the Storage Rooms do so at their own risk and Unit Owners are advised to consult with their insurance brokers regarding appropriate coverage for such stored items. Residential Unit Owners must comply with Applicable Law regarding the Storage Rooms, which may be subject to periodic inspection by the Board of Managers and any City of New York and other governmental agencies having jurisdiction thereover.

Any Storage Room which is licensed by a Residential Unit Owner may be used for any lawful use which is accessory to the residential use of the Unit, including, but not limited to, the storage of personal effects of the Residential Unit Owner, provided that no stored article or material that shall pose a threat to the health or safety of the Unit Owners or other occupants or tenants of the Building or shall otherwise create a nuisance shall be permitted to be brought into or stored in said Storage Room by any Residential Unit Owner. In no event may a Storage Room

be used for sleeping or dining purposes, which use is not permitted under, and could result in a violation issued pursuant to, the Building Code.

Additional Common Elements located at the cellar level will include a bicycle storage room, boiler room, gas meter room, emergency panel room, electrical meter room, water meter room, fire pump room, detention tank, elevator control room, and compactor room, as well as common corridors and stairs and the common elevator shafts and pits.

Common Elements located floor 1 will include the main residential entrance to the Building located on East End Avenue, the residential lobby and adjacent double-height lounge, the mail room, package room, dry cleaning closet, and general storage area; the elevator lobby, a refuse room, the driveway and porte-cochère at East 81st Street and the additional entrances to the Building accessed therefrom, as well as common corridors and stairs and the common elevator shafts.

Common Elements located at floor 2 will include the fitness center, game room, library, common kitchen, a refuse room, as well as common corridors and stairs and the common elevator shafts.

Common Elements located at each of floors 3, 4, 5, and 6 will include a refuse room, as well as common corridors and stairs and the common elevator shafts.

Common Elements located at floor 7 will include a mechanical area occupying a portion of the rooftop over floor 6, a refuse room, as well as common corridors and stairs and the common elevator shafts.

Common Elements located at each of floors 8, 9, 10, 11, 12, and 14 will include a refuse room, as well as common corridors and stairs and the common elevator shafts.

Common Elements located at each of floors PH15, PH16, PH17, PHA Lower Level, and PHA Upper Level will include common stairs and the common elevator shafts.

Common Elements located at or above the main roof level of the Building will include mechanical terrace space and a bulkhead containing the common elevator shafts, elevator machine room, common stairs, and various mechanical and utility equipment. Additionally, the bulkhead will contain an elevator vestibule as well as an adjacent private storage area, both of which will be a part of Unit PHA.

Other than the lounge located at floor 1 and the fitness center, game room, library, and common kitchen located at floor 2, there are no other common recreational areas or facilities at the Property. Any roofs, yards, or areaways of the Building, including, but not limited to, the mechanical terrace areas located at the main roof or other roofs of the Building, are either common areas not meant for public access or use or Limited Common Elements for the exclusive use of one of the Unit Owners. Additionally, there are no parking facilities which are

part of the Property and the Building does not have balconies or terraces other than the Juliette Balconies and private terraces described above.

There will be two (2) fire staircases at the Building, which act as two (2) separate means of egress in the form of a "scissor stair," which run from the cellar level to the main roof of the Building. Additionally, there will be one (1) curved staircase connecting the lounge located at floor 1 and the library located at floor 2. The Building will have two (2) common passenger elevators, one (1) of which that will service all of the floors of the Building and one (1) of which that will service all of the floors of the Building except for the main roof level.

The individual Residential Units will be provided with a laundry closet or laundry room with individual hook-ups for one (1) electric washer and one (1) vented electric dryer or, at the sole discretion of Sponsor, for a stackable unit which is a combination thereof. The washer and dryer units are being supplied by the Sponsor as part of the Offering Plan.

Certain Units have a library that may be used as a legal bedroom, if desired. Specifically, the Maisonette Unit and Unit 7A each have three bedrooms in addition to a library that may be used as a fourth bedroom; Unit 5/6C and 7/8B each have four bedrooms in addition to a library that may be used a fifth bedroom. Each aforementioned library has a window providing legal light and air and is a livable room under the Building Code, and, provided such library complies with all other applicable law, may be used for sleeping purposes. For this reason, the aforementioned libraries are counted as bedrooms in the bedroom count shown in column numbered (2) of Schedule A. Additionally, certain Units have a foyer, gallery, pantry, utility room, refuse room, and/or private storage area. Any of the aforementioned rooms is not intended for sleeping purposes, which use is not permitted under, and could result in a violation issued pursuant to, the Building Code.

The great room located at the Garden Level of the Maisonette Unit may be used for sleeping or dining purposes, as it receives sufficient legal light and air for such use. However, no other portions of the Garden Level of the Maisonette Unit may be used for sleeping or dining purposes, which use is not permitted under, and could result in a violation issued pursuant to, the Building Code.

Unit PHA will contain a working natural gas fireplace in the Unit.

The Unit PHA private roof terrace and Maisonette Unit private garden will each have a gas-fired barbeque grill.

The elevator foyer and adjacent corridor on each of the Penthouse Floors shall be a part of the sole Unit occupying that floor. The Building Code of the City of New York mandates that the elevator foyer on each of the Penthouse Floors shall be enclosed with fire doors on each side of such foyer (the "Interior Fire Doors"), which are further described in the "Description of Property and Specifications" in Part II hereof. It is a special risk that the Unit Owner of each of the Penthouse Units shall not remove, disable, or otherwise tamper with the Interior Fire Doors, which shall be a part of his or her respective Unit, and shall be responsible for the upkeep and

maintenance thereof at his or her sole cost and expense. Notwithstanding anything to the contrary herein, on each of the Penthouse Floors, the two (2) fire doors between the common stairways and the respective Unit's corridor adjacent thereto shall be General Common Elements for which the Condominium shall be responsible for the cost of the upkeep and maintenance thereof.

Structurally, the Building will be comprised of a cast-in-place reinforced concrete flat slab system supported by interior and perimeter reinforced concrete columns and reinforced concrete shear walls. The lateral load resisting system for the Building consists of a reinforced concrete core wall system. The Building's foundations consist of spread footings resting on bedrock. The subterranean portion of the Building will be confined by conventional reinforced concrete foundation walls.

The Building's western, eastern, and southern façades will be cladded primarily in a panel system. From the 1st to 13th construction floors, the panel will feature a brick blend of light, medium, and dark colors with precast accents. From the 14th construction floor and up, the panels will be precast. Both portions will have darker contrasting windows set in the panel. The Building's northern façade will feature brick in part and continuous insulation ("CI") in part. The façade of the stair and elevator bulkhead will feature CI at all elevations. CI will be installed over concrete masonry unit or reinforced concrete back-up wall and is designed to be a drainable system with a vapor permeable air barrier installed over the back-up wall.

Window frames will be constructed with extruded aluminum featuring thermal breaks, installed into aluminum head and sill receptors. Windows will be insulated glass units ("IGU"). Storefronts will be installed at floor 1. The framing will be constructed with extruded aluminum with steel reinforcement featuring thermal breaks. Windows will be IGU.

There are Lot-Line Windows on portions of the north façade of the Building (collectively, "Lot-Line Windows"). Specifically, the following Units have Lot-Line Windows:

<u>Unit</u>	<u>Location</u>
7A	Master Bathroom
8A	Master Bathroom
9A	Master Bathroom
10A	Master Bathroom
11A	Master Bathroom
12A	Master Bathroom
14A	Master Bathroom
PH15	Master Bedroom
PH16	Master Bedroom
PH17	Breakfast Room
PHA	Master Bathroom on PHA Lower Level, Great Room on PHA Upper Level

All Lot-Line Windows shall be constructed in full compliance with all applicable building codes and other regulations, shall be sprinkler protected as required by DOB, and all Units will meet the light and ventilation requirements for residential occupancy without taking the Lot-Line Windows into account. In the unlikely event that the owner of the adjacent property opposite the applicable lot line, located at 44 East End Avenue, expands or reconstructs the same such that it adjoins the Building directly in front of a Lot-Line Window, such affected Lot-Line Window will need to be sealed, and the view from such window will be blocked or otherwise obstructed. The Lot-Line Windows do not provide the legal light and air required for residential occupancy. In any circumstance, all Residential Units containing a Lot-Line Window have other windows located at the south and/or east façades that, under the existing Building Code, will satisfy any such applicable light and air requirements. The Lot-Line Windows provide supplementary light and air only, and the sealing of any or all of the Lot-Line Windows will not affect the validity of the certificate of occupancy.

In the event that any or all of the Lot-Line Windows must be sealed, it is customary for the adjacent property owner whose construction caused the necessity of sealing, to bear the responsibility of the cost and expense of the same. Should this not be the case, all construction to enclose the windows shall be performed by the Sponsor, at its sole cost and expense, during the time period that Sponsor controls the Board of Managers of the Condominium, or after such control period, by the Board of Managers of the Condominium, as a Common Expense of all Unit Owners.

Roofing assembly will be two plies of modified bitumen waterproofing membrane. The project will utilize an inverted roofing system with rigid insulation. Surface finish will be precast concrete pavers supported by adjustable pedestals. At the main roof level, the bulkhead over the stair and elevator bulkhead will consist of concrete masonry unit ("CMU") walls with CI system on the exterior. The Unit PHA penthouse stair bulkhead will consist, in part, of a glass window wall system and, in part, of steel-framed CMU infilled walls with CI system on the exterior.

Domestic water will be supplied through a domestic water service pipe connecting the New York City water main to the Building. Water and sewerage services are provided for by the City of New York, and the cost of consumption thereof in all of the Units and in the Common Elements shall be commonly metered as a Common Expense of all of the Unit Owners. There will be two (2) water meters; one (1) each for domestic use and fire protection.

Space heating and cooling in the Residential Units, Storage Rooms, and common amenities areas such as the lobby, lounge, fitness center, game room, library, and common kitchen will be provided by variable refrigerant flow ("VRF") units. The Building will have two (2) gas-fired boilers to generate hot water for heating. Heating and cooling for the common corridors will be provided by two (2) packaged rooftop units. Domestic hot water will be provided by two (2) indirect hot water heaters. There will be three (3) gas meters: one (1) for domestic cooking, barbeque, and fireplace use, one (1) for the boilers and heating purposes, and one (1) serving the emergency generator. Gas usage for the foregoing items in the Residential Units and in the Common Elements shall be a Common Expense of all of the Unit Owners.

Each of the Units shall be separately metered for the consumption and cost of electricity in the respective Unit. A common meter or meters or submeters shall measure the consumption of electricity in the common areas or Common Elements, the cost of which shall be a Common Expense of all of the Unit Owners.

With respect to telephone, cable television, and internet service, each Residential Unit Owner desiring the same shall be responsible for arranging an account with the respective provider thereof, and the costs of any such services shall be the sole responsibility of the respective Residential Unit Owner.

The Building is being constructed in accordance with all applicable zoning and buildings laws, regulations, codes and other requirements of the New York City Building Code and applicable zoning requirements.

Construction of the Building is projected to be completed by the end of December of 2018. Pursuant to the New York City Building Code, the Class of Construction for the Building is Class 1-B. A certificate of occupancy will be obtained by the Sponsor upon final completion of the project.

Purchasers should note that as of the date of filing of this Offering Plan, Sponsor is working to amend the building plans filed with the Department of Buildings of the City of New York ("DOB") and approved on June 10, 2016 (the "Current DOB-Approved Plans"). The Current DOB-Approved Plans depict, among other items, a subterranean parking garage and vehicle lift running between the cellar and ground floors of the Building. Sponsor's amended building plans (the "Amended Building Plans") will show the Building as Sponsor intends to construct it, which shall match how the Building is described in this Offering Plan and shown on the Site Plan and Floor Plans included in Part II hereof. For avoidance of doubt, the subterranean parking garage, vehicle lift, and other items depicted on the Current DOB-Approved Plans but not described in this Offering Plan or shown on the Site Plan and Floor Plans included in Part II hereof, will not be constructed by Sponsor and will not be part of the Building. Sponsor shall have the obligation to (a) cause the Amended Building Plans to be filed with DOB; and (b) upon filing of the Amended Building Plans with DOB, amend this Offering Plan to disclose the same.

Sponsor shall deliver the Units as described in the Offering Plan and does not intend to perform special custom work in any Unit. However, in the event that Sponsor, in its sole and absolute discretion, agrees to perform special custom work or install any upgrades or extras at the request of a Purchaser ("Custom Work"), such agreement shall be memorialized, and such Custom Work shall be itemized, in the Purchase Agreement, and the total Custom Work amount agreed upon between Purchaser and Sponsor and memorialized in the Purchase Agreement (the "Custom Work Amount") will be in addition to the total purchase price for the Unit. The Initial Down Payment to be made by Purchaser upon signing a Purchase Agreement shall be increased by the Custom Work Amount. Pursuant to the terms of the Purchase Agreement, all Custom Work is to be performed by Sponsor's contractors. Although initially deposited in escrow, upon the rescission of a Purchase Agreement by Purchaser, the funds deposited for the Custom Work will not be refunded to the Purchaser to the extent such funds have already been expended or will

be expended on costs Sponsor has accrued and is obligated to pay with respect to Custom Work. Notwithstanding anything to the contrary herein, in the event Sponsor abandons the Offering Plan, Sponsor shall refund all additional escrowed funds for Custom Work to the Purchaser, notwithstanding whether any such funds have been expended or allocated to costs incurred by Sponsor.

See the Section of the Offering Plan titled "Terms of Sale" for more details in this regard.

Sponsor shall obtain a temporary or permanent "Class A" residential Certificate of Occupancy which shall cover each Residential Unit prior to the closing of title to such Unit.

For further details, please see the "Description of Property and Specifications" located in Part II of the Plan.

LOCATION AND AREA INFORMATION

Location

The Property is located at the northwest corner of East End Avenue and East 81st Street on the Upper East Side of Manhattan. The Upper East Side is roughly bounded by the East River to the east, Fifth Avenue and Central Park to the west, East 59th Street to the south, and East 96th Street to the north. As of the date of initial submission of this Plan, neither Sponsor nor its principal owns, or has any plans to acquire or develop, any parcels that are immediately adjacent to the Property. However, should this change during any time Sponsor is actively marketing any Unsold Units, Sponsor shall amend the Plan to disclose the same. See the section of Part I of the Plan titled "Reservation of Air and Development Rights" for further details in this regard.

Area Information

A. Transportation.

Public transportation within close proximity to the Property includes the following Metropolitan Transportation Authority subway lines: (1) the Lexington Avenue line, with the 6 train stopping at East 77th Street and the 4, 5, and 6 trains stopping at East 86th Street; and (2) the Second Avenue line, with the Q train stopping at East 72nd Street and East 86th Street.

Also running within close proximity to the Property are the M15, M31, M79, and M86 buses.

For transportation by taxicab or private vehicle, FDR Drive is located within close proximity, offering quick access to Midtown and Downtown Manhattan as well as to the RFK Bridge, which in turn offers quick access to Queens, including LaGuardia Airport and John F. Kennedy International Airport.

B. Educational Facilities.

The following New York City public schools are located in the vicinity of the Property:

MS114 East Side Middle School, 331 East 91st Street (Grades 6 to 8)

PS158 Bayard Taylor, 1458 York Avenue (Grades Pre-K to 5)

Eleanor Roosevelt High School, 411 East 76th Street (Grades 9 to 12)

PS290 Manhattan New School, 311 East 82nd Street (Grades K to 5)

JHS167 Robert F. Wagner, 220 East 76th Street (Grades 6 to 8)

Hunter College High School, 71 East 94th Street (Grades 7 to 12)

PS77 Lower Lab School, 1700 Third Avenue (Grades K to 5)

The Ella Baker School, 317 East 67th Street (Grades Pre-K to 8)

The following private and parochial schools are located in the vicinity of the Property:

The Brearley School, 610 East 83rd Street (Grades K to 12)

The Chapin School, 100 East End Avenue (Grades K to 12)

The Dalton School, 53 East 91st Street (Grades K to 3) and 108 East 89th Street (Grades 4 to 12)

Loyola School, 980 Park Avenue (Grades 9 to 12)

Lycée Français de New York, 505 East 75th Street (Grades Pre-K to 12)

The Buckley School, 113 East 73rd Street (Grades K to 9)

The Browning School, 52 East 62nd Street (Grades Pre-K to 12)

The Ramaz School, 114 East 85th Street (Grades Pre-K to 12)

Regis High School, 55 East 84th Street (Grades 9 to 12)

The Spence School, 22 East 91st Street (Grades K to 12)

No representation is made that any Unit Owner's child will be able to attend any particular educational facility.

C. Religious Institutions.

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

D. Parks, Recreation and Cultural Facilities.

Parks in close proximity to the Property include Central Park, Carl Schurz Park, and John Jay Park.

An abundance of museums and cultural facilities make their home on the Upper East Side, including the Metropolitan Museum of Art, the Frick Collection, the Jewish Museum, the Guggenheim Museum, the Gagosian Gallery, and the 92nd Street Y.

E. Medical Facilities.

In addition to several smaller medical, dental, and specialty practices, the following medical facilities are near the Property:

New York-Presbyterian Hospital / Weill Cornell Medical Center, 525 East 68th Street

The Mount Sinai Hospital, 1468 Madison Avenue

Lenox Hill Hospital, 100 East 77th Street

F. Police, Fire, Water, Sanitation, Snow Removal and Road Maintenance.

These services are provided by the City of New York and all charges (except water) are incorporated into City taxes. The Property is located within the 19th Police Department Precinct located at 153 East 67th Street. The nearest Fire House is Engine 44, located at 221 East 75th Street.

The Department of Sanitation collects refuse on Tuesdays, Thursdays, and Saturdays with recycling picked up on Tuesdays.

G. Zoning.

The Building is located in an R10A/R8B Residential Zoning District, which permits residential occupancies and accessory storage of the type contemplated by the Plan.

H. Mailing Address and Postal Facilities.

The mailing address of the Property will be: "40 East End Avenue, New York, New York 10028." The post office servicing the Property is located at 229 East 85th Street.

I. Shopping, Dining and Banking Facilities.

Several grocery stores, health food stores, specialty food shops, delicatessens, restaurants, clothing stores, and home goods stores are located within close proximity of the Property.

Additionally, several major banks have branches in close proximity to the Property.

J. Libraries.

The closest branch of the New York Public Library is located at 1465 York Avenue.

40 EAST END AVENUE CONDOMINIUM

40 EAST END AVENUE
NEW YORK, NEW YORK

5/15/2018

SCHEDULE A

Offering Prices and Related Information

All Projected Charges are for the Twelve Month Period

Commencing January 1, 2019 and Ending December 31, 2019 ("First Year").

Unit	Description:	Approximate Square Footage	Approx. Sq. Ft. of Private Garden / Terrace(s)	Offering Price	% of Common Interest	Estimated Carrying Charges (First Year) Monthly/ Annual	Estimated Real Estate Taxes (First Year) Monthly/ Annual	Estimated Real Estate Taxes Upon 100% Completion Monthly/ Annual	Estimated Carrying Charges (First Year) Monthly/ Annual
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
M	4BD/3/2/G	4,888	608	\$ 9,850,990.00	6.3910%	\$4,948.46	\$59,381.53	\$4,475.10	\$53,701.22
3A	3BD/3/1	2,234	-	\$ 4,990,990.00	2.9299%	\$2,268.58	\$27,222.96	\$2,051.57	\$24,618.87
3B	2BD/2/1	1,472	-	\$ 3,050,990.00	1.8941%	\$1,466.57	\$17,598.90	\$1,326.29	\$15,915.43
3C	3BD/3/1	2,211	-	\$ 4,755,990.00	2.8724%	\$2,224.06	\$26,688.70	\$2,011.31	\$24,135.72
4A	3BD/3/1	2,234	-	\$ 5,085,990.00	2.9445%	\$2,279.88	\$27,358.62	\$2,061.80	\$24,741.55
4B	2BD/2/1	1,472	-	\$ 3,095,990.00	1.9219%	\$1,488.10	\$17,857.20	\$1,345.75	\$16,149.02
4C	3BD/3/1	2,211	-	\$ 4,820,990.00	2.8867%	\$2,235.13	\$26,821.57	\$2,021.32	\$24,255.88
5A	3BD/3/1	2,234	-	\$ 5,170,990.00	2.9591%	\$2,291.19	\$27,494.27	\$2,072.02	\$24,864.23
5B	2BD/2/1	1,472	-	\$ 3,160,990.00	1.9314%	\$1,495.46	\$17,945.47	\$1,352.40	\$16,228.84
5/6C	5BD/4/1/T	3,727	541	\$ 9,695,990.00	4.8435%	\$3,750.25	\$45,003.04	\$3,391.51	\$40,698.15
6A	3BD/3/1	2,229	-	\$ 5,255,990.00	2.9670%	\$2,297.31	\$27,567.67	\$2,077.55	\$24,930.61
6B	2BD/2/1	1,472	-	\$ 3,205,990.00	1.9409%	\$1,502.81	\$18,033.74	\$1,359.06	\$16,308.67
7A	4BD/3/1	2,621	-	\$ 6,745,990.00	3.4888%	\$2,701.33	\$32,415.94	\$2,442.93	\$29,315.10
7/8B	5BD/5/1/T	3,530	375	\$ 9,895,990.00	4.7780%	\$3,699.54	\$44,394.45	\$3,345.65	\$40,147.78
8A	3BD/3/1	2,229	-	\$ 5,575,990.00	2.9815%	\$2,308.53	\$27,702.40	\$2,087.70	\$25,052.45
9A	3BD/3/1	2,229	-	\$ 5,660,990.00	3.0244%	\$2,341.75	\$28,101.00	\$2,117.74	\$25,412.92
9B	3BD/3/1	1,959	-	\$ 4,895,990.00	2.6332%	\$2,038.85	\$24,466.19	\$1,843.82	\$22,125.81
10A	3BD/3/1	2,229	-	\$ 5,750,990.00	3.0390%	\$2,353.05	\$28,236.66	\$2,127.97	\$25,535.60
10B	3BD/3/1	1,962	-	\$ 4,985,990.00	2.6500%	\$2,051.86	\$24,622.29	\$1,855.58	\$22,266.98
11A	3BD/3/1	2,229	-	\$ 5,845,990.00	3.0537%	\$2,364.44	\$28,373.24	\$2,138.26	\$25,659.12
11B	3BD/3/1	1,959	-	\$ 5,080,990.00	2.6587%	\$2,058.59	\$24,703.12	\$1,861.67	\$22,340.08
12A	3BD/3/1	2,229	-	\$ 5,945,990.00	3.0971%	\$2,398.04	\$28,776.49	\$2,168.65	\$26,023.79
12B	3BD/3/1	1,959	-	\$ 5,180,990.00	2.6967%	\$2,088.02	\$25,056.20	\$1,888.28	\$22,659.38
14A	3BD/3/1	2,229	-	\$ 6,070,990.00	3.1119%	\$2,409.50	\$28,914.00	\$2,179.01	\$26,148.15
14B	3BD/3/1	1,959	-	\$ 5,290,990.00	2.7096%	\$2,098.00	\$25,176.06	\$1,897.31	\$22,767.77
PH15	4BD/4/1/T	3,645	855	\$ 12,785,990.00	5.4128%	\$4,191.05	\$50,292.65	\$3,790.15	\$45,481.77
PH16	4BD/4/1/T	3,464	162	\$ 10,875,990.00	4.9849%	\$3,859.74	\$46,316.85	\$3,490.52	\$41,886.28
PH17	4BD/4/1/T	3,237	193	\$ 10,635,990.00	4.6951%	\$3,635.35	\$43,624.19	\$3,287.60	\$39,451.20
PHA	4BD/4/1/T	5,949	1,866	\$ 25,500,990.00	8.5022%	\$6,583.13	\$78,997.60	\$5,953.40	\$71,440.86
Residential Totals:		73,474	4,600	\$ 198,868,710.00	100.0000%	\$77,428.58	\$929,143.00	\$70,021.94	\$840,263.22
BD - denotes Bedroom(s)									
M - denotes Maisonette Unit									
G - denotes Private Garden									
PH - denotes Penthouse Unit									
T - denotes Private Terrace(s)									

NOTES TO SCHEDULE A
Offering Prices and Related Information

1. Set forth in column numbered (1), titled "Unit," is the Unit's designation in the Building and the Offering Plan.
2. Set forth in column numbered (2), titled "Unit Description: Number of Bedrooms/Baths/Powder Rms" is a description of the Unit's layout, including the number of bedrooms, bathrooms, and powder rooms. Also set forth is whether a Unit has one or more private terraces or a private garden.

Certain Units have a library that may be used as a legal bedroom, if desired. Specifically, the Maisonette Unit and Unit 7A each have three bedrooms in addition to a library that may be used as a fourth bedroom; Unit 5/6C and 7/8B each have four bedrooms in addition to a library that may be used as a fifth bedroom. Each aforementioned library has a window providing legal light and air and is a livable room under the Building Code, and, provided such library complies with all other applicable law, may be used for sleeping purposes. For this reason, the aforementioned libraries are counted as bedrooms in the bedroom count shown in column numbered (2). Additionally, certain Units have a foyer, gallery, pantry, utility room, refuse room, and/or private storage area. Any of the aforementioned rooms is not intended for sleeping purposes, which use is not permitted under, and could result in a violation issued pursuant to, the Building Code.

The great room located at the Garden Level of the Maisonette Unit may be used for sleeping or dining purposes, as it receives sufficient legal light and air for such use. However, no other portions of the Garden Level of the Maisonette Unit may be used for sleeping or dining purposes, which use is not permitted under, and could result in a violation issued pursuant to, the Building Code.

All of the Residential Units will have a utility/laundry room or closet within the Unit.

Certain Residential Units (namely, Units 5/6C, 7/8B, PH15, PH16, PH17, and PHA) will also have one (1) or more individual private terraces which are adjacent to and directly accessed from those Units, and the Maisonette Unit will have a private rear garden which is adjacent to and directly accessed from such Unit. These private terraces and private garden will be Limited Common Elements for the exclusive use of the individual Unit Owners of the Units to which the foregoing are appurtenant.

The Building's southerly façade at certain Units will feature Juliette Balconies. Collectively, a Juliette Balcony shall consist of the following components: (a) the door that is part of the window wall system, which shall be part of the applicable Unit, and (b) the railing and slab beyond the door at the exterior of the Unit, which shall be General Common Elements. Though the Offering Plan, the Floor Plans included in Part II of Offering Plan, and any marketing descriptions or depictions may refer to these Units as

having Juliette Balconies, the Juliette Balconies are an architectural feature of a decorative nature and the railing and slab component thereof shall not be stepped upon or accessed from the interior of the applicable Units.

Please see the section of the plan entitled "Site Plan and Floor Plans," set forth in Part II, for more information regarding Unit Layouts.

3. The approximate gross square footage of all Units other than Penthouse Units (as defined below) is measured horizontally on their respective floor or floors from the exterior side of the glass or the exterior side of the exterior walls of the Building to the centerline of the interior walls and partitions separating one Unit from another Unit, or the exterior side facing Common Elements of the interior walls and partitions separating a Unit from common corridors, common stairways, common elevators and elevator shafts, mechanical equipment spaces, and other Common Elements. Columns, mechanical pipes, shafts, shaftways, chases, chaseways, and conduits (whether located within the Unit or along the perimeter of the Unit) are included in the approximate gross square foot area of these Units; however, common corridors, common stairways, common elevators and elevator shafts, mechanical equipment spaces, and other Common Elements located outside of these Units are not included in the square footage calculations for these Units.

The approximate gross square footage of Units PH15, PH16, PH17, and PHA (each, a "Penthouse Unit" and collectively, "Penthouse Units") is measured horizontally on their respective floor or floors from the exterior side of the glass or the exterior side of the exterior walls of the Building to the exterior side of the glass or the exterior side of the exterior walls of the Building, or the exterior side facing Common Elements of the interior walls and partitions separating a Penthouse Unit from common stairways, common elevators and elevator shafts, mechanical equipment spaces, and other Common Elements. Columns, mechanical pipes, shafts, shaftways, chases, chaseways, and conduits (whether located within the Unit or along the perimeter of the Unit) are included in the approximate gross square foot area of these Units; however, common stairways, common elevators and elevator shafts, mechanical equipment spaces, and other Common Elements located outside of these Units are not included in the square footage calculations for these Units.

As set forth above, the approximate square footage of a Unit set forth on the Floor Plans and on Schedule A is an approximate gross square footage of the Unit, which is greater than the approximate square footage of a Unit measured by using the legal definition of the Unit which appears in the Declaration of the Condominium in Part II of the Plan. As is customary in New York City, these approximate gross square footages substantially exceed the useable floor area of each Unit.

The approximate exterior private terrace and private garden areas are measured from the exterior face of the Unit wall to the exterior side of the walls, railings, or fencing delineating such areas, as may be applicable.

The approximate square footage of the Storage Rooms is measured horizontally from the exposed, interior face of the wall (or, if applicable, column) at the perimeter of the Storage Room to the exposed, interior face of the opposite wall (or, if applicable, column) at the perimeter of the Storage Room.

Any floor layout, plan or sketch shown to a prospective Purchaser is only an approximation of the square foot area and layout of the Unit in question and shall be subject to normal construction variances and tolerances. However, any material change will be set forth in an amendment to the Plan, and no material adverse change will be made in the size, configuration, or layout of a Unit for which a Purchase Agreement has been countersigned by Sponsor and returned to the Purchaser unless the same is dictated by construction conditions at the Property, and in such event, Sponsor will, in the amendment disclosing such change and delivered to Purchasers, offer the affected Purchaser(s) the right, for at least fifteen (15) days, to rescind their Purchase Agreements and receive a refund of their Down Payments, together with all interest earned thereon. There shall be a rebuttable presumption that a reduction in square foot area by five percent (5%) or less is not material.

Further, please note that the ceiling heights for the Units and/or Common Elements as set forth in the "Description of Property and Specifications" in Part II of the Offering Plan are approximate and may vary in certain areas due to field conditions at the Property.

4. The column numbered (4), titled "Offering Price," is the offering price of the Residential Unit to Purchasers. Offering Prices for the individual Storage Room Licenses are set forth on Schedule A-1, which is set forth hereinafter.

Sponsor's right to make changes in offering prices is set forth in the section of the Plan titled "Changes in Prices or Units." Though Sponsor fully expects to receive those amounts set forth in the column titled "Offering Price," Sponsor reserves the right to negotiate the terms of Purchase Agreements, including but not limited to purchase prices.

In addition to the purchase price, Purchaser will be responsible at closing of title for certain other expenses as explained in the section titled "Unit Closing Costs and Adjustments." Included in these costs is the Purchaser's contribution to the Working Capital Fund in the amount of two (2) months Common Charges for the Unit being purchased at the time of closing, payable to the Board of Managers of the Condominium. While general guidelines to certain expenses of Purchaser are approximated in such section, Sponsor is unable to approximate the total amounts which will be incurred by Purchasers because these will vary according to such factors as the cost and size of a particular Unit, whether mortgage financing is obtained and Purchaser's attorney's fees. Purchasers are advised to consult with their attorney as to the exact closing costs they will incur in purchasing their Unit and a Storage Room License, if applicable.

5. As set forth in column numbered (5), the percentage of Common Interest allocated to each Unit is based upon floor space, subject to the location of such space and the

additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use and the overall dimensions of the particular Unit. These allocations are made pursuant to Section 339-i(1)(iv) of the Real Property Law, which is part of Article 9-B of the Real Property Law of the State of New York (the "Condominium Act"). The aggregate Common Interest of all Units equals 100%.

6. These estimates as set forth in column numbered (6) are based upon the "Projected Budget for the First Year of Condominium Operation," which was prepared for the year commencing January 1, 2019 and which will appear in Schedule B in the Plan, hereinafter referred to as the "First Year." Included in these charges, amongst other costs, are the cost of insurance for the Property, repairs & maintenance for the common areas, electricity for the common areas, and gas and water usage for the Building. It does not include the cost of electricity for individual Units, which will be separately metered and billed by the utility company to each Unit Owner.

In addition to the aforementioned charges, each Unit Owner will be responsible for paying: (i) mortgage payments under any loan or loans obtained to finance the acquisition of his Unit; (ii) the cost of interior repairs to, and the maintenance, painting and decoration of, his Unit, including, without limitation, the equipment and appliances contained therein; and (iii) the cost of any insurance covering (A) furniture, belongings, equipment and other personal property and (B) liability to others for personal injury or property damage as a result of occurrences in his Unit or a Limited Common Element appurtenant thereto (such as a private garden or terrace). Purchasers should reference the "Rights and Obligations of Unit Owners" section of Part I of the Plan for further information regarding insurance requirements for Unit Owners.

7. The estimates set forth in column numbered (7) are a calculation of real estate taxes due for each Residential Unit for the first year of Condominium operation commencing on January 1, 2019 and ending December 31, 2019 ("First Year"). Therefore, the estimates are based upon the latter six (6) months of the 2018/2019 tax year which commences July 1, 2018 and the first six (6) months of the 2019/2020 tax year which commences July 1, 2019. Estimates of real estate taxes due for the Residential Units are based upon (i) the tentative taxable assessment for the Property as of the January 5, 2018 taxable status date for the 2018/2019 tax year, (ii) the projected 2019/2020 assessed valuation for the Property as apportioned to all the Residential Units, and (iii) projected tax rates for the 2018/2019 and 2019/2020 tax years. The apportioned and estimated aggregate taxable assessed valuations for all of the Residential Units, and the projected tax rates, have been projected by Steven J. Schleider, MAI, of Metropolitan Valuation Services ("MVS"), 44 East 32nd Street, 11th Floor, New York, New York 10016. A copy of MVS's letter is set forth hereinafter in Part I of the Plan.

The actual total assessed valuation is the amount, which barring a major improvement or alteration to the Property, will be phased in over five (5) years at twenty percent (20%)

per year. Real estate taxes for the Property will be based upon the lower of either the actual or transitional assessment which is in effect for the First Year of Condominium operation. MVS has noted that the City of New York has tentatively assessed the Property at a taxable value of \$2,765,790.00 as of the January 5, 2018 taxable status date for the 2018/2019 tax year, which reflects the Building as only partially completed. MVS has opined that it is unlikely that this tentative taxable assessment will not become the final taxable assessment for the 2018/2019 tax year. Since the Property is being newly constructed to have "Class A" apartments, it can be expected that the actual total assessed valuation for the Property will be increased for the 2019/2020 tax year and subsequent tax years due to such construction. It has been assumed that since construction is projected to be completed prior to January 5, 2019 – the taxable status date for the 2019/2020 tax year commencing July 1, 2019 – the first tax year reflecting the full 100% valuation of the entire project will be 2019/2020 and real estate taxes for the Residential Units shall increase substantially. See Note 8 below for an additional discussion of the total increase in assessed valuation and real estate taxes for the Property due to the construction to be completed by Sponsor.

As stated above, Sponsor's projection of real estate taxes for all of the Residential Units for the First Year of Condominium operation is based, in part, upon a projection letter by MVS, which has stated the City of New York's tentative taxable assessment for the Property for the 2018/2019 tax year and estimated the 2019/2020 total actual assessed valuation and 2018/2019 and 2019/2020 tax rates for the Residential Units, assuming completion of the construction of the Building and a 100% valuation of the Property for the 2019/2020 tax year.

The annual Real Estate Taxes payable during the 2018/2019 tax year by all Residential Units are therefore projected as follows:

Tentative Assessed Valuation (and presumed Actual Assessed Valuation)		
for 2018/2019 Tax Year:	\$	2,765,790.00
Estimated Taxes Payable @ 12.846% Tax Rate	:	\$ 355,293.38

The annual Real Estate Taxes payable during the 2019/2020 tax year by all Residential Units are therefore projected as follows:

Estimated Actual Assessed Valuation for 2019/2020 Tax Year:	\$	10,214,530.00
Estimated Taxes Payable @ 12.974% Tax Rate	:	\$ 1,325,233.12

As the projected First Year of Condominium operation is comprised of the second half of the 2018/2019 tax year and the first half of the 2019/2020 tax year, aggregate real estate taxes due during the projected First Year of Condominium operation would be a blend of half of MVS's projection for the 2018/2019 taxes of \$355,293.38 and half of MVS's projection for the 2019/2020 taxes of \$1,325,233.12. Based upon the above assumptions

and the projected assessments and tax rates, the aggregate real estate taxes for the Residential Units for the First Year of Condominium operation are projected to be approximately \$840,263.22.

Another assumption is that each Residential Unit will be assessed in direct proportion to each Residential Unit's percentage of Common Interest as it bears to the aggregate percentage of Common Interest of all Residential Units. **No warranties are made that the assessments of the individual Residential Units amongst the Residential Units will be arrived at in a manner stated above. The Department of Finance of the City of New York may arrive at individual Unit assessments (or the apportionment of the entire value of the Property) which are different from those projected by MVS and may use a methodology which varies from that set forth herein. For example, the City of New York may apportion the total tax due for the Property among the individual Unit Owners in proportion to the relative value of each Unit as indicated by the Offering Prices set forth in the initial Offering Plan or any amendment to the Offering Plan.** In such event, Sponsor makes no representation as to what Purchase Prices the City would use.

There can be no assurance that there will not be a further increase in the assessed valuation of the Units comprising the Property and/or an increase in the tax rate above those projected for tax year 2018/2019, 2019/2020 or subsequent years.

If on the date of the First Unit Closing each of the Units shall not have been separately assessed as an independent tax lot, then until such time as said independent tax assessment shall be made and in effect each Residential Unit Owner, including Sponsor, shall be nonetheless responsible for the cost of their proportionate amount of the aggregate real estate tax for the Property as determined by their percentage of Common Interest, multiplied by the aggregate real estate taxes assessed against the entire Property as apportioned to all the Residential Units.

In the event the Units have not been separately assessed as independent tax lots at the First Unit Closing Sponsor shall place in escrow at such time an amount equal to the unpaid real estate taxes for the shorter period of (i) six months from the First Unit Closing or (ii) the period from the First Unit Closing until the Units are separately assessed. Sponsor will pay the real estate taxes from this escrow account as they become due and payable. However, at Unit closings individual purchasers shall adjust real estate taxes with the Sponsor from the midnight preceding the date of the Unit closing through the end of the tax period within which the closing date occurs. If no separate Unit apportionment has yet occurred, such adjustment shall be on the basis of the percentage of Common Interest attributable to such Unit. If a subsequent adjustment need be made when the tax lots are apportioned to correct any discrepancy between the adjustment on the basis of actual apportionment, it shall be made at that time. Should tax lots not be apportioned by the end of the tax period in which a Unit closing occurs, Sponsor shall be

entitled to reimbursement from the Unit Owner for taxes as they are paid. Such reimbursement shall be per such Unit Owner's percentage of Common Interest.

After the Condominium is divided into individual tax lots, each Unit will be taxed as a separate tax lot for real estate tax purposes and the Unit Owner will not be responsible for the payment of, nor will the Unit be subject to, any lien arising from the non-payment of taxes on other Units.

It is the opinion of Sponsor's counsel that a Unit Owner who itemizes his deductions and whose Unit is used by him for residential purposes will, for Federal income tax purposes, be entitled to a deduction for real estate taxes incurred with respect to his Unit in the year paid under Section 164 of the Internal Revenue Code of 1986, as amended, subject, however, to certain exceptions and limitations that are more particularly set forth in the Section of Part I of the Offering Plan titled "Counsel's Income Tax Opinion Letter." A Unit Owner's Federal income tax deduction for real estate taxes may vary from year to year due to changes in the interest rate in such Unit Owner's mortgage loan, if applicable, or from changes in the allocation of constant debt service payments to interest and principal, or due to changes in real property taxes resulting from the expiration of real estate tax benefits, if any, or from changes in the assessed value, tax rate, or method of assessing real property.

8. Upon 100% completion of the construction by Sponsor which is assumed to be prior to January 5, 2019 for assessment purposes, and the implementation of the post construction actual total assessment of the Property as projected by MVS, the estimated monthly/annual real estate taxes for the period July 1, 2019 to June 30, 2020 for each of the Residential Units is set forth in column numbered (8).

Upon 100% completion, the post construction actual total assessed valuation for all the Residential Units has been projected by MVS as \$10,214,530.00. This projected actual total assessed valuation for all of the Residential Units is assumed to be effective as of July 1, 2019. Further, MVS has projected the 2019/2020 tax rate for the Residential Units to be 12.974%.

PLEASE NOTE THAT BASED UPON THE PROJECTED AGGREGATE 2019/2020 POST-CONSTRUCTION ACTUAL TOTAL ASSESSMENT FOR ALL THE RESIDENTIAL UNITS OF \$10,214,530.00 AND A PROJECTED TAX RATE 12.974% FOR THE RESIDENTIAL UNITS, THE REAL ESTATE TAXES DUE FOR THE ENTIRE 2019/2020 TAX YEAR WOULD BE APPROXIMATELY \$1,325,233.12 FOR THE RESIDENTIAL UNITS.

9. The figures in this column numbered (9) equal the sum of the Estimated Monthly/Annual Common Charges (First Year) and the Estimated Monthly/Annual Real Estate Taxes (First Year).

SCHEDULE A-1
OFFERING PRICES OF STORAGE ROOM LICENSES AND
LICENSE FEE DURING THE FIRST YEAR OF
CONDOMINIUM OPERATION BEGINNING
JANUARY 1, 2019

Storage Room #	Floor	Approximate Square Feet	Offering Price	Annual License Fee**	Residential Unit Assignment
1	Cellar	116	*	-0-	PH16
2	Cellar	135	*	-0-	PHA
3	Cellar	101	*	-0-	5/6C
4	Cellar	28	*	-0-	4A
5	Cellar	26	*	-0-	12B
6	Cellar	26	*	-0-	3A
7	Cellar	26	*	-0-	14B
8	Cellar	24	*	-0-	11B
9	Cellar	159	*	-0-	Maisonette
10	Cellar	25	*	-0-	10B
11	Cellar	27	*	-0-	5A
12	Cellar	23	*	-0-	3C
13	Cellar	26	*	-0-	4C
14	Cellar	27	*	-0-	6A
15	Cellar	27	*	-0-	8A
16	Cellar	27	*	-0-	9A
17	Cellar	27	*	-0-	10A
18	Cellar	20	*	-0-	6B
19	Cellar	27	*	-0-	9B
20	Cellar	26	*	-0-	5B
21	Cellar	25	*	-0-	4B
22	Cellar	21	*	-0-	3B
23	Cellar	48	*	-0-	11A
24	Cellar	85	*	-0-	12A
25	Cellar	91	*	-0-	14A
26	Cellar	153	*	-0-	7/8B
27	Cellar	100	*	-0-	7A
28	Cellar	99	*	-0-	PH15
29	Cellar	104	*	-0-	PH17
Totals:		1,649		-0-	

*See Note 2 of the Notes to Schedule A-1 for details regarding Offering Price and Residential Unit Assignment for each Storage Room.

** See Note 3 of the Notes to Schedule A-1 for the Annual License Fee of any Storage Room License due for the second year of Condominium Operation and any year thereafter.

NOTES TO SCHEDULE A-1

1. Sponsor is constructing twenty-nine (29) Storage Rooms at the cellar level of the Building. The Storage Room areas will be divided with code-compliant partitions. Purchaser should review the Storage Room Floor Plan set forth in Part II of the Offering Plan to determine the location at the cellar level of the Building of each Storage Room.
2. Purchasers should note that the Storage Rooms are General Common Elements of the Condominium. Each Storage Room will be sold as a license, not as a fee interest, and will be made available for the exclusive use of an individual Residential Unit Owner pursuant to a Storage Room License. The Offering Price is the price payable for the right to enter into a Storage Room License Agreement and is referred to from time to time in this Plan as the "Storage Room License Payment." The form of Storage Room License Agreement which each Unit Owner who acquires a Storage Room will be required to sign at Closing is set forth as Exhibit "A" to the Form Purchase Agreement located in Part II of the Plan. As with the Offering Prices for Units, the Offering Price for the right to enter into a Storage Room License Agreement may be changed on an individual basis. The Storage Room License Payment is deemed additional consideration for the Residential Unit being purchased and will thus be aggregated with the Purchase Price for the Residential Unit for the purpose of computing any applicable transfer taxes. A reservation and a fifteen percent (15%) or, if applicable, fifty percent (50%) License Down Payment for the right to enter into a Storage Room License Agreement must be made at the time a Purchaser signs a Purchase Agreement for a Residential Unit. For Purchasers who are required to make a fifteen percent (15%) License Down Payment, an additional ten percent (10%) License Down Payment will also be required pursuant to the terms of the Form Purchase Agreement set forth in Part II of the Offering Plan.

As of the date hereof, the Storage Rooms do not have individual Offering Prices, as Sponsor anticipates including the right to enter into a Storage Room License Agreement in the Purchase Price for each Residential Unit. It is anticipated that each Storage Room listed on Schedule A-1 will be paired with the corresponding Residential Unit indicated in the column titled "Residential Unit Assignment." However, Sponsor reserves the right to (i) amend the Plan to establish Offering Prices for one (1) or more of the Storage Room Licenses and (ii) otherwise discontinue the inclusion of the right to enter into a Storage Room License Agreement in the Purchase Price for a Residential Unit.
3. During the First Year of Condominium operation, each Unit Owner who enters into a Storage Room License Agreement will not be required to pay a monthly Storage Room License Fee to the Board of Managers at the inception of the Storage Room License Agreement. However, notwithstanding anything to the contrary herein, subsequent to the First Year of Condominium operation, the Board of Managers reserves the right to establish, and to charge to each Storage Room Licensee, a monthly Storage Room License Fee, which may be increased annually thereafter by the Board of Managers in its sole discretion, but based on the cost of maintenance and operation of the cellar storage area and all Storage Rooms located therein. For avoidance of doubt, as to any unsold Storage Room Licenses, Sponsor will not be required to pay Storage Room License Fees.

4. The Storage Rooms are located on the cellar level of the Building and Sponsor cannot make any representation that the Storage Rooms will remain dry or will not experience any water infiltration and neither the Sponsor nor the Board will be responsible for any damage to items placed in the Storage Rooms. Unit Owners who place items in the Storage Rooms do so at their own risk and Purchasers are advised to consult with their insurance brokers regarding appropriate coverage for such stored items. Residential Unit Owners must comply with Applicable Law regarding the Storage Rooms, which may be subject to periodic inspection by the Board of Managers and any City of New York and other governmental agencies having jurisdiction thereover.

Any Storage Room which is licensed by a Residential Unit Owner may be used for any lawful use which is accessory to the residential use of the Unit, including, but not limited to, the storage of personal effects of the Residential Unit Owner, provided that no stored article or material that shall pose a threat to the health or safety of the Unit Owners or other occupants or tenants of the Building or shall otherwise create a nuisance shall be permitted to be brought into or stored in said Storage Room by any Residential Unit Owner. In no event may a Storage Room be used for sleeping or dining purposes, which use is not permitted under, and could result in a violation issued pursuant to, the Building Code.

5. Unit Owners must comply with applicable Law regarding the Storage Rooms, which may be subject to periodic inspection by the Board of Managers and any City of New York and other governmental agencies having jurisdiction thereover. Subject to and in accordance with the terms and conditions of the License Agreement set forth in Part II of the Plan, a Unit Owner, its permitted successors and assigns, are granted a license (the "License") to use the Storage Room during its term for storage of the Unit Owner's personal property and the property of occupants of the Unit (the "Permitted Users") and for no other purpose. A Unit Owner may not store any (i) animals or food, (ii) inflammable, combustible, explosive or other dangerous items, (iii) items which have an objectionable odor or which may spoil or decay, or (iv) valuable items. Licensee shall not (a) interfere with another Unit Owner, (b) store any property in the Building outside of the Storage Room, (c) allow any other person to use the Storage Room except in accordance with the terms of the License, or (d) deface, damage or alter the Storage Room, the Building or Condominium's equipment. The Unit Owner shall keep the Storage Room locked and shall provide the Condominium with a duplicate key.
6. Sponsor's right to make changes in offering prices is set forth in the section of the Plan titled "Changes in Prices or Units." Though Sponsor fully expects to receive those amounts set forth in the column titled "Offering Price," Sponsor reserves the right to negotiate the terms of Purchase Agreements, including but not limited to purchase prices.
7. The approximate square footage of the Storage Rooms is measured horizontally from the exposed, interior face of the wall (or, if applicable, column) at the perimeter of the Storage Room to the exposed, interior face of the opposite wall (or, if applicable, column) at the perimeter of the Storage Room.

SCHEDULE B

40 EAST END AVENUE CONDOMINIUM
40 EAST END AVENUE
NEW YORK, NEW YORK

PROJECTED BUDGET
FOR FIRST YEAR OF CONDOMINIUM OPERATION

JANUARY 1, 2019 TO DECEMBER 31, 2019

RECEIPTS

RESIDENTIAL COMMON CHARGES	(Note 1)	\$	<u>929,143</u>
TOTAL RECEIPTS		\$	<u>929,143</u>

EXPENSES

WAGES & BENEFITS	(Note 2)	\$	485,100
GAS	(Note 3)		20,818
ELECTRICITY	(Note 4)		99,447
WATER & SEWER	(Note 5)		35,178
REPAIRS, MAINTENANCE & SUPPLIES	(Note 6)		50,000
SERVICE CONTRACTS	(Note 7)		58,000
INSURANCE	(Note 8)		60,600
MANAGEMENT FEE	(Note 9)		40,000
LEGAL & ACCOUNTING	(Note 10)		10,000
MISCELLANEOUS EXPENSES	(Note 11)		10,000
MAJOR CAPITAL IMPROVEMENT	(Note 12)		45,000
RESERVE FUND			
CONTINGENCY	(Note 13)		<u>15,000</u>
TOTAL OPERATING EXPENSES		\$	<u>929,143</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS SCHEDULE
B AND SHOULD BE READ IN CONJUNCTION HERewith.

NOTES TO SCHEDULE B

- (1) **Residential Common Charges** – These amounts represent the total Common Charges to be levied against and collected from the Residential Units during the projected First Year of Condominium Operation. The Common Charges will be utilized by the Board of Managers to defray the operational expenses of the Condominium. The Common Expenses have been allocated among the Units on the basis of percentage interest in the Common Elements. Unit Owners shall be responsible for paying their share of the Common Expenses in accordance with their respective Common Interests, except as otherwise provided in these Notes to Schedule B and/or the By-Laws of the Condominium.

(2) **Wages and Benefits**

The Building will have a full time non-resident superintendent, 1 full time handyman/porter and 24 hours per day doorman service. The annual cost in the projected First Year of Condominium Operation is estimated as follows:

Wages	
Superintendent (annual salary)	\$100,000
Handyman/Porter (at \$22 per hour)	49,500
Doormen (at \$20 per hour)	<u>198,000</u>
Total	<u>347,500</u>
Taxes and other costs	
Payroll taxes	47,000
Benefits	84,600
Payroll processing	2,000
Uniform maintenance	<u>4,000</u>
	<u>137,600</u>
Total	<u>\$485,100</u>

The current plan provides for the employees to be non-union members.

The level of staffing described herein complies with all applicable housing and labor laws.

- (3) **Gas** – Natural gas will be provided to the Condominium for heating of common corridors by the packaged roof top units, domestic hot water and cooking. The budget amount for gas is based upon a letter dated August 21, 2017 from Ventrop Engineering Consulting Group PLLC, 365 West 34th Street, New York, NY, 10001. The estimate presumes a cost at \$1.136 per therm and a usage of 16,660 therms, which amounts to \$18,926. Adding a 10% adjustment factor, the estimated cost for the projected First Year of Condominium Operation is \$20,818.

The cost of gas will be a Common Expense of the Residential Unit Owners.

It is impossible to predict how closely the budgeted figure will reflect the actual cost of gas during the projected First Year of Condominium Operation because such costs will vary with the level of consumption and price of gas. Consumption will be affected by the severity of the weather and by any conservation measures adopted by the Condominium Board or individual Unit Owners.

No warranty is made that the projection for gas will be in accordance with the actual gas costs during the projected First Year of Condominium Operation.

(4) Electricity – The cost of electricity to be consumed by the Building's common areas and common systems will be a Common Expense of the Residential Unit Owners. Common area electric will include the costs for the Building's mechanical systems, elevators, lighting, ejector and sump pumps, and HVAC system serving common areas including the cellar Storage Rooms to be licensed to Unit Owners. The budget amount for common area electricity is based upon a letter dated August 21, 2017 from Ventrop Engineering Consulting Group PLLC, 365 West 34th Street, New York, NY, 10001. At a cost of \$.202 per KWH, on 447,555 KWH the estimated cost is \$90,407. Adding a 10% adjustment factor, the estimated cost for the projected First Year of Condominium Operation is \$99,447.

Electricity shall be supplied to all Residential Units through a separate meter for each such Unit. The cost of electricity consumed by the individual Residential Units shall be billed directly to, and shall be the sole responsibility of, the individual Residential Unit Owners.

It is impossible to predict how closely the budgeted figure will reflect the actual cost of electricity during the projected First Year of Condominium Operation because such costs will vary with the level of consumption and price of electric.

No warranty is made that the projection for electricity will be in accordance with the actual electric costs during the projected First Year of Condominium Operation.

(5) Water and Sewer – The budget amount for water and sewer costs is based upon a letter dated August 21, 2017 from Ventrop Engineering Consulting Group PLLC, 365 West 34th Street, New York, NY, 10001. At a current combined New York City rate of \$9.87 per CCF for water and sewer charges, on an estimated usage of 3,240 CCF the estimated cost is \$31,980. Adding a 10% adjustment factor, the estimated water and sewer cost for the projected First Year of Condominium Operation for the Building is \$35,178. The cost of water and sewer charges will be a Common Expense of the Residential Unit Owners.

It is impossible to predict how closely the budgeted figure will reflect the actual cost of water and sewer during the projected First Year of Condominium Operation because such costs will vary with the level of consumption.

No warranty is made that the projection for water and sewer will be in accordance with the actual costs during the projected First Year of Condominium Operation.

(6) Repairs, Maintenance & Supplies

The Budget figure (\$50,000) for Building repairs, maintenance and supplies is based on the normal maintenance and repairs of common areas of the Building, the painting of public halls and Common Elements, and the purchase of normal items, such as cleaning supplies and materials, lubricants, bulbs, public area fixtures, general and hardware supplies and rubbish compactor bags. The cost of the foregoing shall be a Common Expense of the Residential Unit Owners. Unit Owners will be responsible for the cost of the interior repairs in, and decoration and painting of, their respective Units, including appliances. The amount budgeted is calculated based on the Managing Agent's prior experience in managing newly constructed buildings of comparable size, quality and amenities.

No amount is included for items covered by construction warranties or for the cost of any major capital expenditure in the Building. If such expenditure is required, the cost shall be a Common Expense of the Residential Unit Owners. It is expected that if minor operating equipment is required to be purchased, the funds for the acquisition will be provided from the Working Capital Fund. The budgeted number does not include the cost of repairs, painting, maintenance or supplies for individual Units, which are the responsibility of the individual Unit Owners.

(7) Service Contracts

Amounts indicated below are estimates; no contracts have been entered into as of the date of initial submission of the offering plan for the Condominium for the services described in this footnote.

Elevator Maintenance Contract (including sales tax) (See comment below)	*
HVAC Maintenance Contract (including sales tax)	\$ 10,000
Boiler Maintenance Contract (including sales tax)	\$ 10,000
Water Treatment Contract (including sales tax)	\$ 5,000
Fire Alarm System Maintenance (including sales tax)	\$ 5,000
Sprinkler Maintenance Contract (including sales tax)	\$ 3,000
Pest Control – (including sales tax)	\$ 5,000
Landscaping Contract (including sales tax)	\$ 15,000
Amenities (Lounge, Library, Gym) Costs (including sales tax)	\$ 5,000
Total	\$ 58,000

While this Schedule B includes a reasonable allowance for possible increases in cost which may occur prior to and during the First Year of Condominium Operation, no warranty is made that the actual cost for these or other services will be in accordance with this projection.

*The manufacturer of the Building's elevators has included an initial twelve months of elevator maintenance under its installation contract with Sponsor, which initial twelve-month period shall run from the time that the elevators are approved for operation by Sponsor (the "Initial Maintenance Period"). Sponsor anticipates that the Initial Maintenance Period will roughly correspond with the First Year of Condominium operation. After the Initial Maintenance Period expires, it is estimated that the annual cost of an elevator maintenance contract for the two common area elevators will be approximately \$20,000 per year, which will be a Common Expense of the Residential Unit Owners. In addition, after the Initial Maintenance Period expires, it is anticipated that any renewed or new maintenance contract for the Building's common elevators will not cover the Maisonette Unit's passenger elevator or dumbwaiter, and arrangements for maintenance thereof will become the sole responsibility and cost of the Maisonette Unit Owner.

- (8) **Insurance** – The budget number is projected on the basis of an estimate of insurance costs provided by Lockton Companies, 1185 Avenue of the Americas, New York, New York, 10036 in a letter dated August 25, 2017.

Coverage	Limit	Deductible
Property	\$62,000,000	\$10,000
Including Boiler and Machinery		
Including cause of loss special form		
Including building Ordinance or Law		
Including demolition & increased cost of construction		
Agreed value/ replacement cost		
Flood	\$5,000,000	\$50,000
Earthquake	\$5,000,000	\$50,000
Personal property	\$ Included	\$10,000
Loss of maintenance fees	Actual loss sustained up to 12 mos.	
Elevator collision	Included	
Commercial general liability		
Each occurrence	\$1,000,000	
General aggregate	\$2,000,000	
Personal injury	\$1,000,000	
Employee benefits liability	\$1,000,000	\$ 1,000
Non-owned / hired auto	\$1,000,000	
Water damage	Included	
Lead/Mold	Included	
Directors & Officers liability	\$1,000,000	\$5,000
Managing agent rider	Included	

Fidelity bond		
Employee dishonesty	\$ 500,000	\$1,000
Managing agent rider	Included	
Umbrella	\$25,000,000	
Excess directors & officers' liability – included		
Excess employment practices liability – included		
Excess non-owned & hired auto liability - included		
Estimated premium	\$60,600	

By carrying a \$62,000,000 Building limit, the hazard insurance company will include a provision known as an "Agreed Value & Replacement Cost" endorsement. The carrier agrees to reimburse the insured for property losses up to the full amount of the policy regardless of the actual replacement value of the Building, the clause has the effect of "waiving" any co-insurance penalty that the insurer might otherwise invoke.

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

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

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

The proposed insurance coverage meets the requirements of Sponsor's mortgage lender

(9) Management Fee – Based on an agreement with Douglas Elliman Property Management (not affiliated with the Sponsor). The services of the managing agent shall commence upon the conveyance of title by the Sponsor of the first Unit in the Condominium. The fee will be \$40,000 per annum in the First Year of Condominium Operation.

This management fee reflects the prevailing cost for similar services. It is based on the size of the Building, number of units, and the level of service. Reference should be made to the section of the Offering Plan titled, "Management Agreement and Other Contractual Arrangements" set forth in Part I, for further discussion of the terms of the Management Agreement.

(10) Legal and Accounting – All Condominium Unit Owners are entitled to receive annually from the Condominium at the Condominium's expense an annual audited statement prepared by an independent certified public accountant. Bass & Lerner, LLP, CPA, 836 Hempstead Avenue, West Hempstead, NY 11552, in a letter dated August 23, 2017, estimated that the annual cost will be \$6,000, for the First Year of Condominium Operation.

The \$4,000 balance of the \$10,000 total projection for this category, is intended to provide for miscellaneous legal services that the Condominium Board may wish to employ.

(11) Miscellaneous Expenses – \$10,000 to cover telephone expense, City permits and filing fees, miscellaneous expenses, and holiday decorations with respect to the Common Areas.

(12) Major Capital Improvement Reserve Fund: In order to conform the budget of the Condominium to the requirements and guidelines of both the Federal Housing Administration ("FHA") and Fannie Mae, the Major Capital Improvement Replacement Reserve Fund is to be established to provide for the periodic maintenance, repair and replacement of the Common Elements as determined by the Condominium's Board of Managers. The \$45,000 allocated to this line item for the projected First Year of Condominium Operation exceeds the \$42,371 annual contribution recommended by Strategic Inspections, LLC, 45 West 34th Street, Suite 1001, New York, New York 10001, in a reserve study for the project dated March 8, 2018 (the "Reserve Study"). Based upon the Reserve Study, Sponsor anticipates, but provides no assurance or guarantee, that the Major Capital Improvement Replacement Reserve Fund will be sufficient to pay for the replacement of capital items needed, if any, within the first five (5) years of Condominium operation. If additional funds are required for capital expenditures such as renewal or replacement of building components or systems or to remedy major building defects, it may be necessary to increase Common Charges or make Assessments on Unit Owners. NEITHER THE DEPARTMENT OF LAW NOR ANY GOVERNMENTAL AGENCY HAS PASSED UPON THE ADEQUACY OF THE MAJOR CAPITAL IMPROVEMENT REPLACEMENT RESERVE FUND.

(13) Contingency – This Contingency is intended to provide for any unanticipated expenses and is to be used at the discretion of the Board of Managers elected by the Unit Owners to cover unanticipated cost increases and possible omitted items, and any other Condominium expenses that the Board deems appropriate.

IN THE OPINION OF DOUGLAS ELLIMAN PROPERTY MANAGEMENT, SET FORTH IN "CERTIFICATION OF SPONSOR'S EXPERT CONCERNING ADEQUACY OF BUDGET", THE PROJECTED RECEIPTS APPEAR REASONABLE AND ADEQUATE BASED ON PRESENT PRICES (ADJUSTED TO REFLECT CONTINUED INFLATION AND PRESENT LEVELS OF CONSUMPTION

FOR COMPARABLE UNITS SIMILARLY SITUATED) TO MEET THE ESTIMATED EXPENSES OF CONDOMINIUM OPERATION, FOR THE YEAR COMMENCING JANUARY 1, 2019. THE FOREGOING BUDGET, HOWEVER, IS NOT INTENDED AND SHOULD NOT BE TAKEN AS A GUARANTEE BY ANYONE THAT THE ANNUAL COMMON CHARGES OR COMMON EXPENSES FOR ANY YEAR OF OPERATION OF THE PROPERTY BY THE BOARD OF MANAGERS WILL BE AS SET FORTH IN SAID PROJECTED BUDGET.

IN THE EVENT THAT THE COMMENCEMENT DATE OF THE FIRST YEAR OF CONDOMINIUM OPERATION IS DELAYED MORE THAN SIX (6) MONTHS FROM THE BUDGET YEAR PROJECTED IN THE PLAN, AS MAY BE AMENDED, THE PLAN WILL BE AMENDED TO INCLUDE A REVISED PROJECTED BUDGET ("REVISED BUDGET AMENDMENT"). IF SUCH AMENDED PROJECTIONS EXCEED THE PROJECTIONS SET FORTH IN THE PLAN, AS MAY BE AMENDED, BY TWENTY-FIVE PERCENT (25%) OR MORE, EACH PURCHASER WHO ENTERED INTO A PURCHASE AGREEMENT PRIOR TO THE DATE OF THE REVISED BUDGET AMENDMENT SHALL HAVE THE RIGHT FOR FIFTEEN (15) DAYS SUBSEQUENT TO THE DATE OF MAILING OR PERSONAL DELIVERY TO HIM OR HER OF A COPY OF THE REVISED BUDGET AMENDMENT TO RESCIND HIS OR HER PURCHASE AGREEMENT, AND, IF NOT OTHERWISE IN DEFAULT, HAVE HIS OR HER DOWN PAYMENT REFUNDED. SPONSOR HAS ATTEMPTED TO MAKE ACCURATE ESTIMATES. HOWEVER, DUE TO INFLATION, CHANGES IN THE ECONOMY AND UNFORESEEN FACTORS, IT IS LIKELY THAT ACTUAL EXPENDITURES WILL DIFFER FROM ESTIMATES SET FORTH HEREIN.

SPONSOR HAS RESERVED THE RIGHT PRIOR TO THE FIRST UNIT CLOSING, TO MODIFY, RENEW AND REPLACE ANY EXISTING AGREEMENTS AND TO ENTER INTO NEW AGREEMENTS THAT WILL BE BINDING ON THE CONDOMINIUM BOARD, PROVIDED THAT THERE WILL BE NO MATERIAL INCREASE IN THE ESTIMATED COMMON CHARGES AS SET FORTH IN SCHEDULE B. SHOULD SUCH A MODIFICATION, RENEWAL, REPLACEMENT, OR NEW CONTRACT MATERIALLY AFFECT THE PROJECTIONS IN SCHEDULE B, SPONSOR SHALL AMEND THE OFFERING PLAN TO DISCLOSE THE SAME.

SCHEDULE B-1**Individual Residential Unit Electric Charges:**

The cost of individual Residential Unit electric charges has been estimated by the office of Ventrop Engineering Consulting Group, PLLC, located at 365 West 34th Street, 3rd Floor, New York, NY 10001. The estimates set forth on the following page for each Residential Unit are estimates of annual electric energy costs including, but not limited to, the Unit's air conditioning and heating, household appliances, general power and lighting.

The estimated average KWH per year and annual cost of electricity utilized by individual apartments are based on a projected rate of \$0.202 per KWH. The following table sets forth the estimated annual costs of electricity for the Residential Units:

<u>Unit</u>	<u>KWH/Year</u>	<u>Annual Cost</u>
Maisonette	72,115	\$14,567.00
Typical Unit A: Floors 3-6 and Floors 8-13 (Construction)	40,817	\$8,245.00
Typical Unit B: Floors 3-6	28,408	\$5,738.00
Typical Unit C: Floors 3-4	31,512	\$6,365.00
5/6C	63,954	\$12,919.00
7A	42,467	\$8,578.00
7/8B	59,269	\$11,972.00
Typical Unit B: Floors 9-13 (Construction)	39,674	\$8,014.00
PH15	53,554	\$10,818.00
PH16	52,786	\$10,663.00
PH17	51,837	\$10,471.00
PHA	91,060	\$18,394.00

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

weather conditions. No inflation factor has been included.

Costs can vary considerable depending upon actual usage, personal habits and maintenance of equipment in efficient operation condition as well as thermostat settings. These figures are not intended to be guaranteed.



575 MADISON AVENUE
New York, NY 10022
Office: 212.881.7000 | Fax: 212.891.7209
www.elliman.com

COMPLIANCE WITH REAL PROPERTY LAW SECTION 339-(i)

January 29, 2018

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

Re: *Condominium Offering Plan for 40 East End Avenue Condominium
40 East End Avenue, New York, New York (the "Premises")*

Gentlemen:

This is with respect to the Plan of Condominium Ownership of the above Premises and the allocation of the Percentage of Common Interest to the respective Units therein.

It is our opinion that the allocation of Percentages of Common Interest allocated to the respective Units as set forth in Schedule A attached to the Plan are in compliance with the regulations issued pursuant to Real Property Law Article 9-B, Section 339-i.

We have determined that the Sponsor has used the method contained in Section 339-i(1)(iv) of the New York Condominium Act, that is based upon floor space subject to relative value to the other space in the Condominium, the uniqueness of the Unit, the availability of the common elements for exclusive or shared use, and the overall dimensions of the particular Unit.

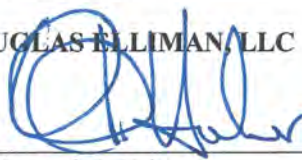
A principal of Douglas Elliman, LLC has been engaged in the real estate and the brokerage business for over thirty (30) years in the New York metropolitan area. In addition, Douglas Elliman has been actively associated with the sale and management of residential properties. The company's affiliate currently manages approximately 250 condominium or cooperative apartment buildings in New York City.

This firm has no beneficial interest in the Sponsor and no interest in the profits of this Offering Plan other than the fee for this service.

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

Very truly yours,

DOUGLAS ELLIMAN, LLC

By: 

Kenneth I. Haber
Executive Vice President and General Counsel

D'AGOSTINO, LEVINE, LANDESMAN & LEDERMAN, LLP

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ERICA NAZARIAN
LINA A. MELENDEZ*
JANE S. JEONG

* ALSO ADMITTED IN NJ
* ALSO ADMITTED IN CT
* ALSO ADMITTED IN MA
* ADMITTED ONLY IN FL

May 24, 2018

40 East End Ave. Associates LLC
c/o Lightstone Group
460 Park Avenue
New York, NY 10022

Re: 40 East End Avenue Condominium
Premises. 40 East End Avenue
New York, New York 10028
(the "Condominium")

Gentlemen/Mesdames:

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

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

40 East End Ave. Associates LLC
May 24, 2018
Page 2

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 Section ("RPL") 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 Real Property Law Section 339-i(1) 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, D'Agostino, Levine, Landesman & Lederman, LLP, the Selling Agent or the Condominium Board be liable if there are changes in the facts on which we have relied in issuing this opinion or if there are changes in RPL Section 339 or other applicable law.

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

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,

D'Agostino, Levine, Landesman & Lederman, LLP



DLL:fdv

CHANGES IN PRICES AND UNITS

The offering prices set forth in Schedule A may be decreased or increased only by a duly filed amendment to the Offering Plan when the change of price is an across the board change affecting one or more lines of Units or Unit models, or is to be advertised, or is a price increase for an individual Purchaser. As set forth in the Notes to Schedules A and A-1, offering prices are negotiable. Accordingly, the Sponsor may enter into a Purchase Agreement with a Purchaser to sell one or more Units and/or Storage Room Licenses at prices less than those set forth in Schedules A and A-1, without filing an amendment before entering the Purchase Agreement. As a result of the negotiability of offering prices and the right to change them, certain Purchasers may pay or may have paid more or less than other Purchasers under this Plan for similar Units and/or Licenses for similar Storage Rooms. However, no price change will affect the percentage of Common Interest allocated to a Unit as to which the amount of the offering price was changed nor shall it alter the amount of Common Charges payable by such Unit Owner.

In order to meet the possible varying demands for number and type of Units, or to meet the particular needs of prospective Purchasers, or for any other reason, Sponsor reserves the right to change: (a) the layout of, or number of rooms in, Unsold Units and (b) the size and/or number of Unsold Units, by subdividing one or more separate Unsold Units, by combining two or more separate Unsold Units into one or more Unsold Units, by altering the boundary walls of any Unsold Unit, or otherwise, including, without limitation, the use of any portion of the Common Elements adjacent to such Unsold Units to the extent that such portion is not required to be maintained as Common Elements pursuant to the terms of the Declaration and By-Laws. Such right may be exercised by Sponsor from time to time, both before and after the First Unit Closing, without the consent or approval of any Selling Agent, the Managing Agent, the Condominium Board, any Unit Owner, any mortgagee or any other party. However, Sponsor will first obtain the approval of all governmental authorities, including the Landmarks Preservation Commission, if applicable, having jurisdiction thereof whose approval is required by law. No change will be made by Sponsor in the size or number of Units, their respective percentages of Common Interest, or in the size or quality of Common Elements except by amendment to the Offering Plan and to the Declaration. Unless the affected Purchaser provides a written consent, no material change will be made by Sponsor in Unit size, layout or percentage of Common Interest if a Purchase Agreement has been signed and delivered to the Sponsor for that Unit and such Purchaser is not in default. There shall be a rebuttable presumption that a reduction in square foot area by five percent (5%) or less is not material.

No material change will be made in the size or quality of Common Elements unless all Purchasers not in default, consent.

If Sponsor changes the size and/or number of Unsold Units, Sponsor will increase or decrease the Common Interests appurtenant thereto accordingly. However, the aggregate amount of the Common Interests of all the Units will always remain at one hundred percent (100%). As a result of such reapportionment, the amount of the Common Charges and the real estate taxes and assessments payable by the owners of the Unsold Units affected thereby will be increased or

decreased proportionately, but the amount of the Common Charges and the real estate taxes and assessments payable by the owners of Units unaffected thereby will not vary.

The Plan will be amended to reflect any change in the size of a Unit, number of Units, percentage of Common Interests of Unsold Units or a change in the size or quality of any Common Element. Though the layout and number of rooms in Unsold Units may be changed without prior notice or amendment of this Plan, the Plan shall be amended to disclose such changes.

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

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

The Sponsor also reserves the right to substitute for any of the materials specified in the Building Plans, the "Description of Property and Specifications" or elsewhere in the Plan, materials which are of Equal or Better Quality. The Sponsor's intention is to use the materials, fixtures, appliances and other equipment described in this Plan and in the architectural plans on file, but, due to unavailability of materials and supplies or for any other reason, Sponsor may substitute materials, fixtures, appliances and equipment which are of Equal or Better Quality for any of those set forth in the specifications or otherwise in this Plan.

Sponsor reserves the right to negotiate all aspects of the purchase price of Units and/or Storage Room Licenses, including, but not limited to, the terms of a financing contingency, if any, payment of charges or fees otherwise paid by Purchasers, reduced Down Payments (but at least \$1,000.00) and custom work, upgrades and/or extras. Furthermore, Sponsor reserves the right to amend the Plan from time to time to add and/or delete negotiable terms. No Purchaser will benefit from any terms and conditions negotiated with any other Purchaser, and a Purchaser's failure to so benefit will not give rise to any right of rescission under a Purchase Agreement.

INTERIM USE AND OCCUPANCY AGREEMENTS

Subject to all applicable Zoning Laws and pursuant to an issued certificate of occupancy, Sponsor or its designee reserves the right, freely and without restriction, to rent or lease vacant Units to Purchasers at any time before or after the Plan has been consummated, and to non-purchasers at any time after the Plan has been consummated. However, once a Purchase Agreement is signed for a vacant Unit, and for so long as such Purchase Agreement is in effect, such Unit at Sponsor's sole option may only be rented to the Purchaser thereof. Such agreement (an "Interim Use and Occupancy Agreement") will be for such use and occupancy fee, but not to exceed the maximum of such fee legally collectible, and upon such other terms as may be mutually agreed upon. The term of such Interim Use and Occupancy Agreement, if any, shall be for a period which will expire on the earlier of the date of the closing of such Unit or one year after the signing date of the Agreement. In the event this Plan is abandoned, the Purchaser may, at any time at his or her sole option, cancel the Use and Occupancy Agreement, if any, and remove from the Building upon thirty (30) days prior written notice to the Sponsor at the address set forth on the cover page of this Plan. Additionally, in the event of such abandonment, the Purchaser who has entered into an Interim Use and Occupancy Agreement shall continue to be subject to whatever rental laws he or she was subject to prior to such abandonment, if any. However, Purchasers should note that the Units offered hereunder are not subject to the Emergency Tenant Protection Act, the rent control laws of the State of New York, or any other rent laws and regulations. Should Purchaser rescind his or her Purchase Agreement pursuant to any permitted rescission, the Interim Use and Occupancy Agreement shall terminate thirty (30) days thereafter and Purchaser shall be obligated to vacate the apartment no later than that time.

An Interim Use and Occupancy Agreement will provide that an uncured default by the Purchaser under the Purchase Agreement will constitute a default under the Interim Use and Occupancy Agreement, entitling the landlord (i.e., Sponsor), at its sole option, to terminate the Interim Use and Occupancy Agreement. The Purchase Agreement shall also contain a similar cross-default provision entitling Sponsor to cancel the Purchase Agreement in the event that the Purchaser fails to cure a default under the Interim Use and Occupancy Agreement within any applicable grace period. However, before the Sponsor may utilize a default under the Interim Use and Occupancy Agreement to declare a default under the Purchase Agreement, the Sponsor must (i) obtain an order of eviction or other judgment or order from a court or agency of competent jurisdiction against the interim occupant or (ii) the interim occupant must have vacated the Unit. The interim occupant must vacate the Unit within five (5) days after any default under the Purchase Agreement which remains uncured after five (5) days. No portion of the rental paid under an Interim Use and Occupancy Agreement will be credited toward the Unit's purchase price.

The risk of loss from fire or other casualty with respect to a Unit shall remain with the Sponsor until the closing of title for the Unit. The Sponsor, at its sole discretion, reserves the right to either repair or restore such Unit, whereupon Purchaser shall be obligated to close without an abatement in the purchase price, or not repair or restore and grant Purchaser the right

to rescind the Purchase Agreement. Notwithstanding the above, in the event that Purchaser, or one claiming by or through Purchaser, enters into possession of the Unit prior to the closing of title, including when such possession is subject to an Interim Use and Occupancy Agreement, then Purchaser shall bear the risk of loss or other casualty not otherwise covered by either Sponsor's insurance or the Board's insurance with respect to the Unit. Additionally, Purchaser shall be solely responsible for any damage to, or loss or other condition in, the Unit and Sponsor shall not be obligated to repair any damages to the Unit and/or, including but not limited to its appliances, fixtures and equipment.

Sponsor's right and its designee's right to rent or lease any Unsold Unit and/or Storage Room will not be subject to any right of first refusal in favor of the Condominium Board to lease such Unit and/or Storage Room from Sponsor or its designee on the same terms offered to the prospective tenant or occupant.

PROCEDURE TO PURCHASE

A Person desiring to purchase a Unit in the Condominium shall be required to sign a Purchase Agreement in quadruplicate, the form of which is contained in Part II, and return it to the Sponsor and/or Selling Agent, together with a check representing the Initial Down Payment in an amount equal to (a) fifteen percent (15%) of the total purchase price for the Unit, or (b) fifty percent (50%) of the total 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). Each Purchaser, who in accordance with the previous sentence, is required to make an Initial Down Payment of fifteen percent (15%), will also be required to make, in addition to the Initial Down Payment, an Additional Down Payment of ten percent (10%) of the total purchase price of his or her Unit within six (6) months after receipt of a fully signed copy of the Purchase Agreement from Sponsor or the Selling Agent or at the time when this Plan is declared effective, whichever is first to occur. No Additional Down Payment shall be required if the Purchaser is a foreign government or other person or entity referenced in (b) of the first sentence of this paragraph and who or which has made a fifty percent (50%) Initial Down Payment as described above. The terms "Down Payment" or "Down Payments," as used in this Plan, refer to both the Initial Down Payment and, if the same has been paid at the time in question, the Additional Down Payment. All such payments shall be made by check drawn on a member bank of the New York Clearing House Association made payable to "D'Agostino, Levine, Landesman & Lederman, LLP, as escrow agent". All such checks shall be subject to collection and if any such check is returned for insufficient funds or any other reason, Sponsor shall have the right, among other things, to deem such Purchase Agreement to be cancelled and of no further force or effect, and to retain any Down Payment and other amounts previously deposited. Sponsor shall deliver the Units as described in the Offering Plan and does not intend to perform special custom work in any Unit. However, in the event that Sponsor, in its sole and absolute discretion, agrees to perform special custom work or install any upgrades or extras at the request of a Purchaser ("Custom Work"), such agreement shall be memorialized, and such Custom Work shall be itemized, in the Purchase Agreement, and the total Custom Work amount agreed upon between Purchaser and Sponsor and memorialized in the Purchase Agreement (the "Custom Work Amount") will be in addition to the total purchase price for the Unit. The Initial Down Payment to be made by Purchaser upon signing a Purchase Agreement shall be increased by the Custom Work Amount. D'Agostino, Levine, Landesman & Lederman, LLP shall be the "Escrow Agent" for Sponsor and Purchaser pursuant to the Purchase Agreement and the Offering Plan. Notwithstanding anything herein to the contrary, whether or not the Seller has canceled the Purchase Agreement as provided above, if the Seller has not collected the proceeds of any check for any payment due under the Purchase Agreement, then the Seller may take such actions at law and in equity as may be required in order to collect such payments and any and all costs of collection, including, without limitation, all attorneys' fees and expenses incurred by the Seller in connection therewith.

A Purchaser who is interested in acquiring the right to use a Storage Room must commit to such acquisition at the time the Purchaser signs a Purchase Agreement. Therefore, the Initial Down Payment paid under the Purchase Agreement shall include, in addition to the Initial Down Payment for the Residential Unit, fifteen percent (15%), or, if applicable as explained below, fifty percent (50%), of the Storage Room License Payment (hereinafter the amount of the down payment attributed to the Storage Room License shall be referred to as the "License Down Payment" or "License Down Payments"). Further, in addition to the Additional Down Payment for the Residential Unit, an Additional Down Payment equal to ten percent (10%) of the Storage Room License Payment is also required pursuant to the terms of the Purchase Agreement and therefore included as part of the License Down Payments. 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 Down Payment equal to fifty percent (50%) of the applicable total purchase price and will not be required to make an Additional Down Payment. If Sponsor is entitled to cancel the Purchase Agreement due to Purchaser's default, Sponsor shall also be entitled to cancel the Storage Room reservation. Sponsor will be entitled to retain the License Down Payment(s) as liquidated damages in connection with any termination of the Purchase Agreement and/or Storage Room reservation due to Purchaser's default.

Purchasers pursuant to this Offering Plan who have not had an opportunity to review the Offering Plan and any filed amendments for at least three (3) business days prior to their signing a Purchase Agreement shall be afforded seven (7) days after delivering a signed Purchase Agreement together with the required deposit to rescind the Purchase Agreement and have the full deposit refunded promptly. Such rescission must be in writing, addressed to the Sponsor, and be postmarked or hand delivered by midnight of the seventh day subsequent to Purchaser's signing and delivering such Agreement. Those Purchasers who sign a Purchase Agreement after having had an opportunity to review the Offering Plan and any filed amendments for not less than three (3) business days prior to their signing a Purchase Agreement shall not be permitted the aforementioned time period to rescind for any reason.

A deposit in the amount of no more than \$200.00 payable in check or money order to the Sponsor is required of all prospective purchasers in order to obtain a copy of the Plan. The amount of the deposit will either be credited toward the Down Payment of a Unit or returned upon signing of the Purchase Agreement by Sponsor for anyone who purchases a Unit or refunded to anyone who does not purchase a Unit if a copy of the Plan is returned undamaged, but subject to normal wear and tear, together with the original receipt, within thirty (30) days of receipt of a copy of the Plan.

Although a Purchaser may obtain financing from a lending institution or any other source, his or her obligation to purchase a Unit pursuant to the Purchase Agreement shall not be contingent on obtaining financing for such purchase. Neither the Sponsor nor the Selling Agent makes any representations as to the terms or availability of any mortgage financing. Prospective Purchasers are, therefore, advised to consult with a lending institution and

finalize their financing arrangements before signing a Purchase Agreement. However, prospective Purchasers should be aware that even if a loan commitment is obtained, its term may be fixed, and it could expire before the closing of title to the Unit. The failure of a Purchaser to obtain financing will not relieve a Purchaser from his or her obligations under the Purchase Agreement to pay the balance of the Purchase Price when due and if payment is not made when due, including the applicable grace period, the Down Payments may be forfeited.

Notwithstanding the fact that a Purchaser's Purchase Agreement will not be contingent upon financing, to the extent permitted by applicable Law, the provisions of the Declaration and By-Laws may comply with certain requirements of the Federal National Mortgage Association ("Fannie Mae") and the Federal Housing Authority ("FHA"). Sponsor, at its sole cost and expense, may, but has not obligated itself, to file applications with Fannie Mae and FHA in order to have the Condominium added to a list of "approved" condominiums. There is no guaranty, assurance or obligation that Sponsor will complete said applications or satisfy the criteria for approvals, or in the event that either or both of the Fannie Mae and FHA requirements are satisfied, whether the Condominium will continue to satisfy such criteria. Purchasers should further be advised that if FHA approval is granted to the Condominium, no more than thirty percent (30%) of the total Residential Units may be encumbered by FHA securitized, guaranteed or insured loans. It shall not be a basis for a Purchaser to rescind a Purchase Agreement if for any reason, Sponsor's application to either or both of Fannie Mae and FHA, is not submitted or approved. In addition, in accordance with the requirements of Fannie Mae and FHA, at least ten percent (10%) of the total operating budget for the First Year of Condominium operation is required to be set aside for capital expenditures and replacement reserve fund in order to fund the replacement reserves for capital expenditures and deferred maintenance (the "Reserve Contribution"), as more particularly described in "Schedule B, Projected Budget for First Year of Condominium Operation Commencing January 1, 2019," located in Part I of the Plan, subject to Sponsor's right to obtain a reserve study that may justify the reduction of the requisite percentage. There is no guarantee or assurance that the Reserve Contribution will be provided as a line item in the operating budget after the First Year of Condominium operation or that Purchasers will be able to obtain mortgages insured by Fannie Mae and/or FHA. The Condominium Board reserves the right, in its sole discretion (including without limitation during the time that Sponsor controls the Condominium Board) to use the Reserve Contribution towards any capital expenditures it deems appropriate. However, the Reserve Contribution can only be used for the repair and replacement of the Common Elements.

A Purchaser will be obligated to pay the balance of the total purchase price regardless of the fact that either: (i) such Purchaser fails, or is unable to obtain a satisfactory mortgage commitment, or (ii) once a satisfactory mortgage commitment has been obtained, the same either lapses, expires or is terminated. In the event that a Purchaser fails, neglects or refuses to duly pay the balance of the total purchase price for any reason, including financing problems, such Purchaser will be in default under the Purchase Agreement.

In accordance with section 71-a(3) of the Lien Law the Sponsor has appointed the law firm of D'Agostino, Levine, Landesman & Lederman, LLP, as Escrow Agent for Sponsor and

Purchaser to hold all payments or monies, including, but not limited to, the Initial Down Payment, the Additional Down Payment, and all License Down Payments or advances, other than the deposit for a copy of the Offering Plan, received by it from Purchasers, either directly or through its agents or employees in trust (the "Deposit" or "Deposits"), whether received before or after the date of Consummation of the Plan, in a special segregated escrow account or accounts at the HSBC Bank, NA office located at 452 Fifth Avenue, New York, New York 10018 (the "Bank"), titled "D'Agostino, Levine, Landesman & Lederman, LLP, Escrow Account for 40 East End Avenue Condominium," or a similar name (the "Escrow Account") within five (5) business days after the Purchase Agreement is signed by all necessary parties. Purchasers are advised that a Purchaser's funds are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000.00 in the aggregate per account type per insured bank. If a Purchaser makes a Down Payment in excess of \$250,000.00 for the purchase of a Unit, such Down Payment will not be federally insured in excess of \$250,000.00. Additionally, if Purchaser has an additional account at the Bank, the aggregate of Purchaser's funds at the Bank, including funds in the additional account and the Down Payment, may not be insured in excess of \$250,000.00. Therefore, if a Purchaser has an additional account at the Bank, Purchaser's Down Payment, including a Down Payment that is less than \$250,000.00, may not be insured in part or in its entirety. Furthermore, while the Down Payment is in the non-interest bearing check portion of the Master Escrow Account, the Down Payment may not be fully federally insured, even if the Down Payment does not exceed \$250,000.00. Purchaser should consult with the FDIC website and with their attorneys to determine which part, if any, of their funds are insured by the FDIC. Sponsor and Escrow Agent make no guarantee of the solvency of the Bank. If the limits of federal bank deposit insurance change in any manner in the future, Escrow Agent will have no obligation to make any changes to the Escrow Account. D'Agostino, Levine, Landesman & Lederman, LLP is located at 345 Seventh Avenue, 23rd Floor, New York, New York 10001, 212-564-9800. The signatories on this special escrow account authorized to withdraw funds are the partners of D'Agostino, Levine, Landesman & Lederman, LLP who are John D'Agostino, Esq., Michael J. Levine, Esq., Wayne R. Landesman, Esq., Bruce H. Lederman, Esq., Bettina Miraglia, Esq. and Jose M. Rivera, Esq., all of whom are located at 345 Seventh Avenue, 23rd Floor, New York, New York 10001. 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.

This Escrow Account will be interest-bearing and unless the Purchaser defaults, interest will be credited to the Purchaser at closing. The interest rate to be earned will be the prevailing rate from this type of account as stated by the Bank at the time of the initial deposit and as provided thereafter. Such interest rate as stated as of October 24, 2017 by the Bank is approximately 0.125% for deposits of less than \$100,000.00 and approximately 0.225% for deposits of \$100,000.00 or more. Interest will begin to accrue as of the date the deposit of the Down Payment clears and is posted by the Bank to the Escrow Account. Notwithstanding anything to the contrary contained herein, unless and until Purchaser has delivered to the Escrow Agent a completed and signed 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), whichever may be applicable, along with any other items reasonably

required by the Bank to open the account, the Down Payments will be deposited in a non-interest-bearing escrow account at the depository. No fees of any kind from the account principal or any interest earned thereon may be deducted. Sponsor shall bear any administrative cost for maintenance of the account.

Within five (5) business days after the Purchase Agreement has been signed by all necessary parties and tendered to Escrow Agent along with the Down Payments, the Escrow Agent shall sign the Purchase Agreement and place the Down Payments into the Escrow Account. Within ten (10) business days of the placing the Down Payments in the Escrow Account, Escrow Agent shall provide written notice to Purchaser and Sponsor, confirming the deposit of the Down Payments. The notice shall provide the account number and the initial interest rate to be earned on the Down Payments. Any Down Payments made for Custom Work shall be initially deposited into the Escrow Account, and released in accordance with the terms of the Purchase Agreement between Purchaser and Sponsor.

The Escrow Agent is obligated to send notice to the Purchaser once the Down Payments are placed in the Escrow Account. If the Purchaser does not receive notice of such escrow deposit within fifteen (15) business days after the Purchase Agreement has been signed by all necessary parties and tendered, along with the Deposit, to Escrow Agent (the "Date of Tender"), the Purchaser may cancel the Purchase Agreement within ninety (90) days after Date of Tender. Complaints concerning the failure to honor such cancellation requests may be referred to the New York State Department of Law, Real Estate Finance Bureau, 28 Liberty Street, 21st Floor, New York, NY 10005. Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Deposits were 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.

Section 71-a(3) of the Lien Law, as applicable herein, also provides for the following:

- (a) Down Payments shall be placed in an interest-bearing account if so requested by Purchaser. Such Down Payments, with any accumulated interest, shall remain the property of the Purchaser, except as otherwise provided by law.
- (b) As an alternative to depositing Down Payments in escrow as set forth in (a) above, Sponsor may post a bond or indemnity contract with a licensed surety company ensuring return of such monies, which bond or contract is to be delivered to Purchaser. If Sponsor elects to post a bond pursuant to this paragraph (b), an amendment to the Plan which complies with the applicable provisions of the Attorney General's Regulations will be filed disclosing same.
- (c) Down Payments will be retained in escrow or bonded as set forth above until: (i) Sponsor performs under the terms of the Purchase Agreement or (ii) Purchaser rescinds, if permitted, or defaults in performance, thereby excusing performance by Sponsor or (iii) release or discharge of Sponsor's liability to refund such Down

Payments or (iv) transfer of title to the Unit to the Purchaser, or (v) release by mutual consent of Sponsor and Purchaser.

- (d) The Purchase Agreement shall contain the following:

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

All Deposits, except for advances made for Custom Work received in connection with the Purchase Agreement to the extent such payments have already been disbursed or are required to pay for the Custom Work, 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. Such funds shall not be a part of the estate of the Sponsor or the Escrow Agent upon any bankruptcy, incapacity, or death.

Except as to any payments received by Escrow Agent for Custom Work which may be released in accordance with the Purchase Agreement between Purchaser and Sponsor, under no circumstances shall Sponsor seek or accept release of the Deposits of a defaulting Purchaser until after Consummation of the Offering Plan, as defined herein. Consummation of the Offering 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) upon closing of title to the Unit, to Sponsor, pursuant to the terms and conditions set forth in the Purchase Agreement; 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), (b), or (c) above, and the 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 the 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 the Escrow Agent shall provide further written notice to both parties informing them of said release. If the Escrow Agent receives a written notice from either party objecting to the release of the Deposit within said thirty (30) day period, the Escrow Agent shall continue to hold the Deposit until otherwise directed pursuant to paragraphs (a) through (c) above. Notwithstanding the foregoing, the Escrow Agent shall have the right at any time to deposit the Deposit contained in the Escrow Account with the clerk of the county where the

Condominium is located and shall give written notice to both parties of such deposit. Upon release of the Deposit pursuant to paragraphs (a) through (c) above, or in the event that the Escrow Agent deposits the Deposit with the clerk of the county where the Condominium is located, as provided immediately above, the obligations of Escrow Agent, as well as its fiduciary duty to the Purchaser, shall be discharged.

The 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 Offering Plan or an amendment thereto; or
- (b) all Purchasers after an amendment abandoning the Offering Plan is accepted for filing by the Department of Law.

However, upon the rescission of a Purchase Agreement by Purchaser, any funds deposited for the Custom Work will not be refunded to the Purchaser to the extent such funds have already been expended or will be expended on costs Sponsor has accrued and is obligated to pay with respect to Custom Work. Notwithstanding anything to the contrary herein, in the event Sponsor abandons the Offering Plan, Sponsor shall refund all additional escrowed funds for Custom Work to the Purchaser, notwithstanding whether any such funds have been expended or allocated to costs incurred by Sponsor.

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.

Prior to funds being transferred to a new escrow account, or if the Escrow Agent is replaced, the Offering Plan will be amended to provide the same full disclosure with respect to the new account, the new escrow agent and the escrow agreement as was originally provided. A bond, letter of credit or other security may be substituted for the escrow account only after the Department of Law approves in writing the use of such alternate form of security, pursuant to the applicable provisions of the Attorney General's Regulations. A Purchaser entering into a Purchase Agreement with Sponsor shall thereby acknowledge and agree that as an alternative to depositing the Down Payment in escrow as set forth herein, Sponsor shall have the right, in its sole and absolute discretion, to elect to withdraw the Down Payment and secure it with an unconditional irrevocable letter of credit, a surety bond from an institutional lender or recognized bonding company, or an alternative type of security, as may be acceptable to the Department of Law, pursuant to a duly filed amendment to the Plan. In such case, Sponsor shall provide a copy of such letter of credit, surety bond, or proof of such alternative type of security, as well as the amendment to the Plan, to Purchaser and further, Purchaser shall thereby consent to such withdrawal of such Down Payment funds from escrow.

In the event that insufficient funds are raised through the offering or otherwise to effectuate the contemplated transaction, or in the event the Sponsor is unable for any reason to perform in accordance with the terms of the Purchase Agreement and the Purchase Agreement

has been subsequently terminated as set forth above, such monies will be fully returned to Purchaser with any interest.

As set forth above, the only other time monies received for the purchase of a Unit shall be disbursed from the special account are at the closing of title to a Unit by such Purchaser or upon a default by a Purchaser which is not cured within any time periods permitted, provided that no Deposit to be released pursuant to an uncured default shall be released prior to the Consummation of the Offering Plan. Any withdrawals or disbursement of funds from this special account or accounts shall be made only upon the written approval by a partner in the firm of D'Agostino, Levine, Landesman & Lederman, LLP, despite the fact that the Bank may be a party to an escrow agreement with respect to such account or accounts. The amounts paid by the Purchasers prior to closing will be handled in accordance with the escrow and trust fund provisions of the Section 352-h and Section 352-e (2-b) of the New York General Business Law and the Attorney General's regulations promulgated thereto. If this Offering is not consummated for any reason, Purchaser shall not lose any of his Down Payments.

Any provision of any Purchase Agreement or separate agreement, whether oral or in writing, by which a Purchaser purports to waive or indemnify any obligation of the Escrow Agent holding any 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 Purchase Agreement, Offering Plan, or any amendment thereto.

The Escrow Agent will maintain all records concerning the escrow account for seven (7) years after the release of the funds. In the event of the dissolution of the firm comprising the Escrow Agent, the former partners or members of the firm shall make appropriate arrangements for the maintenance of such records by one of them or by the successor firm, and shall notify the Department of Law of such transfer.

Subsequent to the date that the Plan has been declared effective, the Sponsor will fix dates for closing title to all Units for which Purchase Agreements have been signed by serving notice on each Purchaser. The notice shall state the date of the First Unit Closing and set forth the closing date for the respective Unit. Purchasers shall be given not less than thirty (30) days' notice of the closing of title on their Units. This notice period may be waived by Purchasers in writing to Sponsor or Sponsor's Attorneys. The notice shall also provide that the balance of the total purchase price shall be due at closing of title. The balance of the cash portion of the total purchase price must be paid by cash, unendorsed certified, teller's or cashier's check made payable to the order of Sponsor or as otherwise directed by Sponsor. In all cases, all checks are to be drawn on a member bank of the New York Clearing House Association. The notice to Purchaser shall also specify when Common Charges will be due and payable.

If, through no fault of Sponsor, Purchaser fails for any reason to close title to his Unit on the originally scheduled Closing Date, or the Adjourned Closing Date (as defined in the form Purchase Agreement set forth in Part II of the Plan), and Sponsor does not have the right to, or

elects not to, cancel this Agreement as a result of the same, (a) the adjustments for real estate taxes and Common Charges will be made as of midnight of the day preceding the originally scheduled Closing Date, regardless of when the actual closing of title occurs, and (b) Purchaser will be required to pay to Sponsor, as a reimbursement of Sponsor's higher carrying costs for the Unit by virtue of the delay, and in addition to the other payments to be made to Sponsor under the Purchase Agreement and the Plan, an amount equal to 0.03% (though such amount charged shall in no event exceed the New York State legal limit regarding the same) of the total purchase price for the Unit for each day starting from (and including) the originally scheduled Closing Date to (and including) the day before the actual Closing Date, plus any other applicable fees due to Sponsor and/or Sponsor's Attorneys as disclosed in the "Closing Costs and Adjustments" section located in Part I of the Offering Plan. If, through no fault of Purchaser, Sponsor postpones the originally scheduled Closing Date, these provisions shall apply to the rescheduled Closing Date if Purchaser fails for any reason to close title to his Unit on the rescheduled Closing Date.

The notice of closing will be served upon all Purchasers who have signed and delivered a Purchase Agreement for a Unit to the Sponsor or Selling Agent (and whose Purchase Agreements are in effect and not in default). The notice of closing will be served either by personal delivery or sent by registered or certified mail to the address of the Purchaser as set forth in the Purchase Agreement. Notices served by personal delivery shall be deemed complete upon delivery. Service by mailing shall be presumed complete on the fifth day after the date of mailing.

Sponsor anticipates that the First Unit Closing will occur on or about January 1, 2019. Purchasers will be afforded a right of rescission if: (i) the actual date of the First Unit Closing; or (ii) the projected date of the First Unit Closing, occurs later than December 31, 2019, twelve (12) months after the projected date of the First Unit Closing. If the Plan is amended to provide for a later projected date for the First Closing, Purchasers will be entitled to an offer of rescission if the First Closing occurs more than twelve (12) months beyond the amended, later date.

The First Year of Condominium operation is estimated to be January 1, 2019 through December 31, 2019. As in any new construction project, given the vagaries of the construction process, it is difficult to predict with precision the date Sponsor will first be able to close title to the Residential Units. Accordingly, it is a special risk of this Offering Plan that the First Residential Closing may occur sooner or later than the projected First Year of Condominium operation and closing to certain Residential Units may occur substantially before or after closings for other Residential Units.

Purchasers should note that even if the First Unit Closing occurs on or before January 1, 2019 (or, in the event Sponsor amends the Plan to disclose an updated projected date of commencement of the First Year of Condominium operation, such updated date projected at the time the Purchase Agreement was entered into) or within the twelve (12) month period thereafter, the closing of subsequent Units may be substantially delayed beyond such dates if a TCO has not been issued for such Units or for the floor on which such Units are located. In such

case, provided that Sponsor is diligently pursuing completion of construction and the issuance of a certificate of occupancy and is otherwise in compliance with its obligations under the Plan, Purchaser will not be entitled to a right to rescission or to make claims against the Sponsor for damages or losses as a result of such delays and will not be excused from paying the Total Purchase Price for the Unit. PROSPECTIVE PURCHASERS SHOULD THEREFORE CAREFULLY CONSIDER THE POSSIBILITY OF SUCH DELAYS IN THEIR DETERMINATION AS TO WHETHER TO PURCHASE A UNIT.

If Purchaser defaults under the Purchase Agreement, Sponsor shall notify Purchaser in writing of such default and advise Purchaser that he has thirty (30) days from the mailing date or thirty (30) days after personal delivery of such notice within which to cure such default. TIME IS OF THE ESSENCE FOR PURCHASER TO CURE ANY DEFAULT UNDER THE PURCHASE AGREEMENT WITHIN THE APPLICABLE PERIOD. "Time is of the essence" means that if such default is not cured within thirty (30) days from the mailing date or thirty (30) days after personal delivery of such written notice, Sponsor may (but shall not be obligated to) elect to cancel the Purchase Agreement. If Sponsor elects to cancel the Purchase Agreement, Sponsor shall notify Purchaser in writing of said cancellation and the monies held by the Escrow Agent, but not more than twenty-five percent (25%) or, if applicable, fifty percent (50%) of the total purchase price plus any interest earned thereon, shall be paid over to the Sponsor as and for liquidated damages and thereafter the Purchase Agreement shall become null and void. Notwithstanding the above, subsequent to the Consummation of the Plan, the Sponsor may receive the actual costs incurred for any Custom Work as a part of its liquidated damages even though the total amount of liquidated damages thereby exceeds twenty-five percent (25%) or, if applicable, fifty percent (50%) of the total purchase price. Sponsor hereby waives any right to seek specific performance in the event of a default by Purchaser.

Purchaser shall be obligated to reimburse Sponsor for any legal fees and disbursements incurred by Sponsor in defending Sponsor's rights under the Purchase Agreement, or in the event Purchaser defaults under the Purchase Agreement beyond any applicable grace period, in canceling the Purchase Agreement to otherwise enforcing Purchaser's obligations hereunder.

A fiduciary relationship shall exist between Escrow Agent and Purchaser, and pursuant to the Purchase Agreement, Escrow Agent shall acknowledge its fiduciary and statutory obligations pursuant to GBL §§352-e(2-b) and 352(h). Notwithstanding the foregoing, 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 Purchaser and/or the New York State Department of Law, whether or not Escrow Agent is in possession of the Deposit and continues as Escrow Agent.

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.

Pursuant to the Purchase Agreement, Sponsor shall agree 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 Purchase Agreement or the performance or non-performance of Escrow Agent's duties under the Purchase Agreement, except with respect to actions or omissions taken or suffered by Escrow Agent in bad faith or in willful disregard of the obligations set forth in the Purchase Agreement or involving gross negligence of Escrow Agent. This indemnity shall include, 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.

The risk of loss from fire or other casualty with respect to the Unit shall remain with the Sponsor until the closing of title for the Unit. The Sponsor, at its sole discretion, reserves the right to either repair or restore such Unit, whereupon Purchaser shall be obligated to close without an abatement in the purchase price, or not repair or restore and grant Purchaser the right to rescind the Purchase Agreement. Notwithstanding the above, in the event that Purchaser, or one claiming by or through Purchaser, enters into possession of the Unit prior to the closing of title, then Purchaser shall bear the risk of loss or other casualty not otherwise covered by either Sponsor's insurance or the Board's insurance with respect to the Unit. Additionally, Purchaser shall be solely responsible for any damage to, or loss or other condition in, the Unit and Sponsor shall not be obligated to repair any damages to the Unit or its appliances, fixtures and equipment. Accordingly, Purchaser, or one claiming by or through Purchaser, who takes possession of the Unit prior to the closing of title should obtain insurance coverage for the Unit prior to taking possession, since, despite any loss, Purchaser will remain obligated to purchase the Unit under the terms of the Purchase Agreement, without any abatement in the purchase price. Purchaser should consult with an attorney and/or insurance agent as to his or her insurance needs.

Within thirty (30) days of receiving four (4) copies of a Purchase Agreement, each signed by Purchaser, together with the required Down Payment, the Sponsor must either accept the Purchase Agreement by returning to Purchaser a fully signed copy of the Purchase Agreement or reject the Purchase Agreement by returning to Purchaser the Down Payment tendered. If Sponsor takes no action within said thirty (30) day period, the Purchase Agreement shall be deemed null and void. Sponsor reserves the right to request thorough identification and financial information concerning Purchaser, including but not limited to credit reports, background and litigation checks, employment and rental/ownership history, and bank statements, subject to any limitations and requirements imposed by law. 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, sex, disability, marital status, national origin, ancestry, or any other ground proscribed by law, and to refuse to sign a Purchase Agreement for any Unit, or a Purchase Agreement or Purchase Agreements, as the case may be, for more than one Unit to any one person or entity.

At the closing of title to a Unit, and as a condition thereto, the Purchaser shall be required to sign a Power of Attorney to the Board of Managers of the Condominium and to the Sponsor. The Power of Attorney appoints (i) the Board of Managers as attorney-in-fact to acquire, on behalf of all Unit Owners, any Unit the Unit Owner of which wishes to sell or abandon together

with the Appurtenant Interests thereto and to deal with any such Units so acquired as they may determine; (ii) the Sponsor and/or its designee, as attorney-in-fact, to amend the Declaration, the By-Laws, and the Rules and Regulations of the Condominium or any of said documents under certain conditions set forth in the Power of Attorney; and (iii) the Sponsor, as attorney-in-fact, to sign any document to effectuate the transfer, assignment or conveyance by Sponsor, in whole or part, of the transferable air rights and/or development rights which Sponsor has retained for itself, and/or its successors and assigns. The Form of Power of Attorney to be signed is set forth in Part II of the Offering Plan.

Further, 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 also be required at the time of closing of title to the Purchaser's Unit, to expressly waive any and all immunity from suit by Sponsor and/or the Board of Managers of the Condominium. Such Purchasers at closing will be required to sign the "Waiver of Diplomatic or Sovereign Immunity and Consent to Jurisdiction" set forth as Exhibit "B" to the Purchase Agreement which is included in Part II of the Offering Plan.

Each Purchaser shall be given an opportunity to examine the Residential Unit prior to the closing in the company of a representative of Sponsor and is urged to make a careful review thereof, as more fully set forth in the Purchase Agreement set forth in Part II of the Offering Plan. At the closing, each Purchaser of a Residential Unit shall be required to sign and deliver to Sponsor a Pre-Settlement Orientation Form in substantially the form set forth in Part II hereof, wherein Purchaser acknowledges the condition in which Purchaser is accepting the Residential Unit. Under no circumstances shall any item included on a Pre-Settlement Orientation Form (i) constitute grounds for a Purchaser to postpone or otherwise delay the Closing Date or Adjourned Closing Date, if applicable, or (ii) obligate Sponsor to deposit any monies in escrow at closing. Any work set forth on the Pre-Settlement Orientation Form shall be completed by Sponsor as agreed in writing, the means and methods of which shall be determined in Sponsor's sole discretion. Purchaser will be obligated to provide Sponsor and its contractors, subcontractors, agents and employees, unfettered access to the Unit and any Limited Common Elements appurtenant thereto after closing in order to complete the work on the Pre-Settlement Orientation Form, failure of which would relieve Sponsor of its obligations to complete the work set forth on the Pre-Settlement Orientation Form. In the event Purchaser performs work of any kind after closing in the Unit or any Limited Common Elements appurtenant thereto, affecting any of the areas or items listed in the Pre-Settlement Orientation Form, Sponsor will be relieved of any and all obligations related to such affected areas or items listed therein.

Purchasers should note that the Storage Rooms are General Common Elements of the Condominium. Each Storage Room will be sold as a license, not as a fee interest, and will be made available for the exclusive use of an individual Residential Unit Owner pursuant to a Storage Room License. Any Residential Unit Owner assigned a Storage Room in the Building will be required to sign a Storage Room License governing the use of the Storage Room. A copy of the Storage Room Licenses to be signed at Closing is set forth as Exhibit "A" to the Purchase

Agreement which is included in Part II of the Offering Plan. The Storage Room License may only be assigned to a Residential Unit Owner either (i) simultaneously with such Unit Owner's acquisition of a Residential Unit, or (ii) the transfer of a Storage Room License from one Residential Unit Owner to another Residential Unit Owner. In the event a Residential Unit Owner elects to terminate a Storage Room License and does not transfer same to another Residential Unit Owner, the rights to the Storage Room in question will devolve to the Board of Managers which shall have the right to issue a new Storage Room License to another Residential Unit Owner in its sole discretion. Residential Unit Owners can only lease their respective Storage Rooms to other Residential Unit Owners in the Building after obtaining the written consent of the Board of Managers thereto.

During the First Year of Condominium operation, each Unit Owner who enters into a Storage Room License Agreement will not be required to pay a monthly Storage Room License Fee (a "License Fee") to the Board of Managers at the inception of the Storage Room License Agreement. However, notwithstanding anything to the contrary herein, subsequent to the First Year of Condominium operation, the Board of Managers reserves the right to establish, and to charge to each Storage Room Licensee, a monthly License Fee, which may be increased annually thereafter by the Board of Managers in its sole discretion, but based on the cost of maintenance and operation of the cellar storage area and all Storage Rooms located therein. The License Fee shall be deemed an assessment by the Board of Managers, as Licensor, and failure to pay the same shall entitle the Board of Managers to the same rights and remedies as the Board of Managers then has under the Declaration and By-Laws for non-payment of Common Charges or other assessments. Such License Fee, if established, shall only be applicable subsequent to the lawful occupancy or use of the cellar storage area and any applicable Storage Room. For avoidance of doubt, as to any unsold Storage Room Licenses, Sponsor will not be required to pay License Fees.

In addition, the assigned Storage Rooms may not be completed prior to the closing of title to a particular Residential Unit and the fact that a Storage Room may not be available for use at the time of the Closing will not constitute a basis for a Purchaser to fail to close title to a Residential Unit. However, that portion of the total purchase price of a Unit allocated to the Storage Room, if any, will be held in escrow by Sponsor's Attorneys until the date that the Storage Room is made available for Purchaser's use. Sponsor intends to complete the construction of all of the Storage Rooms prior to the issuance of a Temporary Certificate of Occupancy for all of the Residential Units in the Building. Purchaser shall also be responsible for the payment of any state and city transfer taxes due in connection with the licensing of the Storage Room, which obligation shall survive the Closing.

The Storage Rooms are located on the cellar level of the Building. The Sponsor and the Board cannot make any representation that the Storage Rooms will remain dry or will not experience any water infiltration and neither the Sponsor nor the Board will be responsible for any damage to items placed in the Storage Rooms. Residential Unit Owners who place items in the Storage Rooms do so at their own risk and Unit Owners are advised to consult with their insurance brokers regarding appropriate coverage for such stored items. Residential Unit Owners

must comply with Applicable Law regarding the Storage Rooms, which may be subject to periodic inspection by the Board of Managers and any City of New York and other governmental agencies having jurisdiction thereover. Sponsor is hereby reserving the unconditional right to determine which Purchasers of Residential Units will be allowed to purchase a Storage Room License and how many Storage Room Licenses are sold to an individual purchaser. A Storage Room License will only be sold by Sponsor to a Purchaser of a Residential Unit.

Any Storage Room which is licensed by a Residential Unit Owner may be used for any lawful use which is accessory to the residential use of the Unit, including, but not limited to, the storage of personal effects of the Residential Unit Owner, provided that no stored article or material that shall pose a threat to the health or safety of the Unit Owners or other occupants or tenants of the Building or shall otherwise create a nuisance shall be permitted to be brought into or stored in said Storage Room by any Residential Unit Owner. In no event may a Storage Room be used for sleeping or dining purposes, which use is not permitted under, and could result in a violation issued pursuant to, the Building Code.

Any conflict between this Offering Plan and the Purchase Agreement will be resolved in favor of the Offering Plan. In no event may the Purchase Agreement contain, or be modified to contain, any provision waiving Purchaser's rights, other than the ability of Purchaser to waive his right to thirty (30) days' notice prior to the closing of title to Purchaser's Unit. In no event may the Purchase Agreement contain, or be modified to contain, any provision abrogating Sponsor's obligations under the Offering Plan or under Article 23-A of the General Business Law. Purchase Agreements are not assignable without Sponsor's prior written consent which may be withheld for any reason.

Sponsor reserves the right to negotiate all aspects of the purchase price of Units and/or Storage Room Licenses, including, but not limited to, the terms of a financing contingency, if any, payment of charges or fees otherwise paid by Purchasers, reduced Down Payments (but at least \$1,000.00) and custom work, upgrades and/or extras. Furthermore, Sponsor reserves the right to amend the Plan from time to time to add and/or delete negotiable terms.

Additionally, pursuant to the form Purchase Agreement set forth in Part II of the Offering Plan, Sponsor and Purchaser agree to keep all of the terms and conditions of the Purchase Agreement confidential. Sponsor and Purchaser agree that any information which is required to be disclosed to the parties' respective lawyers, architects/engineers, accountants, individuals who "need to know" or governmental agencies shall not be deemed to be a breach by Sponsor or Purchaser of the parties undertaking of confidentiality contained in the Purchase Agreement. Any failure by Purchaser to keep the terms and conditions of the Purchase Agreement confidential shall be a default by Purchaser, entitling Sponsor to the default remedies set forth therein.

With regard to any model unit, which Unit or Units ("Model Unit") shall be designated by Sponsor in Sponsor's sole and absolute discretion, such Model Unit shall be delivered by Sponsor to a Purchaser thereof in "AS IS" condition, including but not limited to, normal wear

and tear. Sponsor shall have no further obligations with regard to any Model Unit. Additionally, Sponsor shall be under no obligation to repaint or repair anything in a Model Unit, including but not limited to, refinishing the floors in a Model Unit, repairing any appliance in a Model Unit or painting any room in a Model Unit. Any Model Unit, however, shall be built in accordance with all applicable laws and codes and in accordance with the Floor Plans submitted herewith, as may be amended.

Pursuant to the Condominium Declaration and By-Laws, the future assignment or rental of any Storage Room owned by Sponsor or a Sponsor-designee does not require the ownership by Sponsor or a Sponsor-designee of a Residential Unit. However, the future assignment or rental of a Storage Room owned by any other Unit Owner, other than the Sponsor or a Sponsor-designee, requires the simultaneous ownership by such Unit Owner of a Residential Unit.

Pursuant to the Geographic Targeting Order issued on January 6, 2016 (as revised and as may be further revised from time to time, the "Order") by the Director of the United States Department of the Treasury's Financial Crimes Enforcement Network ("FinCEN"), title companies are now required to collect and report information regarding purchasers in transactions where: (1) the purchaser is a "Legal Entity" as defined in the Order; (2) the purchaser purchases residential real property located in the Boroughs of Brooklyn, Queens, Bronx, Manhattan, or Staten Island; (3) the total purchase price is in excess of \$3,000,000.00 in the Borough of Manhattan or the total purchase price is in excess of \$1,500,000.00 in the Boroughs of Brooklyn, Queens, Bronx or Staten Island; (4) the purchaser does not obtain a bank loan or similar form of external financing; and (5) the purchase is made, at least in part, using currency or a cashier's check, a certified check, a traveler's check, a personal check, a business check, or a money order in any form, or a funds transfer. The Order affects all residential real property closings occurring on or after March 1, 2016 and until the expiration of the effective period of such Order, i.e., March 20, 2018, which date is subject to change by FinCEN.

ASSIGNMENT OF PURCHASE AGREEMENTS

No assignment or transfer of a signed Purchase Agreement shall be permitted without the prior written consent of Sponsor which may be withheld or delayed for any reason. Any purported assignment by Purchaser in violation of this Section will be voidable at the option of Sponsor. Sponsor's refusal to consent to an assignment will not entitle Purchaser to cancel the Purchase Agreement or give rise to any claim for damages against Sponsor. If Sponsor, in its sole discretion, consents to a Purchaser's request for an assignment of the Purchase Agreement, or for the addition, deletion or substitution of names on the Purchase Agreement, then Purchaser shall be required to pay D'Agostino, Levine, Landesman & Lederman, LLP a fee of \$750.00, in advance, for preparation of an assignment and assumption agreement. Any purported assignment by Purchaser in violation of this section shall be a default by Purchaser, entitling Sponsor to the default remedies set forth in the section of the Plan entitled "Procedure to Purchase," and shall be voidable at the option of Sponsor.

A Unit Owner who acquired his Unit from Sponsor ("Sponsor Sale") is prohibited from (a) listing the Unit for sale with any broker or placing or authorizing any listing in any broker's listing system or other listing service or from otherwise advertising or otherwise, offering, promoting or publicizing the availability of the Unit for sale for twelve (12) months after Closing, without Sponsor's prior written consent, which consent may be withheld, conditioned, or delayed in Sponsor's sole and absolute discretion; or (b) entering into a contract or other agreement for the sale of the Unit or reselling the Unit prior to the first anniversary of the Closing of the Sponsor Sale ("Resale"), except to such Residential Unit Owner's family member(s), or a trust for the benefit of such family member(s) or to an entity or individual that owns more than fifty percent (50%) of the legal and beneficial interest of such Unit Owner or to an entity with respect to which such Unit Owner (individual or otherwise) owns more than fifty percent (50%) of the legal and beneficial interest thereof, or to a permitted mortgagee or its nominee, who has acquired title to any Unit at a foreclosure sale of its permitted mortgage or by deed in lieu thereof delivered in a bona fide transaction. The foregoing restriction shall not apply from and after the date that Sponsor has conveyed title to all of the Units. For purposes of this clause, "family member(s)" shall mean the spouse, domestic partner, children, stepchildren, grandchildren, siblings, stepsiblings, aunts, uncles, nieces, nephews, parents, stepparents, parents-in-law and grandparents of a Unit Owner. Leasing of the Unit is permitted after closing in accordance with and subject to the provisions set forth in the By-Laws.

Prior to the Closing of title to a Unit, a Purchaser is prohibited from listing the Unit for sale with any broker or placing or authorizing any listing in any broker's listing system or other listing service or from advertising or otherwise offering, promoting or publicizing the availability of the Unit for sale, without Sponsor's prior written consent, which consent may be withheld, conditioned, or delayed in Sponsor's sole and absolute discretion. Any such action by Purchaser will be deemed a material default under the Purchase Agreement, and Sponsor may, at its option, cancel the Purchase Agreement and retain, as liquidated damages, the entire Down Payment made by the Purchaser, together with any interest earned thereon.

EFFECTIVE DATE OF PLAN

All Purchase Agreements signed by Sponsor shall be contingent upon Sponsor's declaring the Offering Plan effective pursuant to the requirements and terms of the Plan. These requirements, stated below, must be satisfied within one (1) year of the date the Plan is accepted for filing unless the Plan is amended so as to extend this period. However, any amendment to the Plan is hereby deemed to extend this time period to the same extent that the Plan is extended by such amendment. The closing of title to any Unit may not occur until after the Plan has been declared effective and an amendment has been accepted for filing by the Department of Law substantiating same, and the Condominium Declaration and By-Laws have been duly recorded.

The Plan may be declared effective when Purchase Agreements have been both signed and accepted by a bona fide Purchaser and Sponsor for the sale of five (5) Residential Units, which represent a minimum of at least fifteen percent (15%) of the Units offered under the Plan. However, if after Sponsor declares the Offering Plan effective, all Purchase Agreements are rescinded and/or terminated prior to the date of the First Unit Closing, the Sponsor shall re-declare the Offering Plan effective, regardless of whether the Declaration of Condominium has been recorded, prior to closing on any Units.

The Plan must be declared effective when Purchase Agreements have been both signed and accepted by Sponsor for the sale of twenty-four (24) Residential Units, which represents a minimum of at least eighty percent (80%) of the Units offered under the Plan.

The Plan may be abandoned, at Sponsor's sole option, at any time before the amendment substantiating effectiveness is filed and before eighty percent (80%) of the Units have been purchased. The Plan, if abandoned, shall be abandoned by amendment filed with the Department of Law in appropriate form together with a notice of abandonment on form RS-3. Such amendment shall explain the basis for abandonment and must state how any funds received pursuant to the Plan will be distributed. All monies paid by Purchasers pursuant to Purchase Agreements (including, if applicable, all additional escrowed funds for Custom Work paid to Sponsor by Purchasers, notwithstanding whether any such funds have been expended or allocated to costs incurred by Sponsor) shall be refunded to them in full, with interest, if any, within twenty (20) days of such abandonment.

Once a Plan has been declared effective, Sponsor may not abandon it for any reason other than for: (a) a defect in title which cannot be cured without litigation or cannot be cured for less than a cost which does not exceed an amount equaling one half of one percent (0.5%) of the Total Purchase Price set forth on the front cover of the Plan; or (b) work orders of a mortgagee or hazardous or dangerous conditions that cannot be cured for less than a cost which does not exceed an amount equaling one half of one percent (0.5%) of the Total Purchase Price set forth on the front cover of the Plan; or (c) substantial damage or destruction of the Building by fire or other casualty which cannot be cured for less than a cost which does not exceed an amount equaling one half of one percent (0.5%) of the Total Purchase Price set forth on the front cover of the Plan; or (d) the taking of any material portion of the Property by condemnation or eminent

domain. The aforementioned amount set forth above as a basis for abandonment after effectiveness of the Plan shall exclude any title defects, attorneys' fees, hazardous or dangerous conditions, work orders or determinations of any authority or regulatory association which exist as of the date the Plan is declared effective and either are known to the Sponsor or are a matter of public record.

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

The Plan will not be declared effective based upon Purchase Agreements: (a) signed by Purchasers who have been granted a right of rescission that has not yet expired or been waived; or (b) if the Purchaser was either not afforded at least three (3) business days to review the Plan, and all filed amendments thereto prior to signing a Purchase Agreement, or if he was not permitted seven (7) days after delivering a signed Purchase Agreement and deposit to rescind the Purchase Agreement; or (c) with any Purchaser who is the Sponsor/Selling Agent or the Managing Agent or is a principal of the Sponsor/Selling Agent or the Managing Agent or is related to the Sponsor/Selling Agent or the Managing Agent or to any principal of the Sponsor/Selling Agent or Managing Agent by blood, marriage or adoption or as a business associate, an employee or a shareholder or a limited partner, except that such a Purchaser, other than the Sponsor or a principal of the Sponsor may be included if Sponsor submits proof satisfactory to the Department of Law establishing that the Purchaser is a bona fide Purchaser.

TERMS OF SALE

The Units, when sold by the Sponsor, will be sold in fee simple to Purchasers, who may be individuals, a duly formed partnership, corporation, limited liability company, trust, estate, fiduciary, unincorporated association, syndicate, joint venture, organization, government, any department or agency thereof, or any other entity which is permitted to own property in the State of New York. The sale of the Units will be made at the respective offering prices set forth in Schedule A, and the sale of Storage Room Licenses will be made at the respective offering prices set forth in Schedule A-1 (as such prices may be changed by the Sponsor as set forth in Part I of the Offering Plan); the sale of the Units will include the respective undivided interests in the Common Elements. Purchasers should note that the Storage Rooms are General Common Elements of the Condominium. Each Storage Room will be sold as a license, not as a fee interest, and will be made available for the exclusive use of an individual Residential Unit Owner pursuant to a Storage Room License.

Good and marketable title to the Units and their appurtenant interests in the Common Elements will be conveyed by the Sponsor by Bargain and Sale Deed with Covenants against Grantor's Acts and containing the provisions set forth in subdivision 5, Section 13 of the Lien Law, free and clear of all liens and encumbrances other than those set forth below. The form of unit deed is set forth in Part II of the Plan.

1. Survey made by Control Point Associates, Inc., dated October 28, 2016, and last updated February 21, 2017, shows a 6-story brick building, a 2-story brick building, and also shows:
 - a. Cellar doors and grates extend onto East 81st Street;
 - b. Cornice and fire escapes project onto East 81st Street;
 - c. 6-story building extends up to 0.21 feet onto East 81st Street and up to 0.15 feet onto East End Avenue;
 - d. Fences and walls on or near portions of northerly, easterly and westerly record line of title;
 - e. Grate extends onto East End Avenue; and
 - f. Fire escape projects onto East End Avenue;
2. Any state of facts which updated and accurate surveys would show, provided such surveys do not render title unmarketable;
3. Zoning and building ordinances, resolutions, restrictions and regulations of municipal authorities having jurisdiction and any amendments thereto, now or hereafter adopted, providing same will not be violated by the contemplated structures and use;

4. The Declaration, By-Laws, Maps and Floor Plans of the Condominium to be recorded in the Office of the City Register, as the same may be amended from time to time;
5. Easements in favor of adjoining Units and in favor of the Common Elements for the continuance of all encroachments of such adjoining Units or Common Elements on the Unit, existing as a result of construction and rehabilitation of the Building, or construction of the individual Units, or which may have come or may come into existence as a result of settling or shifting of the Building, or as a result of repair or restoration of the Building or any portion thereof, or of any adjoining Unit or of the Common Elements made by or with the consent of the Board of Managers after damage or destruction by fire or other casualty or after a taking in condemnation or eminent domain proceedings, or by reason of any alteration or repair to the Common Elements, made by or with the consent of the Board of Managers, so that any such encroachments may remain so long as the Building shall stand. Each Unit shall be subject to the aforesaid easements in favor of all other Units. In addition, each Unit shall have, and shall be subject to, easements of subjacent support and necessity in favor of such Unit or in favor of other Units and the Common Elements;
6. Easements, if any, in favor of the other Units to use the pipes, wires, ducts, conduits, cables, public utilities and other Common Elements located in the Unit or elsewhere on the Property and serving such other Units;
7. Revocability of the right to maintain street vaults and other areas, if any, under sidewalks;
8. Consents by Sponsor or any former owner of the Property for the erection of any structure or structures on, under or above any street or streets on which the Property may abut;
9. Any easement or right of use created in favor of any public utility company and/or cable television company for electricity, steam, gas, telephone, water or other service, and the right to use, maintain and repair wires, cables, terminal boxes, lines, service connections, poles, mains, facilities and the like upon, under and across the Property;
10. Service, maintenance and union contracts and agreements, if any, in effect on this date of the First Unit Closing;
11. Encroachments of stoops, areas, cellar steps, doors, ledges, window sills, bay windows, trim, coping, cornices, vaults, chutes, fuel oil lines, gas lines, drainage pipes, standpipes, sewerage pipes, foundations, footings, retaining walls, fences, fire escapes, air conditioning units, canopy and similar projections, if any, on, over or under the Property or the streets or sidewalks or property abutting the

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

12. All covenants, declarations, restrictions, reservations, agreements and easements of record, if any, which are still in force and effect on the date of the First Unit Closing, provided that they are not violated by and do not prevent residential use of the Residential Units at the Property nor prevent the existence of the new structure, including, but not limited to, the following:
 - a. Zoning Lot Development and Easement Agreement in CRFN 2015000248949;
 - b. Certification Pursuant to Zoning Lot Subdivision in CRFN 2015000248950;
 - c. Zoning Lot Description and Ownership Statement in CRFN 2015000248951;
 - d. Waiver of Declaration of Zoning Lot Restrictions and Consent and Subordination to Zoning Lot Development Agreement in CRFN 2015000248952; and
 - e. Declaration of Zoning Lot Restrictions in CRFN 2015000248954;
13. Covenants, conditions, restrictions, easements, and agreements set forth in any current or future Zoning Lot and Development Agreement, Zoning Lot Descriptions and Ownership Certifications, and/or Zoning Lot Certifications to be recorded;
14. Any service contracts to be entered into and/or assumed by the Condominium at the First Unit Closing;
15. The lien of any unpaid real estate tax, and the lien of any water charges or sewer rents generally, (which shall be apportioned at closing);
16. Any service variations between tax lot lines and lines of recorded title; and
17. Standard printed exceptions contained in the form of title insurance policy then issued by the title insurance company insuring Purchaser's title to his Unit.

The Sponsor represents that, until it no longer controls the Board of Managers, the Property will be maintained, repaired, cared for and operated in substantially the same condition and manner as it was on the date of the First Unit Closing, subject to strikes, lockouts, labor difficulties, acts of God, fire or other casualty, storm, riots, insurrection, inability to obtain materials, equipment or labor, governmental restrictions or any other acts over which the Sponsor is reasonably unable to exercise control. If the Sponsor is prevented from so maintaining the Property for any of these reasons other than fire or other casualty, the Sponsor will make any repairs subsequent to the First Unit Closing that it was obligated to make as of the First Unit

Closing. As set forth in the section of the Plan titled "Effective Date", in the event of a casualty which cannot be repaired for less than a cost which exceeds an amount equaling one half of one percent (0.5%) of the Total Purchase Price set forth on the front cover of the Plan (as estimated with respect to the casualty by an insurance adjuster retained by Sponsor) and which occurs prior to the First Unit Closing and the Sponsor elects not to make repairs, then the Sponsor may, at its option, abandon or withdraw this Offering Plan. In such event, all Purchase Agreements will be deemed automatically cancelled and Purchasers in good standing will be refunded their deposits (including, if applicable, all additional escrowed funds for Custom Work paid to Sponsor by Purchasers, notwithstanding whether any such funds have been expended or allocated to costs incurred by Sponsor) with any interest earned thereon. Upon such refund being made, the Condominium and the Sponsor will be relieved and discharged of all liability under the Plan and Purchase Agreements.

In the event the Sponsor elects to repair and restore the damage to the Building from a casualty occurring before the First Unit Closing, or if the casualty occurs after the First Unit Closing, but before the closing of the damaged Unit, then the following shall be applicable:

The term "Affected Unit" means a Unit that has been directly damaged in the casualty (other than minor damage not rendering the Unit uninhabitable) or is without such essential services as gas, electricity and heat, or no longer has a reasonably adequate means of ingress and egress to the street;

The Purchase Agreements for all Units, other than "Affected Units" (as previously defined), shall remain in full force and effect and the Purchasers thereunder shall pay the full purchase price at the closing. Such Purchasers shall not be entitled to adjourn the closing nor be allowed any abatement in the purchase price, nor credit against same, nor retain (in escrow or otherwise) any portion of such purchase price pending restoration and repair of the damage to the Building and the Affected Units.

Except as provided in the next paragraph, a Purchaser of an Affected Unit shall not be required to pay the balance due under the Purchase Agreement unless and until (i) the damage to his or her Affected Unit has been substantially repaired as near as reasonably possible to its condition immediately prior to the casualty and (ii) his or her essential services (such as gas, electricity or heat) and a reasonably adequate means of ingress and egress to the street have been restored.

Notwithstanding the foregoing, if the Purchaser is given possession of the Affected Unit under an Interim Use and Occupancy Agreement or otherwise prior to the casualty, such Purchaser shall assume the risk of loss not otherwise covered by either Sponsor's insurance or the Board's insurance with respect to the Unit and the obligation to repair the damage, unless the cause of such loss originated outside his or her Unit and did not result from the acts of Purchaser or other occupants of the Unit or Purchaser's guests, invitees or workmen. If the Purchaser is obligated to repair the damage in accordance with the foregoing, then his or her failure to repair

the damage shall not excuse him or her from paying the balance due under his or her Purchase Agreement and accepting title to the Unit.

The Sponsor and/or the Condominium will in no event be liable to Purchasers under this Plan, and the Sponsor will not be liable to the Condominium, in the event of any delay in repairing the damage.

All personal property located within the Unit on the date the Purchase Agreement is signed that is owned by the Sponsor is included in the conveyance to the Unit Purchaser. All personal property affixed to or located within the Common Elements that is owned by the Sponsor is included in the property transferred to the Condominium by the Declaration.

At the time of the First Unit Closing each mortgagee will (a) consent to the formation of the Condominium and acknowledge that its lien will be limited to Unsold Units; (b) subordinate the lien of its mortgage to the Declaration of Condominium; or (c) release its lien on the Condominium Unit being conveyed.

CLOSING ADJUSTMENTS WITH THE CONDOMINIUM BOARD

Immediately prior to the First Unit Closing, Sponsor shall apportion the following items with the Condominium Board as of midnight of the day immediately preceding such closing:

- (a) Any Common Charges or other payments to be made in lieu thereof, which are Sponsor's obligation for the period from the First Unit Closing to the end of the month in which same occurs;
- (b) employees' wages, vacation and severance pay, pension and welfare benefits and all other payments or obligations relative to the employees of the Building, if any;
- (c) fees for assignable permits and licenses, if any;
- (d) charges for gas for the Common Elements, for which Sponsor shall obtain readings;
- (e) charges for electricity for the Common Elements, for which Sponsor shall obtain a reading;
- (f) charges under service and maintenance contracts and concession agreements, if any;
- (g) water charges and sewer rents on the basis of the fiscal or calendar year for which assessed or on the basis of meter readings if applicable, which Sponsor shall obtain;
- (h) supplies on hand at Sponsor's cost (plus sales tax);
- (i) premiums for transferable insurance policies, if any, provided that the amount and the extent of coverage conforms to the disclosures in this Plan in Schedule B as set forth in Part I of the Offering Plan;
- (j) vault charges, if any; and
- (k) such other items as are customarily included in closing adjustments in the City of New York, as well as any other applicable reimbursements from the Condominium Board to Sponsor.

The Condominium Board shall reimburse the Sponsor in full for any electric, utility or other utility construction deposits or security deposits paid by Sponsor. Such items are not items for closing adjustment.

At the time of the first closing of title to each Unit to a bona fide Purchaser, such Purchaser shall pay into the Working Capital Fund of the Condominium the sum equal to two (2)

months of Common Charges for the Unit being purchased at the time of the closing. This fund is to be used for payment by the Board of Managers of any net closing adjustment expenses owed to Sponsor at the First Unit Closing. The amount of the net closing adjustment owed to Sponsor will be paid to Sponsor by the Board of Managers, without interest, by applying the contribution to Working Capital paid by each Purchaser at the closing of title to each Unit to the terms of a non-interest bearing note due on the first anniversary of the First Unit Closing to be signed by the Board of Managers at the First Unit Closing. Sponsor is hereby authorized to endorse the Working Capital contribution checks payable to the Board of Managers over to Sponsor and to apply such payments without any further action of the Board of Managers until the promissory note is paid in full. If the promissory note is not fully paid by the due date from such payments, the Board of Managers will pay the note in full from its general funds. The Board of Managers will be entitled to repay the note, in full only, at any time and without penalty. Sponsor will waive any net adjustments in its favor which would reduce the Working Capital Fund below zero after making provision for the amount of monies that would be generated by the payment of Working Capital contribution for each Unit in the Building. If the result of the closing adjustment is a net credit in favor of the Condominium, or if any amounts remain after the promissory note has been fully paid, such amounts in the Working Capital Fund may be held or used at any time for working capital, to make repairs or for such other appropriate purposes permitted under the Declaration and the By-Laws as well as determined by the Board of Managers in its sole discretion.

Other than as set forth above, no provision has been made for a Working Capital Fund. Further, other than as set forth in "Schedule B, Projected Budget for First Year of Condominium Operation Commencing January 1, 2019," no provision has been made for a Reserve Fund.

CLOSING OF TITLE TO UNITS

At the closing of title to an individual Unit the Purchaser will pay to the Sponsor the balance of the purchase price for the Unit and the Sponsor, pursuant to section of the Plan titled "Terms of Sale," hereinbefore, will deliver to the Purchaser a bargain and sale deed for that Unit with covenants against grantors acts. The form of Unit Deed is set forth in Part II of the Plan.

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

- (1) The issuance of a temporary or permanent Certificate of Occupancy for the Building, or, alternatively, the issuance of a temporary or permanent Certificate of Occupancy for the Unit closed.

Sponsor, at Sponsor's sole cost and expense, will obtain, prior to the closing of a particular Unit, the issuance of a temporary or permanent Certificate of Occupancy for the Unit closed. Sponsor shall complete construction and obtain a permanent Certificate of Occupancy for the entire project within two (2) years subsequent to the First Unit Closing or at such sooner time as the temporary Certificate of Occupancy, as same may be renewed, replaced or extended, expires. If, at the time of closing of title to a Residential Unit Sponsor has only obtained a temporary "Class A" residential Certificate of Occupancy covering such Unit, then Sponsor shall place in escrow with its attorney an amount, as determined by an architect chosen by Sponsor, which is sufficient in such architect's opinion to cover the cost of obtaining a permanent "Class A" residential Certificate of Occupancy covering that Unit. Such escrow amount shall be released to Sponsor or its designee upon the obtaining of a permanent "Class A" residential Certificate of Occupancy covering such Unit or the Building. Alternatively, the Sponsor shall have the option of either depositing with an escrow agent an unconditional, irrevocable letter of credit in the amount determined by Sponsor's architect or posting a surety bond in the amount so determined.

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 temporary certificates of occupancy. Certificates of occupancy are generally governed by Section 301 of the New York Multiple Dwelling Law and local building codes and rules. Both TCOs and FCOs are issued by the New York City Department of Buildings ("DOB"). A TCO is intended to indicate that the property conforms substantially to the DOB approved plans and specifications, and to the requirements of all applicable laws, rules and regulations for the uses and occupancies specified in the TCO. No change of use or occupancy shall be made unless a new certificate of occupancy is issued. All TCOs have an

expiration date. A TCO typically expires ninety (90) days after the date of issuance and is typically renewed thereafter. If a TCO expires and is not renewed, it may be difficult or impossible to buy insurance, refinance, or sell units. In New York City, it is common for sponsors to commence unit closings when some or all units are covered by a TCO rather than an FCO. Sponsor anticipates this scenario may occur. Sponsor will undertake the responsibility for extending each TCO received prior to expiration thereof, and ultimately for obtaining an FCO covering the entire Building within two (2) years from the date of issuance of the first TCO, subject, however, to (i) force majeure, (ii) actions by Unit Owners or tenants of Unit Owners, (iii) work undertaken in a Unit by a Unit Owner, except in instances where Sponsor or the Board of Managers, if controlled by Sponsor, have given its consent to a Unit Owner to perform alterations, (iv) work undertaken in Common Elements by the Condominium Board after Sponsor no longer controls the Board of Managers or (v) any other cause over which Sponsor has no control. Sponsor and its principal make no representation or guarantee that DOB will issue the FCO within such two (2) year period. NOTWITHSTANDING THE FOREGOING, SPONSOR IS OBLIGATED TO PROCURE THE FCO FOR THE ENTIRE BUILDING, AND SHALL USE ITS BEST EFFORTS TO OBTAIN THE FCO WITHIN SUCH TWO (2) YEAR PERIOD WHILE KEEPING THE TCO CURRENT. Unit Owners and the Board of Managers shall be obligated to cooperate with and refrain from obstructing Sponsor in these undertakings.

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

- (2) The recordation in the New York County Office of the Register of the City of New York of the Declaration, the By-Laws and the filing in said office of a set of as-built floor plans of the Building showing the layout, location and approximate dimensions of the Units and the Unit designations, certified by the Tax Assessor of the City of New York as conforming to the official tax lot number for each such Unit and including an Architect's statement required by Section 339-p of Article 9-B of the Real Property Law of the State of New York certifying that the plans fully and fairly depict the layout, location, Unit designations and approximate dimensions of the particular Unit or Units as built;
- (3) The discharge of all duly recorded liens affecting the Unit to be closed and its undivided Common Interest and the recording of a partial release which releases such Unit and its undivided Common Interest from such lien, if any, as required by Section 339-r of the Real Property Law;

- (4) The serving by personal delivery or registered or certified mail to the Purchaser written notice of the closing date not less than thirty (30) days prior to closing of title, unless Purchaser elects to waive the thirty (30) day requirement; and the affording to Purchaser of an opportunity to review the Unit and the Common Elements; and
- (5) The amending of the Offering Plan by Sponsor with an amendment substantiating that the Plan has been declared effective and confirming that the Units to be closed have been constructed in accordance with the applicable plans and specifications and that Sponsor has satisfied, or will satisfy prior to closing of title, all of the requirements of this section titled "Closing of Title to Units".

At the closing of title to a Unit, Sponsor will sign and deliver to the Board of Managers an instrument assigning to the Board of Managers any manufacturer's warranties with respect to equipment and appliances installed within such Unit. The Board of Managers shall simultaneously sign and deliver to the Purchaser of such Unit an authorization to enforce such warranties on its behalf. At the First Unit Closing, Sponsor will sign and deliver to the Board of Managers an instrument assigning to the Board of Managers any manufacturer's warranties with respect to equipment and appliances installed in Common Elements. A copy of any manufacturer's warranties, to the extent available, will be delivered to the Board of Managers at the First Unit Closing or promptly thereafter.

UNIT CLOSING COSTS AND ADJUSTMENTS

1. General:

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

- a. Payment of the cost of fee title insurance, if Purchaser elects to obtain title insurance. Purchaser may order such insurance from any reputable title insurance company and/or abstract company authorized to do business in the State of New York, including Madison Mahwah Abstract, having an office at 1125 Ocean Avenue, Lakewood, New Jersey 08701 (Tel. 732-333-2525). If Purchaser elects to obtain title insurance from another title insurance company and/or abstract company, there shall be no additional cost to Purchaser due to such choice. Purchaser will pay the premiums for title insurance, which will vary depending upon the purchase price of the Unit and, if applicable, the amount of the mortgage loan being obtained to finance the purchase thereof.

As of May 15, 2018, the rate schedule for title insurance premiums, promulgated by the Title Insurance Rate Service Association, Inc. ("TIRSA") is as follows:

Amount of Insurance		Owner's Policy	Loan Policy
First \$35,000 or less			
MINIMUM PREMIUM (EXCEPT SIMULTANEOUSLY ISSUED POLICIES:		\$402.00	\$344.00
Each Additional \$1,000 (or fraction thereof)			
From	To		
\$35,001	\$50,000	\$6.67	\$5.55
\$50,001	\$100,000	\$5.43	\$4.54
\$100,001	\$500,000	\$4.36	\$3.64
\$500,001	\$1,000,000	\$3.98	\$3.31
\$1,000,001	\$5,000,000	\$3.66	\$3.05
\$5,000,001	\$10,000,000	\$3.25	\$2.71
\$10,000,001	\$15,000,000	\$3.07	\$2.55
\$15,000,001	and up	\$2.76	\$2.31

If a purchaser elects to simultaneously obtain both fee title insurance and mortgage title insurance from Madison Mahwah Abstract, the premium for the mortgage title insurance will be at a simultaneous rate. The premium for mortgage title insurance will be computed using the rate schedule as described above. The premium on the amount of the loan policy that does not exceed the owner's policy shall be calculated at thirty percent (30%) of the regular schedule rate for loan policies as outlined on the schedule above.

Purchasers should note that the premium rates quoted herein are for illustrative purposes only. All rates are subject to the applicable sections of the TIRSA rate manual and any other filings with TIRSA, and are subject to change at any time.

Purchasers are required to accept such title as a reputable title insurance company and/or abstract company authorized to do business in the State of New York will provide, approve and insure at its regular rates and without additional premium, provided that the only liens, encumbrances and conditions affecting title shall be Permitted Encumbrances, as described in the "Terms of Sale" section of Part I of this Plan. As a result, Sponsor is not obligated to cause Purchaser's title company to omit any exception to title if another reputable title insurance company and/or abstract company authorized to do business in the State of New York is willing to insure Purchaser's title without such exception, at its regular rates and without additional premium, by either (i) omitting same from Purchaser's title insurance policy or (ii) insuring against collection from the Unit. Purchaser will be responsible to pay to the title company the entire premium for Purchaser's title insurance.

Further, with regard to title defects, once the Offering Plan has been declared effective, Sponsor may not abandon it unless such defect in title cannot be cured without litigation or cannot be cured for less than a cost which does not exceed an amount equaling one half of one percent (0.5%) of the Total Purchase Price set forth on the front cover of the Plan. See the section of the Plan herein before titled "Effective Date of Plan" for further details in this regard.

- b. Recording fee for recording the deed and power of attorney of approximately \$400.00;
- c. If a purchase money mortgage is obtained from a lending institution, the Purchaser may expect to incur the following costs:
 - 1. Legal fees of the lending institution's attorney;
 - 2. Mortgage title insurance policy costs for a mortgage title insurance policy naming the lending institution as the insured. Mortgage title insurance rates as quoted by Madison Mahwah Abstract, as of the date of this Plan, set forth in subparagraph a. above.

3. A mortgage recording tax of one and eight-tenths percent (1.80%) of the first ten thousand dollars (\$10,000.00) of the amount of the mortgage signed by the Purchaser and a mortgage recording tax of two and five one-hundredths percent (2.05%) of the amount of the balance of the mortgage actually signed by Purchaser for mortgages in the amount of less than \$500,000.00. For mortgages of \$500,000.00 or more, the rate is two and one hundred seventy-five thousandths percent (2.175%). Please note the discussion of Mortgage Tax Credit below. Institutional Lenders are required to pay one quarter of one percent (0.25%) of the two and five one-hundredths percent (2.05%), or, if applicable, two and one hundred seventy-five thousandths percent (2.175%), tax, thereby reducing Purchaser's cost to one and eight tenths percent (1.80%) less \$30.00, for mortgages less than \$500,000.00 and one and nine hundred twenty-five thousandths percent (1.925%) less \$30.00 for mortgages of \$500,000.00 or more;
 4. Recording fee of approximately \$500.00 for (i) recording of the Purchaser's Mortgage and the partial release of mortgage and termination of any Uniformed Commercial Code Financial Statement related to the Unit and any underlying Mortgage, construction loan or otherwise, obtained by Sponsor; and (ii) ACRIS service fees of the title company relating to the required filing of real estate transfer tax forms;
 5. Commitment fee or origination fee, appraisal fee, application fee, credit fee, if any, charged by the lending institution or Sponsor;
- d. New York City Real Property Transfer Tax, currently equal to one percent (1%) of the purchase price with respect to the Residential Units which are sold for \$500,000.00 or less and which has been increased to 1.425% where the consideration is greater than \$500,000.00. It is customary in real estate transactions involving sales of multi-family buildings or single family homes for the seller to pay these transfer taxes and the transfer taxes in e. immediately below. In condominium transactions, either the seller or the Purchaser can pay these transfer taxes. The obligation is assumed by a purchaser if such obligation is imposed on the purchaser by the terms of the sale. Under the Offering Plan and the Purchase Agreement, Purchasers are required to pay these taxes as a closing cost. For purposes of paying this tax with respect to this project, consideration also includes the amount of New York City Real Property Transfer Tax and New York State Transfer Taxes ("deed stamps") to be paid for the Unit as well as the Purchaser's payment of Sponsor's legal fees as set forth in g. below;

In the event that the taxing authority of the city of New York determines that the conveyance of either (i) a Residential Unit together with a Storage Room License, or (ii) the conveyance of more than one (1) condominium unit to the same

Purchaser, is taxable at the "commercial transfer tax rates," then, in such event, the transfer tax to be paid by Purchaser shall be 1.425% of the aggregate consideration, as discussed above, where the consideration is \$500,000.00 or less, and 2.625% of the aggregate consideration when the consideration is greater than \$500,000.00. In the event that the City of New York determines additional transfer taxes are due following an audit of any closed transactions, it shall be the Purchaser's sole obligation, which shall survive the closing, to respond to and defend such audit and pay any additional tax imposed.

- e. New York State Real Estate Transfer Taxes ("deed stamps"), which are currently at the rate of \$2.00 per each \$500.00 of consideration or part thereof. For purposes of paying this tax with respect to this project, consideration also includes the amount of New York City Real Property Transfer Tax and deed stamps to be paid for the Unit as well as Purchaser's payment of Sponsor's legal fees as set forth in g. below;
- f. Contribution to the Working Capital Fund in the amount equal to two (2) months of Common Charges for the Unit being purchased at the time of the closing, payable to the Board of Managers;
- g. Legal fee of Sponsor's Attorneys in the amount of \$3,500.00 per Unit, payable to D'Agostino, Levine, Landesman & Lederman, LLP provided that an additional fee of \$750.00 per closing shall be due for closings which occur outside the offices of Sponsor's Attorneys;

Furthermore, a legal fee of \$750.00 shall be payable to Sponsor's Attorneys for the work involved in processing any assignment of a Purchase Agreement or contract of sale. It is noted that no such assignments are permitted without the prior written consent of Sponsor. A legal fee of \$750.00 shall be payable for the work involved as a result of any adjournment by a Purchaser beyond that permitted under any right of adjournment set forth in the Purchase Agreement, should Sponsor and Purchaser agree to the same. Finally, a legal fee in the amount of \$750.00 shall be paid by Purchaser to Sponsor's Attorneys for each cancellation and/or release if prepared by such firm pertaining to other than a termination relating to the mortgage financing contingency, if any;

- h. Real estate taxes from the midnight preceding the date of the closing through the end of the tax payment period within which the closing date occurs, which shall be either a quarter (1/4) of a year or one half (1/2) of a year, provided, however, that Sponsor shall be reimbursed by Purchaser for the cost of any real estate taxes which Sponsor would not otherwise have had to pay but for an unauthorized delay in closing of title by Purchaser;
- i. Under the State Tax law, Section 1402-a, a tax of one percent (1%) of consideration (or part thereof attributable to the real property being conveyed) is

payable by the grantee (Purchaser) on each conveyance of residential real property, including condominium units, where the consideration for the entire conveyance is \$1,000,000.00 or more (the "Mansion Tax"). Residential real property includes a 1 to 3 family house, an individual condominium unit and a cooperative unit that is or may be used, in whole or in part, as a personal residence. The Mansion Tax applies to conveyances occurring on or after July 1, 1989 other than conveyances pursuant to binding written contracts entered into on or before February 16, 1989. If applicable, a Purchaser under the terms of the Offering Plan shall be liable for payment of the Mansion Tax at the closing of title of the Unit being purchased. For purposes of paying this tax with respect to this project, consideration also includes the amount of New York City Transfer Tax and deed stamps to be paid for the Unit by Purchaser as well as Purchaser's payment of Sponsor's legal fees as set forth in g. above.

Furthermore, in the event the City or State of New York shall promulgate a new or additional real estate transfer tax that shall apply to a transaction contemplated hereunder (e.g., a City equivalent of the "Mansion Tax"), such transfer tax shall be payable solely by the Purchaser.

In addition to the above costs, each Purchaser of a Unit will be responsible for the fees and expenses of his own attorney, if any. As a result of the variable factors with respect to each Unit, such as purchase price, terms of a possible mortgage commitment, fees of Purchaser's attorney and fees of the attorney representing Purchaser's lending institution, Sponsor suggests that Purchaser review their closing costs with an attorney.

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

Notwithstanding anything hereto the contrary, if, through no fault of Sponsor, Purchaser fails for any reason to close title to his Unit on the originally Scheduled Closing Date, or the Adjourned Closing Date (as defined in the form Purchase Agreement set forth in Part II of the Plan), and Sponsor does not have the right to, or elects not to, cancel this Agreement as a result of the same, (a) the adjustments for real estate taxes and Common Charges will be made as of midnight of the day preceding the originally Scheduled Closing Date regardless of when the actual closing of title occurs, and (b) Purchaser will be required to pay to Sponsor, as a reimbursement of Sponsor's higher carrying costs for the Unit by virtue of the delay, and in addition to the other payments to be made to Sponsor under the Purchase Agreement and the Plan, an amount equal to 0.03% (though such amount charged shall in no event exceed the New

York State legal limit regarding the same) of the total purchase price of this Unit for each day starting from (and including) the originally scheduled Closing Date to (and including) the day before the actual Closing Date, plus any other applicable fees due to Sponsor and/or Sponsor's Attorneys as disclosed in this "Closing Costs and Adjustments" section of the Offering Plan. If, through no fault to Purchaser, Sponsor postpones the originally scheduled Closing Date, these provisions shall apply to the rescheduled Closing Date if Purchaser fails for any reason to close title to his Unit on the rescheduled Closing Date.

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

If the Units have not been separately assessed for real estate tax purposes prior to the First Unit Closing, and such First Unit Closing occurs during a tax payment period, Sponsor will have previously paid the real estate taxes through the end of such tax payment period. For example, if the First Unit Closing occurs on January 1, 2019, Sponsor will have paid the real estate taxes for the Property through June 30, 2019. Sponsor shall place in escrow with the Condominium Board of Managers at the First Unit Closing money sufficient to pay the real estate taxes for six (6) months subsequent to the date of the First Unit Closing. If the real estate taxes have already been paid for all or part of this six (6) month period, then this six (6) month period shall be reduced by the amount of time subsequent to the First Unit Closing for which the taxes have been paid. For example, if the First Unit Closing occurs on January 1, 2019, and real estate tax have been paid through June 30, 2019, then Sponsor shall not be required to place any amount of real estate taxes into escrow with the Condominium Board of Managers since six (6) months of real estate taxes will have already been paid. Sponsor shall have the right to reduce this escrow on a Unit by Unit basis by requiring each Purchaser to fund into escrow, at such Purchaser's Unit Closing, the amount necessary, on the basis of percentage of Common Interest, to cover the period for which real estate taxes have not been paid for such Unit up to six (6) months from the First Unit Closing or an amount necessary to pay the amount of allocated taxes for the Unit which will be due on the next tax payment date (which in New York City is either July 1st or January 1st). At the option of Sponsor, this funding may occur in addition to Purchaser paying such funds to its mortgagee, or by paying such monies into the escrow held by the Board of Managers. Sponsor shall pay the real estate taxes from this escrow account when they are next due and shall be entitled to reimbursement from any Unit Owner who either did not pay any money into escrow or paid less than was required to cover the real estate taxes attributable to such Unit for the time Purchaser owned the Unit.

Subsequent to this six (6) month period, until a separate assessment for each Unit has occurred, each Unit Owner or its mortgagee shall, on January 1st and July 1st of each year, pay to the Board of Managers, for the purpose of paying such Unit Owner's share of the real estate taxes for the ensuing six (6) months, an amount determined by multiplying such Unit Owner's percentage of Common Interest by the aggregate real estate taxes assessed against the tax lot comprising the Property for the six (6) month time period. At the option of Sponsor, Purchasers may be required to fund at the closing of title to their Unit, their proportionate share of the funds to be escrowed with the Board of Managers for this purpose. The Board of Managers shall keep

all such funds in a separate account for the purpose of paying the real estate taxes for the Property when due. Sponsor shall also pay into this special account with respect to any Units owned by it.

At Unit Closings, individual Purchasers shall adjust real estate taxes with the Sponsor from the midnight preceding the date of the Unit closing through the end of the tax payment period within which the closing date occurs. However, Sponsor shall be reimbursed by Purchaser for the cost of any real estate taxes which Sponsor would not otherwise have had to pay but for an unauthorized delay in closing of title by Purchaser. If no separate Unit apportionment has yet occurred, such adjustment shall be on the basis of the percentage of Common Interest attributable to such Unit. If a subsequent adjustment need be made when the tax lots are apportioned to correct any discrepancy between the adjustment on the basis of percentage Common Interest and adjustment on the basis of actual apportionment, it shall be made at that time.

2. Mortgage Tax Credit

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

“In the event the proceeds of a construction mortgage were applied to construction of a unit of a condominium submitted to the provisions of this article, or in the event that a unit submitted to the provisions of this act was subject to a blanket mortgage whose proceeds were applied exclusively to payment of the construction mortgage or to capital expenditures or expenses for the development or operation of the condominium, or to purchase of land or buildings for the condominium provided that such purchase was no more than two (2) years prior to the recording of the declaration of condominium, and a mortgage tax was duly paid on such construction or blanket mortgage in accordance with article eleven of the tax law, then, as each unit is first conveyed, there shall be allowed a credit against the mortgage taxes (except the special additional mortgage recording tax imposed by subdivision one-a of section two hundred fifty-three of the tax law) that would otherwise be payable on a purchase money mortgage, said credit to be in the amount resulting from the product of the purchaser's pro-rata percentage of interest in the common elements and the mortgage tax already paid on the construction or blanket mortgage.”

If Sponsor has paid a mortgage recording tax for a construction loan and/or blanket mortgage on the Property and in the event that a mortgage tax credit becomes available pursuant to the above Section of the New York Real Property Law, then it is specifically understood that such credit shall inure to the benefit of the Sponsor. Accordingly, at closing, each Purchaser electing mortgage financing shall pay an amount equal to the full amount (but not in excess thereof) of the

mortgage recording tax chargeable on the entire amount being financed. At closing the Sponsor will be reimbursed by Purchaser to the extent of any mortgage tax credit allowed.

(b) In the event the mortgage recording tax credit pursuant to Section 339-ee(2) of the New York Condominium Act is unavailable, Sponsor, at its option, may arrange, in lieu of the mortgage recording tax credit, to have its current or future lenders, as the holders of the loans encumbering the Property (hereinafter "Sponsor's Mortgages"), assign to a Purchaser's lender, a portion of Sponsor's Mortgages, in an amount equal to the mortgage loan obtained by Purchaser (the "Mortgage Assignment"). If Sponsor chooses to have its lenders deliver a Mortgage Assignment to Purchaser's lender, Sponsor will pay the costs and fees charged by Purchaser's lender, and Purchaser's lender's attorneys, as well as all applicable recording charges to affect the contemplated assignment ("Mortgage Assignment Expenses").

If, at Sponsor's option, the Mortgage Assignment is effected, Purchaser shall, in lieu of paying mortgage recording tax to the State of New York, pay Sponsor, at Closing, an amount equal to the mortgage recording tax which would otherwise have been due by Purchaser ("Mortgage Recording Tax Reimbursement"). Sponsor also reserves the right to direct Purchaser to pay, from the Mortgage Recording Tax Reimbursement, the Mortgage Assignment Expenses. It is intended that Purchaser shall not be obligated to pay or incur any expense or sum of money that it would not have paid in the event the mortgage recording tax credit was available.

The entire contents of this Paragraph 2 as well as those in Paragraph 1 above, as same may be revised or amended, shall be deemed to be incorporated into the Purchase Agreement for each Unit.

A numerical example for the costs set forth in this section of the Offering Plan for a typical Residential Unit, such as Unit 14B, with a purchase price of \$5,290,990.00 and a mortgage of \$4,232,792.00 are estimated as set forth below. Tax, insurance and recording rates are subject to change.

1. Title insurance for fee and mortgage, including the simultaneous fee discount \$24,180.80 (\$20,093.00 fee) (\$4,087.80 mortgage);
2. Recording costs for deed and power of attorney \$400.00;
3. Mortgage recording tax (including payment to Sponsor pertaining to mortgage tax credit, if any) \$81,451.25;
4. Recording cost of mortgage, partial release, UCC Termination Statement and ACRIS filings \$500.00;
5. New York City Real Property Transfer Tax \$76,823.38;

6. New York State Real Estate Transfer Taxes (deed stamps) \$21,566.00;
7. New York State Mansion Tax \$53,911.14;
8. Working Capital Fund Contribution (2 months' Common Charges) \$4,196.00;
9. Legal fee of Sponsor's Attorneys (assuming the closing takes place in the office of Sponsor's Attorneys, no assignment and no unauthorized delay in closing by Purchaser) \$3,500.00;
10. Real estate tax escrow –

For a closing occurring on January 1, 2019, 2nd half 2018/2019 real estate taxes will have been paid. Therefore, for 1st half 2019/2020 real estate taxes, due July 1, 2019, six (6) months of real estate tax escrow would be picked up. For example, for Unit 14B, this amount would be estimated at approximately \$11,383.86 based upon the estimates in Schedule A for the First Year of Condominium operation. It is also noted that a January 1, 2019 closing where the 2nd half of 2018/2019 real estate taxes are paid would mean the Purchaser would have to reimburse Seller for six (6) months of real estate taxes. For Unit 14B, based upon the estimates in Schedule A for the First Year of Condominium operation, this amount would equal approximately \$11,383.86.

Other fees which cannot be estimated because they pertain to events outside of Sponsor's control and/or statutory requirement include, purchaser's attorney's fee, lender's attorney's fee, possible commitment fee or loan origination fee, appraisal fee, application fee, credit check fee and monthly Common Charges prospectively from the closing date.

11. Total estimated costs for items 1 through 10 above equal approximately \$289,296.29.

RIGHTS AND OBLIGATIONS OF SPONSOR

At the time the Offering Plan is accepted for filing, the Sponsor will be financially capable of performing Sponsor's obligations. However, no bond or other security has been furnished to secure the performance of the Sponsor's obligations, and in the event that Sponsor is unable to perform its obligations pursuant to the Offering Plan, Sponsor shall cease all sales activity and amend the Offering Plan to disclose its current financial condition. The amendment will also provide that Purchasers, will be given, for fifteen (15) days after the presentation of the amendment, a right to rescind their Purchase Agreement by written notice to Sponsor and be refunded all monies paid thereunder, with any interest earned thereon. However, such rescission, as to a Purchaser who first became an occupant of the Building pursuant to an Purchase Agreement, will be conditioned on the cancellation of any interim use and occupancy agreement and surrender of possession of his Residential Unit within fifteen (15) days thereafter.

The project is currently being financed from Sponsor's own funds and construction loan financing provided by Bank of the Ozarks (hereinafter the "Construction Lender"). Pursuant to the terms of Sponsor's construction loan financing, provided Sponsor is not in default of any loan provision, the Sponsor shall have the right to sell the Units at offering prices that are not less than minimum sales prices negotiated by the Sponsor with the Construction Lender. Sponsor represents that all of the offering prices, as set forth in Schedule A located in Part I of the Offering Plan, will be above any proposed minimum sales prices negotiated by Sponsor with the Construction Lender. Further, the Construction Lender has agreed that upon the payment by Sponsor of the greater of the minimum sales or a percentage of gross or net sales proceeds from the closing of each Unit until the loans are paid in full, the Construction Lender will release the Unit closed from the lien of the Construction Lender's loans. Additionally, the Sponsor will not have the right to lease any portion of the Property without the consent of the Construction Lender.

Although Sponsor shall make a good faith effort to sell the Residential Units to Purchasers who will occupy their Units as their personal residences ("owner-occupant"), prospective Purchasers should be aware that the decision to sell, not to sell or rent any Unit shall be made by the Sponsor based upon its evaluation of market conditions and its own financial considerations and shall be in the sole discretion of the Sponsor. Further, if Sponsor decides to do a bulk sale ten (10) or more of its Unsold Units or twenty percent (20%) or more of the total number of Units in the Building, then the transferee/purchaser shall be deemed a successor sponsor as to those Units and shall be bound by Sponsor's representation regarding its good faith efforts to sell Units. Such successor sponsor will also have the right not to sell and instead rent Units in its sole discretion based upon market conditions and its own financial considerations.

In the event that Unsold Units are not offered for sale they may be rented at such rents as the Sponsor or a successor sponsor determines and market conditions allow. Prospective Purchasers should also be aware that if the Unsold Units are not offered for sale and/or are subsequently rented, such decision by Sponsor or a successor sponsor may have an impact on the types of financing available to Purchasers, the cost of such financing, and even, perhaps, on the

availability of financing. The policy of banks may vary and may involve restrictions in the types and varieties of loan terms available (such as the percentage of financing offered; fixed/variable; term of loan; verification requirements; etc.) to possible unwillingness to provide any financing. Purchasers should 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 to experience difficulty obtaining a loan in a building or group of buildings where the sponsor or holder of unsold shares has not sold a substantial percentage of the apartments in the building or group of buildings, which in some cases may be as high as seventy percent (70%). Moreover, some lenders will not provide financing in a building or group of buildings where an investor other than the original sponsor has an ownership interest of ten percent (10%) or more. It also may be difficult for a purchaser to resell an apartment if prospective buyers are unable to obtain a loan due to the same minimum sales and investor ownership restrictions. Prospective Purchasers are advised to consult with their intended lenders/mortgage brokers with regard to the percentage of units which may be held as Unsold Units, and the lender's policies with regard to same, prior to entering into a Purchase Agreement to purchase a Unit. The decision of Sponsor or a successor sponsor to withhold Units from sale and/or rent same may continue to apply indefinitely and may have an adverse impact on the ability of a Unit Owner to resell their Unit and/or the price which they are able to obtain for the Unit.

During the time the principal of the Sponsor controls the Board, it is within its sole power to enforce the obligations of the Sponsor pursuant to the Plan and pertaining to the Common Elements. Therefore, Sponsor agrees that during such period it will, in its capacity as the Board of Managers, enforce such obligations when required to do so by a resolution duly passed by a majority of the Unit Owners, excluding Sponsor, at a special meeting of the Unit Owners called for such purpose. The Board, notwithstanding whether Sponsor controls the same, has a fiduciary duty to act in the best interest of the Condominium.

Sponsor intends in good faith to sell, rather than rent, the Residential Units. However, under the terms of the Offering Plan, Sponsor has reserved the unconditional right to rent, rather than sell, Units after consummation of the Offering Plan. Because the Sponsor is not limiting the conditions under which it will rent, rather than sell, Units, there is no commitment on the Sponsor's part to sell more Units than the fifteen percent (15%) of Residential Units necessary to declare the Offering Plan effective, which, here, is equal to five (5), and as a result owner-occupants may never gain effective control of the Condominium. Further, pursuant to the terms of the Offering Plan and By-Laws of the Condominium, the Board of Managers has no right to approve or reject the sale of a Unit to a prospective Purchaser and therefore there is no limit as to the number of "investor" or "non-occupant owners" of Units in the Building and therefore there always may be a substantial percentage of owners who are not residents. As stated above, this may affect a Unit Owner's ability to either resell or refinance his or her Unit, as some lenders will not provide financing in a building or group of buildings where an investor has an ownership interest of ten percent (10%) or more. However, as set forth in Article III, Section 1(c) of the By-Laws of the Condominium which are set forth in Part II of the Offering Plan, subsequent to the

date that the Sponsor, including any designee thereof, relinquishes control of the Board of Managers, all Board members, other than those members which the Sponsor or its designee have the right to appoint thereunder, must be owner-occupants of the Condominium who are not related to Sponsor or to any principal of Sponsor. In the event that the number of owner-occupants of the Condominium is insufficient to establish a majority of the Board Members, then, in such event, pursuant to the By-Laws any owner-occupant shall be entitled to one (1) seat on the Board of Managers.

Sponsor makes the representations set forth below with respect to certain obligations under the Plan.

1. The Sponsor will pay or cause to be paid all contractors, subcontractors and materialmen and all others involved in the construction of the Units and Common Elements for the authorized and proper work performed and fixtures, material and equipment supplied or installed in said construction.
2. The Sponsor will diligently, expeditiously and at Sponsor's own cost, complete the construction of the Units and Common Elements substantially in accordance with the plans and specifications described herein. If any work still remains to be done to complete such work, provided such work will not prevent the issuance of a permanent Certificate of Occupancy, Sponsor, at Sponsor's own cost and expense, will perform or cause all such work to be performed and will supply or cause all material therefor to be supplied and will pay for such work and materials and discharge or bond all mechanics' liens which may be filed as a result of the construction of the Units or Common Elements.

The Sponsor reserves the right to substitute for any of the materials or any of the design and/or construction procedures specified in the Building Plans, the "Description of Property and Specifications" or elsewhere in the Plan, materials which are of Equal or Better Quality and design and/or construction procedures which are of Equal or Better Quality, as determined by Sponsor's general contractor or architect or engineer, in their sole discretion. The Sponsor's intention is to use the materials, fixtures, appliances and other equipment and procedures described in this Plan and in the architectural plans on file, but, due to the possible unavailability of materials and supplies or for any other reason, Sponsor may substitute materials, fixtures, appliances and equipment which are of Equal or Better Quality and design and/or similar construction procedures which are of Equal or Better Quality for any of those set forth in the specifications or otherwise in this Plan.

The Sponsor also reserves the right, without altering the total amount of space contained in the Building, to change the size, interior layout and location of any Unit or the number of Units, provided such changes are made in accordance with the Section of the Plan titled "Changes in Prices or Units" herein.

Changes will be made in the size or number of Units, their respective percentage of Common Interest, or in the amount or quality of Common Elements, except as otherwise provided herein, only with the consent of all Unit Owners directly affected, and by amendment to the Plan and also by amendment to the Declaration if the Declaration was filed prior to such change. To be directly affected the change in the size of a Unit must be to such Unit Owner's Unit or the change must be to his or her percentage of Common Interest or in the amount or quality of Common Elements which he or she is entitled to use. However, Sponsor shall not be obligated to obtain consent of any Unit Owner for changes made prior to the signing of a Purchase Agreement for the affected Unit or Units, provided such changes are made by amendment to the Offering Plan and to the Declaration if the Declaration was filed prior to such change.

Material changes to the size, layout or percentage of Common Interest of a Unit for which a Purchase Agreement has been executed by Purchaser and Sponsor and delivered to the Purchaser or material adverse changes in the amount or quality of Common Elements directly affecting or servicing a Unit for which a Purchase Agreement has been executed by Purchaser and Sponsor and delivered to Purchaser, shall be made only with the written consent of the Purchaser of such Unit, provided, however, that such Purchaser's consent shall only be required if the Purchaser is not then in default. Notwithstanding the foregoing, such changes may be made, provided all directly affected Unit Owners consent in writing to such change and all directly affected Purchasers who are still contract vendees and who are not then in default consent in writing to such changes.

There shall be a rebuttable presumption that a reduction in square foot area by five percent (5%) or less is not material. With respect to Sponsor's right to substitute materials, fixtures, appliances and equipment which are of Equal or Better Quality and design and/or similar construction procedures which are of Equal or Better Quality, any such changes or substitutions shall not be deemed materially adverse and shall not be deemed to otherwise adversely affect the value of a Unit.

3. The Sponsor, at Sponsor's sole cost and expense, will obtain, prior to the closing of a particular Unit, the issuance of a temporary or permanent Certificate of Occupancy for the Unit closed. Sponsor shall complete construction and obtain a permanent Certificate of Occupancy for the entire project within two (2) years subsequent to the First Unit Closing or at such sooner time as the temporary Certificate of Occupancy, as same may be renewed, replaced or extended, expires. If, at the time of closing of title to a Residential Unit Sponsor has only obtained a temporary "Class A" residential Certificate of Occupancy covering such Unit, then Sponsor shall place in escrow with its attorney an amount, as determined by an architect chosen by Sponsor, which is sufficient in such architect's opinion to cover the cost of obtaining a permanent "Class A" residential Certificate of Occupancy covering that Unit. Such escrow amount shall be released to Sponsor or its designee upon the obtaining of a permanent "Class A" residential Certificate of Occupancy covering such Unit or the Building. Alternatively, the Sponsor

shall have the option of either depositing with an escrow agent an unconditional, irrevocable letter of credit in the amount determined by Sponsor's architect or posting a surety bond in the amount so determined. In the event that Sponsor does not obtain an architect's opinion as to the amount to be escrowed, then in such event, the Sponsor shall hold all proceeds of the Unit sale in escrow with an escrow agent until a permanent Certificate of Occupancy covering the Unit or the Building is issued.

If at the time a Unit Owner seeks to perform alterations to his or her own Unit, a Permanent Certificate of Occupancy is not issued for the Building, the Unit Owner, prior to commencing any alteration, must obtain the consent of the Sponsor or its designee, which consent shall be at the sole and absolute discretion of Sponsor or its designee. The Sponsor or its designee may refuse to permit a Unit Owner to perform alterations in a Unit until such time as the Building has been completed and a Permanent Certificate of Occupancy has been obtained therefor. In furtherance thereof, a Unit Owner, who has been granted the consent by the Sponsor or its designee, to perform alterations shall indemnify Sponsor or its designee for any cost, expense, claim or liability incurred or suffered by Sponsor or its designee as a result of any violation of Law or delay in obtaining a Temporary or Permanent Certificate of Occupancy. In the event the alterations performed by a Unit Owner do adversely affect the issuance or validity of the Certificate of Occupancy, then upon the written request of Sponsor or its designee, the Unit Owner shall, at such Unit Owner's sole cost and expense, either (a) halt pending alteration work, restore the Unit to its original condition, and close out any pending jobs as to the Unit or (b) expedite pending alteration work and promptly bring the same to a state of completion that is sufficient to cause DOB to sign off on any pending jobs as to the Unit. If such Unit Owner fails to commence diligently and continuously, restoring or completing the Unit within fifteen (15) days of receipt of the written request, then the Sponsor or its designee, as the case may be, requesting such restoration or completion shall be entitled to enter and restore or complete the Unit at the sole expense of the Unit Owner and to exercise any other remedies provided in the By-Laws.

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

commence unit closings when some or all units are covered by a TCO rather than an FCO. Sponsor anticipates this scenario may occur. Sponsor will undertake the responsibility for extending each TCO received prior to expiration thereof, and ultimately for obtaining an FCO covering the entire Building within two (2) years from the date of issuance of the first TCO, subject, however, to (i) force majeure, (ii) actions by Unit Owners or tenants of Unit Owners, (iii) work undertaken in a Unit by a Unit Owner, except in instances where Sponsor or the Board of Managers, if controlled by Sponsor, have given its consent to a Unit Owner to perform alterations, (iv) work undertaken in Common Elements by the Condominium Board after Sponsor no longer controls the Board of Managers or (v) any other cause over which Sponsor has no control. Sponsor and its principal make no representation or guarantee that DOB will issue the FCO within such two (2)-year period. NOTWITHSTANDING THE FOREGOING, SPONSOR IS OBLIGATED TO PROCURE THE FCO FOR THE ENTIRE BUILDING, AND SHALL USE ITS BEST EFFORTS TO OBTAIN THE FCO WITHIN SUCH TWO (2)-YEAR PERIOD WHILE KEEPING THE TCO CURRENT. Unit Owners and the Board of Managers shall be obligated to cooperate with and refrain from obstructing Sponsor in these undertakings.

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

4. The Sponsor will pay all expenses incurred prior to the establishment of the Condominium in connection with its operation and will bear and pay all costs and expenses incurred in connection with the creation of the Condominium whenever such costs or expenses are incurred, or in connection with the sale of all of the Units held or owned by the Sponsor, except as noted in the section of the Plan titled "Unit Closing Costs and Adjustments," and will pay or have paid, except as otherwise provided in the Plan, all selling expenses of Sponsor, including, but not limited to, advertising and printing costs, architect's fees, attorneys' fees, organization costs, brokerage commissions, engineers' fees, appraisal and any surveying fees and costs.
5. The Sponsor will pay all Common Charges, real estate taxes, special Assessments and other expenses allocable to any Units owned by the Sponsor, so long as Sponsor shall continue to own the same. As set forth in Part I of the Offering Plan, however, Sponsor, where Purchaser has caused an unauthorized delay in closing of title, shall be entitled to certain reimbursement of real estate taxes, Common Charges and interest. Sponsor represents that it has the financial resources to meet its obligations with respect to Unsold Units. Sponsor's financial obligations to the Condominium will be funded from sales proceeds. If this source proves insufficient Sponsor shall seek funds from the construction lender, if any, or another lender.

Notwithstanding anything herein to the contrary, until title to all Units has been conveyed, the Sponsor or its designee as owner of any Unsold Units, may decide that all Unit Owners will, at Sponsor's or Sponsor's designee's sole option and discretion, pay in lieu of payment of each Unit's Common Charges, provided that such "in lieu" payments are less than the Common Charges then due, an amount which equals each Unit's proportionate share (based upon each Unit's Percentage Common Interest) of the total cost necessary to operate the Condominium with the services to be provided under the Offering Plan.

In the event that Sponsor or its designee as the owner of all Unsold Units elects to have all Unit Owners make in lieu payments, Sponsor or its designee shall (i) file an amendment to the Offering Plan prior to the First Unit Closing indicating that the collection of Common Charges will not commence with the beginning of Condominium operations and the anticipated length of such delay period; (ii) file an amendment to the Offering Plan disclosing the expiration of the delay period at least thirty (30) days prior to such expiration; (iii) during any such delay period timely pay all expenses of the Condominium out of the aggregate in lieu payments, including, but not limited to, insurance premiums; (iv) pay from Sponsor's funds any reserve fund payments required by Sponsor's lenders; and (v) remain obligated to update the budget for the Condominium, as provided in the governing regulations. Additionally, Sponsor represents that upon commencement of the collection of Common Charges, and during the period that Sponsor controls the Board of Managers, there will not be an assessment for any item set forth in the approved Budget of the Condominium. Purchasers should note that during a period of delay in commencement of collection of Common Charges, any expenses that are the responsibility of individual Unit Owners, including but not limited to payment of electric bills and real estate taxes, shall continue to be the sole responsibility of such individual Unit Owners.

6. Prior to the First Unit Closing, all liens affecting the Property shall be paid and satisfied or bonded or the Units being conveyed and their appurtenant Common Interest shall be released therefrom by partial release duly recorded.
7. The Sponsor will promptly correct any patent defects in the construction of the Building and the Units therein, or in the installation or operation of any mechanical equipment therein, due to substantially improper workmanship or materials substantially at variance with the architectural plans and specifications, provided Sponsor is notified of such defects in writing by the Unit Owner as to the Unit, or Limited Common Elements appurtenant thereto, affected within six (6) months from the date of closing of title to such Unit or, with respect to the General Common Elements, that Sponsor is notified by the Board of Managers within six (6) months from the later of the issuance of the first certificate of occupancy or the completion of that portion of the General Common Elements claimed to be defective. Sponsor will also correct any latent defects in the construction of the Building and the Units therein or in the installation or operation of any mechanical equipment therein due to substantially improper workmanship or

materials substantially at variance with the architectural plans and specifications, provided Sponsor is notified of such defects in writing by the Unit Owner as to the Unit, or Limited Common Elements appurtenant thereto, affected within one (1) year from the date of closing of title to such Unit or, with respect to the General Common Elements, that Sponsor is notified by the Board of Managers within one (1) year from the later of the issuance of the first certificate of occupancy or the completion of that portion of the General Common Elements claimed to be defective. However, nothing herein shall be construed to limit any rights which the Attorney General may have under the Martin Act, Executive Law or any other applicable law or regulation. Notwithstanding anything contained herein to the contrary, any work shall be comparable to local standards customary in the particular trade and shall be done in accordance with (i) all applicable codes, and (ii) approved plans and specifications for the Building. Sponsor, in its sole discretion, shall select the method of correcting any defect. On three (3) days' notice from Sponsor, the Board of Managers and/or the Unit Owner in question shall allow Sponsor, Sponsor's contractors and/or the Managing Agent access to the Building or the Unit in question on any weekday which is not celebrated as a federal or state holiday to inspect and/or correct such defect.

Sponsor's obligation, regardless of any limitations in the warranty or in this Offering Plan, is to construct the premises in accordance with all applicable codes and filed plans and specifications (subject to Sponsor's right to substitute anything that is of Equal or Better Quality), and any conflict between the disclaimers and the Sponsor's obligation to construct the premises in accordance with all applicable codes and filed plans and specifications shall be resolved in favor of the latter.

Sponsor shall be deemed to have discharged any obligation it may have with respect to patent or latent defects, as the case may be, if (i) Sponsor is not notified within the time periods specified herein or (ii) the Board of Managers and/or the Unit Owner in question prevents Sponsor, Sponsor's contractors and/or the Managing Agent access to the Building or the Unit in question as provided herein, or (iii) Sponsor shall have corrected the defect in accordance with the practice of the industry as determined by Sponsor's general contractor or architect or engineer, in their sole discretion. Sponsor makes no warranties as to kitchen appliances or other appliances and mechanical equipment in the Unit, except that it will assign to the Purchaser any manufacturer's warranties thereon and any manufacturer's warranties existing for other items in Purchaser's Unit to the extent same are assignable.

Notwithstanding the foregoing, Sponsor will not be responsible for correcting or repairing any latent defects of construction or defects in the installation or operation of any appliances, equipment or fixtures with respect to which assignable warranties or other undertakings (however denoted) from contractors, materialmen, or others, are assigned to the Board of Managers or Unit Owners. **In addition, in no event shall the Sponsor be responsible for any condition resulting from (i) normal wear and tear or natural deterioration or from the normal settling or shifting of the Building; (ii) for**

defects of an insubstantial nature, such as, without limitation, partial or total death of any trees, shrubs, bushes or other landscape improvements, nail pops, ridging and cracking on sheet rock walls, lumber shrinkage, door sticking or window sticking due to weather, door warpage, scratches in porcelain surfaces, bath and kitchen tile grouting, adjustment of any bi-fold or sliding doors, walls not square, electrical plates not straight, discoloration or shrinkage, slight separation between base and floor, imperfections in crown moldings or slight separation between crown moldings and walls and/or ceilings, millwork, panels, or baseboards, (iii) 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, (iv) variations in any floor levels, (v) ceiling imperfections, (vi) minor painting defects, (vii) alignment of bathroom finishes, (viii) air infiltration from windows, (ix) normal plumbing system, heating system and air conditioning system noises, (x) normal floor noises and creaking, (xi) carpet or floor discoloring or stretching, (xii) variations in width, length or tone of wood floor strips, also, normal shrinkage or expansion of wood flooring due to changes in moisture content of wood, (xiii) repair of chips, scratches, marks, breaks or other defects in windows and window sashes, glass doors, shower doors, electrical fixtures and globes, painted surfaces, sinks, tubs, basins, kitchen cabinets and countertops, vanity tops and cabinets, ceramic tile, marble surfaces, saddles, appliances, woodwork and doors, mirrors, hardware, appliance cabinets and flooring, (xiv) subsequent to the Unit Closing, paint touch-ups, repairs of dented appliances, or replacement of light ballasts, (xv) cracks or variations in tone, finish or color of any marble, granite or stone used in kitchens or bathrooms or cracks, variations in tone, finish or color of vanity tops or other marble, granite or stone aggregate surfaces, (xvi) salting or color variation in exterior colored mortar and brick, (xvii) ponding and/or controlled drainage on the roof surface, or (xviii) cracks in any pressure treated wood used or intended for use outside the Building. Sponsor shall be obligated to repair only abnormally chipped stone and porcelain surfaces, which repair shall be made by grinding the stone or refinishing the porcelain, but Sponsor shall not be obligated to replace such stone or porcelain surfaces.

The Housing Merchant Implied Warranty Law (GBL Article 36-B) does not apply to this Offering of the Units and/or the Property.

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

have no obligation to make any repairs or replacements to a Unit Owner's Unit, a Limited Common Element appurtenant thereto, or a Storage Room licensed to such Unit Owner in the event such Unit Owner fails to provide reasonable access to such Unit, appurtenant Limited Common Element, or Storage Room to the Sponsor or its employees, contractors, or workmen.

Each Purchaser shall be given an opportunity to examine the Residential Unit prior to the closing in the company of a representative of Sponsor and is urged to make a careful review thereof, as more fully set forth in the Purchase Agreement set forth in Part II of the Offering Plan. At the closing, each Purchaser of a Residential Unit shall be required to sign and deliver to Sponsor a Pre-Settlement Orientation Form in substantially the same form set forth in Part II hereof, wherein Purchaser acknowledges the condition in which Purchaser is accepting the Residential Unit. Under no circumstances shall any item included on a Pre-Settlement Orientation Form (i) constitute grounds for a Purchaser to postpone or otherwise delay the Closing Date or Adjourned Closing Date, if applicable, or (ii) obligate Sponsor to deposit any monies in escrow at closing. Any work set forth on the Pre-Settlement Orientation Form shall be completed by Sponsor as agreed in writing, the means and methods of which shall be determined in Sponsor's sole discretion. Purchaser will be obligated to provide Sponsor and its contractors, subcontractors, agents and employees, unfettered access to the Unit and any Limited Common Elements appurtenant thereto after closing in order to complete the work on the Pre-Settlement Orientation Form, failure of which would relieve Sponsor of its obligations to complete the work set forth on the Pre-Settlement Orientation Form. In the event Purchaser performs work of any kind after closing in the Unit or any Limited Common Elements appurtenant thereto, affecting any of the areas or items listed in the Pre-Settlement Orientation Form, Sponsor will be relieved of any and all obligations related to such affected areas or items listed therein.

Notwithstanding any provision to the contrary herein, Sponsor shall not be obligated to correct, and shall not be liable to any Purchaser as a result of, (i) any immaterial variations from the plans and specifications or the description of the Building or a Unit set forth in the Offering Plan or (ii) variations from the plans and specifications or description of the Building or a Unit set forth in the Offering Plan which are neither in violation of applicable building codes, nor require approval of any governmental authority having jurisdiction, provided such variations are of substantially Equal or Better Quality. There shall be a rebuttable presumption that a reduction in square foot area by five percent (5%) or less is not material.

8. With regard to any model Unit, which Unit or Units ("Model Unit") shall be designated by Sponsor in Sponsor's sole and absolute discretion, shall be delivered by Sponsor to a Purchaser in "AS IS" condition, including but not limited to normal wear and tear. Sponsor shall have no further obligations with regard to any Model Unit. Sponsor shall be under no obligation to repaint or repair anything in a Model Unit, including but not

limited to, refinishing the floors in a Model Unit, repairing any appliance in a Model Unit or painting any room in a Model Unit.

9. The Sponsor represents that, until it no longer controls the Board of Managers, the Property will be maintained, repaired, cared for and operated in substantially the same condition and manner as it was on the date of the First Unit Closing, subject to strikes, lockouts, labor difficulties, acts of God, fire or other casualty, storm, riots, insurrection, inability to obtain materials, equipment or labor, governmental restrictions or any other acts over which the Sponsor is reasonably unable to exercise control. If the Sponsor is prevented from so maintaining the Property for any of these reasons other than fire or other casualty, the Sponsor will make any repairs subsequent to the First Unit Closing that it was obligated to make as of the First Unit Closing.

As set forth in the section of the Plan titled "Effective Date," in the event casualty which cannot be repaired for cost of less than an amount equaling one half of one percent (0.5%) of the Total Purchase Price set forth on the front cover of the Plan (as estimated by an insurance adjuster retained by Sponsor), occurs prior to the First Unit Closing and the Sponsor elects not to make repairs, then the Sponsor may, at its option, abandon or withdraw this Offering Plan. In such case, all Purchase Agreements will be deemed automatically cancelled and Purchasers in good standing will be refunded their deposits (including, if applicable, all additional escrowed funds for Custom Work paid to Sponsor by Purchasers, notwithstanding whether any such funds have been expended or allocated to costs incurred by Sponsor) with any interest earned thereon. Upon such refund being made, the Condominium and the Sponsor will be relieved and discharged of all liability under the Plan and Purchase Agreements.

In the event the Sponsor elects to repair and restore the damage to the Building from a casualty occurring before the First Unit Closing, or if the casualty occurs after the First Unit Closing, but before the closing of a damaged Unit, then the following shall be applicable: The Purchase Agreements for all Units, other than "Affected Units" (as previously defined in the section of the Plan titled "Terms of Sale"), shall remain in full force and effect and the Purchasers thereunder shall pay the full purchase price at the closing. Such Purchasers shall not be entitled to adjourn the closing nor be allowed any abatement in the purchase price, nor credit against same, nor retain (in escrow or otherwise) any portion of such purchase price pending restoration and repair of the damage to the Building and the Affected Units.

Except as provided in the next paragraph, a Purchaser of an Affected Unit shall not be required to pay the balance due under the Purchase Agreement unless and until (i) the damage to his or her Affected Unit has been substantially repaired as near as reasonably possible to its condition immediately prior to the casualty and (ii) his or her essential services (such as gas, electricity or heat) and a reasonable means of ingress and egress to the street have been restored.

Notwithstanding the foregoing, if the Purchaser is given possession of the Affected Unit under an Interim Use and Occupancy Agreement or otherwise prior to the casualty, such Purchaser shall assume the risk of loss not otherwise covered by either Sponsor's insurance or the Board's insurance with respect to the Unit and the obligation to repair the damage, unless the cause of such loss originated outside his or her Unit and did not result from the acts of Purchaser or other occupants of the Unit or Purchaser's guests, invitees or workmen. If the Purchaser is obligated to repair the damage in accordance with the foregoing, then his or her failure to repair the damage shall not excuse him or her from paying the balance due under his or her Purchase Agreement and accepting title to the Unit.

The Sponsor and/or the Condominium will in no event be liable to Purchasers under this Plan, and the Sponsor will not be liable to the Condominium in the event of any delay in repairing the damage.

10. Sponsor shall deliver to the Board of Managers a set of as-built architectural plans upon completion of the project and, to the extent they exist and are available, any maintenance manuals for the mechanical systems and equipment in the Building.
11. Sponsor shall procure on behalf of and at the expense of the Condominium, prior to the First Unit Closing, the insurance policy(ies) provided for in Schedule B located in Part I of the Plan.
12. Sponsor shall be obligated to defend any suits or proceedings arising out of its acts or omissions, and shall be obligated to indemnify the Board of Managers and the Unit Owners against any such suits or proceedings.

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

Sponsor's representations under the Offering Plan, all obligations pursuant to the GBL, and such additional obligations under the Offering Plan which are to be performed subsequent to the closing date will survive delivery of the deed.

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

14. In the event of the dissolution or liquidation of the 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, the principal of the Sponsor will provide financially responsible entities or individuals who will assume the status and all of the obligations of the Sponsor for those Units under the Offering Plan, applicable laws or regulations.
15. In accordance with Section 339-p of the Real Property Law, a registered architect or licensed professional engineer shall certify within reasonable tolerances that the floor plans filed with the recording of the Declaration are a substantially accurate copy of portions of the plans of the Building as filed with and approved by the municipal or other governmental subdivision having jurisdiction over the issuance of permits for the construction or rehabilitation of buildings.
16. During the time the principal of the Sponsor controls the Board, it is within its sole power to enforce the obligations of the Sponsor pursuant to the Plan and pertaining to the Common Elements. Therefore, Sponsor agrees that during such period it will, in its capacity as the Board of Managers, enforce such obligations when required to do so by a resolution duly passed by a majority of the Unit Owners, excluding Sponsor, at a special meeting of the Unit Owners called for such purpose. The Board, notwithstanding whether Sponsor controls the same, has a fiduciary duty to act in the best interest of the Condominium.
17. Although it is the intent of Sponsor to sell all of the Residential Units, the Sponsor, its successors, assigns or designees, may offer all or any Unsold Units, for lease. Purchasers of any such leased Units will be purchasing Units that have been previously occupied. Sponsor will notify purchasers of Units that have been previously occupied prior to the signing of a Purchase Agreement of such occupancy and will set forth the condition in which such Unit will be delivered (including outstanding warranties, if any.) There shall be no obligation of Sponsor or any other offeror of such Unit to decorate, refurbish or in any way repair such Unit.
18. At the closing of title to a Unit, Sponsor will sign and deliver to the Board of Managers an instrument assigning to the Board of Managers any manufacturer's warranties with respect to equipment and appliances installed within such Unit. The Board of Managers shall simultaneously sign and deliver to the Purchaser of such Unit an authorization to enforce such warranties on its behalf. At the First Unit Closing, Sponsor will sign and deliver to the Board of Managers an instrument assigning to the Board of Managers any manufacturer's warranties with respect to equipment and appliances installed in Common Elements. A copy of any manufacturer's warranties, to the extent available, will be delivered to the Board of Managers at the First Unit Closing or promptly thereafter.
19. Sponsor and its designee(s) shall have the right, until the fifth anniversary of the First Unit Closing, to use, without charge, portions of the Building, including the Common Elements, for exhibitions, events, promotional functions, but only in connection with any

sales programs for Unsold Units. Such activities will result in increased traffic and noise in the Building, and may interfere with owner-occupants' enjoyment of the Building. However, in exercising this right, Sponsor shall follow all Rules and Regulations of the Condominium, which are disclosed as an addendum to the By-Laws in Part II of the Offering Plan.

20. Construction is a complicated process requiring the coordination of numerous tasks, contractors, and suppliers and the balancing of complex mechanical and architectural systems. It is both customary and anticipated that certain issues will arise during the course of the construction process that warrant the taking of corrective action, including the repair or replacement or construction defects in order to satisfy Sponsor's obligations under the Offering Plan. No assurance can be given with regard to the accuracy of any projected completion dates set forth herein. It is anticipated that construction workers and related personnel will be at the Building from time to time, making adjustments, corrections, and otherwise completing construction of the Building. During this period, various Building systems, including water supply, HVAC, and elevators, may be undergoing completion work and may need to be shut down temporarily from time to time. Adjustments to windows, elevators, and other systems may require substantial time to be completed after the First Unit Closing. Additionally, the presence of scaffolding, hoists, or construction elevator shafts or similar temporary construction facilities may delay the Closing of title to certain Residential Units or lines of Residential Units until such temporary construction facilities are removed. With regard to the foregoing, in executing a Purchase Agreement, Purchaser acknowledges that Sponsor shall not be liable to Purchaser or any third party, nor will Purchaser be entitled to any credit, offset, or reduction in the Purchase Price of the Residential Unit or otherwise be relieved from any obligation under the Purchase Agreement: (i) as a result of any of the conditions described above, including but not limited to interruption of services in the Building, presence of scaffolding or other temporary construction facilities, or presence of workers or continuation of construction at the Building; or (ii) in the event of non-completion of any item on construction on any projected date.
21. Prospective Purchasers are advised that for a period following the First Unit Closing, some of the services and facilities described in the Plan (such as a full staff of building personnel, the Storage Rooms, the bicycle storage room, the fitness center, game room, library, lounge, and common kitchen) may not be immediately available during the First Year of Condominium operation. These services will be available no later than twelve (12) months from the First Unit Closing. However, at all times after the First Unit Closing of any Residential Unit, the lobby will be attended twenty-four (24) hours a day, seven (7) days a week. The interim level of staffing will at all times be adequate to maintain the Building during this period. Though the Condominium's projected budget set forth in Schedule B in Part I hereof assumes a fully operational building, the actual costs of operation for the First Year of Condominium operation may or may not be lower than as projected in Schedule B in the event the services and facilities described herein are not immediately available. Though Sponsor makes no warranty or representation with

respect to the foregoing, in the event of such delay, it is not anticipated that the budget will need to be increased as a result of the commencement of such services or availability of such facilities. See the section of the Plan titled "Notes to Schedule B" in Part I of the Offering Plan for further details.

Each of the obligations of the Sponsor contained in this section shall be enforceable by any Unit Owner as to his Unit or the Board of Managers on behalf of the Unit Owners as to Common Elements. The representations contained in paragraphs 1 through 20 of this section shall survive delivery of the deed. Sponsor makes no other representation or warranties except as provided above. However, nothing herein shall be construed to limit any rights which Purchasers may otherwise have pursuant to Article 23-A of the General Business Law, Part 20 of the Regulations promulgated by the Attorney General and the Offering Plan.

Sponsor's Rights of Access

(a) General

As a condition of sales of Units and Storage Room Licenses pursuant to this Plan, Sponsor reserves to itself, its successors, assigns, designees, invitees, contractors, agents, employees and tenants any and all easements and rights of access, in and to Units, Storage Rooms and all other Common Elements consistent with the purposes of the Plan and Sponsor's rights and obligations thereunder.

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

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

- 1) The right to maintain any vacant and Unsold Unit(s) as general, construction and sales and leasing office(s) and/or Model Residential Unit(s) and to maintain personnel at the Property, to post signs, and to conduct other activities connected with promotion, sales or leasing, such as inspection by and display of vacant or leased Units, as well as Storage Rooms and all other Common Elements, to prospective purchasers or lessees;
- 2) Right of access in and to the Units, Storage Rooms and all other Common Elements for purposes of construction, repair, refurbishment, correction, alterations, finishing, servicing (including but not limited to garbage collection) and similar work;
- 3) An easement over, through, and upon the Unit PHA elevator vestibule at the roof level in order to access any mechanical roof and bulkhead areas

for purposes of maintaining, servicing, or inspecting those areas and the equipment located therein;

- 4) Right to show vacant or leased Units and Storage Rooms; and
- 5) Utility and other easements for the benefit of Unit Owners and Common Elements.

Sponsor, Sponsor-designees and any partner of any entity affiliated directly or indirectly with Sponsor shall exercise all rights of access so as to limit, to the extent practicable, unnecessary interference with use of the Property by Unit Owners. Requests for entry to a Unit and/or any Limited Common Elements appurtenant thereto, or to a Storage Room, shall be made in advance and such entry shall be at a time reasonably convenient to the Unit Owner. In case of an emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not. Sponsor, Sponsor-designees and any partner of any entity affiliated directly or indirectly with Sponsor agrees to repair damage directly attributable to and caused by Sponsor, Sponsor-designees and any partner of any entity affiliated directly or indirectly with Sponsor or its agents as a result of exercising such rights of access.

Sponsor's Right to Perform Alterations

Sponsor (and its successors, assigns and designees) shall have the right to alter any Unit, Storage Room, or any other Common Element subject to filed amended plans and/or specifications, and consistent with the terms of this Plan.

Sponsor, its assignee or designee, and their respective successors, assigns, invitees, licensees, contractors, employees, agents and tenants shall have such rights of access, storage and use necessary to fulfill obligations under the Plan (in the case of Sponsor) and/or to effectuate the rights of such parties to make alterations, additions, improvements or repairs to Units owned by each, respectively, including without limitation the right to (i) use the elevators, stairs and other Building facilities during customary industry practice construction hours; (ii) maintain roll-off refuse containers on the Property and dumpsters adjacent to the Property; (iii) store and maintain tools and materials on the Property; (iv) connect to and use Building electricity, water and other utility services and facilities; (v) compel Unit Owners to facilitate penetration and entry into Units to permit the extension and provision of Building services to space under construction or to work, and (vii) erect and maintain hoists, sidewalk sheds, sidewalk fences and temporary walkways, construction shacks and trailers in the street adjacent to and on the Property.

Marketing Materials

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

CONTROL BY SPONSOR

Title to all Units which have not been sold by the time of the First Unit Closing will remain with the Sponsor or its designee(s) until such Units shall thereafter be sold to bona fide purchasers. Such sales do not require a right of first refusal to the Board of Managers. Until the first annual meeting of the Condominium, the Board of Managers shall consist of three (3) persons designated by Sponsor. Accordingly, until such first annual meeting, Sponsor will have absolute voting control of the Board of Managers and will thus have control of maintenance, facilities and services to be provided, as well as determining the Common Charges to be paid by Unit Owners. Notwithstanding the above to the contrary, Sponsor, while it maintains voting control of the Board of Managers, will provide levels of maintenance, facilities and services consistent with those set forth in "Schedule B, Projected Budget for First Year of Condominium Operation Commencing January 1, 2019." Sponsor shall relinquish voting control of the Board of Managers upon the earlier of (i) the transfer of title to all of the Units or (ii) five (5) years after the First Unit Closing. So long as the Sponsor or a Sponsor-designee shall continue to own: (i) one (1) or more Units, the Sponsor or Sponsor-designee shall have the right to designate or elect at least three (3) of the five (5) members of the Board of Managers and in any event a majority of the Board of Managers for up to five (5) years subsequent to the First Unit Closing; or (ii) one (1) or more Units five (5) years or more subsequent to the First Unit Closing, the Sponsor or Sponsor-designee shall have the right to designate or elect at least two (2) of the five (5) members of the Board of Managers and in any event the right to designate or elect a number of members of the Board of Managers which equals one (1) less than a majority thereof.

However, Sponsor will call for the first annual meeting of the Unit Owners to elect a new Condominium Board consisting of five (5) managers (including those who may be designated or elected by Sponsor or Sponsor-designee), within thirty (30) days after the earlier of (i) one hundred twenty (120) days after the date on which seventy-five percent (75%) of all the Units have been conveyed to Unit Purchasers; (ii) the closing of title to all of the Units or (iii) two (2) years after the First Unit Closing. Sponsor, during the time there are Unsold Units, will have the right to, and intends to, vote the percentage of Common Interests allocated to such Units, but subsequent to its relinquishing voting control of the Board of Managers Sponsor will not use such vote to elect a particular individual to the Board of Managers which would, by the election of such individual, give Sponsor voting control of the Board. Subsequent to the date that the Sponsor, including any designee thereof, relinquishes control of the Board of Managers, all Board members, other than those members which the Sponsor or its designee have the right to appoint pursuant to the By-Laws, must be owner-occupants of the Condominium who are not related to Sponsor or to any principal of Sponsor. In the event that the number of owner-occupants of the Condominium is insufficient to establish a majority of the Board members, then, in such event, pursuant to the By-Laws any owner-occupant shall be entitled to one (1) seat on the Board of Managers.

As long as the Sponsor or any Sponsor-designee shall continue to own twenty-five percent (25%) of the Common Interests allocated to the Units, but in no event for a period in

excess of five (5) years from the First Unit Closing, the Board of Managers may not, without the Sponsor's or Sponsor-designee's prior written consent, (i) make any addition, alteration or improvement to the Common Elements, including but not limited to the Building's façade, or to any Unit or (ii) assess any Common Charge for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund, except that Sponsor will consent to replacements to (a) the contingency fund provided for in Schedule B of the Offering Plan for the Property to the extent that the aggregate amount of such fund does not exceed four percent (4%) of the budgeted expenses of the Condominium, and (b) the Major Capital Improvement Replacement Reserve Fund provided for in Schedule B for the Property and as required by the Federal Housing Administration and Fannie Mae guidelines, to the extent that the aggregate amount of such fund does not exceed ten percent (10%) of the budgeted expenses of the Condominium, but subject to Sponsor's right to obtain a reserve study that may justify the reduction of the requisite percentage or (iii) borrow money on behalf of the Condominium (except where necessary to perform work required by law to the extent that existing reserves are insufficient) or (iv) increase the number or change the type of employees from that described in Schedule B of the Offering Plan or (v) provide for new or additional services from those indicated in Schedule B of the Offering Plan, unless the annual cost of all other services being provided is no greater than the total cost of those provided for in Schedule B. As long as the Sponsor or any Sponsor-designee shall continue to own a Unit the Board of Managers may not, without the Sponsor's or Sponsor designee's prior written consent, (i) amend the Declaration or these By-Laws so as to in any way adversely affect the Sponsor or its designees or (ii) interfere with: the offer and sale or leasing of Units and/or Storage Rooms at the Property; the operations of sales or leasing offices at the Property; actions necessary for construction, renovation, repair or correction at the Property, as required by Sponsor to comply with applicable laws in construction, renovations or repair of Units. The Sponsor or Sponsor-designee shall have the right to withhold its consent to any of the foregoing actions. However, notwithstanding these restrictions, the Sponsor or Sponsor-designee shall not withhold its consent to the making of capital repairs to the Common Elements or assessment of any Common Charge for expenses required to comply with applicable law or regulation, to remedy any notice of violation or to remedy any work ordered by an insurer.

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

Except for a member of the Board of Managers designated by Sponsor or a Sponsor-designee, a member of the Board of Managers may be removed from office with or without cause by the affirmative vote of Unit Owners owning in the aggregate a percentage of Common Interest in excess of fifty percent (50%) of the Common Interest of the Condominium. A member of the Board of Managers designated by the Sponsor or a Sponsor-designee may only be removed for cause by the affirmative vote of Unit Owners (including Sponsor and/or any other Holder of Unsold Units) owning in the aggregate, a percentage in Common Interest in

excess of fifty percent (50%) of the Common Interest of the Condominium. In the event of such removal, the Sponsor or Sponsor-designee, as the case may be, shall have the exclusive right to designate a replacement for such removed member of the Board of Managers. Notwithstanding anything to the contrary herein, any member of the Board of Managers designated by Sponsor or a Sponsor-designee may be replaced at any time by Sponsor or such Sponsor-designee, unilaterally and in its sole discretion.

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

RIGHTS AND OBLIGATIONS OF UNIT OWNERS

Sale or Lease of Unit

Each Residential Unit Owner is free to sell or lease his Unit, subject to the restrictions described below, except that a Residential Unit Owner must first give to the Board of Managers, on behalf of all other Unit Owners, an opportunity to purchase or lease such Unit at the same price or rental and on the same terms as were offered by the proposed purchaser or lessee, as more specifically provided for in Article VIII, Section 1 of the By-Laws of the Condominium. Any such lease of a Residential Unit shall be substantially in the form for apartment leases prepared by Julius Blumberg, Inc., or the Real Estate Board of New York, Inc., except as otherwise provided in the By-Laws and except for such changes thereto as are recommended by counsel to the Board of Managers.

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

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

Notwithstanding the foregoing, the Sponsor, its designee, or a mortgagee acquiring title to a Unit in foreclosure or by deed in lieu of foreclosure, shall have the right to sell or lease Units and/or Storage Rooms owned by the Sponsor, its designee, or such mortgagee without any requirement that the same be offered to the Board of Managers prior to such sale or lease as required pursuant to the aforementioned Article and Section of the By-Laws. The Board of

Managers shall be required to cooperate in providing appropriate physical access to any such Unit and related Common Elements, as well as all financial information regarding same.

The Sponsor also hereby reserves the right to lease a Unit to the Purchaser of said Unit prior to the conveyance of title. In addition, Sponsor reserves the right to lease Units to non-purchasers after the Plan has been consummated without limitation as to the rental to be charged therefor except such rents shall not be in violation of any applicable law. If, in fact, prior to the sale of a Unit, the Sponsor leases such Unit to any person or entity who does not purchase, the initial purchaser thereof will be purchasing a Unit that has been previously occupied. In all such cases Sponsor will deliver title to such Units at closing free and clear of any tenancy or occupancy. No amount paid as either rent or security under the lease will be credited towards the purchase price. Sponsor also reserves the right to use license agreements in lieu of or in addition to the leases.

With regard to a Storage Room License, the following restrictions apply. A Storage Room License may only be assigned to another Residential Unit Owner or simultaneously by such Unit Owner to a purchaser of the Residential Unit. In the event a Residential Unit Owner elects to terminate a Storage Room License and does not transfer same to another Residential Unit Owner, the rights to the Storage Room License in question will devolve to the Board of Managers which will have the right to issue a new Storage Room License to another Residential Unit Owner in its sole discretion. Residential Unit Owners can only rent their respective Storage Rooms to other Residential Unit Owners in the Building after obtaining the written consent of the Board of Managers thereto which consent shall not be unreasonably withheld and/or delayed. With regard to Storage Rooms held or rented by Sponsor and/or a Sponsor-designee, Sponsor and/or a Sponsor designee may assign and/or rent its Storage Rooms to residents or non-residents in its sole discretion without charge and without the consent of the Board of Managers of the Condominium. However, Storage Room Licenses will only be sold by Sponsor to a Residential Unit Owner.

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

Each Conveyance of Unit by a Unit Owner shall include, as part of the property to be conveyed, the Unit Owner's: (i) Common Interest; (ii) undivided interest in any Unit or Units acquired by the Condominium 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 assets of the Condominium. In addition, title to a Unit may not be conveyed unless all unpaid Common Charges and liens against such Unit, other than mortgages placed on such Unit in compliance with the By-Laws, are paid and satisfied at or prior to closing.

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

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

No residential lease shall be entered into by Sponsor having a commencement date which is prior to the issuance of a temporary or permanent Certificate of Occupancy for the Building, or, alternatively, the issuance of a temporary Certificate of Occupancy for the Unit which permits lawful use of the leased Unit.

No portion of a Unit other than the entire Unit may be leased.

A Unit Owner who acquired his Unit from Sponsor ("Sponsor Sale") is prohibited from (a) listing the Unit for sale with any broker or placing or authorizing any listing in any broker's listing system or other listing service or from otherwise advertising or otherwise, offering, promoting or publicizing the availability of the Unit for sale for twelve (12) months after Closing, without Sponsor's prior written consent, which consent may be withheld, conditioned, or delayed in Sponsor's sole and absolute discretion; or (b) entering into a contract or other agreement for the sale of the Unit or reselling the Unit prior to the first anniversary of the Closing of the Sponsor Sale ("Resale"), except to such Residential Unit Owner's family member(s), or a trust for the benefit of such family member(s) or to an entity or individual that owns more than fifty percent (50%) of the legal and beneficial interest of such Unit Owner or to an entity with respect to which such Unit Owner (individual or otherwise) owns more than fifty percent (50%) of the legal and beneficial interest thereof, or to a permitted mortgagee or its nominee, who has acquired title to any Unit at a foreclosure sale of its permitted mortgage or by deed in lieu thereof delivered in a bona fide transaction. The foregoing restriction shall not apply from and after the date that Sponsor has conveyed title to all of the Units. For purposes of this clause, "family member(s)" shall mean the spouse, domestic partner, children, stepchildren, grandchildren, siblings, stepsiblings, aunts, uncles, nieces, nephews, parents, stepparents, parents-in-law and grandparents of a Unit Owner. Leasing of the Unit is permitted after closing in accordance with and subject to the provisions set forth in the By-Laws.

Prior to the Closing of title to a Unit, a Purchaser is prohibited from listing the Unit for sale with any broker or placing or authorizing any listing in any broker's listing system or other listing service or from advertising or otherwise offering, promoting or publicizing the availability of the Unit for sale, without Sponsor's prior written consent, which consent may be withheld, conditioned, or delayed in Sponsor's sole and absolute discretion. Any such action by Purchaser will be deemed a material default under the Purchase Agreement, and Sponsor may, at its option, cancel the Purchase Agreement and retain, as liquidated damages, the entire Down Payment made by the Purchaser, together with any interest earned thereon.

The Board of Managers shall have the authority to promulgate additional rules regarding use of, and access to, the Storage Rooms and the procedures for assigning the Storage Room Licenses. As part of the sale of his Unit, or with regard to the sale of a Storage Room License to

another Residential Unit Owner, a Residential Unit Owner may transfer the Storage Room License to the Board of Managers which shall be authorized to reissue such Storage Room License to the new Residential Unit Owner or another Residential Unit Owner for such consideration as required by such sale. Any Residential Unit Owner assigned a Storage Room in the Building will be required to sign a Storage Room License governing the use of the Storage Room. A copy of the Storage Room License to be signed at Closing is set forth as Exhibit "A" to the Purchase Agreement which is included in Part II of the Offering Plan. The Storage Rooms are located at the cellar level of the Building and the Sponsor and the Board cannot make any representation that the Storage Rooms will remain dry or will not experience any water infiltration and neither the Sponsor nor the Board will be responsible for any damage to items placed in the Storage Rooms. Residential Unit Owners who place items in the Storage Rooms do so at their own risk and Unit Owners are advised to consult with their insurance brokers regarding appropriate coverage for such stored items. Residential Unit Owners must comply with Applicable Law regarding the Storage Rooms, which may be subject to periodic inspection by the Board of Managers and any City of New York and other governmental agencies having jurisdiction thereover.

Any Storage Room which is licensed by a Residential Unit Owner may be used for any lawful use which is accessory to the residential use of the Unit, including, but not limited to, the storage of personal effects of the Residential Unit Owner, provided that no stored article or material that shall pose a threat to the health or safety of the Unit Owners or other occupants or tenants of the Building or shall otherwise create a nuisance shall be permitted to be brought into or stored in said Storage Room by any Residential Unit Owner. In no event may a Storage Room be used for sleeping or dining purposes, which use is not permitted under, and could result in a violation issued pursuant to, the Building Code.

Mortgage of Units

Each Unit Owner is free to mortgage his Unit, provided that any mortgage encumbering a Residential Unit shall be a first mortgage or second mortgage made to a bank, trust, trust company, insurance company, federal savings and loan association, pension fund, or other institutional lender, the Sponsor, Sponsor-designee, or to the Seller of such Unit(s). Purchasers pursuant to this Plan, however, if they seek mortgage financing, shall be required to follow procedures set forth in the Purchase Agreement in Part II of the Plan. A mortgage encumbering a Residential Unit may be made to a reputable private lender, other than a lender as above described, provided the same is approved in writing by either the Sponsor, prior to the Sponsor's relinquishing control of the Board of Managers, or the Board of Managers, subsequent to the release of control by the Sponsor. Such approval shall be in the sole and absolute discretion of Sponsor or the Board of Managers as the case may be. The Sponsor or its designee may encumber his Unit with a mortgage or mortgages without being subject to the aforementioned restrictions. Such restrictions also do not apply to Unsold Units. NOTWITHSTANDING THE FOREGOING, IF ANY INITIAL PURCHASER WHO PURCHASES PURSUANT TO THIS OFFERING PLAN SEEKS MORTGAGE FINANCING, SUCH PURCHASER SHALL BE REQUIRED TO FOLLOW THE PROCEDURES FOR MORTGAGE FINANCING SET

FORTH IN THE OFFERING PLAN AND THE PURCHASE AGREEMENT, IF ANY. Prior to or simultaneously with the closing of any mortgage transaction, the Unit Owner must satisfy all arrearage for any unpaid Common Charges and assessments owed by such Unit Owner and discharge any liens therefor.

Easements and Right of Access

Each Unit Owner shall have an easement in common with the Owners of other Units to use and maintain all pipes, ducts, cables, wires, conduits, public utility lines or other Common Elements located in other Units and serving his Unit. In addition, each Unit Owner shall have an easement for the continuance of any encroachment by the Unit on any adjoining Unit or on any Common Element, now existing or which may come into existence hereafter as a result of the settling or shifting of the Building, or as a result of restoration of the Building or a Unit after damage by fire or other casualty, or as a result of condemnation or eminent domain proceedings, or by reason of any alteration made by the Board of Managers to the Common Elements so that any such encroachment may remain undisturbed so long as the Building stands. Sponsor (for so long as Sponsor owns at least one (1) Unsold Unit), the Board of Managers, the Managing Agent, and their servicemen, consultants, repairmen and/or any other party authorized by the same, shall have a right of access to each Unit and any Limited Common Elements appurtenant thereto, and to each Storage Room, to inspect and make repairs to the Unit and/or such appurtenant Limited Common Elements and/or to the Storage Room to prevent damage to the Common Elements or any other Unit. Requests for entry to a Unit and/or any Limited Common Elements appurtenant thereto, or to a Storage Room, shall be made in advance and such entry shall be at a time reasonably convenient to the Unit Owner. In case of an emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not.

Use of Units

The Residential Units may be used only for private residential use, except that a Residential Unit Owner may use his Unit for any home occupation use permitted under applicable zoning law and ordinances, building code or other rules and regulations of governmental authorities having jurisdiction. Such Residential Units may also be used as professional offices by a resident thereof provided such professional use does not violate any zoning law and ordinances and provided further, that the prior written consent of the Board of Managers to such professional use is obtained. In the event that any Residential Unit shall be used for home occupation or professional purposes in conformity with the Declaration and the By-Laws, no patients, clients, or other invitee shall be permitted to wait in any public hallway. No illuminated or other sign may be used in connection with the aforementioned use, excepting only a professional sign, non-illuminated, not larger than the size permitted by the Board of Managers. Further, certain Units have a library that may be used as a legal bedroom, if desired. Specifically, the Maisonette Unit and Unit 7A each have three bedrooms in addition to a library that may be used as a fourth bedroom; Unit 5/6C and 7/8B each have four bedrooms in addition to a library that may be used as a fifth bedroom. Each aforementioned library has a window providing legal light and air and is a livable room under the Building Code, and, provided such

library complies with all other applicable law, may be used for sleeping purposes. For this reason, the aforementioned libraries are counted as bedrooms in the bedroom count shown in column numbered (2) of Schedule A. Additionally, certain Units have a foyer, gallery, pantry, utility room, refuse room, and/or private storage area. Any of the aforementioned rooms is not intended for sleeping purposes, which use is not permitted under, and could result in a violation issued pursuant to, the Building Code.

The great room located at the Garden Level of the Maisonette Unit may be used for sleeping or dining purposes, as it receives sufficient legal light and air for such use. However, no other portions of the Garden Level of the Maisonette Unit may be used for sleeping or dining purposes, which use is not permitted under, and could result in a violation issued pursuant to, the Building Code.

Notwithstanding the foregoing, the Sponsor or its designee may, without the permission of the Board of Managers, retain ownership of one or more Units for use as models, sales and/or production offices in connection with the sale or rental of the Units.

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, partners, 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 or 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.

Any Storage Room which is licensed by a Residential Unit Owner may be used for any lawful use which is accessory to the residential use of the Unit, including, but not limited to, the storage of personal effects of the Residential Unit Owner, provided that no stored article or material that shall pose a threat to the health or safety of the Unit Owners or other occupants or tenants of the Building or shall otherwise create a nuisance shall be permitted to be brought into or stored in said Storage Room by any Residential Unit Owner. In no event may a Storage Room be used for sleeping or dining purposes, which use is not permitted under, and could result in a violation issued pursuant to, the Building Code.

Notwithstanding anything herein to the contrary, any Rules and Regulations pertaining to the use of a Storage Room will not be applicable to a Storage Room held or rented by Sponsor or Sponsor-designee.

As shown on the Floor Plans, the Garden Level of the Maisonette Unit is adjacent to Storage Room #9. Notwithstanding anything to the contrary in this Offering Plan, the Declaration, or the By-Laws, the Unit Owner of the Maisonette Unit shall have the right, at his or her sole cost and expense, to install a door between the Maisonette Unit and Storage Room #9, and upon connecting such spaces, shall have the right to use Storage Room #9 as if it were an extension of the Maisonette Unit, provided that such use complies with the Building Code, Zoning Resolution, and other applicable law, as well as with the Rules and Regulations of the Condominium as they apply to the Residential Units. However, Storage Room #9, notwithstanding whether it is connected to the Maisonette Unit, is not intended for sleeping or dining purposes, which use is not permitted under, and could result in a violation issued pursuant to, the Building Code. Though the connection of the Maisonette Unit and Storage Room #9 shall not require the consent of the Board of Managers, the Unit Owner of the Maisonette Unit shall be responsible for complying with all reasonable conditions the Board of Managers shall require when it grants consent to alterations done by other Unit Owners; e.g., that all work shall be done by reputable contractors with adequate liability, property damage and workers' compensation insurance (certificate for which shall be delivered to the Board of Managers prior to the commencement of construction) and that the work shall be done in accordance with all governmental or quasi-governmental laws, rules, regulations, codes and ordinances.

Except as set forth above and herein, no industry, business, trade, occupation or profession of any kind, commercial, religious, educational or otherwise, designed for profit, altruism, or otherwise, shall be conducted, maintained or permitted in any part of the Residential Units or Common Elements nor shall any "For Sale," "For Rent" or "For Lease" signs or other window displays or advertising be maintained or permitted in any Residential Unit therein or adjoining Common Elements, nor shall any Residential Unit be rented for transient, hotel or motel purposes. The right is reserved by the Sponsor, its designee and the Board of Managers, or its agent, to place "For Sale," "For Rent" or "For Lease" or similar signs on any unsold and/or unoccupied Units, and the right is hereby given to any mortgagee, who may become the owner of any Unit, to place such signs on any Unit owned by such mortgagee, but in no event will any such sign be larger than one (1) foot by two (2) feet. Additionally, the right is reserved by Sponsor and its designee to maintain and staff one or more vacant and unsold Units in the Building as a sales office and/or model Unit(s). Sponsor and its designee shall have the right to place "For Sale," "For Rent" or "For Lease" signs or similar signs on or in the vicinity of the Building or any portion of the Common Elements without regard to size. Sponsor or its designee shall be responsible for installing and removing such signs.

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

Unless expressly authorized by the Board of Managers in each instance, not less than eighty percent (80%) of the floor area of each Residential Unit (excepting only kitchens, pantries, bathrooms, closets and foyers) must be covered with rugs, carpeting, or equally effective noise-reducing material.

Legally compliant window stops will be provided by Sponsor in all operable windows in the Residential Units. All Unit Owners must maintain the window stops in all such windows and shall not remove them unless permitted by applicable law and in any event, without the consent of the Board of Managers. With respect to child safety compliance, a Unit Owner must notify the Board of Managers in writing when a child or children under the age of eleven (11) years lives or resides (even temporarily) in the Unit. No window guards or stops, except as required by law, or other window decorations shall be used in or about any Residential Unit, except such as shall have been approved in writing by the Board of Managers or the Managing Agent, which approval shall not be unreasonably withheld or delayed. In no event, however, shall any exterior glass surfaces of any windows at the Property be colored or painted, and no colored or neon lights shall emanate therefrom. Any shades in a Residential Unit must either be white in color or otherwise have a neutral backing in order to ensure a clean and consistent street-side appearance for the Building.

No exterior shades, window guards or stops, awnings, ventilators, fans or air-conditioning devices or units shall be used or installed in or about any Residential Unit, unless otherwise required by law, without the prior written approval of the Board of Managers, which approval may be granted or refused at the sole discretion of the Board of Managers, nor shall anything be projected out of any window of any Residential Unit without similar approval. In connection with the individual Unit, each Unit Owner shall be responsible for compliance with all applicable laws relating to the requirement of installing window guards or stops in the Unit.

No exterior of any Residential Unit, including the windows or doors thereof, or any private terrace or private garden appurtenant thereto, or any other portions of the Common Elements, including but not limited to the railing and slab component of the Juliette Balconies, shall be painted or decorated by any Unit Owner in any manner, without prior written consent of the Board of Managers or except as provided in the By-Laws.

Plantings on any private terrace or private garden shall be contained in boxes of wood, lined with metal or other materials impervious to dampness and standing on drainage tiles or other supports that raise such boxes above the private terrace or private garden surface in order to allow proper drainage therefrom; suitable weep holes shall be provided in the boxes to draw off water. Additionally, such boxes shall be pulled back as to not make contact with the Building or with any walls demising such private terrace or private garden. It shall be the responsibility of the Residential Unit Owner to maintain the containers and supports in good condition, and the drainage tiles and weep holes in operating condition. There shall be no blockage of drainage on any private terrace or private garden by a Residential Unit Owner. Such Residential Unit Owner shall pay the cost of any repairs rendered necessary, or damage caused, by such plantings. The

size of such plantings shall be subject to the consent of the Board of Managers, which shall not be unreasonably withheld, conditioned, or delayed.

Unit Owners whose Units have a private terrace or private garden appurtenant thereto shall maintain, at their sole cost and expense, any plantings thereon in reasonably good health and appearance. However, such Unit Owners may remove or replace any plantings provided by Sponsor, subject to the consent of the Board of Managers with respect to size as provided hereinabove.

With respect to the portion of the sidewalk in front of the Maisonette Unit, the planters thereon, including the plantings located in such planters (the "Maisonette-Adjacent Planters"), are a General Common Element to be maintained by the Board of Managers as a Common Expense. Notwithstanding anything to the contrary herein, should the Unit Owner of the Maisonette Unit prefer plantings in the Maisonette-Adjacent Planters that are different from those planted and maintained by the Board of Managers, such Unit Owner shall have the right to select different plantings, which selection shall be subject to the consent of the Board of Managers, which shall not be unreasonably withheld, conditioned, or delayed ("New Plantings"), which New Plantings shall be purchased by such Unit Owner and planted or caused to be planted by such Unit Owner at its sole cost and expense. Upon being planted, the New Plantings shall be a General Common Element to be maintained by the Board of Managers as a Common Expense.

No personal articles (including, but not limited to, garbage cans, bottles or mats) and no furniture, artwork, equipment or doormats shall be placed or stored in entrances, hallways, stairways, or other Common Elements which are not limited to the exclusive use of a specific Residential Unit Owner. No Residential Unit Owner shall change or alter in any way the design, layout, color scheme or furnishings in entrances, hallways, stairways or other Common Elements, which are not limited to the exclusive use of a specific Residential Unit Owner. Notwithstanding the foregoing, a Residential Unit Owner has the right to change the lock on the door to his Unit or to add an additional lock, provided that such lock conforms in color with the other lock or locks and a copy of the new key is provided to the Board of Managers.

No Residential Unit Owner shall make, cause, or permit any unusual, disturbing, or objectionable noises or odors to be produced upon or to emanate from his Unit or its appurtenant Limited Common Elements or permit anything to be done therein that will interfere with the rights, comforts, or conveniences of the other Unit Owners. No Residential Unit Owner shall play upon or suffer to be played upon any musical instrument, or shall operate or permit to be operated a phonograph, radio, television set, or other loudspeaker in such Residential Unit Owner's Unit between midnight 12:00 A.M. and the following 8:00 A.M., if the same shall disturb or annoy other occupants of the Building, and in no event shall any Residential Unit Owner practice or suffer to be practiced either vocal or instrumental music between the hours of 10:00 P.M. and the following 9:00 A.M. No construction, repair work, or other installation involving noise shall be conducted in any Residential Unit except on weekdays (not including legal holidays) and only between the hours of 8:00 A.M. and 5:00 P.M., unless such construction or repair work is necessitated by an emergency.

Each Unit Owner shall keep his Unit in a good state of preservation and cleanliness and shall not sweep or throw or permit to be swept or thrown therefrom, or from the doors or windows of a Unit, or any private terrace, any dirt or other substances. No clothes, sheets, blankets, or other articles of any kind shall be hung or shaken from any doors, windows, or open private terraces or placed upon the window sills of the Building.

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

All garbage and refuse from the Building shall be deposited with care either in the compactor chutes located at individual floors of the Building or in plastic bags or other suitable receptacles intended for such purpose only at such times and in such manner as the Board of Managers may direct. Each Unit Owner shall comply with all requirements of law and regulations of the Board of Managers regarding recycling of trash. All Unit Owners shall separate their trash into "recyclable" and "nonrecyclable" materials. The Board of Managers 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 Owner for the disposal of designated recyclable materials and the locations where designated recyclable materials shall be deposited. With respect to the Penthouse Units with private refuse rooms, such Unit Owners shall coordinate with the Building staff regarding pick-up of recyclables. The Board of Managers may also establish other regulations regarding recycling of trash. Any costs incurred by the Board of Managers in the enforcement against the Unit Owner of recycling requirements imposed by law or by the Board of Managers, including, (but not limited to) legal fees and fines or penalties imposed on the Board of Managers by any government agency shall be payable by the Unit Owner as additional Common Charges.

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

Except for Units owned by Sponsor and/or a Sponsor designee, no pets other than dogs, cats, caged birds, or fish (which do not cause a nuisance, health hazard, or unsanitary condition) shall be permitted, raised, bred, kept, or harbored in the Units unless, in each instance, the same shall have been expressly permitted in writing by the Board of Managers or the Managing Agent. Any such consent, if given, shall be revocable at any time by the Board of Managers or the Managing Agent in their sole discretion. In no event shall any pet be permitted in any public portions of the Building, unless carried, caged, or on a leash. No pigeons or other birds or animals shall be fed from the window sills, terraces, or other public portions of the Building, or on the sidewalk or street adjacent to the Building. The individual Unit Owners who keep an animal in their Unit shall each (a) indemnify the Board of Managers and hold it harmless against

any loss or liability of any kind or character whatsoever arising from or as a result of the Unit Owner having any animal in their Unit; and (b) abide by any and all Rules and Regulations adopted by the Board of Managers with respect thereto, including without limitation, the number of such pets permitted. All Unit Owners shall be responsible for immediately cleaning up any droppings from their pets.

Except as provided in the Declaration and By-Laws of the Condominium, no radio or television aerial or satellite dish shall be attached to or hung from the exterior of the Building without written approval of the Board of Managers. The Board of Managers, upon the request of any Unit Owner, shall allow the installation of any hook-up necessary to provide cable television service to the Units.

All radio, television, or other electrical equipment of any kind or nature installed or used in each Unit shall fully comply with all rules, regulations, requirements, or recommendations of the New York Board of Fire Underwriters and the public authorities having jurisdiction, and the Unit Owner alone shall be liable for any damage or injury caused by any radio, television, or other electrical equipment.

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

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

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

No Unit Owner shall interfere in any manner with any portion of the lighting apparatus which is part of the Common Elements and not part of the Unit Owner's Unit.

No Unit Owner shall use or permit to be brought into the Building any inflammable oils or fluids such as gasoline, kerosene, naphtha, benzine, or other explosives or articles deemed extra hazardous to life, limb, or property without in each case obtaining the written consent of the Board of Managers.

Except as provided above, the Unit Owner shall not be allowed to put his name on any entry to the Building or entrance to any Unit, except in the proper places approved by the Board of Managers for such purposes.

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

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

No Unit shall be used or be occupied in such manner as to obstruct or interfere with the enjoyment of occupants or owners of adjoining Units; nor shall any nuisance or immoral or illegal activity be committed or permitted to occur in or about any Unit or upon any part of the Common Elements.

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

Except as otherwise provided for in the Condominium Declaration and/or By-Laws, the sidewalks, entrances, passages, public halls, corridors and stairways of or appurtenant to the Building shall not be obstructed or used for any purpose other than ingress to and egress from the Units. No vehicle belonging to a Unit Owner, to a family member of a Unit Owner, or to a guest, tenant, subtenant, licensee, invitee, employee, or agent of a Unit Owner shall be parked in such a manner as to impede or prevent ready access to any entrance to, or exit from, the Building by another vehicle.

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

There shall be no playing or lounging in the entrances, passages, public halls, corridors, stairways of the Building, except in recreational areas, if any, or other areas designated as such in the Declaration or by the Board of Managers.

The Condominium Board or the Managing Agent may, from time to time, curtail or relocate any portion of the General Common Elements devoted to storage, recreation, or service purposes in the Building.

Nothing shall be done or kept in any Residential Unit or in the Common Elements that will increase the rate of insurance of the Building, or the contents thereof, without the prior written consent of the Board of Managers. No Unit Owner shall permit anything to be done or kept in his Unit or in the Common Elements that will result in the cancellation of insurance on the Building, or the contents thereof, or that would be in violation of any law.

The agents of the Board of Managers or the Managing Agent, and any contractor or workman authorized by the Board of Managers or the Managing Agent, may enter any room or Unit at any reasonable hour of the day, on at least one (1) day's prior notice to the Unit Owner, for the purpose of inspecting such Unit for the presence of any vermin, insects, or other pests and for the purpose of taking such measures as may be necessary to control or exterminate any such vermin, insects, or other pests; however, such entry, inspection and extermination shall be done in a reasonable manner so as not to unreasonably interfere with the use of such Unit for its permitted purposes.

The Board of Managers or the Managing Agent shall retain a pass-key to each Residential Unit and Storage Room. No Residential Unit Owner shall change any lock on any door leading into his Residential Unit without the prior written consent of the Board of Managers. As a condition to obtaining such consent, the Residential Unit Owner must provide the Board of Managers with a key to such changed lock for their use. If a Residential Unit Owner fails to provide the Board of Managers with all keys necessary to gain entrance to such Unit Owner's Unit promptly after such Unit Owner moves into his Unit, then Sponsor shall be automatically released from any obligation it may have for correcting defects in or making repairs to such Unit. If Sponsor or the Board of Managers must gain access to a Residential Unit for emergency purposes and a Residential Unit Owner has not furnished a key to the Board of Managers as provided in this paragraph, then the affected Residential Unit Owner shall be liable and responsible for any damage to the Common Elements or such Residential Unit caused by Sponsor or the Board of Managers in gaining access to such Unit. Furthermore, if the Residential Unit Owner is not personally present to open and permit an entry to his Residential Unit at any time when an entry therein is necessary or permissible under these Rules and Regulations or under the By-Laws, and has not furnished a key to the Board of Managers or the Managing Agent, then the Board of Managers or Managing Agent or their agents (but, except in an emergency, only when specifically authorized by an officer of the Condominium or an officer of the Managing Agent) may forcibly enter such Unit without liability for damages or trespass by reason thereof (if, during such entry, reasonable care is given to such Residential Unit Owner's property).

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

No Unit Owner or other occupant of the Building shall use any employee of the Condominium or of the Managing Agent or any contractor of the Sponsor for private business or send any employee of the Condominium or of the Managing Agent or any contractor of the Sponsor out of the Building on any private business without the written consent of the Condominium Board or, if applicable, of the Sponsor, except as a real estate broker for the sale or lease of a Unit.

The use of (i) the residential Storage Rooms located at the cellar level of the Building; (ii) the bicycle storage room located at the cellar level; (iii) the lounge located at floor 1; (iv) the fitness center, game room, library, and common kitchen located at floor 2; and (v) the lobby and mail room located at floor 1; and (vi) the driveway providing ingress to and egress from East 81st Street, by any of the Residential Unit Owners shall be subject to any and all restrictions and/or regulations established by the Board of Managers in its sole discretion. Further, the Board of Managers reserves the right, in its sole discretion, to establish usage fees for certain Building amenities, including, but not limited to, the bicycle storage room (which, with an approximate capacity of fifteen (15) bicycles, is anticipated to be available for use on a first-come-first-served basis); however, such usage fees shall be based upon the cost of maintenance and operation of the applicable areas.

The use of the fitness center located at floor 2 of the Building, including any and all exercise and/or fitness equipment located therein, shall also be at the sole discretion of the Board of Managers and shall also be subject to all and any guidelines established by the Board of Managers relating thereto. Such guidelines may include, but are not limited to, any medical waiver or consent that a Unit Owner must sign prior to the use of any exercise and/or fitness equipment.

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

Unit Owners will faithfully observe the following procedures with respect to the use of the compactor: (1) wrap dust, floor and powdered waste in compact packages before depositing the same; (b) thoroughly drain and wrap in paper all garbage before depositing the same; (c) refrain from forcing large bundles into the chute; (d) crush into tight bundles all loose papers before placing the same in the hopper door; (e) deposit all bundles of waste into the hopper; and (f) refrain from depositing waste of an explosive nature therein.

Except as permitted under the Declaration and By-Laws, Unit Owners, their families, guests, servants, employees, agents, visitors or licensees shall not at any time or for any reason whatsoever enter upon or attempt to enter upon the main roofs of the Building.

No person may carry or smoke any kind of lighted pipe, cigar, cigarette, tobacco, or any other lighted smoking apparatus, equipment or product, including but not limited to electronic cigarettes, in any area of the Building, whether indoor or outdoor, at any time. For clarification of doubt, smoking shall be prohibited in all common areas of the Building as well as in all Units and Limited Common Elements appurtenant thereto, including any private terrace and/or garden. This paragraph shall be deemed to be incorporated into the Purchase Agreement for each Unit.

It is currently anticipated that the Residential Units will be delivered with natural materials (including, but not limited to, wood flooring, wood paneling, molding, and/or marble or stone surfaces, where applicable) in certain rooms, which may require special finishing and

maintenance procedures in order to preserve the appearance and quality of the natural materials, and therefore, all natural materials must be maintained in accordance with the recommendations of the manufacturer thereof. Purchasers are referred to the "Description of Property and Specifications" located in Part II of the Offering Plan for details on Unit finishes. Purchasers should also note that, as natural material finishes are often cut from different sources, there may likely be variations in the tone and color of such finishes. In addition, while a Unit Owner is occupying the Residential Unit, the Unit should be environmentally controlled, as seasonally appropriate, for humidity, and the Unit's temperature should be maintained in the range of sixty-six (66) to seventy-nine (79) degrees Fahrenheit. While a Residential Unit is unoccupied, the Unit should be environmentally controlled, as seasonally appropriate, for humidity, and the temperature should be maintained in the range of sixty (60) to eighty (80) degrees Fahrenheit. The cost of any damage resulting from a failure to abide by the provisions of this paragraph by a Residential Unit Owner or their respective family members, guests, domestic employees, agents, visitors or licensees shall be borne solely by such Residential Unit Owner.

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

Determination of and Liens for Nonpayment of Common Charges

Each Unit Owner shall have an obligation to pay Common Charges, Assessments and Special Assessments or other expenses when due. Common Charges for each Unit shall be determined by multiplying that Unit's percentage of Common Interest by the total annual net expenses incurred or anticipated to be incurred for those items listed in Schedule B herein, together with the expense of any special repairs, major capital improvements or other expenses deemed by the Board of Managers to be a part of the Common Expenses and to be paid as Common Charges, all in accordance with Article VI, Section 1 of the By-Laws of the Condominium. Common Charges will be established on an annual basis and be paid in equal monthly installments, due and payable on the first day of each month. The Board of Managers may, in accordance with Article VI, Section 1 of the By-Laws, impose Assessments as it deems necessary, to meet unanticipated or extraordinary expenses, including, but not limited to, expenses incurred for major capital improvements. The Assessment to be paid by each Unit Owner shall also be determined in accordance with the Unit Owner's percentage of Common Interest. A Special Assessment with respect to repair or reconstruction after a fire or other casualty, as set forth in Article VI, Section 3 of the By-Laws, is also determined in accordance with the Unit Owner's percentage of Common Interest.

Under the provisions of Section 339-z of the Real Property Law of the State of New York, the Board of Managers on behalf of the Unit Owners will have a lien on each Unit for unpaid Common Charges assessed by the Board of Managers. Such lien will be subordinate only to liens for real estate taxes on the Unit and to any sums unpaid on a first mortgage of record

thereon. Any lien for unpaid Common Charges against a Unit shall be effective from and after the filing of notice thereof in the Register of the City of New York, County of New York and until all sums secured thereby with the interest thereon shall have been fully paid or until six (6) years from the date of filing (unless foreclosure of such lien is started within such six (6) year period), whichever may be earlier. Such lien may be foreclosed by a suit brought in the name of the Board of Managers acting on behalf of the Unit Owners in like manner as the foreclosure of a mortgage on real property or an action may be brought by the Board of Managers to recover the unpaid Common Charges without foreclosing the lien.

On July 22, 1998 the Governor of the State of New York signed Real Property Law Section 339-kk, allowing a condominium's Board of Managers the right to collect rents directly from a "Non-Occupying Owner's rental tenant" ("Tenant"), if the Non-Occupying Unit Owner is not current on his or her common charges, assessments or late fees. In order to collect rents directly from the Tenant, the Unit Owner must fail to make the payment of Common Charges, Assessments or late fees within sixty (60) days of the earliest expiration of any grace period. Prior to collecting the rents the Board shall provide written notice to the Tenant and Unit Owner providing that, commencing immediately and until such time as all payments for all Common Charges, Assessments or late fees are made current, all rental payments are to be made directly to the Condominium Association at the address provided in the notice. Once all Common Charges, Assessments or late fees are current, the Board shall then within three (3) business days, provide notice to the Tenant and Unit Owner of such and that thereafter all future rental payments should be made to the Unit Owner. Should a Unit Owner wish to contest the Board's claim to rental payments he or she shall be entitled to present its supporting facts at the next scheduled Board meeting (which must be held within thirty (30) days of the Board receiving notice of contest). Section 339-kk also allows the Board the option to forgo collecting rents directly from the Tenant so long as a majority of the Board has been elected by and from among the Occupying Unit Owners.

Upon the failure of a Unit Owner to pay Common Charges for the Unit within fifteen (15) days of the same becoming due and payable, the Board of Managers shall have the right to place a lien against the Unit Owner's Unit for the unpaid Common Charges as set forth above. Failure of the Board of Managers to place such a lien shall not constitute a waiver of the right to do so at a later date or with respect to a subsequent failure to pay within the designated time.

No Unit Owner shall be liable for the payment of any part of the Common Charges assessed against his Unit subsequent to a sale, transfer, or other conveyance made by him of his Unit, with appurtenant Common Elements, in accordance with the Declaration and By-Laws. In addition, any Unit Owner may, subject to the terms and conditions specified in the Declaration and By-Laws, provided that his Unit is free and clear of liens and encumbrances, other than permissible mortgages and the statutory lien for unpaid Common Charges, convey his Unit, with appurtenant Common Elements, to the Board of Managers, or its designee, corporate or otherwise, on behalf of all other Unit Owners, and in such event be exempt from Common Charges thereafter assessed.

All Unit Owners shall be required to comply with the Declaration, By-Laws, Rules and Regulations of the Condominium and with any other requirements duly imposed by the Board of Managers pursuant to the authority granted to them. The Board of Managers shall have the power to impose appropriate sanctions where a Unit Owner is in default. Such sanctions include placing a lien against the Unit Owner's Unit, instituting foreclosure proceedings, filing suit against a Unit Owner, and restricting usage of the Building's common amenities such as the fitness center, game room, library, common kitchen, and bicycle storage room.

The Sponsor will cause the Board of Managers to file a lien as provided for in RPL §339-aa on Units in which Sponsor is more than thirty (30) days in arrears of Common Charges while it is in control of the Board of Managers.

Repairs

All maintenance of and repairs to any Unit, ordinary or extraordinary, and to the doors (except painting the exterior side of a Unit entrance door), windows (except painting exterior side of windows), electrical (except Common Elements), plumbing (except Common Elements) and heating and/or hot water fixtures and air conditioning units together with any and all related ductwork and piping attached thereto, inside or outside the Unit(s) or belonging to the Unit Owner(s) and only servicing such Unit(s), shall be at the individual Unit Owner's sole cost and expense or at the sole cost and expense of the individual Unit Owners of the affected Units on an equal basis, excepting as otherwise specifically provided herein. Additionally, the replacement of heating and/or hot water fixtures and air-conditioning units, together with any and all related ductwork and piping attached thereto, outside or inside the Unit(s) or belonging to the Unit Owner(s) and only servicing the Unit(s), shall be at the Unit Owner's sole cost and expense or at the sole cost and expense of the Unit Owners of the affected Units on an equal basis, excepting as otherwise specifically provided herein.

Further, individual Unit Owners shall be responsible for the cost of any permits required in connection with the operation of their individual heating, air-conditioning equipment or other mechanical equipment.

All maintenance, repairs and replacements to the General Common Elements as defined in the Declaration, and the painting and decorating of the exterior side of Unit entrance doors and windows shall be made by the Board of Managers and be charged to all the Unit Owners as a Common Expense, excepting to the extent that the same are necessitated by the negligence, misuse or neglect of a Unit Owner, in which case such expense shall be charged to such Unit Owner. Maintenance, repair and replacements in or to the Limited Common Elements as defined in the Declaration will be performed (i) by the Board of Managers as a Common Expense, if such Limited Common Element is for the exclusive use of all of the Residential Unit Owners and whether or not it involves structural or extraordinary maintenance, repairs or replacements (including, but not limited to, the repair of any leaks, in the roofs of the Building or elsewhere, that are not caused by the acts or omissions of a Unit Owner, having direct and exclusive access thereto), or (ii) by the individual Unit Owner having direct and exclusive access thereto at his or

their sole cost and expense, if involving nonstructural, ordinary maintenance, repairs or replacements, or (iii) by the Board of Managers at the sole cost and expense the individual Unit Owner having exclusive use of such Limited Common Element if involving structural repairs or replacements, or (iv) at the election of the Board of Managers, by either the Board of Managers or the individual Unit Owner, but at the sole cost of such Unit Owner, where such maintenance, repair or replacements result from the Unit Owner's negligence, misuse or neglect. The City of New York has no responsibility to maintain the Common Elements of the Condominium. Notwithstanding anything herein to the contrary, the maintenance, repair and/or replacement of all sidewalks, plantings and/or shrubbery, including the planters in which they are contained, in front of or at the sides of the Building shall be a Common Expense.

With respect to any hose bibs provided at the private terraces and private garden, the applicable Unit Owners with exclusive access thereto shall be responsible for the repair and maintenance of such hose bibs, including but not limited to winterization.

Additions, Alterations and Improvements

Any structural or non-structural alteration to a Residential Unit, except for Units owned by Sponsor or its designee, shall require the prior written approval of the Board of Managers. Sponsor or its designee may make structural or non-structural alterations in any Unit owned by it without the consent of the Board of Managers. Any approval, if granted, shall provide that such alteration shall be at the Unit Owner's sole cost and expense, that work shall be done in accordance with all governmental or quasi-governmental laws, rules, regulations, codes and ordinances, that all work shall be done by reputable contractors with adequate liability, property damage and workers' compensation insurance (a certificate for which shall be delivered to the Board of Managers prior to the commencement of construction), that any additions shall be maintained in their entirety by said Unit Owner who shall also be responsible for any repairs, including structural repairs, to such addition in any event, and to the Unit and any Common Elements where such repairs become necessary due to additional stresses caused by the alteration or due to improper design or construction of the alteration. Such approval shall further provide that the Unit Owner shall reimburse the Board of Managers for any out-of-pocket expenses incurred by the Board of Managers in connection with the granting of such approval and in connection with any services provided to such alteration. Such expenses may include, but shall not be limited to, any fees of an attorney and/or fees of an architect/engineer consulted in connection with the request by a Unit Owner for approval of a structural or non-structural alteration.

If at the time a Unit Owner seeks to perform alterations to his or her own Unit, a Permanent Certificate of Occupancy is not issued for the Building, the Unit Owner, prior to commencing any alteration, must obtain the consent of the Sponsor or its designee, which consent shall be at the sole and absolute discretion of Sponsor or its designee. The Sponsor or its designee may refuse to permit a Unit Owner to perform alterations in a Unit until such time as the Building has been completed and a Permanent Certificate of Occupancy has been obtained therefor. In furtherance thereof, a Unit Owner, who has been granted the consent by the Sponsor

or its designee, to perform alterations shall indemnify Sponsor or its designee for any cost, expense, claim or liability incurred or suffered by Sponsor or its designee as a result of any violation of Law or delay in obtaining a Temporary or Permanent Certificate of Occupancy. In the event the alterations performed by a Unit Owner do adversely affect the issuance or validity of the Certificate of Occupancy, then upon the written request of Sponsor or its designee, the Unit Owner shall, at such Unit Owner's sole cost and expense, either (a) halt pending alteration work, restore the Unit to its original condition, and close out any pending jobs as to the Unit or (b) expedite pending alteration work and promptly bring the same to a state of completion that is sufficient to cause DOB to sign off on any pending jobs as to the Unit. If such Unit Owner fails to commence diligently and continuously, restoring or completing the Unit within fifteen (15) days of receipt of the written request, then the Sponsor or its designee, as the case may be, requesting such restoration or completion shall be entitled to enter and restore or complete the Unit at the sole expense of the Unit Owner and to exercise any other remedies provided in the By-Laws.

Sponsor (for so long as Sponsor owns at least one (1) Unsold Unit), the Board of Managers, the Managing Agent, and their servicemen, consultants, repairmen and/or any other party authorized by the same, shall have a right of access to any Unit and any Limited Common Elements appurtenant thereto, and to any Storage Room, for the purpose of inspection, making any repairs or replacements to any of the Common Elements contained in such Unit or elsewhere in the Building, remedying any condition which would result in damage to any other Unit or to the Common Elements, or which would violate the provisions of any mortgage encumbering another Unit, or for the purpose of complying with any laws, orders, rules or regulations of any governmental body having jurisdiction thereof, or to cure any defaults by a Unit Owner or for any other purposes permitted by the By-Laws. Requests for entry to a Unit and/or any Limited Common Elements appurtenant thereto, or to a Storage Room, shall be made in advance and such entry shall be at a time reasonably convenient to the Unit Owner. In case of an emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not.

Insurance

The insurance policies obtained by the Board of Managers shall provide that each Unit Owner shall be a named insured for property coverage, and an additional insured for liability coverage, as respects the Common Elements, including the sidewalks directly adjacent to the Building, and the Units, except that such policies will not cover the negligence of a Unit Owner arising from occurrences within his or her own Unit or a Limited Common Element appurtenant thereto (such as a private garden or terrace). These policies shall provide all-risk property insurance for the Building, third-party liability insurance, directors' and officers' liability coverage for each member of the Board of Managers, and commercial crime, workers' compensation, employers' liability, and disability benefits insurance. The specific amounts of coverage other than workers' compensation and disability benefits insurance, are noted in footnote numbered 8 in the section titled "Schedule B" located in Part I of the Offering Plan.

The insurance coverage does not include any coverage for losses either due to fire, theft or other casualty to the personal property of a Unit Owner contained within the Unit or a Limited Common Element appurtenant thereto or the cost of living elsewhere if a Unit is greatly damaged. Nor does it include liability coverage for a Unit Owner for occurrences within a Unit or a Limited Common Element appurtenant to a particular Unit. Unit Owners should consult their insurance agent as to the availability of this insurance and any additional coverage which might be recommended.

Unit Owners shall be required to maintain a minimum of \$1,000,000.00 per occurrence in liability limits and fully insure their own contents as well as their own improvements and betterments in their respective Units for full replacement cost, provided that the liability of the carriers issuing such property insurance obtained by the Board of Managers shall not be affected or diminished by reason of the required or any additional insurance carried by any Unit Owner. Any such policies purchased and maintained by Unit Owners shall contain waivers of subrogation 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 mortgagees of Units. The standard mortgagee loss payable clause shall be attached to the property policies.

Miscellaneous

In certain instances the Sponsor or its designee as the holder of Unsold Units are not required to obtain the approval of the Board of Managers or meet requirements imposed upon other Unit Owners. Included among these are the right to use Units as models and display "For Sale," "For Rent" or "For Lease" signs, or similar signs, the right to transfer or lease a Unit without offering the Board of Managers the right of first refusal, the right to alter a Unit without obtaining the prior consent of the Board of Managers, but only in accordance with the other terms of this Plan, and the right to amend the Declaration without a vote for the sole purpose of filing the Floor Plans as required by Section 339-p of the Real Property Law. For as long as the Sponsor or its designee owns title to one (1) or more Units, the Rules and Regulations of the Condominium, By-Laws or Declaration may not be amended in a manner which would, in the sole discretion of Sponsor or its designee, adversely affect the Sponsor or its designee in any way, unless the Sponsor or its designee gives its written consent to such an amendment.

RIGHTS AND OBLIGATIONS OF BOARD OF MANAGERS AND SUMMARY OF BY-LAWS

Principal provisions of the By-Laws are summarized herein. It is suggested that Purchasers make reference to the full By-Laws, a copy of which is set forth in Part II of the Plan.

Board of Managers

Under the By-Laws of the Condominium, the affairs of the Condominium will be managed by a Board of Managers consisting of not less than three (3) and not more than seven (7) persons. The Unit Owners shall hold annual meetings and at each such meeting they shall elect members of the Board of Managers. Each Unit Owner, including the Sponsor or its designee, shall be entitled to cast one (1) vote for each .0001% of interest in the Common Elements attributable to their Unit(s) on all matters put to a vote at all meetings of the Unit Owners except that, when voting for the election of members of the Condominium Board, each Unit Owner: (i) shall be entitled to one (1) vote for each .0001% of Common Interest attributable to his Unit per member to be elected, and (ii) shall not have the right to cumulate his votes in favor of any one (1) or more members to be elected. If Units are owned by more than one (1) person or entity as joint tenants, tenants by the entirety or as tenants in common, the persons or entities owning said Unit shall agree among themselves and cast the votes for their Unit.

The Board of Managers of the Condominium for the period terminating upon the earlier of (i) one hundred twenty (120) days after the date on which seventy-five percent (75%) of all of the Units have been conveyed to Unit Purchasers; (ii) the closing of title to all of the Units or (iii) two (2) years after the First Unit Closing, shall be selected by the Sponsor. During this period the Board of Managers will consist of three (3) individuals designated by Sponsor. The three (3) individuals designated by Sponsor will be Bryan Ramm, Jim Statile, and Jodi Stein, all of whom are affiliates of Sponsor. These individuals will resign as board members upon the termination of the aforesaid period and the Sponsor will call for the first annual meeting of the Unit Owners to elect a new Condominium Board consisting of five (5) Managers, within thirty (30) days after the expiration of the aforementioned period. Thereafter, elections to the Condominium Board will be held at the regular annual meeting of Unit Owners. The calling of the first annual meeting to elect a Condominium Board does not require Sponsor to surrender control of the Board. Sponsor control provisions are set forth in the next paragraph. The annual meetings shall be held on or about the anniversary of the date of the first annual meeting. A special meeting of the Unit Owners shall be called by the President of the Condominium as directed by the Board of Managers or upon a petition signed by a majority of the Unit Owners having been presented to the Secretary.

Each of the members of the five (5) member Condominium Board will serve until the next regular annual meeting of Unit Owners and until a successor is elected and qualified. Members of the Board of Managers, except for those members designated or elected by the Sponsor, to be eligible for election, must be either a Unit Owner, the principal or officer of a Unit Owner, or the spouse of a Unit Owner. Except for a member of the Board of Managers

designated by Sponsor or a Sponsor-designee, Managers may be removed from office, with or without cause, by the affirmative vote of Unit Owners owning, in the aggregate, a percentage of Common Interest in excess of fifty percent (50%) of the Common Interest of the Condominium. A member of the Board of Managers designated by the Sponsor or a Sponsor-designee may only be removed for cause by the affirmative vote of Unit Owners (including Sponsor and/or any other Holder of Unsold Units) owning in the aggregate, a percentage in Common Interest in excess of fifty percent (50%) of the Common Interest of the Condominium. In the event of such removal, the Sponsor or a Sponsor-designee, as the case may be, shall have the exclusive right to designate a replacement for such removed member of the Board of Managers. Notwithstanding anything to the contrary herein, any member of the Board of Managers designated by Sponsor or a Sponsor-designee may be replaced at any time by Sponsor or such Sponsor-designee, unilaterally and in its sole discretion.

As long as the Sponsor or a Sponsor designee shall continue to own: (i) one (1) or more Units, the Sponsor or Sponsor-designee shall have the right to designate or elect at least three (3) of the five (5) members of the Board of Managers and in any event a majority of the Board of Managers for up to five (5) years subsequent to the First Unit Closing; or (ii) one (1) or more Units five (5) years or more subsequent to the First Unit Closing, the Sponsor or Sponsor-designee shall have the right to designate or elect at least two (2) of the five (5) members of the Board of Managers and in any event the right to designate or elect a number of members of the Board of Managers which equals one (1) less than a majority thereof. Subsequent to the date that the Sponsor, including any designee thereof, relinquishes control of the Board of Managers, all Board members, other than those members which the Sponsor or its designee have the right to appoint pursuant to the By-Laws, must be owner-occupants of the Condominium who are not related to Sponsor or to any principal of Sponsor. In the event that the number of owner-occupants of the Condominium is insufficient to establish a majority of the Board members, then, in the event, pursuant to the By-Laws any owner-occupant shall be entitled to one (1) seat on the Board of Managers. The Unit Owners may transact such other business at such meetings as may properly come before them. All members of the Board of Managers shall serve without compensation, and the Sponsor represents that, for as long as it or any of its designees are members of the Board of Managers, neither it nor any of its designees will vote for remuneration for either members of the Board of Managers or officers of the Condominium.

The Board of Managers shall have the powers and duties necessary for the administration of the affairs of the Condominium, including but not limited to, determination of the Common Charges, adoption of rules and regulations covering the details of the Property, opening of bank accounts, purchasing, leasing or otherwise acquiring Units, selling, leasing or mortgaging of Units owned by the Board of Managers and generally managing or supervising the Condominium property as provided in the Declaration and By-Laws. The Common Expenses shall include such amounts as the Board of Managers deems proper for the operation and maintenance of the Property, including, without limitation, an amount for working capital of the Condominium, for a general operating reserve, for a reserve fund for capital replacements and to make up any deficit in the Common Expenses for any prior year. The Board, in its discretion, may delegate such managerial powers as it sees fit to the officers of the Condominium. The

Board of Managers is authorized to employ for the Condominium, a Managing Agent on such terms as the Board of Managers may deem proper. As set forth in the Plan, in the section titled "Management Agreement and other Contractual Arrangements," at or immediately prior to the First Unit Closing the Board of Managers shall enter into a management agreement with Douglas Elliman Property Management for a term of at least one (1) year, commencing on the date of the First Unit Closing, at an annual fee of \$40,000.00 being payable in twelve (12) equal monthly installments.

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

Officers

The principal officers of the Condominium shall be: The President, the Vice-President, the Secretary and the Treasurer, all of whom shall be elected by the Board of Managers. Other than an officer designated by the Sponsor or Sponsor's designee, the President and the Vice President each must be both a member of the Board of Managers and either a Unit Owner, the principal or officer of a Unit Owner, or the spouse of a Unit Owner. Other officers need not be either a Unit Owner, principal or officer of a Unit Owner or the spouse of a Unit Owner or a member of the Board of Managers. The Board of Managers may appoint an Assistant Treasurer and an Assistant Secretary, and such other officers as in its judgment may be necessary. All officers shall serve without compensation from the Condominium. The President shall be the chief executive officer of the Condominium and shall preside at all meetings of the Board of Managers and of Unit Owners. The Vice President shall take the place of the President in his or her absence. The Secretary shall be empowered to take and keep minutes of all meetings and to keep the books and records of the Condominium. The Treasurer shall be responsible for the funds of the Condominium and for accurately keeping the financial records and books of the Condominium. The Board of Managers, in its discretion, shall delegate such powers to the

officers as it sees fit to sign agreements, contracts, deeds, leases and checks etc. on behalf of the Condominium.

Repairs

All maintenance of and repairs to any Unit, ordinary or extraordinary, and to the doors, (except painting the exterior side of a Unit entrance door) windows (except painting exterior side of windows), electrical (except Common Elements), plumbing (except Common Elements) and heating and/or hot water fixtures and air conditioning together with any and all related ductwork and piping attached thereto, inside or outside the Unit(s) or belonging to the Unit Owner(s) and only servicing such Unit(s) shall be at the individual Unit Owner's sole cost and expense or at the sole cost and expense of the individual Unit Owners of the affected Units on an equal basis, excepting as otherwise specifically provided herein. Additionally, the replacement of heating and/or hot water fixtures and air-conditioning units, together with any and all related ductwork and piping attached thereto, outside or inside the Unit(s) or belonging to the Unit Owner(s) and only servicing the Unit(s), shall be at the Unit Owner's sole cost and expense or at the sole cost and expense of the Unit Owners of the affected Units on an equal basis, excepting as otherwise specifically provided herein.

Further, individual Unit Owners shall be responsible for the cost of any permits required in connection with the operation of their individual heating, air-conditioning or other mechanical equipment which only services their Unit.

All maintenance, repairs and replacements to the General Common Elements as defined in the Declaration, and the painting and decorating of the exterior side of Unit entrance doors and windows shall be made by the Board of Managers and be charged to all the Unit Owners as a Common Expense, excepting to the extent that the same are necessitated by the negligence, misuse or neglect of a Unit Owner, in which case such expense shall be charged to such Unit Owner. Repair and replacements in or to the Limited Common Elements as defined in the Declaration will be performed (i) by the Board of Managers as a Common Expense, if such Limited Common Element is for the exclusive use of all of the Residential Unit Owners and whether or not it involves structural or extraordinary maintenance, repairs or replacements (including, but not limited to, the repair of any leaks, in the roofs of the Building or elsewhere, that are not caused by the acts or omissions of a Unit Owner, having direct and exclusive access thereto), or (ii) by the individual Unit Owner having direct and exclusive access thereto at his or their sole cost and expense, if involving nonstructural, ordinary maintenance, repairs or replacements, or (iii) by the Board of Managers at the sole cost and expense of the individual Unit Owner having exclusive use of such Limited Common Element if involving structural repairs or replacements, or (iv) at the election of the Board of Managers, by either the Board of Managers or the individual Unit Owner, but at the sole cost of such Unit Owner, where such maintenance, repair or replacements result from the Unit Owner's negligence, misuse or neglect. Notwithstanding anything herein to the contrary, the maintenance, repair and/or replacement of all sidewalks, plantings and/or shrubbery, including the planters in which they are contained, in front of or at the sides of the Building shall be a Common Expense.

With respect to any hose bibs provided at the private terraces and private garden, the applicable Unit Owners with exclusive access thereto shall be responsible for the repair and maintenance of such hose bibs, including but not limited to winterization.

Sponsor (for so long as Sponsor owns at least one (1) Unsold Unit), the Board of Managers, the Managing Agent, and their servicemen, consultants, repairmen and/or any other party authorized by the same, shall have a right of access to any Unit and any Limited Common Elements appurtenant thereto, and to any Storage Room, for the purpose of making any repairs or replacements to any of the Common Elements contained in such Unit or elsewhere in the Building, or to remedy any condition which would result in damage to any other Unit or to the Common Elements, or which would violate the provisions of any mortgage encumbering another Unit, or for the purpose of complying with any laws, orders, rules or regulations of any governmental body having jurisdiction thereof.

Additionally, Sponsor (for so long as Sponsor owns at least one (1) Unsold Unit), the Board of Managers, the Managing Agent, and their servicemen, consultants and/or repairmen, shall have an easement by means of the shortest distance and/or route from the entrances to the Building and through the public staircase in, on, over and across the Residential Units, Limited Common Elements and General Common Elements, including, but not limited to, the main roofs or other applicable roofs of the Building, the private terraces and the private garden appurtenant to Unit PHA, for the sole purpose of maintaining, cleaning, repairing and/or replacing (i) any windows of the Building; (ii) the exterior façade of the Building; and (iii) any mechanical equipment, including but not limited to, air-conditioning equipment and/or window washing equipment, located on such roofs of the Building which services or is for the benefit of one or more of the Units. Such easement in favor of the Board of Managers, their servicemen, consultants and/or repairmen, shall include the right to temporarily remove any fencing or other improvements located on and/or which demarcate any such roof, terrace, or garden areas. The foregoing shall include an easement over, through, and upon the Unit PHA elevator vestibule at the roof level in order to access any mechanical roof and bulkhead areas for purposes of maintaining, servicing, or inspecting those areas and the equipment located therein.

Requests for entry to a Unit and/or any Limited Common Elements appurtenant thereto, or to a Storage Room, shall be made in advance and such entry shall be at a time reasonably convenient to the Unit Owner. In case of an emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not.

Insurance

The Board of Managers shall be required to obtain and maintain the following insurance: all-risk property coverage, insuring the Building and building systems and equipment, including all of the Units and all fixtures installed therein by the Sponsor and any property customary to the servicing and general occupancy (but not including furniture, furnishings, equipment or other personal property supplied or installed by Unit Owners), together with all service machinery contained therein and covering the interests of the Condominium, the Board of Managers and all

Unit Owners and their mortgagees, as their interest may appear, in an aggregate amount to be determined by the Board of Managers but in no event to be less than the greater of the agreed upon replacement cost of the Building, including the above noted items, but exclusive of footings and foundations and without deduction for depreciation. Co-insurance will not be permitted. All such policies shall provide that adjustment of loss, if over \$100,000.00, shall be made by the Board of Managers on behalf of the Condominium, with approval of the Insurance Trustee, if any. Additionally, the net proceeds of such adjustment, if \$100,000.00 or less, shall be payable to the Board of Managers on behalf of the Condominium, and if more than \$100,000.00 shall be payable to the Insurance Trustee, if any, to be applied for the sole purpose of repairing, restoring or rebuilding the Building unless otherwise determined by the Unit Owners. At the First Unit Closing, the all-risk property coverage for the Building shall be \$62,000,000.00. Said coverage shall be maintained while Sponsor is in control of the Board of Managers.

The Board of Managers shall have the right to select an Insurance Trustee as such term is defined in Article XII, Section 5 of the By-Laws of the Condominium.

All first-party property policies shall contain waivers of subrogation, 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 mortgagees of Units. The standard mortgagee loss payable clause shall be attached to the property policies.

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

The Board of Managers shall also purchase or cause to be purchased and maintained: (i) workers' compensation, employers' liability, and disability benefits insurance as required by law for Condominium employees, if any, (ii) commercial general liability insurance covering each member of the Board of Managers while acting in his or her official capacity as a member of the Board and each Unit Owner in such limits as the Board of Managers may deem proper, and covering all claims for bodily injury or property damage arising out of any occurrence in the Common Elements, including any of the sidewalks in front of the Building, or the Units, except that such policy will not cover the negligence of a Unit Owner arising from occurrences within his or her own Unit or a Limited Common Element appurtenant thereto (such as a private garden or terrace), and (iii) such other insurance as the Board of Managers may determine. The Board of Managers shall review such limits for adequacy once each year. Until the first meeting of the Board of Managers elected by the Unit Owners, the general liability insurance will be in a limit of at least \$25,000,000.00 per occurrence and in the aggregate. Limits will be provided by using a combination of primary and excess policies.

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

Unit Owners shall be required to maintain a minimum of \$1,000,000.00 per occurrence in liability limits and fully insure their own contents as well as their own improvements and betterments in their respective Units for full replacement cost, provided that the liability of the carriers issuing such property insurance obtained by the Board of Managers shall not be affected or diminished by reason of the required or any additional insurance carried by any Unit Owner. Any such policies purchased and maintained by Unit Owners shall contain waivers of subrogation 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 mortgagees of Units. The standard mortgagee loss payable clause shall be attached to the property policies.

In the event of a fire or other casualty which destroys or substantially damages less than seventy-five percent (75%) of the Building the insurance proceeds shall be dedicated to the repair and/or renovation of the Building and the Units, but not the repair or replacement of any improvements made by individual Unit Owners. If the cost of such repair exceeds the insurance proceeds available the excess cost shall constitute a Common Expense and Unit Owners may be accordingly assessed an amount which shall be in proportion to their respective Common Interests.

In the event of a fire or other casualty in which seventy-five percent (75%) or more of the Building is destroyed or substantially damaged, repairs and/or restoration will be made if Unit Owners, including Sponsor and/or Sponsor's designees as the Holders of Unsold Units, whose percentage of Common Interest, in the aggregate, is at least seventy-five percent (75%) of the Total Common Interest, affirmatively vote for such a course of action. If applicable, the vote of Sponsor and/or Sponsor's designees as the Holders of Unsold Units will be subject to the approval of any holder of a mortgage encumbering said Unsold Units. If no such affirmative vote is given then the Property shall be subject to an action for partition at the suit of any Unit Owner or lienor.

Notice of Meetings; Reports to Unit Owners

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

Severance of Ownership Prohibited

Each conveyance of a Unit by a Unit Owner shall include as part of the property to be conveyed, his undivided interest in the Common Elements, together with his interest in any Unit or Units acquired by the Board of Managers from Unit Owners electing to sell or lease such Unit

or at a foreclosure or other judicial sale involving such Unit or Units, in accordance with the provisions of the By-Laws, all of which are interests appurtenant to his Unit.

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

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

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

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

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

Review of Real Estate Tax Assessments

It shall be the responsibility of the individual Unit Owners, at their sole cost and expense, to review the real estate tax assessments of their Units and, if they so desire, to take any steps necessary to review and/or challenge such assessments. Notwithstanding the foregoing, if

proceedings are pending for the reduction of real estate taxes on the land and building for the tax year in which the First Unit Closing occurs, the Condominium will continue such proceedings with the attorney previously employed by the Sponsor. Sponsor shall have the sole right to negotiate and settle all claims in connection with said proceedings. The cost of such proceedings, including legal fees, and (in the event taxes are reduced) any refund shall be apportioned between the Sponsor and the respective Unit Owners according to the ownership of the Property during respective portions of the tax year. Any refund attributed to a Unit, and all apportioned expenses incurred in connection with obtaining such refund, shall belong to and be incurred by the Unit Owner receiving said refund. Any refund covering a period prior to the First Unit Closing and all expenses incurred in connection with the obtaining of such refund, shall belong to and be incurred by the Sponsor alone.

Amendments to Condominium Declaration and By-Laws

The By-Laws of the Condominium may be modified or amended by the affirmative vote of Unit Owners owning not less than sixty-seven percent (67%) of the Units and whose percentage of Common Interest, in the aggregate, equals or exceeds sixty-seven percent (67%). However, for as long as Sponsor or its designee owns title to one (1) or more Units, the By-Laws, including the Rules and Regulations of the Condominium, may not be amended in a manner which would adversely affect the Sponsor or its designee in any way, in the sole discretion of Sponsor or its designee, unless the Sponsor or its designee gives its written consent to such an amendment.

The Condominium Declaration may be amended by an affirmative vote at a duly held meeting by Unit Owners owning not less than sixty-seven percent (67%) of the Units and whose percentage of Common Interest equals, in the aggregate, at least sixty-seven percent (67%), provided, however, that (i) no such amendment shall adversely affect the lien of any mortgage without the written consent of the mortgagee; (ii) no such amendment may increase the percentage of Common Interests allocated to any Unit or Units without the written consent of the mortgagee of such Unit, or Units, if any; (iii) no amendment may change the percentage of Common Interests allocated to any Unit, or Units, without the written consent of such Owner; and (iv) no amendment shall adversely affect the Sponsor or its designee or any Unsold Unit, without the prior written consent of Sponsor or such designee, as the case may be.

Notwithstanding anything to the contrary herein, the Sponsor or its designees shall have the right to amend the Declaration, By-Laws, and/or Certificate of Occupancy without the consent of the Board of Managers and/or Unit Owners provided such amendments have no material adverse effect on other Unit Owners and/or the Common Elements (except for Limited Common Elements existing for the exclusive use of only Units owned by the Sponsor or its designees).

Termination

The Condominium may be terminated by withdrawing the Property from the provisions of the New York Condominium Act, by an affirmative vote of not less than eighty percent (80%)

of Unit Owners in number and whose percent of Common Interest equals, in the aggregate, not less than eighty percent (80%) and the affirmative vote of Eligible Holders of first mortgages on Units to which not less than sixty-seven percent (67%) of the votes of Units subject to mortgages held by such Eligible Holders are allocated. The Sponsor shall not cast the votes of any Unsold Units it holds for such withdrawal unless votes equaling eighty percent (80%) in number and of the Common Interest have been so cast or unless at least eighty percent (80%) in number and in Common Interest of all other Unit Owners have voted to terminate. If the Unit Owners vote to terminate the Condominium the Property shall be subject to an action for partition by any Unit Owner or lienor and the net proceeds of sale shall be divided among all the Unit Owners in proportion to their respective Common Interests, provided that no Unit Owner shall receive any payment until there has first been paid out of such Unit Owner's share of the net proceeds all liens on his Unit.

REAL ESTATE TAXES

Each Unit will be taxed as a separate tax lot for real estate tax purposes. 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 real estate taxes on other Units. The City of New York subdivides tax lots into separately assessed lots as of July 1st of every year. Accordingly, depending upon when the Declaration and By-Laws are recorded, there can be a delay of up to a year and several months until a separate assessment can be obtained.

If on the date of the First Unit Closing each of the Units shall not have been separately assessed as an independent tax lot, then until such time as said independent tax assessment shall be made and in effect each Residential Unit Owner, including Sponsor, shall be nonetheless responsible for the cost of their proportionate amount of the aggregate real estate tax for the Property as determined by their percentage of Common Interest, multiplied by the aggregate real estate taxes assessed against the entire Property as apportioned to all the Residential Units.

In the event the Units have not been separately assessed as independent tax lots at the First Unit Closing, Sponsor shall place in escrow at such time an amount equal to the unpaid real estate taxes for the shorter period of (i) six (6) months from the First Unit Closing or (ii) the period from the First Unit Closing until the Units are separately assessed. Sponsor will pay the real estate taxes from this escrow account as they become due and payable. However, at Unit closings individual purchasers shall adjust real estate taxes with the Sponsor from the midnight preceding the date of the Unit closing through the end of the tax period within which the closing date occurs. If no separate Unit apportionment has yet occurred, such adjustment shall be on the basis of the percentage of Common Interest attributable to such Unit. If a subsequent adjustment need be made when the tax lots are apportioned to correct any discrepancy between the adjustment on the basis of actual apportionment, it shall be made at that time. Should tax lots not be apportioned by the end of the tax period in which a Unit closing occurs, Sponsor shall be entitled to reimbursement from the Unit Owner for taxes as they are paid. Such reimbursement shall be per such Unit Owner's percentage of Common Interest.

After the Condominium is divided into individual tax lots, each Unit will be taxed as a separate tax lot for real estate tax purposes and the Unit Owner will not be responsible for the payment of, nor will the Unit be subject to, any lien arising from the non-payment of taxes on other Units.

The Sponsor's estimate of the projected real estate taxes for the Units to be levied by the Department of Finance of the City of New York during the First Year of Condominium operation commencing on January 1, 2019 and ending December 31, 2019 is based upon an estimate provided by Steven J. Schleider, MAI of Metropolitan Valuation Services ("MVS"), 44 East 32nd Street, 11th Floor, New York, New York 10016, a certified New York Real Estate Appraiser, and information available to the Sponsor at the date of this Plan. A copy of Mr. Schleider's "Estimate of Post-Construction Assessment" is set forth hereinafter in Part I of the Plan.

The real estate tax estimates set forth therein are based upon the latter six (6) months of the 2018/2019 tax year which commences July 1, 2018 and the first six (6) months of the 2019/2020 tax year which commences July 1, 2019. Estimates of real estate taxes due for the Residential Units are based upon (i) the tentative taxable assessment for the Property as of the January 5, 2018 taxable status date for the 2018/2019 tax year, (ii) the projected 2019/2020 assessed valuation for the Property as apportioned to all the Residential Units, and (iii) projected tax rates for the 2018/2019 and 2019/2020 tax years. MVS has projected the apportioned and estimated aggregate taxable assessed valuations for all of the Residential Units, and the projected tax rates.

The actual total assessed valuation is the amount, which barring a major improvement or alteration to the Property, will be phased in over five (5) years at twenty percent (20%) per year. Real estate taxes for the Property will be based upon the lower of either the actual or transitional assessment which is in effect for the First Year of Condominium operation. MVS has noted that the City of New York has tentatively assessed the Property at a taxable value of \$2,765,790.00 as of the January 5, 2018 taxable status date for the 2018/2019 tax year, which reflects the Building as only partially completed. MVS has opined that it is unlikely that this tentative taxable assessment will not become the final taxable assessment for the 2018/2019 tax year. Since the Property is being newly constructed to have "Class A" apartments, it can be expected that the actual total assessed valuation for the Property will be increased for the 2019/2020 tax year and subsequent tax years due to such construction. It has been assumed that since construction is projected to be completed prior to January 5, 2019 – the taxable status date for the 2019/2020 tax year commencing July 1, 2019 – the first tax year reflecting the full 100% valuation of the entire project will be 2019/2020 and real estate taxes for the Residential Units shall increase substantially.

As stated above, Sponsor's projection of real estate taxes for all of the Residential Units for the First Year of Condominium operation is based, in part, upon a projection letter by MVS, which has stated the City of New York's tentative taxable assessment for the Property for the 2018/2019 tax year and estimated the 2019/2020 total actual assessed valuation and 2018/2019 and 2019/2020 tax rates for the Residential Units, assuming completion of the construction of the Building and a 100% valuation of the Property for the 2019/2020 tax year.

The annual Real Estate Taxes payable during the 2018/2019 tax year by all Residential Units are therefore projected as follows:

Tentative Assessed Valuation (and presumed Actual Assessed Valuation)

for 2018/2019 Tax Year:	\$	2,765,790.00
Estimated Taxes Payable @ 12.846% Tax Rate	:	\$ 355,293.38

The annual Real Estate Taxes payable during the 2019/2020 tax year by all Residential Units are therefore projected as follows:

Estimated Actual Assessed Valuation for 2019/2020 Tax Year:	\$	10,214,530.00
Estimated Taxes Payable @ 12.974% Tax Rate	:	\$ 1,325,233.12

As the projected First Year of Condominium operation is comprised of the second half of the 2018/2019 tax year and the first half of the 2019/2020 tax year, aggregate real estate taxes due during the projected First Year of Condominium operation would be a blend of half of MVS's projection for the 2018/2019 taxes of \$355,293.38 and half of MVS's projection for the 2019/2020 taxes of \$1,325,233.12. Based upon the above assumptions and the projected assessments and tax rates, the aggregate real estate taxes for the Residential Units for the First Year of Condominium operation are projected to be approximately \$840,263.22.

In addition, the estimates of real estate taxes to be paid by each Unit Owner are based upon the assumption that the projected final actual and taxable total assessed valuation for the Property upon one hundred percent (100%) completion of the Sponsor's construction will most likely be effective July 1, 2019 for the 2019/2020 tax year. As stated above, MVS has projected this figure to be \$10,214,530.00. However, no representation or warranties are herewith given by the Sponsor that the actual assessed valuation of the Property will not exceed or be less than this amount or that the City of New York will use any assumed method of apportionment with respect to the same.

Another assumption is that each Residential Unit will be assessed in direct proportion to each Residential Unit's percentage of Common Interest as it bears to the aggregate percentage of Common Interest of all Residential Units. **No warranties are made that the assessments of the individual Residential Units amongst the Residential Units will be arrived at in a manner stated above. The Department of Finance of the City of New York may arrive at individual Unit assessments (or the apportionment of the entire value of the Property) which are different from those projected by MVS and may use a methodology which varies from that set forth herein. For example, the City of New York may apportion the total tax due for the Property among the individual Unit Owners in proportion to the relative value of each Unit as indicated by the Offering Prices set forth in the initial Offering Plan or any amendment to the Offering Plan.** In such event, Sponsor makes no representation as to what Purchase Prices the City would use. If the Department of Finance does not allocate taxes among the Units in proportion to their respective Common Interests in the manner stated above, Unit Owners having the same Common Interests may pay different amounts of real estate taxes.

There can be no assurance that there will not be a further increase in the assessed valuation of the Units comprising the Property and/or an increase in the tax rate above those projected for tax year 2018/2019, 2019/2020 or subsequent years.

NO REPRESENTATION OR WARRANTY IS MADE AS TO THE AMOUNT OF THE ASSESSED VALUATION OF THE PREMISES OR AN INDIVIDUAL CONDOMINIUM UNIT OR THE TAX RATE THAT WILL BE IN EFFECT AT ANY TIME OR THE AMOUNT OF REAL ESTATE TAXES WHICH WILL BE DUE.

The projections of real estate taxes due for each of the Residential Units set forth in Schedule A, located in Part I of the Offering Plan, (i) for the anticipated First Year of Condominium operation, and (ii) upon 100% completion of the Sponsor's construction of the Building, are estimates only. These estimates may vary due to future changes in the assessment guidelines and procedures of the Department of Finance of the City of New York and future increases in the tax rates for the City of New York. In the event such projections for real estate taxes increase due to future changes in the assessment guidelines and procedures of the Department of Finance of the City of New York and future increases in the tax rates for the City of New York, Sponsor shall amend the Plan to set forth the revised estimates. **HOWEVER, SAID AMENDMENT SHALL NOT AFFORD ANY PURCHASER THE RIGHT TO RESCIND HIS OR HER PURCHASE AGREEMENT.**

It is the opinion of Sponsor's counsel that a Unit Owner who itemizes his deductions and whose Unit is used by him for residential purposes will, for Federal income tax purposes, be entitled to a deduction for real estate taxes incurred with respect to his Unit in the year paid under Section 164 of the Internal Revenue Code of 1986, as amended, subject, however, to certain exceptions and limitations that are more particularly set forth in the Section of Part I of the Offering Plan titled "Counsel's Income Tax Opinion Letter." A Unit Owner's Federal income tax deduction for real estate taxes may vary from year to year due to changes in the interest rate in such Unit Owner's mortgage loan, if applicable, or from changes in the allocation of constant debt service payments to interest and principal, or due to changes in real property taxes resulting from the expiration of real estate tax benefits, if any, or from changes in the assessed value, tax rate, or method of assessing real property.

The Federal income tax consequences to the Condominium Board with respect to the receipt of the Common Charges and of the expenditure of Condominium funds will depend on whether the Condominium Board is treated as a conduit, qualifies and elects to be taxed under section 528 of the Internal Revenue Code of 1986, as amended, or is treated as a corporation.

If the Condominium Board is treated as a conduit, it will not be subject to tax. Rather, items of income, expenses, credits and deductions will be attributed to each Unit Owner in proportion to his Common Charges. Thus, for example, interest earned on funds reported by the Condominium Board would be taxed to the Unit Owners.

If it satisfies the requirements of section 528, the Condominium Board may elect to be exempt from Federal income tax on the Common Charges.

If the Condominium Board either cannot qualify (and for the purposes of the Plan, Sponsor has assumed that it will qualify) or chooses not to elect the benefits of section 528, certain published rulings of the Internal Revenue Service implicitly state that a condominium management association will be treated as an association taxable as a corporation.

For a detailed discussion on section 528 and potential tax consequences to the Condominium Board, Purchasers should see the Sections of Part I of the Offering Plan titled

“Counsel’s Income Tax Opinion” and “Income Tax Deductions to Unit Owners and Tax Status of the Condominium.”

A Unit Owner who feels that the assessed valuation for his or her Unit is excessive, shall have the right to apply directly to the appropriate municipal agency or court for review of such assessed valuation. Such proceedings shall be at the sole cost and expense of the Unit Owner electing to undertake the same and the results from such proceedings may or may not affect the assessed valuation of any other Unit which is not the subject of such proceeding.

The Condominium Board, if necessary, will sign any documents and papers required for such proceedings, provided that: (a) the Unit Owner indemnifies the Condominium Board against all claims, cost and expenses (including attorneys’ fees and disbursements); (b) the Condominium Board has not already commenced such proceeding on behalf of all Unit Owners; and (c) such Unit Owner is current on all his or her Common Charges and Special Assessments.

There are no tax certiorari proceedings affecting the Property pending as of the date of filing of this Offering Plan. The Condominium Board is authorized to act as agent for Unit Owners (who have given appropriate written authorization) to commence, pursue and settle proceedings to reduce real estate tax assessments on behalf of such Unit Owners. Any Unit Owner authorizing the Condominium Board to act on his or her behalf shall indemnify the Condominium Board against all costs, claims and expenses (including attorneys’ fees) resulting from such proceedings.

Neither the Sponsor, nor any other party associated with this offering makes any assurance, representation or warranty that such application for review, if undertaken, shall result in a modification of the tax assessment, or if such modification is granted, as to the amount thereof.

Veteran Property Tax Exemption

In accordance with Section 458(a) of the New York State Real Property Tax Law, a Unit Owner who is also a qualified veteran, the spouse of qualified veteran or the unmarried surviving spouse of a qualified veteran may be entitled to an exemption on the general municipal portion of their real estate taxes.

INCOME TAX DEDUCTIONS TO UNIT OWNERS AND TAX STATUS OF CONDOMINIUM

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

As fully set forth in the tax opinion by D'Agostino, Levine, Landesman & Lederman, LLP, counsel to the Sponsor ("Sponsor's Counsel"), in Part I of this Plan (the "Tax Opinion"), under present law, a Residential Unit Owner will, for Federal income tax purposes, be entitled to a deduction for mortgage interest and real estate taxes in the year paid under sections 163 and 164.* These deductions are subject, however, to certain exceptions and limitations that are more particularly discussed in the Tax Opinion. These deductions may also affect an individual Residential Unit Owner's liability for the alternative minimum Federal income tax. Each individual Residential Unit Owner will, for New York State and New York City income tax purposes, be entitled to similar deductions for the mortgage interest and real estate taxes paid during the taxable year. It is the opinion of Sponsor's Counsel that a Residential Unit Owner who itemized his deductions and whose Unit is used by him for residential purposes will, for Federal income tax purposes, be entitled to a deduction limited to \$10,000.00 (\$5,000.00 in the case of a married individual filing a separate return) for real estate taxes incurred with respect to his Unit in the year paid under section 164. The Federal limitation on the deduction for real estate taxes applies in the aggregate to state and local income taxes paid as well. Thus, the maximum amount a Residential Unit Owner may deduct for real estate taxes and state and local income taxes combined is \$10,000.00 (\$5,000.00 in the case of a married individual filing a separate return). Though the foregoing limitation is in effect as of the date of filing of the Offering Plan, neither Sponsor nor Sponsor's Counsel make any representation as to whether the same will be in effect, or what the Internal Revenue Code or state or local tax code will provide, at any time in the future, as such applicable law is subject to change without notice.

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

- (i) is treated as a conduit,
- (ii) qualifies and elects to be taxed under section 528, or
- (iii) is treated as a corporation.

*All section references are to the Internal Revenue Code of 1986, as amended, unless otherwise indicated.

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

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

- (i) The condominium management association must be organized and operated solely to provide for the acquisition, construction, management, maintenance, and care of association property;
- (ii) Sixty percent (60%) or more of the gross income of the condominium management association for the taxable year must consist of assessments from residential unit owners ("Exempt Function Income");
- (iii) Ninety percent (90%) or more of the expenditures of the condominium management association for the taxable year must be for the acquisition, construction, management, maintenance, and care of the condominium management association's property;
- (iv) No part of the net earnings can inure to the benefit of private individuals other than by the acquisition, construction, management, or maintenance of the condominium management association's property or by rebates of excess assessments;
- (v) The condominium management association must annually elect to be treated as a condominium management association; and
- (vi) Substantially all (at least eighty-five percent (85%)) of the square footage of the units must be used for residential purposes.

Under the Treasury regulations issued pursuant to section 528, a condominium management association must qualify annually for the election under section 528, and additionally, it must make a separate election for each taxable year. Accordingly, the ability of the Condominium Board to elect the benefits of section 528 will depend on the particular facts and circumstances prevailing in the taxable year at issue.

A condominium management association meeting the requirements of section 528 and electing to be exempt from Federal income tax on Exempt Function Income would be taxable at a rate of thirty percent (30%) on the amount by which its other income exceeds the amount of allowable deductions that are directly connected with the production of such income. Such an

association, however, would not be allowed certain deductions that are available to corporations that are not taxable under section 528.

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

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

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

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

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

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

EACH PURCHASER SHOULD CONSULT HIS OR HER OWN TAX COUNSEL AS TO THE TAX CONSEQUENCES OF THE PLAN AND OF RESIDENTIAL UNIT OWNERSHIP.

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COUNSEL'S INCOME TAX OPINION LETTER

May 24, 2018

The Board of Managers of
 40 East End Avenue Condominium
 40 East End Avenue
 New York, New York 10028

Re: **Offering Plan for Condominium**
Ownership of 40 East End Avenue Condominium
Premises: 40 East End Avenue
New York, New York 10028

Gentlemen/Mesdames:

You have requested our opinion concerning (i) the availability of certain deductions for Federal, New York State and New York City income tax purposes to persons who purchase Residential Units for private residential use ("Residential Unit Owners") under the Plan and (ii) the proper treatment by the Condominium Board for such income tax purposes of the Common Charges paid or borne by all Unit Owners. Except where otherwise indicated herein, the terms used in this opinion have the same meanings as in the Plan.

The condominium units of 40 East End Avenue Condominium will be organized under the laws of the State of New York for the purpose of providing for the management, maintenance and care of a multistory residential building being newly constructed at 40 East End Avenue, New York, New York. The newly constructed building will contain twenty-nine (29) Residential Units. The By-Laws of the Condominium provide that in addition to the status conferred upon

The Board of Managers of
 40 East End Avenue Condominium
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the Condominium Board pursuant to the provisions of the New York Condominium Act, to the extent permitted by applicable law, the Condominium Board is deemed to constitute an unincorporated association for all purposes under the provisions of the General Association Law of the State of New York.

In this connection, we have reviewed the Plan, relevant sections of the Internal Revenue Code of 1986, as amended ("Code"), the New York State Tax Law, the New York City Administrative Code ("Tax Law"), the regulations ("Regulations") promulgated thereunder and such other materials as we deemed relevant as they exist as of the date hereof, and we have assumed that the closing under the Plan will occur in 2019 pursuant to said Code, Tax Law and Regulations as they currently exist.

I. Deductions for Mortgage Interest and Real Estate Taxes

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

In our opinion, a non-corporate Residential Unit Owner who itemizes his deductions will be entitled to a deduction in computing his taxable income for Federal income tax purposes for bona fide mortgage interest incurred with respect to his Unit in the year paid provided that (a) the indebtedness is incurred in acquiring, constructing or improving the Unit, (b) the indebtedness is secured by the Unit, (c) the indebtedness does not exceed \$750,000.00, or \$375,000.00 in the case of a married individual filing a separate return, and (d) the Unit is a "qualified residence." Interest paid on indebtedness that refinances indebtedness incurred to acquire, construct or improve a Unit is similarly deductible. A Unit will be a "qualified residence" if it is either (i) the Owner's "principal residence" within the meaning of Code Section 121 or (ii) a residence as defined by Code Section 280A(d)(1) that the Owner selects as a qualified residence. Thus, a single taxpayer or a married couple filing a joint return may have two, and only two, qualified residences. In the case of a married couple filing separate returns, each taxpayer may take into account a single "qualified residence," unless by written agreement they consent to one of them taking into account a principal residence and one other residence. Under Section 461(g) of the Code, no deduction will be allowed to a cash basis taxpayer in the year of payment for prepaid interest (other than points paid in certain cases).

The Board of Managers of
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In our opinion, a Residential Unit Owner who itemizes his deductions and whose Unit is used by him for residential purposes will, for Federal income tax purposes, be entitled to a deduction limited to \$10,000.00 (\$5,000.00 in the case of a married individual filing a separate return) for real estate taxes incurred with respect to his Unit in the year paid under Section 164 of the Code. The Federal limitation on the deduction for real estate taxes applies in the aggregate to state and local income taxes paid as well. Thus, the maximum amount a Residential Unit Owner may deduct for real estate taxes and state and local income taxes combined is \$10,000.00 (\$5,000.00 in the case of a married individual filing a separate return).

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

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

It is also our opinion that each Residential Unit Owner will, for New York State and New York City income tax purposes, be entitled to the same deduction which is allowed for Federal income tax purposes for the mortgage interest and real estate taxes paid during the taxable year. Section 615 of the New York State Tax Law; Section 11.1715 of the Administrative Code of the City of New York. However, in the case of a Residential Unit Owner whose New York State or New York City adjusted gross income exceeds \$100,000.00, the amount of such deduction may be reduced by up to twenty-five percent (25%) of such deduction.

In addition to the Federal limitations on itemized deductions noted above, the benefit of a Unit Owner's deductions for interest and real estate taxes may be further reduced if the Unit Owner is subject to the Federal alternative minimum tax, Section 55 of the Code. It should also be noted that state and local taxes, including real estate taxes, are not deductible for purposes of calculating an individual's federal alternative minimum taxable income.

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

II. Common Charges

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

Under Section 528, added to the Code by the Tax Reform Act of 1976, some Condominium Boards may be eligible to be exempt from tax on Common Charges collected from the Unit Owners, provided the requirements of Section 528 are met. These requirements are further discussed below.

If the Condominium qualifies as a condominium management association within the meaning of Section 528 of the Code, it may elect not to be subject to Federal income tax on amounts received as membership dues, common charges, fees or assessments from Residential Unit Owners. However, even if the election is made, the Condominium will remain liable for Federal income tax on any taxable income it may have from other sources such as interest earned on any reserve funds (less expenses directly connected with the production of such income).

To qualify as a condominium management association, the Condominium must meet all of the following conditions: (1) it must be organized and operated to provide for the acquisition, construction, management, maintenance and care of association property, (2) at least sixty percent (60%) of its gross income for each taxable year must consist solely of amounts received as membership dues, fees or assessments from Residential Unit Owners, (3) ninety percent (90%) or more of its expenditures for each taxable year must be made for the acquisition, construction, management, maintenance and care of association property, (4) no part of its net earnings can inure to the benefit of any private shareholder or individual (other than by acquiring, constructing, or providing management, maintenance, and care of association property, and other than by rebate of excess membership dues, fees, or assessments), (5) the Condominium must annually elect to be treated as a condominium management association, and (6) at least eight-five percent (85%) of the total square footage of all Units within the Condominium must be used by individuals for residential purposes. See Treasury Regulation §1.528-4(b). The

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qualification of an organization under the provisions of Section 528 is to be determined annually at the close of each taxable year and it is possible, therefore, that if the Condominium does not qualify in one year, it may nevertheless, qualify in one or more future years.

Based upon the information contained in Schedule A, the Description of the Property and Building Specifications and the Floor Plans to the Plan, we can affirmatively opine that the Property will qualify as a condominium management association under Section 528 of the Code and therefore the Condominium will be eligible to elect to be treated as a condominium management association under Section 528 of the Code.

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

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

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

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

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In this connection, published rulings indicate that Common Charges which are assessed by the Condominium Board and designated for use solely to make specified capital improvements and which are maintained in a separate bank account should not constitute gross income to such Board, either because it is deemed to receive and hold such Common Charges as agent for the Unit Owners from whom the assessments were collected, Rev. Rul. 75-370, 1975-2 Cum. Bull. 25, or because the assessed Common Charges are deemed to be nontaxable contributions to the capital of the association. Rev. Rul. 75-371, 1975-2 Cum. Bull. 52 Cf. *Concord Village, Inc.*, 65 T.C. 142 (1975). However, if treated as contributions to the capital of the association, it should be noted that when such amounts (together with any other funds accumulated by the association) are expended for capital improvements, the Internal Revenue Service may contend that the capital expenditures benefit the Unit Owners, and that each Unit Owner should therefore be treated as receiving a distribution equal to the fair market value of that benefit; under the usual rules applicable to distributions of associations, a distribution is first treated as taxable ordinary income to the extent of the distributee's proportionate share of the association's earnings and profits, then as a tax-free recovery of basis to the extent thereof, and the balance, if any, as capital gain.

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

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

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

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

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

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

Very truly yours,

D'AGOSTINO, LEVINE, LANDESMAN & LEDERMAN, LLP

D'Agostino, Levine, Landesman & Lederman LLP

METROPOLITAN VALUATION SERVICES

REAL ESTATE CONSULTING AND APPRAISAL

January 30, 2018

40 East End Ave Associates LLC
c/o The Lightstone Group
460 Park Avenue, 13th Floor
New York, NY 10022

re: **MVS # 17-0606**
Post-Completion Real Estate Tax Assessment and Analysis
40 EAST END AVENUE CONDOMINIUM
40 East End Avenue
New York, NY 10028
New York County Tax Map Block 1578 Lot 23

Greetings:

You have requested us to estimate prospective real estate tax assessment for the apartments (herein referred to as the 'subject property') at 40 East End Avenue assuming its initial year of operation as residential condominium housing association commencing approximately January 1, 2019. The improvements are located on a site bounded by East 82nd Street to the north, East End Avenue to the east, York Avenue to the to the west, and East 81st Street to the south in the Upper East Side neighborhood of Manhattan.

The improvements are scheduled to consist of an 18-story plus bulkheads and cellar structure for 29 Residential Units, some with private outdoor areas. Per material reviewed, the gross building area has been stated at approximately 88,822 square feet. The building area will be employed in the estimate of total real estate tax assessment.

It is presumed that the distribution of the estimated real estate tax liability among the Residential Units will be based on their respective Common Interest percentage allocation set forth in the Schedule A of the offering plan.

It has been the practice of the Real Property Assessment Department of the City of New York to review the assessed valuation of newly constructed residential buildings. While there is a formula, which has been utilized by the Real Property Assessment Department in reassessing such properties in the past, it has not been employed consistently, and it is therefore not possible to estimate or determine the post-conversion assessed valuation of this property with any degree of certainty. However, the estimates presented below are based upon current policies and practices of that department.

All prospective purchasers are advised that although the estimate of assessed valuation upon completion of construction is a good-faith estimate, such assessed valuation, when actually made, may be less or greater than as estimated herein.

METROPOLITAN VALUATION SERVICES, INC.
44 East 32nd Street – 11th Floor
New York, New York 10016
Phone (212) 213-8650 Fax (212) 213-8621
www.MVSappraisal.com

40 EAST END AVENUE CONDOMINIUM
 40 East End Avenue, New York, NY 10028
 January 30, 2018
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You have advised us of the following facts regarding this project:

The newly-constructed 18-story plus bulkheads and cellar building with residential units will be operated as a market-rate condominium.

The Residential Units comprise 29 residences, comprised of 2-, 3-, 4- and 5-bedroom apartments of simplex, duplex and triplex design; of which some will feature private outdoor space. Building amenities include 29 individual storage rooms, recreation space, exercise room, library, resident lounge, and a bicycle storage room.

This letter only addresses the prospective tax assessment and liability for the initial year of the subject property's operation as a condominium housing association.

The subject property will be converted to condominium ownership. Condominium ownership, as defined by the Appraisal Institute in The Dictionary of Real Estate Appraisal, 5th Edition Chicago, Illinois, is a form of fee ownership of separate units or portions of multi-unit buildings that provides for formal filing and recording of a divided interest in real property, and/or a multiunit structure of property in which persons hold fee simple title to individual units and an undivided interest in common areas.

The following analysis addresses the estimate of prospective real estate tax assessment and liability for the Residential Units and Retail Unit within the subject property.

The subject property Residential Units will be classified for real estate tax assessment purposes as a Class II category (All residential real property). The Class II tax rate for the 2012/13 tax year was \$13.181 per \$100.00 of assessed value, illustrating a 1.88% decline from the prior year. The rate for the 2013/14 tax year is \$13.145 per \$100.00 of assessed value, illustrating a nominal downward trend with a 0.27% decrease from the prior year. The rate for the 2014/15 tax year was \$12.855 per \$100.00 of assessed value, continuing the downward trend with a 2.21% decrease from the prior year. The rate for the 2015/16 tax year was \$12.883 per \$100.00 of assessed value, halting the downward trend with a nominal 0.22% increase from the prior year. The rate for the 2016/17 tax year was \$12.892 per \$100.00 of assessed value, continuing the nominal trend with a 0.07% increase from the prior year. The rate for the 2017/18 tax year is \$12.719 per \$100.00 of assessed value, furthering the downward trend with a 1.34% decrease from the prior year.

Tax rate growth will be discussed in a following paragraph.

There are three recognized appraisal methods that are employed by the Real Property Assessment Department to determine the full market value of real property. These methods are the original cost method, capitalization of income approach, and the sales price comparison method.

All three approaches to value, for which adequate, reliable data is available, should be considered. Therefore, where appropriate, the valuation process must collect, verify, analyze, and reconcile the information necessary to estimate; the land value, replacement (or

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40 East End Avenue, New York, NY 10028
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reproduction) cost of the improvements, the accrued depreciation, the value by the sales of comparable properties and the rentals, expenses, interest rates, capitalization rates and vacancy rates necessary to value the property by the income capitalization approach including terms and conditions of available leases. The valuation process must consider existing land use regulations, neighborhood trends, physical adaptability of the property and probable supply and demand as evidenced by current market conditions. It is also important to consider and analyze the effect on value, if any, of the assemblage of various parcels, divided interests, or partial interests. The value of the parcel or economic unit should not be estimated by adding together the individual values of the parcels, divided interests, or component parts.

The original cost method is based on the theory that the value of a given property is reflected by its cost of construction plus the acquisition cost of the underlying land. This method of valuation is considered a highly significant indicator of value with respect to new buildings. Relevant data used in the cost method include, but may not be limited to, material and labor costs.

The capitalization of income method is based upon the proposition that the annual net income generated by a property, when divided by the rate of return an investor at a given time would accept for his money in competing investment, yields a close estimate of the market value of the property. This is considered a superior approach for apartment rental investment properties.

The sales price comparison method is founded upon the belief that value can be ascertained by surveying market prices. Market value has been defined as that price which a property would bring in a competitive and open market, wherein both buyer and seller are acting prudently, knowledgeably, and assuming the price is not affected by undue stimulus.

In arriving at the assessed valuation, elements germane to traditional valuation methodologies were employed. This process examines development costs and land values; and, extrinsic indicia of value, including local inflation rates, location qualities, square footage, functionality of the improvements, scheduled amenities, any net income producing potential and comparability to like-kind rental investment properties, and, recently constructed facilities converted to cooperative or condominium.

Reconciliation of the three approaches to valuation discussed above included review of actual 2016/17 and 2017/18 assessment valuations for comparable development in the immediate and surrounding vicinity of the subject, which justifies an overall prospective assessed valuation for the facility of \$115.00 per square foot of building area assuming the 88,822-square foot building area. This equates to a total actual assessment of approximately \$10,214,530 as the post-completion assessment for the subject property ($\$115.00 \text{ per Sq. Ft. of Building Area} \times 88,822 \text{ Sq. Ft. of Building Area}$). This derived prospective aggregate assessed value is deemed appropriate for the subject property.

Since the 1982/83 tax year, Real Property Tax Law Section 1805 (3) provides for the creation of a transitional assessment system within the City of New York. Under the transitional assessment system, any increase in the assessed value of a property is phased in over a 5-year period in equal annual installments. However, the statute requires the Finance Department to include all physical (new construction, renovation, rehabilitation or addition of square footage to existing structures) changes directly in the taxable assessed valuation without the 5-year

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phase-in. The "actual assessment" is the target value, which will be reached at the end of the 5-year period, assuming the assessment is not increased in the interim. Pursuant to Real Property Tax Law Section 1805, the taxable assessment is determined to be the lesser of the actual assessed valuation or the transitional assessed valuation.

Understanding that occupancy is projected toward the beginning of the 1st Quarter 2019, the subject is expected to have a 2018/19 tax year interim assessed value and may not be fully assessed until the 2019/20 tax year (the New York City fiscal tax year runs from July 1 through the following June 30 and assessments are tentatively set mid-January prior to the fiscal tax year), at which time the post-construction assessed valuation for the entire premises would be established by the assessor. As such, the 2019/20 fiscal tax year has been selected for the post-completion assessment target date.

In the event completion of construction is delayed for any reason, it is possible that the actual assessed valuation for the respective tax year may be lower than as estimated herein.

Upon completion, the residential portion of the subject property will be classified as a Tax Class II property and will be subject to the tax rate for the prevailing tax year. It is not possible at this time to predict the tax rate applicable to the tax year 2019/20 except to note that the city's economy has long since stabilized since the crisis that sparked the last dramatic increase in the tax rate.

We have assumed, for the purpose of this tax projection that the Class II rate will remain somewhat static, with a 1.0% annualized inflation applied to project the 2018/19, 2019/20 and 2020/21 tax year rates.

This equates to a projected Class II tax rate of \$12.846 per \$100.00 of assessed value for the 2018/19 tax year value.

This equates to a projected Class II tax rate of \$12.974 per \$100.00 of assessed value for the 2019/20 tax year value.

REAL ESTATE TAXES PAYABLE DURING THE INITIAL YEAR OF OPERATION

Real property taxes are payable semi-annually, on July 1, and January 1 (as previously stated, the City operates on a fiscal year commencing July 1 and ending June 30). Taxes payable during calendar year 2019 will be comprised of the tax due for the second-half 2018/19 and the first-half 2019/20 tax year.

As you have advised us that construction will be completed past the January 5, 2018 taxable status date governing assessments for the 2018/19 tax year, the 2019/20 tax year will be the first assessment roll to reflect a completed building. For the initial year of operation, the building will have still been assessed by the City assessors as a partially completed building. Based on information reviewed, the assessors have assessed the property at \$2,765,790 (tentative assessment) for the 2018/19 tax year. It is unlikely that the tentative assessment will not become the final assessment for the 2018/19 tax year. You have advised us that the building will be 100% completed by January 5, 2019 for the 2019/20 tax year.

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 40 East End Avenue, New York, NY 10028
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Based on the foregoing we have estimated the following total valuations and real estate tax liabilities for the Residential Units for the tax year prior to completion of construction and the aggregate real estate tax liability for the January 2019 – December 2019 first year of operation.

INTERIM ASSESSED VALUE CALCULATION			
Interim AV/Taxable AV	as of January 5, 2018		\$2,765,790.00
Tax Rate for 2018/19 Tax Year	(projected Class 2)		12.846%
ReTx liability for	2018/19 fiscal Tax Year		\$355,293.38
	per month		\$29,607.78
	1/19 to 6/19 (6 months)	[A]	\$177,646.68
ratio of AS COMPLETE AV	as of January 5, 2019		100%
Taxable AV			\$10,214,530.00
Tax Rate for 2019/20 Tax Year	(projected Class 2)		12.974%
ReTx liability for	2019/20 fiscal Tax Year		\$1,325,233.12
	per month		\$110,436.09
	7/19 to 12/19 (6 months)	[B]	\$662,616.54
Real Estate Tax Liability	1/2019 through 12/2019	[A + B]	\$840,263.22
	per month		\$70,021.94

As such, the indicated aggregate real estate tax liability for the Residential Units is \$840,263.22 annualized. This equates to an average \$70,021.94 on a monthly basis for the first year of operation.

For the Condominium Association's budgeting purposes for the initial year, taxes payable have been estimated as coincident with the stated 1/2019 – 12/2019 first year of operation. It is presumed that the tax liability paid by the individual Residential Unit owners is based on their percentage Common Interest allocation.

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This letter was prepared at the sponsor's request. Certain figures set forth herein are approximations derived from material submitted by the sponsor and are subject to variation.

We have not passed upon the accuracy of any figures or estimates contained within the Plan, and offer no warranties of the amount of any liability for any period.

The opinions expressed above are based on our interpretations of the RPTL, Administrative Code of the City of New York, and the applicable rules and regulations of the Department of Finance in effect as of the date hereof. While we believe our opinions are well founded, they are not intended, and should not be construed as representations or warranties or as opinions at law.

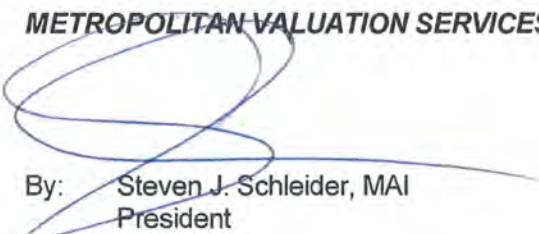
You should be aware that the laws, regulations and practices of the Department of Finance upon which this opinion is predicated may in the future be revised in a manner adverse to your interests, or that there may be adverse interpretations of the law or regulations by one or more agencies of the City of New York, or Courts of competent jurisdiction.

The foregoing analysis is based upon our experience with the Real Property Assessment Department and the Tax Commission of the City of New York, and their assessment policies regarding non-rehabilitated properties held in cooperative ownership. Application of a particular approach to valuation by an individual assessor may yield a different result. This would necessitate commencement of real property tax review proceedings at the Tax Commission or Supreme Court level to bring the assessment in line with the estimates presented herein.

We hereby consent to the inclusion of this letter in its entirety in the Offering Plan.

Very truly yours,

METROPOLITAN VALUATION SERVICES, INC.



By: Steven J. Schleider, MAI
President
For the firm

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CERTIFICATION

I, Steven J. Schleider, MAI certify that to the best of my knowledge and belief that:

The statements of fact contained in this report are true and correct.

The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions and conclusions.

I have no present or prospective interest in the property that is the subject of this report, and have no personal interest or bias with respect to the parties involved.

I have not provided valuation services for the property described herein within the prior 3-year period.

I have no personal interest with respect to the parties involved with this assignment.

My engagement in this assignment was not contingent upon developing or reporting predetermined results.

My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.

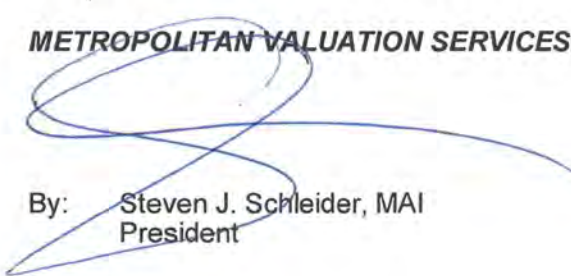
I am aware of and have complied with The FIRREA and any and all state laws and regulations that apply to appraisals.

Steven J. Schleider has not made a personal inspection of the property that is the subject of this report. Steven J. Schleider has extensive experience in the appraisal of similar properties.

No one provided significant professional assistance to the person signing this report.

Steven J. Schleider has been duly certified to transact business as a Real Estate General Appraiser (New York State certification #46000016498).

METROPOLITAN VALUATION SERVICES, INC.

By:  Steven J. Schleider, MAI
President

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BASIC ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal report is subject to the following assumptions and limiting conditions:

- No responsibility is assumed for the legal description or for matters including legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
- The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
- Responsible ownership and competent property management are assumed.
- The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
- All engineering is assumed to be correct. The plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
- It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
- It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined, and considered in the appraisal report.
- It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless nonconformity has been stated, defined, and considered in the appraisal report.
- It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
- It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.
- The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.

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BASIC ASSUMPTIONS AND LIMITING CONDITIONS (Continued)

- Possession of this report, or a copy thereof, does not carry with it the right of publication.
- The appraiser, by reason of this appraisal, is not required to give further consultation, testimony, or be in attendance in court with reference to the property in question unless arrangements have been previously made.
- Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without prior written consent and approval of the appraisers.
- The appraisers have inspected the subject property with the due diligence expected of a professional real estate appraiser. The appraisers are not qualified to detect hazardous waste and/or toxic materials. Any comment by the appraisers that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert in the field of environmental assessment.
- The presence of substances such as asbestos, urea-formaldehyde foam insulation or other potentially hazardous materials may affect the value of the property. No responsibility is assumed for any environmental conditions, or for any expertise or engineering knowledge required to discover them. The appraiser's descriptions and resulting comments are the result of the routine observations made during the appraisal process.
- The appraiser is authorized by the client to disclose all or any portion of this report and the related data to appropriate representatives of the Appraisal Institute, or other professional organizations of which the appraiser is a member or affiliate, if such disclosure is required to enable the appraiser to comply with bylaws and regulations of such organizations.
- All values rendered within this report assume marketing times of twelve months or less unless otherwise indicated.
- The American with Disabilities Act (ADA) became effective January 26, 1992. The appraisers have not made a specific compliance survey and analysis of the subject property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the subject property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this could have a negative effect upon the value of the property. Since the appraisers have no direct evidence relating to this issue, they did not consider possible non-compliance with the requirements of ADA in estimating the market value of the subject property.

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STEVEN J. SCHLEIDER, MAI, FRICS, LEED AP BD+C
 PRESIDENT – METROPOLITAN VALUATION SERVICES

STEVEN J. SCHLEIDER Co-founded Metropolitan Valuation Services, Inc. to serve a broad-base of clients developed over his career in real estate.

As director for a national valuation and due diligence firm, the vast majority of appraisal assignments relating to the post-recession wave of major residential construction, development and re-adaptive use projects in the New York area were conducted under his supervision. Additionally, the significant large-scale multi-family complexes in the region for FannieMae and FreddieMac loan portfolios were appraised by his team.

Mr. Schleider's experience in real estate is broad and his assignments have included development strategies, valuation and/or feasibility studies for market-rate and subsidized rental facilities, nursing home, age-restricted and assisted-living residences, cooperative and condominium apartment buildings, development projects in various stages of approval; and, valuation modeling and consulting for various lower- and moderate-income housing programs involving LIHTCs and low floater rate tax exempt revenue bond financing. Mr. Schleider's experience with HUD-based programs includes numerous section 8 facilities, MAP, and rent comparability surveys. These activities have been conducted on behalf of investment firms, international and domestic pension funds, major industrial corporations, leading foreign and domestic financial institutions, individual investors and leading law firms. Additionally, Mr. Schleider has developed and conducted seminars relating to multi-family valuation issues for the New York City Housing Development Corporation and the New York State Housing Finance Agency.

Mr. Schleider is a designated member of the Appraisal Institute (MAI), a fellow of the Royal Institute of Chartered Surveyors (FRICS) and is certified by the State of New York and State of New Jersey as a real estate General Appraiser. Mr. Schleider is also a LEED Accredited Professional with specialty in building design and construction (Leadership in Energy and Environmental Design) of the United States Green Building Council (USGBC). Mr. Schleider received his Bachelor of Arts degree from Berklee College and has completed numerous graduate courses in finance and economics at the Bernard M. Baruch School of Business, City University of New York. Mr. Schleider served as the 2011 President of the Metropolitan New York Chapter of the Appraisal Institute. He had previously served as President of the Associate and Affiliate Members Organization of the Metropolitan New York Chapter of the Appraisal Institute, and has chaired both the Admissions and Education Committees of the chapter. Starting in 2003, Mayor Michael Bloomberg appointed and re-appointed Mr. Schleider 3 times to the New York City Rent Guidelines Board; where he served for 11 years. Mr. Schleider is a member of the Real Estate Board of New York and currently serves on its Housing Committee and has chaired its Appraisal Committee.

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STRATEGIC INSPECTIONS, LLC

RESERVE FUND STUDY

**40 East End Avenue Condominium
40 East End Avenue
New York, New York 10028**

Prepared by:
Strategic Inspections
45 West 34th Street, Suite 1001
New York, New York 10001

March 8, 2018
Revised March 16, 2018

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1.0 EXECUTIVE SUMMARY

Strategic Inspections, LLC (SI) performed a reserve study for the 40 East End Avenue Condominium (hereinafter "property") located at 40 East End Avenue New York, New York 10028. The property has 29 units and multiple model types. The reserve study is for the fiscal year starting January 1, 2019 and ending December 31, 2019.

The planned property will be an eighteen (18) story building plus a cellar and roof/bulkhead levels. The building will consist of a total of twenty-nine (29) residential units. The scope of this report is limited to assessing the common elements for the condominium. This report does not include cost for reserve items exclusive to the condominium units. It was reported that construction of the building is expected to be completed by the end of December 2018.

Building amenities will include mailboxes, a package room, two (2) passenger elevators, an exercise room, recreation space, lounge, library, pantry, storage units, bicycle storage, a port-cochere, and private terraces.

There are currently no ASTM, Fannie Mae, or FHA reserve study standards. The closest standards to review are: ASTM E 2018-15 property condition assessment (PCA), and property condition report (PCR) standards, or Fannie Mae Physical Needs Assessment Guidance to the Property Evaluator. Additionally, currently there are two national organizations with a set of reserve study guidelines, the Association of Professional Reserve Analysts (APRA) and the Community Association Institute (CAI). All of these sources, along with the experience and knowledge of industry experts and professional engineers, were used to create SI's guidelines for reserve studies.

SI guidelines require that a Reserve Study include a component inventory, a condition assessment, life valuation estimates, fund status, and a funding plan. The guideline also requires that a reserve study include recommended reserve contributions for a minimum of 30-years, projected expenses for a minimum of 30-years, and projected ending reserve fund expenses for a minimum of 30-years.

This report will project the capital repair and replacement reserve for thirty years, as required by SI guidelines. As such, some items with an estimated useful life greater than thirty years are not included in this report at this time. Updating of the reserve study should be performed every two years to ensure proper funding is provided as the longer life items move within the 30-year evaluation period as the property ages.

The annual contribution for the initial year of this reserve study is \$42,371, or \$3,530 on a monthly basis, with an annual increase of 5.00% per year over the 30-year term. This equates to an average of \$1,461 per residential unit.

As of January 1, 2019, the estimated one-time current replacement cost of the reserve items is \$2,430,203, and with an annual compounded inflation rate of 2.33% the future one-time replacement cost is \$3,819,522.



The operating budget should include a line item to cover the 1st year's recommended reserve amount of \$42,371 or \$121 per residential unit, per month.

A Community Association typically has two major budgetary requirements: the general operating reserve and the capital repair and replacement reserve. The scope of this report is limited to the capital repair and replacement reserve criteria. It is assumed that the general operating reserve is accounted for in the general maintenance budget. This report will project the capital repair and replacement reserve for thirty years. It should be noted that the projection for the first ten years is the most reliable and it is recommended that this study be updated every two years.

The calculations, projections and reports in this reserve study were generated using the Property Reserve Analysis System (hereinafter "PRA"). PRA has received a Quality Assurance Evaluation from a Certified Public Accounting firm verifying the system for accuracy and compliance with the AICPA's Audit and Accounting Guide for Common Interest Realty Associations, cash flow projections, and tax calculations consistent with IRS guidelines for 1120c and 1120h corporations. PRA provides for complete, flexible reserve study assumptions while allowing for either current cost or future cost projections in calculating interest and projecting cash flows on a monthly and annual basis.

This reserve study ensures fiduciary responsibility is achieved by the present and future Condominium Board of Directors. Identification of reserve fund allocation requirements for the community will manage future Association obligations and inform the community of future financial needs. This report, though based on assumptions, assures that funds for major repairs and replacements will be available when needed. In addition, this study will provide an equitable method for ensuring that all residents, present and future, pay their fair share for repairs and replacements of common elements maintained by the Association.

2.0 PURPOSE AND SCOPE

The purpose of this reserve study is to produce a reserve funding plan that will project future contributions and expenditures to assure that reserve funds are available as needed. A reserve study helps Community Associations anticipate large expenditures over an extended period of time. By using this structured process and analysis, the Association is able to meet financial requirements without increasing service fees above permitted maximum's, borrowing funds, and/or levying special financial assessments to the property owners.

The scope of this report is limited to the following:

- Developing component inventories based upon the building plans only
- Developing life and valuation estimates
- Providing a current funding status evaluation
- Providing a model for a funding plan



This report forecasts Community obligations for thirty (30) years into the future. Due to this forecast, it should be noted that events may occur that affect the cost and useful life of the assumptions used in this study. Specifically, inevitable market fluctuations and unexpected wear on materials can occur. Therefore, this study should be updated every two years in order to accurately reflect the needs and obligations of the community.

No items that have an estimated useful life of less than two years or a total cost less than \$1,000.00 have been reserved.

3.0 DEFINITIONS AND METHODS

Relevant definitions include:

Reserve Study - The art and science of anticipating and preparing for major common area repair and replacement expenses. It is a budgetary planning tool that identifies the current status of the reserve fund and recommends a stable, equitable funding plan to offset the major anticipated common area expenditures.

Repair/Replacement Reserves - Non-annual maintenance items that will require significant expenditure over the life of the building. Included are items that will reach the end of their estimated useful life during the course of this forecast, or, in the opinion of the investigator, will require attention during that time.

Remaining Life - The expected useful life of a system or component as per Fannie Mae guidance or industry experience.

Funding Plan - An association's plan to provide income to a reserve fund to offset anticipated expenditures from that fund.

Life and Valuation Estimates - The task of estimating Useful Life, Remaining Useful Life, and Repair or Replacement Costs for the Reserve components.

The cash flow method was utilized in preparing the reserve plan with the intention that reserve funds would be available as needed. The following describes how the cash flow was produced:

- Reserve Fund Balance – projected from the date of the reserve study to the beginning of the fiscal year above;
- Reserve Item Data - for each reserve item the following was determined: description, category, basis cost, cost, quantity, estimated useful life and estimated remaining life;
- Expenditures - the reserve item data above was used to project when the initial and recurring expenditures will be incurred over the next 30 years (the projection excludes taxes on interest earned);
- Interest – calculated on the available funds;



- Contribution – determined based on the following: annual contribution increases, interest earned with related taxes and inflation on reserve items.

4.0 PROVIDED INFORMATION AND DOCUMENTS

This study has been performed according to the scope as generally defined and agreed upon by Strategic Inspections, LLC, and the 40 East End Avenue Condominium Development.

The following documents were made available and were reviewed during the course of our study:

- 40 East End Avenue - Description of Property and Improvements
- 40 East End Avenue - Set of Drawings Issued for Bulletin #3 dated August 7, 2017, prepared by Gerner Kronick & Valcarcel, Architects
- Condominium Offering Plan for Sale of Residential Units in 40 East End Avenue Condominium, undated
- Schedule A & B Projected Budget for First Year of Condominium Operation - January 1, 2019 through December 31, 2019

5.0 BUILDING EVALUATION

A complete review and analysis of all available construction drawings and specifications for the subject property was performed. The following was observed and noted during this review. A site inspection was not performed on this site. However, it is recommended that an inspection be performed prior to completing an update on this report.

Structure

The description of the structural and foundation systems is based on the review and analysis of the construction drawings and our experience with similar buildings.

The building will be a multi-story, cast-in-place reinforced concrete flat slab supported by concrete columns and shear walls. The foundation will consist of spread footings bearing on bedrock.

Since this will be a new development, it is assumed that there are no issues or concern regarding capital expenditures for the structural or foundation systems for the building. The structural and foundation systems of the building will be new construction and therefore assumed to be in good condition.

Exterior and Roof

The Building's western, eastern, and southern facades will be clad in a panel system. From the 1st to 13th construction floors, the panel will feature a brick blend of



light, medium, and dark colors with precast accents. From the 14th construction floor and up, the panels will be precast. Both portions will have darker contrasting windows set in the panel. The Building's northern façade will feature brick in part and continuous insulation in part. The façade of the stair and elevator bulkhead will feature continuous insulation wrapped with decorative metal louver panels at all elevations. Insulation to be used as a barrier between the exterior and interior wall assemblies to meet the required energy code designed for this building envelope. Continuous insulation system will be installed over concrete masonry unit or reinforced concrete back-up wall and is designed to be a drainable system with a vapor permeable air barrier installed over the back-up wall. The windows will be aluminum-framed, insulated glass units. The first floor of the front facade will have fixed storefront windows. The entrance doors will be metal-framed doors with glass panels. Based on expected useful life, replacement of the entrance doors is anticipated during the reserve period. The exterior of the building will be new and in good/excellent condition, however, we have included an allowance for periodic caulking, sealing, and painting of the exterior of the building. In addition, The New York Façade Inspection & Safety Program (FISP), formally known as Local Law 11, requires facade inspections on five-year intervals on all buildings with more than six stories. We have included cost to perform future facade inspections and repairs in the reserve study. The fixed storefront unit windows will be new and in good condition. Based on their expected useful life, replacements will be anticipated later in the reserve.

The roof surface on the building will be a multi-ply modified bitumen waterproofing membrane roofing system. The roof will be finished with pre-cast concrete pavers on adjustable pedestals. The bulkhead will consist of CMU walls with a continuous insulation system on the exterior. Based on an expected useful life of 20 years for the roofing system, replacement is anticipated during the reserve period. Due to the removal of the pavers for the roof system replacement, we included replacement of the pavers and ballast at the time of the roof system due to damage.

There will be private terraces and Juliette balconies throughout the building. The terraces will be finished with concrete pavers. It should be noted that the Juliette balconies are of a decorative nature without access. Based on expected useful life, we have included an allowance for replacement/repairs to the terraces and balconies during the reserve period. The cost has been included in the façade repair budget, discussed above.

There will be a driveway and porte-cochere located at East 81st Street. This area will consist of concrete pavers, bollards, and lighting. Based on expected useful life, we have included an allowance to replace/repair the pavers and replace the bollards and lighting during the reserve period. Because the driveway pavers are located within the building footprint, and directly over the storage bays in the cellar, we have inflated the cost slightly to include the reapplication of waterproofing. This cost also accounts for the as needed replacements of light fixtures and bollards.

Mechanical, Electrical, and Plumbing

The residential units and common areas will be heated and cooled by variable refrigerant flow (VRF) split systems consisting of air cooled condensing units and fan coil units ranging



in size. Hot water for the heating will be provided by two 1,100 MBH boilers. The elevator machine rooms will be heated and cooled by packaged split air conditioning units. All heating and cooling equipment will be new and assumed to be in good/excellent condition. The residential fan coil units and associated condensing units are owned and maintained by the individual owner. Therefore, no costs for replacement of the units have been included in this study. However, the cost to replace the condensing units and fan coil units for the common areas and packaged split units for the elevator machine rooms have been included in this study. Based on the expected useful life, the boilers will also require replacement during the reserve.

The corridors will be heated and cooled by a 30-ton and 5-ton gas-fired rooftop package units. Based on expected useful life of 15 to 20 years, replacement of the units is anticipated during the reserve period.

Supplemental heating will be provided by small capacity electric unit heaters and electric baseboard heaters in corridors. This equipment will be new and assumed to be in good/excellent condition. The electric heaters will have EULs of 15 years. Based on expected useful life, replacement of the heaters is anticipated during the reserve period.

Building ventilation will be provided via inline and rooftop exhaust fans ranging in size. The fans will be new and assumed to be in good/excellent condition with an EUL of 20 years. Based on expected useful life, replacement of the fans is anticipated during the reserve period.

Domestic water will be provided to the building from the municipal supply system where it will be pumped throughout the building by two (2) duplex water booster pumps (low zone and high zone) located in the cellar. Based on expected useful life, replacement of this equipment is anticipated during the reserve period.

Domestic hot water for the building will be provided by two (2) 500,000 BTU gas-fired Turbomax indirect 119-gallon capacity water heaters and circulation pumps. The distribution system has an indeterminately long useful life; therefore, only routine maintenance is anticipated during the reserve period. The water heaters and pumps have a useful life of 15 to 20 years. Replacement of the water heaters and pumps is anticipated during the reserve period.

The building will have one sewage ejector pump and two sump pumps. The pumps will be new and assumed to be in good condition. Based on expected useful life, replacement is anticipated during the reserve period.

The electrical service will come into building through the electrical room located in the cellar. It will have a 3-phase, 4 wire service at 120/208 volts. The electrical and gas equipment will be new and in good to excellent condition. Based on expected useful life, replacement of the switchgear is not anticipated during the reserve period.

There will be a 125-kW natural gas back-up generator located in the cellar to provide emergency power to critical building systems. Based on an expected useful life of 25 years, replacement of the generator is anticipated during the reserve period.



The common area lighting on the exterior and interior of the building will be new and assumed to be in good/excellent condition. Based on expected useful life, replacement of the common area light fixtures is anticipated during the reserve period.

Interior

According to the finish schedule, the lobby will have stone mosaic tile floors, wood paneled walls, and the ceiling will be painted. These finishes will be new and in good condition. Based on expected useful life, replacement of the tile, refinishing/replacement of the wood panels, and repainting ceiling is anticipated during the reserve period.

According to the finish schedule, the ground floor corridors will have carpet and stone tile on the floors, wood or wall covering on the walls, and the ceiling will be painted. The common corridors above the lobby floor will have carpeted and stone tiled floors, wall covering on the walls and the ceiling will be painted and wood. The common interior finishes will be new and in good condition. Based on expected useful life, replacement of the carpet and wall covering, and repainting of the ceilings are anticipated during the reserve period.

The stairs in the building will be reinforced concrete with metal handrails. The walls and ceilings in the stairways will be painted. The stairways will be new and assumed to be in good condition. Based on the expected useful life, repainting of the stairway components, walls, and ceilings is anticipated during the reserve period.

Amenities

There will be two (2) gearless traction elevators in the building. The elevators and elevator machinery will be new and assumed to be in good condition. Based on expected useful life, replacement of the elevator controllers, machinery, and elevator cabs is anticipated during the reserve period.

There will be wall-mounted recessed mailboxes and a package room located off of the lobby. There will be a doorman/concierge desk and lobby sitting area. The lobby furnishings will be new and in good condition. Based on expected useful life, replacement of the lobby furnishings and mailboxes is anticipated during the reserve period.

There will be a two-story lounge room located on the first and second floor of the building. The lounge will have stone slab floors, wood paneled walls, and the ceiling will be painted. It is assumed that lounge will be furnished with typical furnishings. These finishes and furnishings will be new and in good condition. Based on expected useful life, refinishing the stone slab floors, refinishing/replacement of the wood panels, and repainting ceiling is anticipated during the reserve period.

There will be a fitness room located on the second floor of the building. The fitness room will have resilient flooring, wood paneled, mirrored, and painted walls, and painted ceiling. It is assumed that the fitness room will be equipped with cardio equipment, fitness machines, and free weights. The finishes and equipment will be new and in good condition.



Based on the expected useful life replacement of the finishes and equipment and repainting of the walls and ceilings are anticipated during the reserve period. Therefore, an allowance to replace all of these finishes and equipment is included in this reserve study.

There will be a game room located on the second floor of the building. The game room will have cork floors. The walls will be wood paneled and mirrored with wall covering, and the ceiling will be painted. It is assumed the game room will have typical furnishings. The finishes and furnishings will be new and in good condition. Based on expected useful life, we anticipate replacement of the finishes and furnishings during the reserve period.

There will be a library on the second floor. According to the finish schedule, the floors will be carpeted. The walls will be wood paneled with wall covering and the ceilings will be painted. It is assumed that the library will be furnished with typical upscale furnishings. Based upon expected useful life, replacement of the carpet, finishes, and furnishings is anticipated during the reserve period.

There will be a pantry on the second floor. According to the finish schedule, the pantry will have stone tile floors. The walls will be stone with wall covering and the ceiling will be painted. It is assumed that the pantry will be furnished with typical kitchen appliances and cabinets. Based upon expected useful life, replacement of the stone tile floors and replacement of the finishes and furnishings is anticipated during the reserve period.

There will be a bicycle storage room located in the cellar. It is assumed that the bicycle room will have sealed concrete flooring and painted walls and ceilings. Based on expected useful life, re-sealing of the concrete floors, and repainting of the walls and ceilings is anticipated during the reserve period.

There will be residential storage units located in the cellar. It is assumed that the storage room will have sealed concrete flooring and painted walls and ceiling. We have included an allowance for repainting these areas during the reserve period.

It is assumed that the building will have a security system that monitors the common areas of the buildings and intercom systems which will allow the residential units to communicate with the residential lobby front desk. The systems will be new and in good condition. Based on an expected useful life of 15 years, replacement of these systems is anticipated during the reserve period.

There will be a trash compactor located in the cellar of the building. Based on an expected useful life of up to 20 years, replacement of the trash compactor is anticipated during the reserve period.

There will be a fire sprinkler system that covers the building. The Life Safety equipment includes a fire pump, plumbing, sprinkler heads, and hoses in all units, and public corridors and an alarm panel. The plumbing has an indeterminately long useful life and replacement is not anticipated in the next 30 years. Based on the useful life of the pumps, hoses, and alarm panel, we anticipate replacement during the reserve period. Details regarding the



size of the pump were not available during our plan review. Costs have therefore been assumed.

6.0 ASSUMPTIONS

The study is based upon the following financial assumptions:

- Annual Contribution Increase - 10.00%
- Interest Earned - 1.00%
- Inflation on Reserve Items - 2.33%

7.0 SUMMARY OF RESULTS

The annual contribution for the initial year of this reserve study is \$42,371, or \$3,530 on a monthly basis, with an annual increase of 5.00% per year over the 30-year term. This equates to an average of \$1,461 per residential unit.

As of January 1, 2019, the estimated one-time current replacement cost of the reserve items is \$2,430,203, and with an annual compounded inflation rate of 2.33% the future one-time replacement cost is \$3,819,522.

8.0 FUNDING PLAN

The operating budget should include a line item to cover the 1st year's recommended reserve amount of \$42,371 or \$121 per residential unit, per month.

9.0 LIMITATIONS

The observations described in this study are valid as to the date of the investigation and have been made under the conditions noted in the report. This study is limited to the documentation provided to us. This reserve study is a budgetary tool and no implication is made as to its uses as an engineering study.

This report does not render an opinion on un-evaluated portions of the project. We did not evaluate the following areas, and this report makes no representations or conclusions regarding:

- Long Life elements
- Unit interiors

We did not include reserve funding for any items with an expected life beyond 30 years such as metal siding, electrical panels, and structural components. Some of these



replacement costs are high dollar items and may need to be replaced between year 30 and year 40. Updating of the reserve study should be performed every two years to ensure proper funding is provided as the longer life items move within the 30-year evaluation period as the property ages.

We did not perform any computations or other engineering analysis as part of this evaluation, nor did we conduct a comprehensive code compliance investigation. This report should not be construed as providing any engineering or code compliance information. The appendices are an integral part of this report and must be included in any review.

In your Reserve Fund Analysis, we have provided estimated costs. These costs are based on our general knowledge of building systems well as the contracting and construction industry. When appropriate, we have relied on standard sources, such as RSMeans Building Construction Cost Data to develop estimates. However, for some items for which we have developed costs (e.g.: structural repairs), no standard guide for estimating such costs exists. Actual cost can vary significantly, based on availability of qualified contractors to do the work as well as other variables. We assume no liability and make no warranties, expressed or implied, as to the specific cost estimates provided.

We have performed no design work as a part of this study, nor have we obtained competitive quotations or estimates from contractors, as this is beyond the scope of this project. The actual cost to replace components and maintain items that we have identified may vary significantly from estimates and competitive quotations from contractors.

Attached please find a projected reserve fund analysis for non-annual repair/replacement items. This projection takes into consideration a reasonable return on invested money and inflation. Please review this thoroughly and advise us of any changes that may be necessary.

If you have any questions about this study or the reserve fund analysis, please feel free to contact us. Thank you for the opportunity to provide this service to you.

Respectfully submitted,

David A. Pertuit, Jr., P.E.
Director of Technical Operations
Strategic Inspections, LLC.

Christopher M. Bevis, E.P.
Project Manager



STRATEGIC INSPECTIONS, LLC

Strategic Inspections, LLC.



Appendix A: RESERVE FUND ANALYSIS

40 East End Avenue Condominium

Analysis Date - January 1, 2019

Inflation:2.33% Investment:1.00% Contribution Factor:10.00% Calc:Future

Property - Definition**Property Information**

Property	40 East End Avenue Condominium	Initial Date	January 1, 2019
Address	40 East End Avenue	Analysis Date	January 1, 2019
City	New York	Number of Phases	1
State	New York	Number of Units	29
Zip	10028	Number of Models	1
Phone		Current Cost	\$ 2,429,007.40

Item Parameters

Common Area	64
Unit Parameters	0
Unit Expanded	0

Financial Parameters

Rate of Inflation	2.33 %	Loan/Special Assessment	No
Rate of Investment	1.00 %	Deferred Expenditures	No
Contribution Factor	10.00 %	Tax Rate	N/A
Adjustment Factor	-75.50 %		
Contingency Factor	0.00 %		
Contingency Time	0:00 YY:MM		
Contingency Amount	\$ 0.00		

Property Criteria

Inflation Compounded	Monthly
Ownership Format	Wholly Owned
Minimum Life	2:00 YY:MM
Analysis Format	Analysis
Cash Flow Schedule	30 Years
Allocation Format	Proportional
Contribution Method	Future Cost
Measurement Basis	N/A

40 East End Avenue Condominium

Analysis Date - January 1, 2019

Inflation: 2.33% Investment: 1.00% Contribution Factor: 10.00% Calc: Future

Financial - Analysis Summary**Global Factors**

Rate of Inflation	2.33 %
Net Rate of Investment	1.00 %
Weighted Average Life	19:11 YY:MM
Contribution Factor	10.00 %
Adjustment Factor	-75.50 %
Contingency Factor	0.00 %
Contingency Time	0:00 YY:MM

Replacement Costs

Current Cost	\$	2,429,007.40
Future Cost	\$	3,817,381.84

Fund Balances

Current Balance	\$	0.00
Future Balance	\$	0.00

Funds Required

Funds Required	\$	3,817,381.84
Monthly Contribution	\$	3,530.97

40 East End Avenue Condominium

Analysis Date - January 1, 2019

Inflation: 2.33% Investment: 1.00% Contribution Factor: 10.00% Calc: Future

Item Parameters - Summary

		Basis Cost	Quantity	Replace Date		Current Cost	Est Life	Adj Life	Rem Life		Future Cost
Amenities											
Common Rest Room Upgrade	\$	4,500.00	1.000	01/01/2034	\$	4,500	15:00	15:00	15:00	\$	6,380
Elevator cab doors		4,000.00	2.000	01/01/2044		8,000	25:00	25:00	25:00		14,315
Elevator cable upgrades-18 floors		18,000.00	2.000	01/01/2044		36,000	25:00	25:00	25:00		64,421
Elevator Cabs		7,500.00	2.000	01/01/2034		15,000	15:00	15:00	15:00		21,268
Elevator controller		10,000.00	2.000	01/01/2034		20,000	15:00	15:00	15:00		28,357
Elevator Machinery upgrades		124,000.00	2.000	12/01/2048		248,000	30:00	30:00	29:11		497,607
Elevator shaftway doors		3,000.00	38.000	01/01/2044		114,000	25:00	25:00	25:00		204,002
Fitness Room Upgrades		45,000.00	1.000	01/01/2029		45,000	10:00	10:00	10:00		56,794
Library/Pantry Finishes & Furnishings		30,000.00	1.000	01/01/2034		30,000	15:00	15:00	15:00		42,536
Lobby Furnishings & Finishes		85,000.00	1.000	01/01/2034		85,000	15:00	15:00	15:00		120,519
Lounge Furnishings & Finishes		70,000.00	1.000	01/01/2034		70,000	15:00	15:00	15:00		99,251
Mailboxes		75.00	29.000	01/01/2039		2,175	20:00	20:00	20:00		3,464
Recreation Room Furnishings & Finishes		10,000.00	1.000	01/01/2029		10,000	10:00	10:00	10:00		12,620
Security Camera System		20,000.00	1.000	01/01/2034		20,000	15:00	15:00	15:00		28,357
Trash Compactor		24,000.00	1.000	01/01/2041		24,000	22:00	22:00	22:00		40,051
					\$	731,675				\$	1,239,950
Building Exterior											
Double Glass Entrance Doors	\$	6,200.00	2.000	01/01/2044	\$	12,400	25:00	25:00	25:00	\$	22,189
Driveway Pavers and Water Proofing		22.00	1,640.000	12/01/2048		36,080	30:00	30:00	29:11		72,393
Exterior Caulking and Sealants		50,000.00	1.000	01/01/2029		50,000	10:00	10:00	10:00		63,104
Facade Repairs		120,000.00	1.000	01/01/2029		120,000	10:00	10:00	10:00		151,451
IRMA W/ Pavers		32.00	3,773.000	01/01/2039		120,896	20:00	20:00	20:00		192,573
Seal and Paint Exterior		2.00	5,500.000	01/01/2029		11,000	10:00	10:00	10:00		13,883
Single Glass Entrance Doors		3,100.00	5.000	01/01/2044		15,500	25:00	25:00	25:00		27,737
Storefront Windows		105.00	400.000	01/01/2044		42,000	25:00	25:00	25:00		75,158
Windows		7,000.00	23.000	01/01/2044		203,000	25:00	25:00	25:00		363,268
					\$	610,876				\$	981,761

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40 East End Avenue Condominium

Analysis Date - January 1, 2019

Inflation:2.33% Investment:1.00% Contribution Factor:10.00% Calc:Future

Item Parameters - Summary

	Basis Cost	Quantity	Replace Date		Current Cost	Est Life	Adj Life	Rem Life		Future Cost
Building Interior										
Common Lighting	\$ 1,200.00	20.000	01/01/2044	\$	24,000	25:00	25:00	25:00	\$	42,947
Corridor Remodel	20,000.00	20.000	01/01/2030		400,000	11:00	11:00	11:00		516,727
Intercom System	10,000.00	1.000	01/01/2034		10,000	15:00	15:00	15:00		14,178
Paint Stairs	750.00	40.000	01/01/2029		30,000	10:00	10:00	10:00		37,862
				\$	464,000				\$	611,717
Mechanical										
1 HP Utility Set Fan	\$ 4,300.00	1.000	01/01/2039	\$	4,300	20:00	20:00	20:00	\$	6,849
1 kw Electric Baseboard Heater	1,045.00	3.000	01/01/2034		3,135	15:00	15:00	15:00		4,445
1 Ton Air Handling Unit	1,000.00	1.000	01/01/2039		1,000	20:00	20:00	20:00		1,592
1 Ton Condensing Unit	1,900.00	1.000	01/01/2034		1,900	15:00	15:00	15:00		2,693
1-3 kw Electric Heater	1,045.00	4.000	01/01/2034		4,180	15:00	15:00	15:00		5,926
1/2 HP Utility Set Fan	3,117.00	5.000			15,585	20:00	20:00	20:00		24,830
1/4 HP Utility Set Fan	2,380.00	1.000	01/01/2039		2,380	20:00	20:00	20:00		3,791
12 Ton Condenser Unit VRF	19,500.00	1.000	01/01/2034		19,500	15:00	15:00	15:00		27,648
14 Ton Condenser Unit VRF	20,150.00	1.000	01/01/2034		20,150	15:00	15:00	15:00		28,570
2 HP Utility Set Fan	4,800.00	3.000	01/01/2039		14,400	20:00	20:00	20:00		22,937
2 Ton Air Handling Unit	1,275.00	1.000	01/01/2039		1,275	20:00	20:00	20:00		2,030
2 Ton Condenser Unit	3,400.00	1.000	01/01/2034		3,400	15:00	15:00	15:00		4,820
2 Ton Fan Coil Unit VRF	3,100.00	1.000	01/01/2039		3,100	20:00	20:00	20:00		4,937
2.5 Ton Fan Coil	3,200.00	8.000	01/01/2039		25,600	20:00	20:00	20:00		40,777
3 Ton Fan Coil Unit VRF	3,600.00	1.000	01/01/2039		3,600	20:00	20:00	20:00		5,734
3/4 HP Axial Fan	1,800.00	2.000	01/01/2039		3,600	20:00	20:00	20:00		5,734
3/4 Ton Fan Coil Unit VRF	2,800.00	10.000	01/01/2039		28,000	20:00	20:00	20:00		44,600
30 Ton RTU with Gas Heating	26,270.00	1.000	01/01/2039		26,270	20:00	20:00	20:00		41,845
300-400 CFM Inline Fan	2,500.00	3.000	01/01/2039		7,500	20:00	20:00	20:00		11,946
4 Ton Fan Coil Unit VRF	4,500.00	1.000	01/01/2039		4,500	20:00	20:00	20:00		7,167
4.5 Ton Fan Coil Unit-VRF	4,750.00	1.000	01/01/2034		4,750	15:00	15:00	15:00		6,734

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40 East End Avenue Condominium

Analysis Date - January 1, 2019

Inflation:2.33% Investment:1.00% Contribution Factor:10.00% Calc:Future

Item Parameters - Summary

		Basis Cost	Quantity	Replace Date		Current Cost	Est Life	Adj Life	Rem Life		Future Cost
5 Ton RTU with Gas Heating	\$	8.40	1.000	01/01/2034	\$	8	15:00	15:00	15:00	\$	11
6 Ton Fan Coil Unit VRF		4,600.00	1.000	01/01/2039		4,600	20:00	20:00	20:00		7,327
Back-up Gas Fired Generator 125 kW		120,000.00	1.000	01/01/2044		120,000	25:00	25:00	25:00		214,739
Duplex DW Booster Pumps 50 GPM		37,000.00	2.000	01/01/2034		74,000	15:00	15:00	15:00		104,922
Duplex Sump Pumps		5,314.00	1.000	01/01/2039		5,314	20:00	20:00	20:00		8,464
Elevator Sump Pump		1,950.00	2.000	01/01/2039		3,900	20:00	20:00	20:00		6,212
Fire Alarm System Upgrades		50,000.00	1.000	01/01/2034		50,000	15:00	15:00	15:00		70,893
Fire Pump 500 GPM		29,209.00	1.000	01/01/2041		29,209	22:00	22:00	22:00		48,743
Gas-fired HW boiler-1100 MBH		20,000.00	2.000	01/01/2044		40,000	25:00	25:00	25:00		71,579
Hot Water Re-Circulating Pump		2,000.00	2.000	01/01/2034		4,000	15:00	15:00	15:00		5,671
Indirect Water Heater 119 gallon		6,500.00	2.000	01/01/2034		13,000	15:00	15:00	15:00		18,432
Inline Pumps - 50 GPM		2,200.00	3.000	01/01/2039		6,600	20:00	20:00	20:00		10,513
Jockey Pump		3,500.00	1.000	01/01/2034		3,500	15:00	15:00	15:00		4,962
Plate Heat Exchanger		65,000.00	1.000	01/01/2036		65,000	26:00	26:00	17:00		96,554
Sewage Ejector Pump		2,600.00	2.000	01/01/2044		5,200	25:00	25:00	25:00		9,305
					\$	622,456				\$	983,953
					\$	2,429,007				\$	3,817,381

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40 East End Avenue Condominium

Analysis Date - January 1, 2019

Inflation: 2.33% Investment: 1.00% Contribution Factor: 10.00% Calc: Future

Item Parameters - Detail

Code	Location	Description	Condition	Replace Date	Quantity	Current Cost	Est Life	Adj Life	Rem Life	Future Cost
1 HP Utility Set Fan EA @ 4,300.00										
910-000-0003	Roof Bulkhead-Dry	DF-2		01/01/2039	1.00	\$ 4,300.00	20:00	20:00	20:00	\$ 6,849.41
					1.00	\$ 4,300.00				\$ 6,849.41
1 kw Electric Baseboard Heater EA @ 1,045.00										
920-001-0039	7th Fl Corridor	EBH-1		01/01/2034	1.00	\$ 1,045.00	15:00	15:00	15:00	\$ 1,481.68
920-002-0039	1st Fl Corridor	EBH-1		01/01/2034	2.00	2,090.00	15:00	15:00	15:00	2,963.36
					3.00	\$ 3,135.00				\$ 4,445.04
1 Ton Air Handling Unit EA @ 1,000.00										
910-000-0036	Cellar EMR	AC-ELC		01/01/2039	1.00	\$ 1,000.00	20:00	20:00	20:00	\$ 1,592.89
					1.00	\$ 1,000.00				\$ 1,592.89
1 Ton Condensing Unit EA @ 1,900.00										
910-000-0035	Cellar EMR	AC-ELC		01/01/2034	1.00	\$ 1,900.00	15:00	15:00	15:00	\$ 2,693.97
					1.00	\$ 1,900.00				\$ 2,693.97
1-3 kw Electric Heater EA @ 1,045.00										
920-001-0031	Cellar	EH-1		01/01/2034	3.00	\$ 3,135.00	15:00	15:00	15:00	\$ 4,445.05
920-002-0031	Cellar	EH-3		01/01/2034	1.00	1,045.00	15:00	15:00	15:00	1,481.68
					4.00	\$ 4,180.00				\$ 5,926.73
1/2 HP Utility Set Fan EA @ 3,117.00										
920-001-0004	7th Fl Roof-Toilet E	TF-1		01/01/2038	1.00	\$ 3,117.00	20:00	19:00	19:00	\$ 4,850.79
920-002-0004	Roof Bulkhead-Toil	TF-3		01/01/2038	1.00	3,117.00	20:00	19:00	19:00	4,850.79
920-003-0004	Roof Bulkhead-Toil	TF-4		01/01/2039	1.00	3,117.00	20:00	20:00	20:00	4,965.03
920-004-0004	7th Fl Roof- Dryer	DF-1		01/01/2040	1.00	3,117.00	20:00	21:00	21:00	5,081.96
920-005-0004	Roof Bulkhead-Dry	DF-3		01/01/2040	1.00	3,117.00	20:00	21:00	21:00	5,081.96
					5.00	\$ 15,585.00				\$ 24,830.53

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40 East End Avenue Condominium

Analysis Date - January 1, 2019

Inflation:2.33% Investment:1.00% Contribution Factor:10.00% Calc:Future

Item Parameters - Detail

Code	Location	Description	Condition	Replace Date	Quantity	Current Cost	Est Life	Adj Life	Rem Life	Future Cost
1/4 HP Utility Set Fan EA @ 2,380.00										
910-000-0005	Roof Bulkhead-Gen	EF-1		01/01/2039	1.00	\$ 2,380.00	20:00	20:00	20:00	\$ 3,791.07
					1.00	\$ 2,380.00				\$ 3,791.07
12 Ton Condenser Unit VRF EA @ 19,500.00										
910-000-0021	7th Fl Roof-2nd Fl A	CU-2		01/01/2034	1.00	\$ 19,500.00	15:00	15:00	15:00	\$ 27,648.61
					1.00	\$ 19,500.00				\$ 27,648.61
14 Ton Condenser Unit VRF EA @ 20,150.00										
910-000-0020	7th Fl Roof-1st Fl Lo	CU-1		01/01/2034	1.00	\$ 20,150.00	15:00	15:00	15:00	\$ 28,570.23
					1.00	\$ 20,150.00				\$ 28,570.23
2 HP Utility Set Fan EA @ 4,800.00										
920-001-0006	Roof Bulkhead-Toil	TF-2		01/01/2039	1.00	\$ 4,800.00	20:00	20:00	20:00	\$ 7,645.86
920-002-0006	Roof Bulkhead-Kitc	KF-2&3		01/01/2039	2.00	\$ 9,600.00	20:00	20:00	20:00	\$ 15,291.72
					3.00	\$ 14,400.00				\$ 22,937.58
2 Ton Air Handling Unit EA @ 1,275.00										
910-000-0038	Roof EMR	AC-ELA		01/01/2039	1.00	\$ 1,275.00	20:00	20:00	20:00	\$ 2,030.93
					1.00	\$ 1,275.00				\$ 2,030.93
2 Ton Condenser Unit EA @ 3,400.00										
910-000-0037	Roof EMR	AC-ELA		01/01/2034	1.00	\$ 3,400.00	15:00	15:00	15:00	\$ 4,820.78
					1.00	\$ 3,400.00				\$ 4,820.78
2 Ton Fan Coil Unit VRF EA @ 3,100.00										
910-000-0023	Cellar - Storage	AC-E		01/01/2039	1.00	\$ 3,100.00	20:00	20:00	20:00	\$ 4,937.95
					1.00	\$ 3,100.00				\$ 4,937.95
2.5 Ton Fan Coil EA @ 3,200.00										
910-000-0024	Ceiling (Concealed)	AC-G		01/01/2039	8.00	\$ 25,600.00	20:00	20:00	20:00	\$ 40,777.91
					8.00	\$ 25,600.00				\$ 40,777.91

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40 East End Avenue Condominium

Analysis Date - January 1, 2019

Inflation: 2.33% Investment: 1.00% Contribution Factor: 10.00% Calc: Future

Item Parameters - Detail

Code	Location	Description	Condition	Replace Date	Quantity	Current Cost	Est Life	Adj Life	Rem Life	Future Cost
3 Ton Fan Coil Unit VRF EA @ 3,600.00										
910-000-0025	2nd Fl - Game Rm	AC-H		01/01/2039	1.00	\$ 3,600.00	20:00	20:00	20:00	\$ 5,734.39
					1.00	\$ 3,600.00				\$ 5,734.39
3/4 HP Axial Fan EA @ 1,800.00										
910-000-0007	Roof Bulkhead-Stal	SV-1&2		01/01/2039	2.00	\$ 3,600.00	20:00	20:00	20:00	\$ 5,734.39
					2.00	\$ 3,600.00				\$ 5,734.39
3/4 Ton Fan Coil Unit VRF EA @ 2,800.00										
920-001-0026	Cellar - Storage	AC-M		01/01/2039	9.00	\$ 25,200.00	20:00	20:00	20:00	\$ 40,140.76
920-002-0026	1st Fl Lounge	AC-A		01/01/2039	1.00	2,800.00	20:00	20:00	20:00	4,460.08
					10.00	\$ 28,000.00				\$ 44,600.84
30 Ton RTU with Gas Heating EA @ 26,270.00										
910-000-0001	Roof Bulkhead-Corr	RTU-1		01/01/2039	1.00	\$ 26,270.00	20:00	20:00	20:00	\$ 41,845.14
					1.00	\$ 26,270.00				\$ 41,845.14
300-400 CFM Inline Fan EA @ 2,500.00										
920-001-0009	Cellar-Boiler Rm	SF-1		01/01/2039	1.00	\$ 2,500.00	20:00	20:00	20:00	\$ 3,982.22
920-002-0009	Cellar-Generator R	SF-3		01/01/2039	1.00	2,500.00	20:00	20:00	20:00	3,982.22
920-003-0009	O/A for AC	SF-4		01/01/2039	1.00	2,500.00	20:00	20:00	20:00	3,982.22
					3.00	\$ 7,500.00				\$ 11,946.66
4 Ton Fan Coil Unit VRF EA @ 4,500.00										
910-000-0027	2nd Fl - Exercise R	AC-I		01/01/2039	1.00	\$ 4,500.00	20:00	20:00	20:00	\$ 7,167.99
					1.00	\$ 4,500.00				\$ 7,167.99
4.5 Ton Fan Coil Unit-VRF EA @ 4,750.00										
910-000-0028	2nd Fl - Library	AC-J		01/01/2034	1.00	\$ 4,750.00	15:00	15:00	15:00	\$ 6,734.92
					1.00	\$ 4,750.00				\$ 6,734.92

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40 East End Avenue Condominium

Analysis Date - January 1, 2019

Inflation: 2.33% Investment: 1.00% Contribution Factor: 10.00% Calc: Future

Item Parameters - Detail

Code	Location	Description	Condition	Replace Date	Quantity	Current Cost	Est Life	Adj Life	Rem Life	Future Cost
5 Ton RTU with Gas Heating EA @ 8.40										
910-000-0002	7th Fl Roof-Apts	RTU-2		01/01/2034	1.00	\$ 8.40	15:00	15:00	15:00	\$ 11.91
					1.00	\$ 8.40				\$ 11.91
6 Ton Fan Coil Unit VRF EA @ 4,600.00										
910-000-0029	Cellar-Fire/Water	AC-K		01/01/2039	1.00	\$ 4,600.00	20:00	20:00	20:00	\$ 7,327.28
					1.00	\$ 4,600.00				\$ 7,327.28
Back-up Gas Fired Generator 125 kW EA @ 120,000.00										
910-000-0030				01/01/2044	1.00	\$ 120,000.00	25:00	25:00	25:00	\$ 214,739.78
					1.00	\$ 120,000.00				\$ 214,739.78
Common Lighting Floor @ 1,200.00										
910-000-0043				01/01/2044	20.00	\$ 24,000.00	25:00	25:00	25:00	\$ 42,947.96
					20.00	\$ 24,000.00				\$ 42,947.96
Common Rest Room Upgrade LS @ 4,500.00										
910-000-0042				01/01/2034	1.00	\$ 4,500.00	15:00	15:00	15:00	\$ 6,380.45
					1.00	\$ 4,500.00				\$ 6,380.45
Corridor Remodel Floor @ 20,000.00										
910-000-0057				01/01/2030	20.00	\$ 400,000.00	11:00	11:00	11:00	\$ 516,727.70
					20.00	\$ 400,000.00				\$ 516,727.70
Double Glass Entrance Doors LS @ 6,200.00										
910-000-0064				01/01/2044	2.00	\$ 12,400.00	25:00	25:00	25:00	\$ 22,189.78
					2.00	\$ 12,400.00				\$ 22,189.78
Driveway Pavers and Water Proofing SF @ 22.00										
910-000-0063				12/01/2048	1640.00	\$ 36,080.00	30:00	30:00	29:11	\$ 72,393.84
					1640.00	\$ 36,080.00				\$ 72,393.84

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40 East End Avenue Condominium

Analysis Date - January 1, 2019

Inflation: 2.33% Investment: 1.00% Contribution Factor: 10.00% Calc: Future

Item Parameters - Detail

Code	Location	Description	Condition	Replace Date	Quantity	Current Cost	Est Life	Adj Life	Rem Life	Future Cost
Duplex DW Booster Pumps 50 GPM EA @ 37,000.00										
910-000-0012	Cellar MER	DPB-1&2		01/01/2034	2.00	\$ 74,000.00	15:00	15:00	15:00	\$ 104,922.95
					2.00	\$ 74,000.00				\$ 104,922.95
Duplex Sump Pumps EA @ 5,314.00										
910-000-0013	Cellar-Sump Pit	SP-1		01/01/2039	1.00	\$ 5,314.00	20:00	20:00	20:00	\$ 8,464.60
					1.00	\$ 5,314.00				\$ 8,464.60
Elevator cab doors EA @ 4,000.00										
910-000-0071				01/01/2044	2.00	\$ 8,000.00	25:00	25:00	25:00	\$ 14,315.99
					2.00	\$ 8,000.00				\$ 14,315.99
Elevator cable upgrades-18 floors LS @ 18,000.00										
910-000-0070				01/01/2044	2.00	\$ 36,000.00	25:00	25:00	25:00	\$ 64,421.93
					2.00	\$ 36,000.00				\$ 64,421.93
Elevator Cabs EA @ 7,500.00										
910-000-0044				01/01/2034	2.00	\$ 15,000.00	15:00	15:00	15:00	\$ 21,268.16
					2.00	\$ 15,000.00				\$ 21,268.16
Elevator controller EA @ 10,000.00										
910-000-0068				01/01/2034	2.00	\$ 20,000.00	15:00	15:00	15:00	\$ 28,357.55
					2.00	\$ 20,000.00				\$ 28,357.55
Elevator Machinery upgrades LS @ 124,000.00										
910-000-0067				12/01/2048	2.00	\$ 248,000.00	30:00	30:00	29:11	\$ 497,607.31
					2.00	\$ 248,000.00				\$ 497,607.31
Elevator shaftway doors EA @ 3,000.00										
910-000-0066				01/01/2044	38.00	\$ 114,000.00	25:00	25:00	25:00	\$ 204,002.79
					38.00	\$ 114,000.00				\$ 204,002.79

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40 East End Avenue Condominium

Analysis Date - January 1, 2019

Inflation: 2.33% Investment: 1.00% Contribution Factor: 10.00% Calc: Future

Item Parameters - Detail

Code	Location	Description	Condition	Replace Date	Quantity	Current Cost	Est Life	Adj Life	Rem Life	Future Cost
Elevator Sump Pump EA @ 1,950.00										
910-000-0014	Elevator Pit	SP-2&3		01/01/2039	2.00	\$ 3,900.00	20:00	20:00	20:00	\$ 6,212.26
					2.00	\$ 3,900.00				\$ 6,212.26
Exterior Caulking and Sealants LS @ 50,000.00										
910-000-0047				01/01/2029	1.00	\$ 50,000.00	10:00	10:00	10:00	\$ 63,104.82
					1.00	\$ 50,000.00				\$ 63,104.82
Facade Repairs LS @ 120,000.00										
910-000-0048				01/01/2029	1.00	\$ 120,000.00	10:00	10:00	10:00	\$ 151,451.56
					1.00	\$ 120,000.00				\$ 151,451.56
Fire Alarm System Upgrades LS @ 50,000.00										
910-000-0062				01/01/2034	1.00	\$ 50,000.00	15:00	15:00	15:00	\$ 70,893.88
					1.00	\$ 50,000.00				\$ 70,893.88
Fire Pump 500 GPM EA @ 29,209.00										
910-000-0018	Cellar	FP-1		01/01/2041	1.00	\$ 29,209.00	22:00	22:00	22:00	\$ 48,743.89
					1.00	\$ 29,209.00				\$ 48,743.89
Fitness Room Upgrades LS @ 45,000.00										
910-000-0049				01/01/2029	1.00	\$ 45,000.00	10:00	10:00	10:00	\$ 56,794.33
					1.00	\$ 45,000.00				\$ 56,794.33
Gas-fired HW boiler-1100 MBH EA @ 20,000.00										
910-000-0010	Cellar MER	BR-1&2		01/01/2044	2.00	\$ 40,000.00	25:00	25:00	25:00	\$ 71,579.93
					2.00	\$ 40,000.00				\$ 71,579.93
Hot Water Re-Circulating Pump EA @ 2,000.00										
910-000-0015	Cellar-Boiler Rm	HWRP-1&2		01/01/2034	2.00	\$ 4,000.00	15:00	15:00	15:00	\$ 5,671.51
					2.00	\$ 4,000.00				\$ 5,671.51

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40 East End Avenue Condominium

Analysis Date - January 1, 2019

Inflation: 2.33% Investment: 1.00% Contribution Factor: 10.00% Calc: Future

Item Parameters - Detail

Code	Location	Description	Condition	Replace Date	Quantity	Current Cost	Est Life	Adj Life	Rem Life	Future Cost
Indirect Water Heater 119-gallon EA @ 6,500.00										
910-000-0011	Cellar-Boiler Rm	HWH-1&2		01/01/2034	2.00	\$ 13,000.00	15:00	15:00	15:00	\$ 18,432.41
					2.00	\$ 13,000.00				\$ 18,432.41
Inline Pumps - 50 GPM EA @ 2,200.00										
920-001-0017	Cellar-HWH 1&2	P-1&2		01/01/2039	2.00	\$ 4,400.00	20:00	20:00	20:00	\$ 7,008.70
920-002-0017	Cellar-Radiator Pu	P3		01/01/2039	1.00	2,200.00	20:00	20:00	20:00	3,504.35
					3.00	\$ 6,600.00				\$ 10,513.05
Intercom System EA @ 10,000.00										
910-000-0052				01/01/2034	1.00	\$ 10,000.00	15:00	15:00	15:00	\$ 14,178.78
					1.00	\$ 10,000.00				\$ 14,178.78
IRMA W/ Pavers SF @ 32.00										
910-000-0053				01/01/2039	3778.00	\$ 120,896.00	20:00	20:00	20:00	\$ 192,573.68
					3778.00	\$ 120,896.00				\$ 192,573.68
Jockey Pump EA @ 3,500.00										
910-000-0019	Cellar	JP-1		01/01/2034	1.00	\$ 3,500.00	15:00	15:00	15:00	\$ 4,962.57
					1.00	\$ 3,500.00				\$ 4,962.57
Library/Pantry Finishes & Furnishings LS @ 30,000.00										
910-000-0054				01/01/2034	1.00	\$ 30,000.00	15:00	15:00	15:00	\$ 42,536.33
					1.00	\$ 30,000.00				\$ 42,536.33
Lobby Furnishings & Finishes LS @ 85,000.00										
910-000-0041				01/01/2034	1.00	\$ 85,000.00	15:00	15:00	15:00	\$ 120,519.60
					1.00	\$ 85,000.00				\$ 120,519.60
Lounge Furnishings & Finishes LS @ 70,000.00										
910-000-0055				01/01/2034	1.00	\$ 70,000.00	15:00	15:00	15:00	\$ 99,251.43
					1.00	\$ 70,000.00				\$ 99,251.43

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40 East End Avenue Condominium

Analysis Date - January 1, 2019

Inflation:2.33% Investment:1.00% Contribution Factor:10.00% Calc:Future

Item Parameters - Detail

Code	Location	Description	Condition	Replace Date	Quantity	Current Cost	Est Life	Adj Life	Rem Life	Future Cost
Mailboxes EA @ 75.00										
910-000-0056				01/01/2039	29.00	\$ 2,175.00	20:00	20:00	20:00	\$ 3,464.53
					29.00	\$ 2,175.00				\$ 3,464.53
Paint Stairs Floor @ 750.00										
910-000-0058		Doubled		01/01/2029	40.00	\$ 30,000.00	10:00	10:00	10:00	\$ 37,862.89
					40.00	\$ 30,000.00				\$ 37,862.89
Plate Heat Exchanger EA @ 65,000.00										
910-000-0034	Cellar-Generator R	HX-1		01/01/2036	1.00	\$ 65,000.00	26:00	26:00	17:00	\$ 96,554.08
					1.00	\$ 65,000.00				\$ 96,554.08
Recreation Room Furnishings & Finishes LS @ 10,000.00										
910-000-0040				01/01/2029	1.00	\$ 10,000.00	10:00	10:00	10:00	\$ 12,620.96
					1.00	\$ 10,000.00				\$ 12,620.96
Seal and Paint Exterior SF @ 2.00										
910-000-0072				01/01/2029	5500.00	\$ 11,000.00	10:00	10:00	10:00	\$ 13,883.06
					5500.00	\$ 11,000.00				\$ 13,883.06
Security Camera System LS @ 20,000.00										
910-000-0059				01/01/2034	1.00	\$ 20,000.00	15:00	15:00	15:00	\$ 28,357.55
					1.00	\$ 20,000.00				\$ 28,357.55
Sewage Ejector Pump EA @ 2,600.00										
920-001-0016	Cellar Floor Drains	EP-1		01/01/2044	1.00	\$ 2,600.00	25:00	25:00	25:00	\$ 4,652.70
920-002-0016	Cellar-West Side	EP-2		01/01/2044	1.00	\$ 2,600.00	25:00	25:00	25:00	\$ 4,652.70
					2.00	\$ 5,200.00				\$ 9,305.40
Single Glass Entrance Doors LS @ 3,100.00										
910-000-0051				01/01/2044	5.00	\$ 15,500.00	25:00	25:00	25:00	\$ 27,737.22
					5.00	\$ 15,500.00				\$ 27,737.22

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40 East End Avenue Condominium

Analysis Date - January 1, 2019

Inflation: 2.33% Investment: 1.00% Contribution Factor: 10.00% Calc: Future

Item Parameters - Detail

Code	Location	Description	Condition	Replace Date	Quantity	Current Cost	Est Life	Adj Life	Rem Life	Future Cost
Storefront Windows		SF @ 105.00								
910-000-0075				01/01/2044	400.00	\$ 42,000.00	25:00	25:00	25:00	\$ 75,158.92
					400.00	\$ 42,000.00				\$ 75,158.92
Trash Compactor		EA @ 24,000.00								
910-000-0060				01/01/2041	1.00	\$ 24,000.00	22:00	22:00	22:00	\$ 40,051.13
					1.00	\$ 24,000.00				\$ 40,051.13
Windows		Unit @ 7,000.00								
910-000-0076				01/01/2044	29.00	\$ 203,000.00	25:00	25:00	25:00	\$ 363,268.13
					29.00	\$ 203,000.00				\$ 363,268.13
					11596.00	\$ 2,429,007.40				\$ 3,817,381.84

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40 East End Avenue Condominium

Analysis Date - January 1, 2019

Inflation: 2.33% Investment: 1.00% Contribution Factor: 10.00% Calc: Future

Expenditures - Items

Description	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
1 HP Utility Set Fan										
1 kw Electric Baseboard Heater										
1 Ton Air Handling Unit										
1 Ton Condensing Unit										
1-3 kw Electric Heater										
1/2 HP Utility Set Fan										
1/4 HP Utility Set Fan										
12 Ton Condenser Unit VRF										
14 Ton Condenser Unit VRF										
2 HP Utility Set Fan										
2 Ton Air Handling Unit										
2 Ton Condenser Unit										
2 Ton Fan Coil Unit VRF										
2.5 Ton Fan Coil										
3 Ton Fan Coil Unit VRF										
3/4 HP Axial Fan										
3/4 Ton Fan Coil Unit VRF										
30 Ton RTU with Gas Heating										
300-400 CFM Inline Fan										
4 Ton Fan Coil Unit VRF										
4.5 Ton Fan Coil Unit-VRF										
5 Ton RTU with Gas Heating										
6 Ton Fan Coil Unit VRF										
Back-up Gas Fired Generator 125 kW										
Common Lighting										
Common Rest Room Upgrade										
Corridor Remodel										
Double Glass Entrance Doors										
Driveway Pavers and Water Proofing										
Duplex DW Booster Pumps 50 GPM										
Duplex Sump Pumps										

40 East End Avenue Condominium

Analysis Date - January 1, 2019

Inflation: 2.33% Investment: 1.00% Contribution Factor: 10.00% Calc: Future

Expenditures - Items

Description	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Elevator cab doors										
Elevator cable upgrades-18 floors										
Elevator Cabs										
Elevator controller										
Elevator Machinery upgrades										
Elevator shaftway doors										
Elevator Sump Pump										
Exterior Caulking and Sealants										
Facade Repairs										
Fire Alarm System Upgrades										
Fire Pump 500 GPM										
Fitness Room Upgrades										
Gas-fired HW boiler-1100 MBH										
Hot Water Re-Circulating Pump										
Indirect Water Heater 119 gallon										
Inline Pumps - 50 GPM										
Intercom System										
IRMA W/ Pavers										
Jockey Pump										
Library/Pantry Finishes & Furnishings										
Lobby Furnishings & Finishes										
Lounge Furnishings & Finishes										
Mailboxes										
Paint Stairs										
Plate Heat Exchanger										
Recreation Room Furnishings & Finishes										
Seal and Paint Exterior										
Security Camera System										
Sewage Ejector Pump										
Single Glass Entrance Doors										
Storefront Windows										

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40 East End Avenue Condominium

Analysis Date - January 1, 2019

Inflation: 2.33% Investment: 1.00% Contribution Factor: 10.00% Calc: Future

Expenditures - Items

Description	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Trash Compactor										
Windows										

40 East End Avenue Condominium

Analysis Date - January 1, 2019

Inflation: 2.33% Investment: 1.00% Contribution Factor: 10.00% Calc: Future

Expenditures - Items

Description	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
1 HP Utility Set Fan										
1 kw Electric Baseboard Heater						4,445				
1 Ton Air Handling Unit										
1 Ton Condensing Unit						2,693				
1-3 kw Electric Heater						5,926				
1/2 HP Utility Set Fan										9,701
1/4 HP Utility Set Fan										
12 Ton Condenser Unit VRF						27,648				
14 Ton Condenser Unit VRF						28,570				
2 HP Utility Set Fan										
2 Ton Air Handling Unit										
2 Ton Condenser Unit						4,820				
2 Ton Fan Coil Unit VRF										
2.5 Ton Fan Coil										
3 Ton Fan Coil Unit VRF										
3/4 HP Axial Fan										
3/4 Ton Fan Coil Unit VRF										
30 Ton RTU with Gas Heating										
300-400 CFM Inline Fan										
4 Ton Fan Coil Unit VRF										
4.5 Ton Fan Coil Unit-VRF						6,734				
5 Ton RTU with Gas Heating						11				
6 Ton Fan Coil Unit VRF										
Back-up Gas Fired Generator 125 kW										
Common Lighting										
Common Rest Room Upgrade						6,380				
Corridor Remodel		516,727								
Double Glass Entrance Doors										
Driveway Pavers and Water Proofing										
Duplex DW Booster Pumps 50 GPM						104,922				
Duplex Sump Pumps										

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40 East End Avenue Condominium

Analysis Date - January 1, 2019

Inflation:2.33% Investment:1.00% Contribution Factor:10.00% Calc:Future

Expenditures - Items

Description	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Elevator cab doors										
Elevator cable upgrades-18 floors										
Elevator Cabs						21,268				
Elevator controller						28,357				
Elevator Machinery upgrades										
Elevator shaftway doors										
Elevator Sump Pump										
Exterior Caulking and Sealants	63,104									
Facade Repairs	151,451									
Fire Alarm System Upgrades						70,893				
Fire Pump 500 GPM										
Fitness Room Upgrades	56,794									
Gas-fired HW boiler-1100 MBH										
Hot Water Re-Circulating Pump						5,671				
Indirect Water Heater 119 gallon						18,432				
Inline Pumps - 50 GPM										
Intercom System						14,178				
IRMA W/ Pavers										
Jockey Pump						4,962				
Library/Pantry Finishes & Furnishings						42,536				
Lobby Furnishings & Finishes						120,519				
Lounge Furnishings & Finishes						99,251				
Mailboxes										
Paint Stairs	37,862									
Plate Heat Exchanger								96,554		
Recreation Room Furnishings & Finishes	12,620									
Seal and Paint Exterior	13,883									
Security Camera System						28,357				
Sewage Ejector Pump										
Single Glass Entrance Doors										
Storefront Windows										

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40 East End Avenue Condominium

Analysis Date - January 1, 2019

Inflation: 2.33% Investment: 1.00% Contribution Factor: 10.00% Calc: Future

Expenditures - Items

Description	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Trash Compactor										
Windows										
	335,717	516,727				646,585		96,554		9,701

40 East End Avenue Condominium

Analysis Date - January 1, 2019

Inflation:2.33% Investment:1.00% Contribution Factor:10.00% Calc:Future

Expenditures - Items

Description	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048
1 HP Utility Set Fan	6,849									
1 kw Electric Baseboard Heater										
1 Ton Air Handling Unit	1,592									
1 Ton Condensing Unit										
1-3 kw Electric Heater										
1/2 HP Utility Set Fan	4,965	10,163								
1/4 HP Utility Set Fan	3,791									
12 Ton Condenser Unit VRF										
14 Ton Condenser Unit VRF										
2 HP Utility Set Fan	22,937									
2 Ton Air Handling Unit	2,030									
2 Ton Condenser Unit										
2 Ton Fan Coil Unit VRF	4,937									
2.5 Ton Fan Coil	40,777									
3 Ton Fan Coil Unit VRF	5,734									
3/4 HP Axial Fan	5,734									
3/4 Ton Fan Coil Unit VRF	44,600									
30 Ton RTU with Gas Heating	41,845									
300-400 CFM Inline Fan	11,946									
4 Ton Fan Coil Unit VRF	7,167									
4.5 Ton Fan Coil Unit-VRF										
5 Ton RTU with Gas Heating										
6 Ton Fan Coil Unit VRF	7,327									
Back-up Gas Fired Generator 125 kW						214,739				
Common Lighting						42,947				
Common Rest Room Upgrade										
Corridor Remodel			667,518							
Double Glass Entrance Doors						22,189				
Driveway Pavers and Water Proofing										72,393
Duplex DW Booster Pumps 50 GPM										
Duplex Sump Pumps	8,464									

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40 East End Avenue Condominium

Analysis Date - January 1, 2019

Inflation: 2.33% Investment: 1.00% Contribution Factor: 10.00% Calc: Future

Expenditures - Items

Description	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048
Elevator cab doors						14,315				
Elevator cable upgrades-18 floors						64,421				
Elevator Cabs										
Elevator controller										
Elevator Machinery upgrades										497,607
Elevator shaftway doors						204,002				
Elevator Sump Pump	6,212									
Exterior Caulking and Sealants	79,644									
Facade Repairs	191,146									
Fire Alarm System Upgrades										
Fire Pump 500 GPM			48,743							
Fitness Room Upgrades	71,679									
Gas-fired HW boiler-1100 MBH						71,579				
Hot Water Re-Circulating Pump										
Indirect Water Heater 119 gallon										
Inline Pumps - 50 GPM	10,513									
Intercom System										
IRMA W/ Pavers	192,573									
Jockey Pump										
Library/Pantry Finishes & Furnishings										
Lobby Furnishings & Finishes										
Lounge Furnishings & Finishes										
Mailboxes	3,464									
Paint Stairs	47,786									
Plate Heat Exchanger										
Recreation Room Furnishings & Finishes	15,928									
Seal and Paint Exterior	17,521									
Security Camera System										
Sewage Ejector Pump						9,305				
Single Glass Entrance Doors						27,737				
Storefront Windows						75,158				

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40 East End Avenue Condominium

Analysis Date - January 1, 2019

Inflation:2.33% Investment:1.00% Contribution Factor:10.00% Calc:Future

Expenditures - Items

Description	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048
Trash Compactor			40,051							
Windows						363,268				
	857,175	10,163	756,313			1,109,667				570,001

40 East End Avenue Condominium**Analysis Date - January 1, 2019**

Inflation: 2.33% Investment: 1.00% Contribution Factor: 10.00% Calc: Future

Cash Flow - Annual

Period	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
01/19 - 12/19	\$ 0.00	\$ 42,371.64	\$ 212.47	\$ 0.00	\$ 42,584.11
01/20 - 12/20	42,584.11	46,608.84	661.52	0.00	89,854.47
01/21 - 12/21	89,854.47	51,269.76	1,159.77	0.00	142,284.00
01/22 - 12/22	142,284.00	56,396.76	1,712.22	0.00	200,392.98
01/23 - 12/23	200,392.98	62,036.40	2,324.24	0.00	264,753.62
01/24 - 12/24	264,753.62	68,240.04	3,001.91	0.00	335,995.57
01/25 - 12/25	335,995.57	75,064.08	3,751.81	0.00	414,811.46
01/26 - 12/26	414,811.46	82,570.44	4,581.24	0.00	501,963.14
01/27 - 12/27	501,963.14	90,827.52	5,498.17	0.00	598,288.83
01/28 - 12/28	598,288.83	99,910.32	6,511.40	0.00	704,710.55
	\$ 0.00	\$ 675,295.80	\$ 29,414.75	\$ 0.00	\$ 704,710.55

Period	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
01/29 - 12/29	704,710.55	109,901.40	4,399.18	335,717.62	483,293.51
01/30 - 12/30	483,293.51	120,891.60	509.63	516,727.70	87,967.04
01/31 - 12/31	87,967.04	132,980.76	1,550.57	0.00	222,498.37
01/32 - 12/32	222,498.37	146,278.80	2,968.75	0.00	371,745.92
01/33 - 12/33	371,745.92	160,906.68	4,541.44	0.00	537,194.04
01/34 - 12/34	537,194.04	176,997.36	6,113.33	646,585.36	67,919.37
01/35 - 12/35	67,919.37	194,697.12	1,658.64	0.00	264,275.13
01/36 - 12/36	264,275.13	214,166.88	2,799.49	96,554.08	384,687.42
01/37 - 12/37	384,687.42	235,583.52	5,045.92	0.00	625,316.86
01/38 - 12/38	625,316.86	259,141.92	7,488.03	9,701.58	882,245.23
	\$ 704,710.55	\$ 1,751,546.04	\$ 31,274.98	\$ 1,605,286.34	\$ 882,245.23

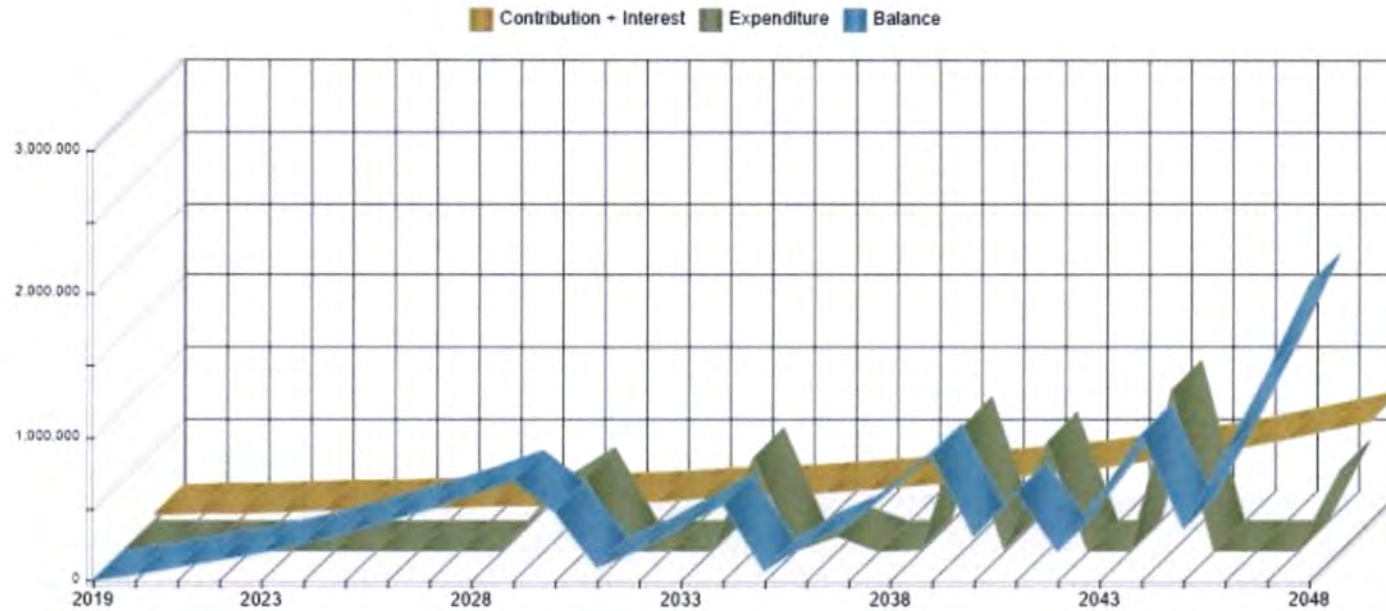
Period	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
01/39 - 12/39	882,245.23	285,056.16	2,041.76	857,175.56	312,167.59
01/40 - 12/40	312,167.59	313,561.80	4,610.60	10,163.92	620,176.07
01/41 - 12/41	620,176.07	344,918.04	846.98	756,313.81	209,627.28
01/42 - 12/42	209,627.28	379,409.88	4,008.51	0.00	593,045.67
01/43 - 12/43	593,045.67	417,350.88	8,050.59	0.00	1,018,447.14
01/44 - 12/44	1,018,447.14	459,085.92	1,880.48	1,109,667.83	369,745.71
01/45 - 12/45	369,745.71	504,994.56	6,246.84	0.00	880,987.11
01/46 - 12/46	880,987.11	555,494.04	11,635.99	0.00	1,448,117.14
01/47 - 12/47	1,448,117.14	611,043.48	17,611.91	0.00	2,076,772.53
01/48 - 12/48	2,076,772.53	672,147.84	23,996.30	570,001.15	2,202,915.52
	\$ 882,245.23	\$ 4,543,062.60	\$ 80,929.96	\$ 3,303,322.27	\$ 2,202,915.52

40 East End Avenue Condominium

Analysis Date - January 1, 2019

Inflation: 2.33% Investment: 1.00% Contribution Factor: 10.00% Calc: Future

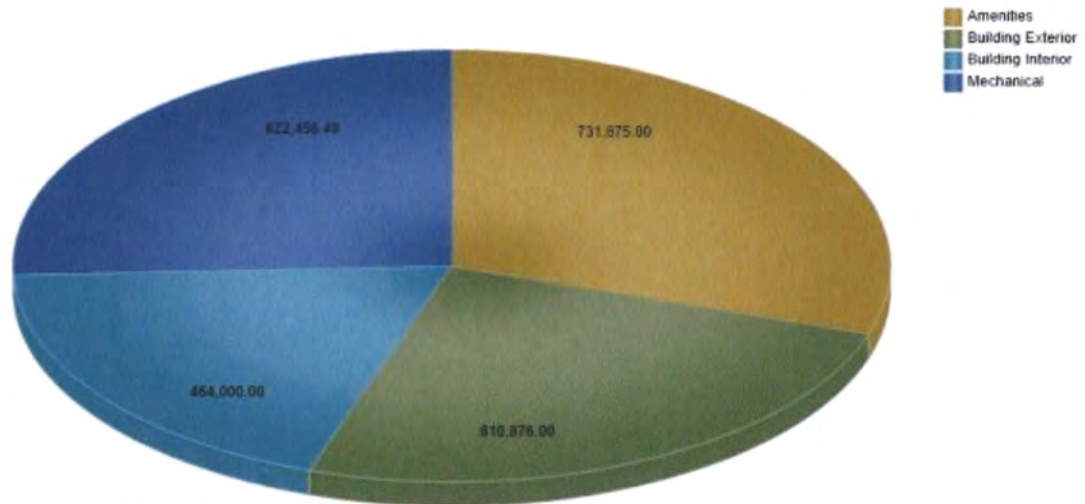
Cash Flow - Chart



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40 East End Avenue Condominium**Analysis Date - January 1, 2019**

Inflation: 2.33% Investment: 1.00% Contribution Factor: 10.00% Calc: Future

Item Parameter - Category - Chart



STRATEGIC INSPECTIONS, LLC

Appendix B: PROFESSIONAL QUALIFICATIONS



STRATEGIC INSPECTIONS, LLC

DAVID A. PERTUIT, JR., P.E.
CIVIL/STRUCTURAL ENGINEER

SUMMARY Professional engineer with over fifteen years of engineering and management experience in the design and analysis for a large array of private engineering projects, specifications preparation, structural computer analysis, cost estimates, bid preparation and evaluation, supervision, consulting and forensic engineering.

EDUCATION B.S.C.E., Washington University in St. Louis, 1998

REGISTRATION Registered Professional Engineer in Louisiana – Civil Engineering
Registration No. 30989
Registered Professional Engineer in Mississippi
Registration No. 19674
Registered Professional Engineer in New York
Registration No. 088530
Registered Professional Engineer in Texas
Registration No. 114099

PROFESSIONAL EXPERIENCE

Strategic Inspections, LLC
Director of Technical Operations

03/2010 – Present

- Conduct quality control reviews of all reserve studies, property condition assessments, and transition studies.
- Conduct reserve studies, property condition assessments, and transition studies.
- Manage all internal and subcontract staff.
- Create scopes of services, proposals, and project bids.
- Deliver final product to client as well as follow up with quality control calls.
- Consult on conference calls and meetings regarding the current reserve status of developments.
- Active participant / speaker in industry associations.
- Conducted reserve study presentations for national lending institutions.
- Created internal reserve study guidelines and quality control systems.
- Performed more than one hundred reserve studies on high profile developments for FHA and Fannie Mae reviews.
- Conducted quality control and reviews for all reserve study funding plans.
- Assisted with the development process and database for a proprietary system that provides clients reserve study predeterminations.

Audubon Engineering, Metairie, LA
Senior Structural Engineer

11/2008 – 10/2010

- Managed and designed the installation of multiple modules and deck extensions.
- Designed various appurtenances for multiple offshore platforms in the Gulf of Mexico.
- Designed various steel structures and reinforced concrete foundations for chemical and petrochemical plants.

Quick & Associates, Inc., Mandeville, LA
Engineering Manager

2/2004– 11/2008

- Managed multi-discipline engineering and architect staff. Performed performance reviews, approved expenses and time, reviewed and edited reports prepared by technical staff, and mentored and oversaw performance of technical staff.



STRATEGIC INSPECTIONS, LLC

- Performed forensic engineering, failure analysis consulting and remedial design preparation associated with structures and foundations. Special expertise in construction induced vibration damage analysis, concrete failure analysis, construction method and contract performance disputes, storm damage, building code compliance and damage analysis resulting from natural disasters such as hurricanes, tornados, hail storms and earthquakes.
- Managed multi-discipline forensic investigations, including boiler explosions, fire cause and origins, and mechanical equipment failures.
- Evaluated and analyzed over one thousand property damage claims, including catastrophe claims associated with hurricanes, tornados, and hail.

I. Ray McDermott Engineering - New Orleans, LAStructural Engineer

11/2001 - 2/2004

- Designed winch support structure, turning sheave support structure, and other miscellaneous Structures for replacing four (4) 1050'-0" mooring chain for ChevronTexaco's Genesis Spar located in 2592' of water.
- Project/Field Engineer for mooring chain replacement for ChevronTexaco's Genesis Spar. Wrote chain replacement procedures and supervised the chain replacement offshore. Worked closely with rigging and welding crews to ensure chain replacement was performed as per written procedures and industry standards.
- Project/Field Engineer for installation of 4-Leg, 8 Skirt pile, 15 Well Drilling Platform and launched jacket located in 665'-0" of water. Created installation manual and reviewed all structural and installation designs.
- Assisted in the design engineering for the TotalFinaElf Carina/Aries platforms. Responsible for the helidecks design, blast walls design, Vent booms design, crane fatigue analysis, and miscellaneous connection details.

Albert-Garaudy and Associates, Inc., Metairie, LACivil/Structural Engineer

6/1998 - 11/ 2001

- Designed various appurtenances such as pipe and cable tray racks, stair landings, and various equipment supports and performed load out analysis on deck and jacket for a 3,600-ton six-legged deck for Mobil Chinook project.
- Designed four piled jacket in 58 feet of water for in place, lift, fatigue and transportation conditions and a 144-ft bridge connecting two offshore platforms for Exxon in Galveston Block 209. Supervised installation during GA-209C offshore construction.
- Project Manager and lead Structural Engineer of a multi-discipline Brine Degasifier project for OxyChem Corporation.
- Designed various steel structures and reinforced concrete pile foundations, spread footings, and building foundations for chemical and petrochemical plants.
- Developed cost estimates and proposals and coordinated drafting for projects in the structural department

Manhattan/Gibbs Construction Joint Venture, New Orleans, LAField Engineer

5/1997 - 8/1997

- Assisted in the construction and setting of concrete forms for grade beams and columns for the New Orleans Sports Arena.
- Coordinated with carpenters for laying out grade beams, footings and columns for The Arena.
- Utilized an engineer's level, transit and total station to layout and place grades in grade beams, columns, footings and piles.



Christopher Bevis, E.P.

Project Manager

Education

- *University of South Dakota, 2002 – B.S. Earth Science with minors in Chemistry and Physics*
- *Dakota County Technical, 2007 – A.S. Architectural Technology with emphasis in 3D modeling and Documentation Set Preparation*

Work Experience

Coastal Ecology Group, LLC - Director of Technical Services - October 2010-Present

- Develop and implement Property Condition Assessment training
- Perform on site investigations for ASTM standard ESA and PCA studies as well as Reserve Studies
- Cooperate with regulatory agencies in over 30 states to ensure environmental compliance
- Manage multiple simultaneous projects on truncated schedules from a mobile work environment
- Research historic regulatory compliance to gauge previous environmental liability

Station 19 Architects - Architectural Drafter - September 2006 - October 2009

- Completed both Design Development & Construction Document drawing sets for 50+ buildings.
- Coordinated with other project contractors on structural, mechanical, electrical and civil documentation
- Used mass modeling for initial Schematic Design concept and display delivery
- Used BIM (Building Information Model) to create live wall & building sections, plan details, and 3D Representations

ProTec Environmental Consultants - Senior Phase I Project Manager - June 2004 - September 2006

- Wrote and edited MPCA ASTM Standard Phase I Environmental Assessment reports
- Historical research and phone correspondence with regulatory agency officials
- Performed site visit investigations
- Supervised and performed soil classification and analytical sampling for Phase II limited subsurface Investigations

Consultech Environmental, Inc. - Staff Geologist - November 2002 - April 2004

- Wrote and edited South Carolina DHEC (Department of Health and Environmental Concerns) Tier II and quarterly reports
- Coordinated the collection of access agreements from owners of property surrounding contaminated sites
- Performed soil classification and analytical water sampling

Industry Tenure

- ENV: 2002
- ENG: 2006
- CEG: 2010

Related Experience

- Building architectural documents sets for large scale commercial construction

Industry Experience

- Office
- Industrial
- Warehouse
- Housing/Multi-family
- Hospitality
- Retail/Wholesale
- Mobile Home
- Assisted Living and Senior Care
- Medical

Special Skills & Training

- Property Condition Assessment Training and Development Coordinator
- Phase I Environmental Site Assessment Training
- HUD Training
- EDR Training
- Parcel Training
- Google Application Proficiency
- Numerous online report formatting and process training

Regional Location

- Minneapolis, MN

WORKING CAPITAL FUND

At the time of the first closing of title to each Unit to a bona fide Purchaser, such Purchaser shall pay a sum equal to two (2) months Common Charges for the Unit being purchased, to the Board of Managers for its working capital (the "Working Capital Fund"). This fund is to be used for payment by the Board of Managers of any net closing adjustment expenses owed to Sponsor at the First Unit Closing. The amount of the net closing adjustment owed to Sponsor will be paid to Sponsor by the Board of Managers, without interest, by applying the two (2) months Common Charges paid by each Purchaser at the closing of title to each Unit to the terms of a non-interest bearing note due on the first anniversary of the First Unit Closing to be signed by the Board of Managers at the First Unit Closing. Sponsor is hereby authorized to endorse the two (2) months Common Charge checks payable to the Board of Managers over to Sponsor and to apply such payments without any further action of the Board of Managers until the promissory note is paid in full. If the promissory note is not fully paid by the due date from such payments, the Board of Managers will pay the note in full from its general funds. The Board of Managers will be entitled to prepay the note, in full only, at any time and without penalty. Sponsor will waive any net adjustments in its favor which would reduce the Working Capital Fund below zero after making provision for the amount of monies that would be generated by the payment of the two (2) months Common Charges for each Residential Unit in the Building. If the result of the closing adjustments is a net credit in favor of the Condominium, or if any amounts remain after the promissory note has been fully paid, such amounts in the Working Capital Fund may be held or used at any time for working capital, to make repairs or for such other appropriate purposes permitted under the Declaration and the By-Laws as will be determined by the Board of Managers in its sole discretion. For such period as Sponsor retains control of the Board of Managers, the Working Capital Fund shall not be used to reduce estimated Common Charges.

No provision has been made for any other working capital fund other than as set forth above.

NEITHER THE DEPARTMENT OF LAW NOR ANY OTHER GOVERNMENTAL AGENCY HAS PASSED UPON THE ADEQUACY OF THE WORKING CAPITAL FUND.

RESERVE FUND

Other than the Major Capital Improvement Replacement Reserve Fund as set forth in "Schedule B, Projected Budget for First Year of Condominium Operation Commencing January 1, 2019," no provision has been made for any Reserve Fund. As more fully set forth in Note 12 in the Notes to Schedule B included in Part I hereof, Sponsor anticipates, but provides no assurance or guarantee, that the Major Capital Improvement Replacement Reserve Fund will be sufficient to pay for the replacement of capital items needed, if any, within the first five (5) years of Condominium operation. If additional funds are required for capital expenditures such as renewal or replacement of building components or systems or to remedy major building defects, it may be necessary to increase Common Charges or make Assessments on Unit Owners. For such period as Sponsor retains control of the Board of Managers, the Major Capital Improvement Reserve Fund shall not be used to reduce estimated Common Charges.

NEITHER THE DEPARTMENT OF LAW NOR ANY OTHER GOVERNMENTAL AGENCY HAS PASSED UPON THE ADEQUACY OF THE RESERVE FUND.

MANAGEMENT AGREEMENT AND OTHER CONTRACTUAL ARRANGEMENTS

Management Agreement

At or prior to the First Unit Closing, the Condominium Board (the "Board") will enter into a management agreement with Douglas Elliman Property Management (the "Managing Agent" or "Agent"), having an office at 675 Third Avenue, New York, New York 10017. The Managing Agent is not affiliated with the Sponsor.

The management agreement (the "Management Agreement") will commence as of the date of the First Unit Closing and as its initial term shall continue in force for three (3) years. The Management Agreement shall be subject to the right of the Board of Managers to cancel at any time with or without cause upon at least thirty (30) days' notice in advance of the intended date of termination. After the initial term of the Management Agreement has expired, if not sooner terminated, the Management Agreement will be deemed automatically renewed for intervals of sixty (60) days until canceled by either party on sixty (60) days' prior notice. The Management Agreement shall not be assignable by the Board or the Managing Agent, except that the Managing Agent shall have the right to assign the Management Agreement without the consent of the Board of Managers as required to secure or collateralize any financing it may obtain, or to any affiliate or to a corporation that acquires all the issued and outstanding shares of the Managing Agent, provided, however, that such assignee agrees to assume and perform all of the obligations of the Managing Agent pursuant to the Management Agreement upon the assignment and assumption thereof.

The Managing Agent will receive a stated annual fee of \$40,000.00 for the first year of the initial term of the Management Agreement, \$45,000.00 for the second year, and \$50,000.00 for the third year, payable in twelve (12) equal monthly installments each year. Such fee will be paid by the Board and will be charged to all Unit Owners as a Common Expense. Subsequent to the third year, the annual fee shall be increased by an amount equal to the management fee for the preceding twelve (12) month period multiplied by a percentage equal to the percentage increase during the immediately preceding calendar year in the Consumer Price Index, Urban Wage Earners, New York/Northeastern New York, as published by the Bureau of Labor Statistics, U.S. Department of Law. However, the percentage shall be no less than two percent (2%) and no more than five percent (5%). Other fees which are due to the Managing Agent depend upon the services rendered. Additionally, the Board of Managers shall reimburse the Managing Agent for the out-of-pocket costs incurred by the Managing Agent in the performance of its duties, including the costs of any credit reports it is required to order, messenger, and/or duplicating costs, and for the following fees set forth below, as may be applicable:

- Payroll Fees: \$20.00/Employee/Month
- Real Estate Tax Rebate Program: \$14.00/Unit/Year
- Window Guard: \$6.50/Unit/Year

- Lead-Based Paint Compliance
 - (if applicable) \$6.50/Unit/Year
- Fire Safety Compliance \$5.50/Unit/Year
- Regulatory Compliance
 - (if applicable): \$5.00-\$7.00/Unit/Year
- Photocopying \$0.12/Page (Single-Sided)
- Postage At Cost
- Long-Distance Calls At Cost
- Online Management Program Free to Clients
- Online Common Charge Payments \$50.00/Month
- Site Compliance Payable Directly to Vendor
- Aurora Energy Advisors Payable Directly to Vendor

Pursuant to the proposed Management Agreement, the duties and services to be rendered by the Managing Agent include, among others:

- (a) Cause to be hired, paid and supervised, all building service employees necessary to be employed with properly maintaining and operating the Property, provided that, in all cases, such persons employed at the Property shall be the employees of the Condominium and not of the Agent, and any and all decisions as to hiring, firing, disciplinary actions and terms and conditions of employment shall be made by the Board of Managers and implemented by the Agent. The Agent shall use reasonable efforts to cause qualified laborers, contractors, employees and personnel to be hired.
- (b) Through the use of the Condominium's building service employees and/or independent contractors retained on behalf of the Board of Managers, cause the Common Elements to be maintained in good condition, in keeping with a first class luxury residential Condominium, including interior and exterior cleaning, and routine repairs and incidental alterations as may be required or appropriate in the course of ordinary maintenance such as electrical, plumbing, steamfitting, carpentry, masonry and elevator repairs and decorating, subject only to the limitations contained in the Management Agreement. Agent shall provide Board of Managers with advice about the operation of the mechanical equipment in the Property. Ordinary repairs or alterations involving an expenditure in excess of one thousand dollars (\$1,000.00) for any one item shall be made only with the prior approval of the Board of Managers, but emergency repairs immediately necessary for the preservation or safety of the Property or for the safety of Unit Owners, tenants, or other persons, or required to avoid the suspension of any necessary service in the Property, may be made by the Agent, irrespective of the cost thereof, without the prior approval of the Board of Managers. Agent shall make reasonable efforts to notify the Board of Managers prior to making any such emergency

repair, and shall in all events notify the Board of Managers promptly after making any such emergency repair.

- (c) Promptly file an amended building registration statement with the New York City Department of Rent and Housing Maintenance, designating one of the officers or responsible employees of the Agent as the "Managing Agent" of the of the premises, in accordance with the Multiple Dwelling Law and Housing Maintenance Code.
- (d) Recommend, and with the approval of the Board of Managers, take such action as shall be necessary or desirable to comply with any and all orders or violations affecting the Common Elements placed thereon by any federal, state, county or municipal authority having jurisdiction thereover, and orders of the New York Board of Fire Underwriters, the New York Fire Insurance Exchange or other similar body, subject to the same limitation on the amount of the expenditure contained in Paragraph (b) of this Section in connection with the making of repairs and alterations, except that if the failure to promptly comply with any such order or violation would or might, in the Agent's reasonable judgment, expose the Board of Managers or the Agent or its affiliates, or their respective officers, directors, employees, agents or representatives, to civil or criminal liability, and the Board of Managers is not contesting such order or violation in good faith, the Agent may cause such order or violation to be complied with, without the prior approval of the Board of Managers. Agent shall make reasonable efforts to notify the Board of Managers prior to taking action to comply, and shall notify the Board of Managers promptly after taking such action. Agent shall promptly notify Board of Managers in writing of any orders or violations affecting the Condominium or the Common Elements of which Agent has actual notice.
- (e) Seek bids and enter into contracts in the name of and at the sole expense of Board of Managers as Agent may deem appropriate for electricity, gas, steam, air-conditioning, water treatment, elevator, telephone, window cleaning, rubbish removal, fuel oil, detective agency protection, vermin extermination and other services or such of them as shall be advisable, but any such contract having a term longer than one (1) year or requiring annual payments in excess of one thousand dollars (\$1,000.00) must be authorized in advance by the Board of Managers. Wherever possible, three (3) bids shall be secured. All bids shall be stored by Agent for two (2) years. If the lowest bidder is not selected or less than three (3) bids are solicited, a justification must be documented and approved by the Board of Managers.
- (f) All vendors/contractors performing work on-site or delivering to the site must have and complete a certificate of insurance and file with the Agent. The certificate should include general liability, workers' compensation, and auto liability coverage as well as additional insured language naming the Board of Managers and Agent as additional insureds on a primary and noncontributory basis. Furthermore, all such liability and workers compensation insurance shall contain waivers of subrogation in favor of the Board of Managers and Agent.

- (g) Purchase on behalf of the Board of Managers all supplies which shall be necessary to properly maintain and operate the Property, and cause such suppliers to credit to Board of Managers any discounts or commissions obtained for the purchases or otherwise.
- (h) Advise the Board of Managers with respect to proper insurance coverage of the Condominium; upon request by the Board of Managers, obtain quotations for such insurance and cause to be effected and/or maintained (if obtainable) in such amounts and through such carriers as the Board of Managers shall designate or approve, "all risk" property insurance covering the Property, its contents and loss of rents; boiler insurance; general and umbrella liability; directors' and officers' liability; crime; workers' compensation; New York disability; and any other insurance the Board of Managers may elect to carry; and to cooperate with any independent insurance broker or consultant that the Board of Managers may designate or approve and engage for the purpose of effecting insurance and protecting its interests with respect thereto. The Agent shall be responsible to monitor and notify the Board of Managers of any expiring insurance policies and gather comparable quotes to replace the expiring insurance policies for the approval of the Board of Managers. Board of Managers shall have the right, at any time during the term of the Agreement upon prior written notice to Agent, to assume responsibility for placing all or a portion of the insurance coverage Board of Managers requires for the Property. All insurance will be maintained in compliance with New York State law and any lender requirements.
- (i) Review all bills received for services, work and supplies ordered in connection with maintaining and operating the Property; pay or cause to be paid all such bills and also pay or cause to be paid payroll, water charges, recurring utility bills, including, but not limited to electric, gas, steam and fuel oil, sewer rents, as and when the same shall become due and payable or at the Board of Managers' direction. All such payments will be made from the account of the Board of Managers. Any late charges due to late payments shall be borne by Agent.
- (j) Unless otherwise instructed by Board of Managers, accept and review applications, obtain references from all prospective Unit Owners, tenants and subtenants, obtain credit reports, if deemed advisable, relating to and at the expense of prospective Unit Owners, tenants and subtenants of space proposed to be sold, leased or subleased by the Board of Managers or Unit Owners. Establish a sales and lease package to be delivered to the Board of Managers; and tenants of space being leased or subleased by a Unit Owner or the Board of Managers; obtain from Unit Owners such record searches and other information as the Board of Managers may require, and submit same to the Board of Managers. Agent will submit to the Board of Managers such application within two (2) business days after submission of completed application. For such services described in this paragraph, Agent shall charge to the applicable Unit Owner the fee(s) set forth below, as may be applicable:

- Sale or Lease of Unit: \$700.00

- Renewal of Lease (same tenant): \$0.00
- Transfer of Title: \$300.00
- Lead-Based Paint Disclosure Fee
(if applicable): \$75.00

- (k) Schedule and supervise the moving in and out of Unit Owners, tenants and subtenants, collect moving fees and, as far as possible, arrange the dates thereof so that there shall be a minimum of disturbance to the operation of the Property and of inconvenience to other Unit Owners, tenants or subtenants. Procedures must be in place to document the condition of the Unit at both move-in and move-out, and this documentation will be done by the Agent.
- (l) Bill or cause to be billed within five (5) days of the end of the month, Unit Owners and the Board of Managers' tenants and licensees for Common Charges, rents and other charges and use commercially reasonable efforts to collect such Common Charges, rents and other charges and deposit same in the Board of Managers' bank account. Agent shall deposit initial capital/reserve contributions and Common Charge checks within ten (10) days of receipt. Agent shall work with Board of Managers on establishing collection policy and act in compliance with collection policy. When and if directed by the Board of Managers, and on its behalf and at its cost and expense, engage an attorney (i) to serve notices upon Unit Owners, tenants or licensees to quit and surrender space occupied by them; (ii) to sue for Common Charges, rents and other charges which may at any time be or become due, as aforesaid, from any Unit Owner, tenant or licensee in respect of space in the Property; and (iii) to institute other appropriate proceedings to recover possession of such space.
- (m) Consider and, when reasonable, attend to the complaints of Unit Owners and tenants and keep complaint log. If the Agent shall deem any such complaint unreasonable or if Agent cannot resolve the complaint, it shall advise the Board of Managers of the complaint and the reason for its opinion that the complaint is unreasonable or the reason the complaint cannot be resolved.
- (n) Cause to be prepared and filed all necessary forms for unemployment insurance, withholding and social security taxes and all other tax and other forms relating to the employment of the Condominium's building service employees and maintenance and operation of the Property required by any federal, state or municipal authority.
- (o) Render or cause to be rendered to the Board of Managers, not later than the 20th business day of each month, monthly statements (supported by bills to the treasurer) for the preceding month. Upon request, Agent shall provide Board of Managers with access to its online computer system by providing telephone access for the Board of Managers through Condominium's modem and equipment which access will allow Board of Managers to obtain information about the Property's operation. Agent shall complete the bank reconciliations on a monthly basis for all accounts maintained by the agent.

Outstanding items should be researched and resolved in ninety (90) days. The Board of Managers should be notified of any outstanding items if not resolved within thirty (30) days.

- (p) Set up and maintain separate and accurate books of account, checkbooks, payroll and other corporate books and records of the Condominium, and maintain orderly files of all correspondence, insurance policies, minute books, leases and subleases, and all other documents and papers pertaining to the Property or the operation thereof (collectively called "documents"), and the documents shall be, and shall at all times remain, the property of the Board of Managers, and the Agent shall, upon request of the Board of Managers, make the documents available to the Board of Managers, the Condominium's officers, accountants, attorneys or other representatives and shall deliver up the documents to the Board of Managers or its aforesaid agents on written demand from the Board of Managers. In furtherance of the provisions of this paragraph, the Board of Managers shall furnish Agent with duplicates of any books and records, including bank statements, as may be maintained by Board of Managers. Any documents not required for the current operation of the Property shall be delivered to the Board of Managers, or stored at Board of Managers' cost and expense.
- (q) Cooperate with the Condominium's independent certified public accountants in the preparation of the annual audit of the books and of federal, state, city and any other income and other tax returns of Board of Managers required by any governmental authority. Upon receipt from the Condominium's accountant, Agent shall send to each Unit Owner a copy of the annual report.
- (r) Prepare and submit annually to the Board of Managers, an operating budget setting forth the anticipated income and expenses for the Condominium for the ensuing year, a comparison of said budget to the income and expenses of the preceding and current years, and any reasonably required explanations with respect thereto. Submission shall be sent to the Board of Managers at least ninety (90) days prior to the new budget period.
- (s) When requested, send notices to the members of the Board of Managers and Unit Owners regarding, prepare agendas for, and cause a representative of its organization to attend, meetings of the Unit Owners and meetings of the Board of Managers and, if requested by said Board of Managers, have its representative act as secretary, and record and keep minutes of such meetings. Whenever attendance by representatives of Agent is desired at any such meetings, it is understood that reasonable effort will be made by Board of Managers to schedule these meetings at Agent's site office at a reasonable hour taking into consideration the circumstances.
- (t) Prepare and send out to all Unit Owners all letters, notices, and reports that the Board of Managers may reasonably request.
- (u) When the books of tentatively assessed valuations of the City of New York are opened for public inspection in each year, ascertain the assessment of the land on which the

Condominium is located and the assessment of the building and report such assessments to the Board of Managers. If the Board of Managers considers the tentative assessed valuation of the Units of the Condominium by the local tax jurisdiction excessive, cooperate with the Condominium's attorneys (engaged at the Board of Managers' cost and expense) in the preparation of an application for correction of the assessed valuation to be filed with the Tax Commission of the City of New York, and if the Board of Managers shall not have any regular attorney, upon request of the Board of Managers, and on its behalf and at its cost and expense, retain special counsel reasonably acceptable to Board of Managers to prepare such application (with Agent's cooperation) and to institute tax certiorari proceedings.

- (v) Process applications by Unit Owners for permission from the Board of Managers to alter their Units; forward such applications to the Board of Managers or at the Board of Managers' direction, to the Condominium's architect or engineer; subject to the Board of Managers' consent, retain on behalf of Board of Managers an architect or engineer to review plans and specifications; coordinate with the Condominium's superintendent and with the Unit Owners undertaking the alteration, for the use of the Property's services and equipment, if necessary. The Agent shall, subject to Board of Managers' consent, retain the Condominium's architect or engineer to be responsible for supervising the actual alterations by tenants and for verifying that the alterations are performed in accordance with the proposed plans submitted to the Board of Managers and in accordance with applicable New York City fire, health, building and other similar laws and codes relating to construction or alterations. For such services, a fee of \$500.00 will be charged to the Unit Owner upon submission of the application for the alteration agreement to the Agent.
- (w) The Agent agrees to collect, deposit and disburse security deposits in accordance with the terms of each lease or security agreement. To the extent any such security deposits earn interest, the Agent shall arrange for such interest to be paid to tenants but, as is permitted by law, the Agent may retain for itself such portion of the interest earned comprising the fee to the Agent in compensation for administering these funds. The Agent shall comply, with all applicable state or local laws concerning the responsibility for security deposits and interest, if any. Security deposits withheld must have proper supporting documentation. This documentation must be provided to the tenant.
- (x) Generally, do all things reasonably deemed necessary or desirable by the Board of Managers for the proper management of the operations of the Condominium and Common Elements.
- (y) Oversee and administer labor contract for building staff, if applicable.
- (z) Oversee and administer all bases for commercial or retail tenants/and other outside operating agreements, if applicable.

The annual certified financial statement with respect to the Condominium will not be prepared by the Managing Agent. Such statement will be prepared by an independent certified public accountant engaged by the Board of Managers whose fees are to be paid by the Board and charged to the Unit Owners as a Common Expense.

All expenses incurred by the Managing Agent in performance of its duties will be reimbursed by the Board and charged to the Unit Owners as a Common Expense. In addition, the Board will indemnify the Managing Agent against any claims or liabilities in connection with acts properly performed by it pursuant to the instructions of the Board or for personal injury or property damage not resulting from the Managing Agent's negligence or failure to comply with its obligations under the Management Agreement.

Until the first meeting of the Board of Managers elected by the Unit Owners, the Board will maintain general liability insurance in a limit of at least \$25,000,000.00 per occurrence and in the aggregate. Limits will be provided by using a combination of primary and excess policies. Additionally, if the Condominium has employees, the Board shall maintain workers' compensation insurance, employers' liability insurance, and disability benefits insurance. Finally, the Board shall carry, with respect to each member of the Board of Managers, officers of the Condominium, the Managing Agent and managers who may be responsible for handling funds of the Condominium, a fidelity bond or commercial crime policy in sufficient amounts, to fully protect the interest of the Condominium.

Other Contractual Agreements

It is anticipated that subsequent to the First Unit Closing, the Condominium will retain one (1) full-time non-resident superintendent, one (1) full-time handyman/porter and a number of doormen sufficient to provide twenty-four (24) hour per day doorman concierge service. Projected wages and other benefits are set forth in Schedule B in Part I of the Plan.

Sponsor has reserved the right, prior to the First Unit Closing, to modify, renew and replace any existing agreements and to enter into new agreements that will be binding on the Condominium Board, provided that there will be no material increase in the estimated Common Charges as set forth in Schedule B. Should such a modification, renewal, replacement, or new contract materially affect the projections in Schedule B, Sponsor shall amend the Offering Plan to disclose the same.

The current service contracts which are anticipated to be effective at the date of the First Unit Closing or service contract projections pertaining to the Building are set forth in Schedule B in Part I of the Plan.

IDENTITY OF PARTIES

Sponsor

The Sponsor of the Offering Plan is 40 East End Ave. Associates LLC, having an address c/o Lightstone Group, 460 Park Avenue, New York, NY 10022, a Delaware limited liability company authorized to transact business in the State of New York on May 7, 2015. The principal of Sponsor is David Lichtenstein.

David Lichtenstein, a resident of the State of New York, is the founder and CEO of The Lightstone Group ("Lightstone"), of which Sponsor is a subsidiary. In addition to chairing the board of directors of Lightstone, Mr. Lichtenstein is responsible for directing all aspects of the acquisition, financing and management of the company's diverse portfolio of multifamily residential, hospitality, retail, office, and industrial properties.

Prior to this Offering Plan, Mr. Lichtenstein has been a principal of the sponsor in: (1) a proposed offering plan concerning 130 William Street Condominium, under review by the Department of Law as of January 31, 2018, file number CD18-0040; (2) a No-Action Letter concerning 485 Seventh Avenue Condominium, accepted by the Department of Law on June 8, 2015 and amended by a First Amendment dated December 31, 2015 and a Second Amendment dated May 12, 2017, file number NA15-0087; and (3) a proposed No-Action Letter concerning 30-02 39th Avenue Condominium, under review by the Department of Law as of January 23, 2018, file number NA18-0011.

Other than as stated above, Mr. Lichtenstein has not been involved in any other cooperative or condominium offerings in the State of New York within the past five (5) years.

Further, other than as stated above, there are no other buildings in which the Sponsor or Mr. Lichtenstein, as individual holders of unsold shares or units or as a general partner or a principal of the sponsor or holder, own more than ten percent (10%) of the shares or units.

With respect to each of the offerings stated above, the respective sponsor and its principals and affiliates, including Mr. Lichtenstein, are current in their obligations.

The Secretary of State has been designated to receive service of process for Sponsor.

There have been no prior felony convictions of Sponsor or its principal; and no prior convictions, injunctions, judgments, or bankruptcies against or involving Sponsor or its principal that may be material to the Plan or an offering of securities generally, that occurred within fifteen (15) years prior to the submission of this Plan.

Selling Agent

The Selling Agent for this offering is NRT New York LLC d/b/a Corcoran Sunshine Marketing Group, a licensed real estate brokerage firm which has offices at 888 Seventh Avenue, New York, New York 10106. The principals of the Selling Agent have been involved with the development and marketing of numerous luxury condominium and cooperative projects in New York City for over thirty (30) years. The Selling Agent, and/or the principals or officers thereof, have no financial interest in the Property or the Sponsor, except that they are to be paid a fee for their services. There have been no prior convictions, injunctions, or judgments against the Selling Agent or the principals or officers thereof that may be relevant or material to the Offering Plan or any offering of securities generally.

Architects

The Sponsor's Architect for the project is Gerner Kronick + Valcarcel, Architects, DPC, located at 443 Park Avenue South, 2nd Floor, New York, New York 10016. The Architect and/or the principals thereof, have been providing architectural services, including the preparation of "Description of Property and Specifications" reports, in excess of thirty (30) years. Randolph Gerner, a registered architect in the State of New York and a principal of the Architect, prepared the report which Sponsor has adopted as Sponsor's "Description of Property and Specifications." The Architect and the principals thereof, have no financial interest in the Property, the Sponsor or the Selling Agent, or any other party interested in this transaction, except for the fees for services rendered in connection with such report and other architectural services.

The Sponsor's Design Architect for the project is Deborah Berke Partners, located at 220 Fifth Avenue, 7th Floor, New York, New York 10001. The Design Architect and/or the principals thereof, have been providing architectural and design services to the owners and developers of condominiums, museums, educational facilities, hotels, and private residences in excess of thirty (30) years. The Design Architect and the principals thereof, have no financial interest in the Property, the Sponsor or the Selling Agent, or any other party interested in this transaction, except for the fees for services rendered in connection with such architectural and design services.

Counsel to Sponsor

The Sponsor has retained the law firm of D'Agostino, Levine, Landesman & Lederman, LLP, 345 Seventh Avenue, 23rd Floor, New York, New York 10001, to represent it in the preparation and consummation of the Offering Plan. Jose M. Rivera, Esq., a partner of the firm and Christopher L. Palladino, Esq., an associate of the firm drafted the Declaration, the By-Laws, this Plan, the form of Purchase Agreement, the form of deed and all other documents necessary in connection with the formation of the Condominium, and are advising the Sponsor in connection with all legal matters incidental thereto. No separate counsel has been retained to represent the Condominium. It is suggested and expected that each Purchaser will consult and be represented by his own counsel in connection with this Offering.

D'Agostino, Levine, Landesman & Lederman, LLP, and/or the members thereof, have no financial interest in the Property, the Sponsor or the Selling Agent, except that they are to be paid a fee for their services.

Managing Agent

The Managing Agent for the Property for the first three (3) years subsequent to the First Unit Closing will be Douglas Elliman Property Management, which has a place of business at 675 Third Avenue, New York, New York 10017. The Managing Agent or the principals thereof have been involved in the management of a significant number of cooperatives, condominiums and rental properties in the greater New York metropolitan area consisting of approximately three hundred (300) properties containing approximately forty-five thousand (45,000) residential units for more than twenty (20) years.

Douglas Elliman Property Management, and/or the members thereof, have no financial interest in the Property, the Sponsor or the Selling Agent, except that they are to be paid a fee for their services in managing the Condominium.

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

REPORTS TO UNIT OWNERS

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

- (a) The financial statement of the Condominium prepared by a certified public accountant or public accountant by March 15th of each calendar year or the prior fiscal year; such statement shall be certified while the Sponsor is in control of the Board of Managers;
- (b) A prior notice of the annual Unit Owner's meeting;
- (c) A copy of the proposed annual budget, if any, of the Condominium within fifteen (15) days prior to the date set for adoption thereof by the Board of Managers. While the Sponsor is in control of the Board of Managers, it shall be Sponsor's obligation to deliver to all Unit Owners a proposed annual budget which shall be certified as to its adequacy by an expert experienced in the management of condominium, cooperative and/or rental properties.

DOCUMENTS ON FILE

Copies of this Plan and all exhibits or documents referred to herein shall be available for review by prospective purchasers and by any person who shall have purchased a Unit offered under this Plan or shall have participated in the offering of such Unit, at the office of Sponsor's Attorneys during convenient weekday hours and shall remain available for such review for a period of six (6) years from the date of the First Unit Closing. The Sponsor shall, at the time of the First Unit Closing, deliver to the Board of Managers a copy of all documents filed with the appropriate recording office.

GENERAL

A. Each Unit Owner shall be required to comply with and abide by the Declaration, the By-Laws and the Rules and Regulations of the Condominium made in accordance therewith and to pay the Common Charges levied by the Board of Managers. Such obligations shall be enforceable by the Board of Managers by foreclosure of the statutory lien against the Unit for the amount of any such unpaid Common Charges or by suit to collect the same by action for damages, by injunction or by other appropriate relief.

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

C. To the best of Sponsor's knowledge, the Property located 40 East End Avenue, New York, New York was not the subject of a prior public offering. Sponsor has filed a CPS-1 Application to Test the Market for the Property, file number CP18-0009.

D. The Declaration and By-Laws of the Condominium located in Part II of this Plan are made part of this Offering Plan.

E. Annexed to the By-Laws are the Rules and Regulations of the Condominium which shall apply until amended by the Board of Managers.

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

G. Sponsor hereby represents that neither it, nor any of its agents, will refuse to sell or offer, or will otherwise discriminate against any person or persons by reason of their race, religion, color or place of national origin in the sale, transfer or lease of Units described in this Plan.

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

I. Sponsor reserves the right to revise, from time to time, the terms and conditions upon which Units and Storage Room Licenses are to be sold and to otherwise revise this Plan, including revisions affecting the rights, obligations and liabilities of Sponsor, Purchasers or prospective Purchasers without obtaining the consent of Purchasers or others. However, Sponsor may neither unilaterally cancel an outstanding Purchase Agreement, except as therein provided, such as in the case of an uncured default, nor unilaterally change the purchase price or the payment terms contained in such Purchase Agreement. All substantive or material revisions will

be contained in a duly filed amendment to this Plan. In the case of a material revision adversely affecting the rights, obligations or liabilities of then-existing Purchasers or reducing the undertakings or obligations of Sponsor, such Purchasers will be given, for fifteen (15) days after the presentation of the amendment, a right to rescind their Purchase Agreements by written notice to Sponsor and be refunded, except as provided for in the Plan, all monies paid thereunder, with any interest earned thereon. However, such rescission, as to a Purchaser who first became an occupant of the Building pursuant to a Purchase Agreement, will be conditioned on the cancellation of any interim use and occupancy agreement and surrender of possession of his Residential Unit within fifteen (15) days thereafter.

J. Sponsor hereby represents that neither it or any of its agents has entered into a contract or agreement to sell a Unit and no deposits or advances of funds have been received or will be accepted, as of the date the Offering Plan is accepted for filing by the Department of Law.

K. In addition to Sponsor, the individual principal of Sponsor is required by the Department of Law to sign the Certification by Sponsor and Sponsor's Principal (the "Certification") set forth in Part II of the Plan, solely in connection with enforcement by the Department of Law of Article 23-A of the General Business Law (the "Martin Act"). The principal of Sponsor who has signed the Certification expressly disclaims the existence of any private right of action in connection with or arising from his signing of the Certification. As decided by the unanimous appeals court in the recent case entitled 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), Appellate Division, First Department, individual principals of a sponsor are not personally liable for claims (as described in the case and pleadings) by individual unit owners or the Condominium Board to the extent such claims are premised solely on alleged violations of an offering plan and the certification of sponsor and principals contained in the offering plan, absent liability under another statute or under an alter-ego or other veil-piercing theory.

RESERVATION OF AIR AND DEVELOPMENT RIGHTS

Pursuant to the terms of the Condominium Declaration, Sponsor has reserved to itself or to Sponsor's designee, their successors or assigns, all unused transferable air rights and/or development rights (hereinafter "Unused Development Rights"). As against all other Unit Owners and the Board of Managers, and any mortgagee(s) thereof, the Sponsor and Sponsor's designee, their successors or assigns, shall have the exclusive right to cause any part or all Unused Development Rights pertaining to the Property to be conveyed, transferred or otherwise assigned to any other adjoining premises, "zoning lot," "development" or "enlargement" as those prior three terms are now defined in the Zoning Resolution of the City of New York, as amended.

Based upon the Building Plans, upon construction of the Building, approximately 370 square feet of Unused Development Rights pertaining to the Property will remain. Additionally, if the floor area ratio for the zoning district changes in the future, such change may create excess transferable development rights and/or air rights at that time. Until such time that the floor area ratio for the applicable zoning district changes, it is not possible for Sponsor to represent the maximum amount of additional excess development rights and/or air rights that would be generated or how many stories that may be added to the adjoining properties.

Sponsor and Sponsor's designee have also bound themselves and their successors or assigns from transferring, assigning, or surrendering in whole or in part any transferable Unused Development Rights, if such transfer, assignment or surrender shall (i) make illegal the erection, existence or restoration or use of the Building at the time of the recordation of the Condominium Declaration, or (ii) will allow any party, including Sponsor or Sponsor's designee as the holder of Unsold Units to build on or directly above the land and/or expand the Building. However, with regard to (ii) above, the Sponsor and Sponsor's designee, their successors or assigns, may transfer in whole or in part any Unused Development Rights to the Board of Managers of the Condominium subsequent to Sponsor relinquishing control of the Board of Managers. In such event, any construction by the Condominium shall (i) not increase the number of Units in the Building; (ii) be limited in scope to a minor alteration to a Unit and/or the Building; (iii) not have any material impact on the operating budget of the Condominium; (iv) not impact the Percentage of Common Elements allocated to any of the Units; and (v) be made only in accordance with the Condominium's Declaration and By-Laws, all applicable law, including any requirements of the Landmarks Preservation Commission and the requirements of 13 NYCRR 20.3(a) of the Attorney General Regulations. As used herein, "Unsold Development Rights" shall be defined to include all such rights which exist under the current Zoning Resolution of the City of New York, as amended, and any further rights which result from future amendments to the Zoning Resolution. As stated above, the Sponsor and Sponsor's designee, and their successors or assigns, will not build any additional structure on or above the Property.

The Sponsor and Sponsor's designee, its successors and assigns, at their sole cost and expense, shall have the right to cause the Board of Managers, all of the Unit Owners and any

mortgagee(s) thereof, to take such action as it deems necessary to convey the Unused Development Rights. This includes the signing, acknowledgement, delivery and recording in the Register's Office of the County of New York in the City of New York and elsewhere, if required by law, such instruments and documents, including, but not limited to (i) deed(s), lease(s), zoning lot agreement(s), declaration(s), consent(s) or waiver(s), and/or grant(s) of such Unit Owner's, its mortgagee(s)' and such Board's interests, if any, in the Property with respect only to any transferable air rights and/or development rights for the purpose of confirming the ownership of Sponsor, Sponsor's designee and/or their successors and assigns; (ii) any amendment to the Condominium Declaration which the Sponsor, Sponsor's designee and/or their successors and assigns deems necessary or appropriate to effectuate its rights hereunder, provided that such amendment complies with the terms of the Offering Plan and 13 NYCRR 20.3 af) of the Attorney General Regulations.

Failure of the Unit Owners and Board of Managers to comply with the terms of the Condominium Declaration shall result in liquidated damages payable by the Board of Managers to the Sponsor, Sponsor's designee and/or their successors and assigns, as the case may be, in an amount equal to the purchase price to be paid to Sponsor, Sponsor's designee and/or their successors and assigns for the transfer, assignment or surrender of such Unused Development Rights.

As a result of Sponsor's reservation of Unused Development Rights, the floor area of the Building is limited and may not be expanded. Additionally, the transfer of such Unused Development Rights to adjoining premises may allow the owner of an adjoining premises to build a bigger and/or taller structure than permitted as of right under the Zoning Resolution and therefore block views of the Units being offered pursuant to the Offering Plan.

**SPONSOR'S STATEMENT OF
BUILDING CONDITION**

Sponsor represents that, to the best of its knowledge, the "Description of Property and Specifications" hereinafter set forth in Part II of the Plan, which Sponsor hereby adopts, accurately summarizes the general nature of the systems, materials, equipment, appliances and fixtures to be contained in the Building on completion of construction. Sponsor represents that Sponsor has no knowledge of any material defects or need for major repairs to the Property except as set forth in the "Description of Property and Specifications." However, Sponsor reserves the right to substitute in place thereof, without prior notice or amendment to the Plan, systems, materials, equipment, appliances and fixtures of Equal or Better Quality. Sponsor further reserves the right to make all decisions relative to construction methods, practices and designs. In addition, Sponsor will, by the First Unit Closing or within a reasonable period thereafter, cure or cause to be cured all violations of record against the Property as set forth in the Plan.

The "Description of Property and Specifications" set forth in Part II of the Plan was prepared by Randolph Gerner of the architectural firm of Gerner Kronick + Valcarcel, Architects, DPC, and is included in this Plan in reliance upon the expertise of such firm.

PART II

THIS DOCUMENT IS A LEGALLY BINDING DOCUMENT AND SHOULD BE READ CAREFULLY BY EACH PROSPECTIVE PURCHASER AND SHOULD BE REVIEWED BY EACH PROSPECTIVE PURCHASER'S ATTORNEY BEFORE SIGNING IT.

**PURCHASE AGREEMENT ("Agreement")
40 EAST END AVENUE CONDOMINIUM ("Condominium")**

Purchaser's Name: _____

Social Security No.: _____

Address: _____

Telephone No.: _____

Additional Purchaser's Name: _____

Social Security No.: _____

Address: _____

Telephone No.: _____

Unit Number: _____, including Storage Room # _____ (if applicable)

Percentage Interest in Common Elements: _____ %

*Aggregate Down Payment, including Storage Room License Deposit, if applicable (not including Custom Work Amount (as defined hereinafter)**):

a) Initial Down Payment (15%) (50%, if applicable***) \$ _____

b) Additional Down Payment (10%) \$ _____

Balance Due at Closing \$ _____

Total Purchase Price**** \$ _____

Name(s) and manner in which title will be taken: _____

* The term "Down Payment," as used herein, refers to both the Initial Down Payment and, if the same has been paid at the time in question, the Additional Down Payment. The Additional Down Payment is due on the earlier to occur of (i) _____ (which is six (6) months after Purchaser receives a countersigned copy of this Agreement from Sponsor or the Selling Agent) or (ii) fifteen (15) days after Purchaser receives a written notice or amendment to the Plan declaring the Plan effective (but in no event later than the Closing Date).

** Additional Deposit for Custom Work Amount \$ _____

*** 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 Down Payment equal to fifty percent (50%) of the applicable Total Purchase Price and will not be required to make an Additional Down Payment.

**** If applicable, the Total Purchase Price is allocated as follows: \$ _____ for the Unit and \$ _____ for the Storage Room License Payment.

Statement of Seller

40 East End Ave. Associates LLC, with an address c/o Lightstone Group, 460 Park Avenue, New York, NY 10022, a Delaware limited liability company authorized to do business in the State of New York ("Sponsor" or "Seller"), has promulgated a Plan of Condominium Ownership of 40 East End Avenue Condominium (the "Plan") pursuant to which the land with appurtenances and the Residential Units (sometimes collectively referred to as the "Units") being constructed by Seller, located at 40 East End Avenue, New York, New York 10028, will be declared to be a condominium under the provisions of Article 9-B of the Real Property Law of the State of New York on the terms and conditions more particularly set forth in the Plan.

Statement of Purchaser

Purchaser acknowledges as follows:

I have received and read a copy of the Plan and all filed amendments thereto. Said Plan, which includes the Declaration to be made by the Sponsor and to be recorded in the New York County Office of the Register of the City of New York, the Schedules, By-Laws and Rules and Regulations attached thereto, are incorporated herein by reference and made part of this Agreement with the same force and effect as if fully set forth herein.

AFTER DELIVERING A SIGNED AGREEMENT, TOGETHER WITH THE REQUIRED DEPOSIT, I WILL BE AFFORDED SEVEN (7) DAYS TO RESCIND THIS PURCHASE AGREEMENT AND HAVE THE FULL DEPOSIT REFUNDED TO ME PROMPTLY, PROVIDED THAT I HAVE NOT HAD AN OPPORTUNITY TO REVIEW THE OFFERING PLAN AND ANY FILED AMENDMENTS FOR AT LEAST THREE (3) BUSINESS DAYS PRIOR TO SUCH DELIVERY. SUCH RESCISSION MUST BE BY WRITTEN NOTICE, ADDRESSED TO SPONSOR, AND BE POSTMARKED OR HAND DELIVERED NO LATER THAN MIDNIGHT OF THE 7TH DAY SUBSEQUENT TO MY DELIVERING THE SIGNED PURCHASE AGREEMENT. IF I HAVE HAD AN OPPORTUNITY TO REVIEW THE OFFERING PLAN AND ANY FILED AMENDMENTS FOR NOT LESS THAN THREE (3) BUSINESS DAYS PRIOR TO MY MAKING THE AFORESAID DELIVERY, I SHALL NOT BE PERMITTED THE AFOREMENTIONED SEVEN (7) DAY TIME PERIOD TO RESCIND THIS PURCHASE AGREEMENT.

The seven (7) day rescission period is (delete whichever is incorrect): applicable; not applicable.

Purchaser has been given an opportunity to examine the architectural plans for the above-numbered Unit or Units and for the building in which it is located (the "Building"), prepared by Gerner Kronick + Valcarcel, Architects, DPC.

Purchaser is desirous of purchasing the above-numbered Unit, as designated in the Declaration and on the floor plans filed or to be filed in the aforesaid Register's Office, together

with an undivided interest in the Common Elements appurtenant thereto (the above-numbered Unit and the undivided interest appurtenant thereto being hereinafter collectively called the "Unit");

Agreement Between Sponsor and Purchaser

For good and valuable consideration, receipt of which is hereby acknowledged, Sponsor and Purchaser mutually agree as follows:

1. **Payment for Unit.** Seller hereby agrees to sell and Purchaser hereby agrees to purchase the Unit and Storage Room License, if applicable, for the Total Purchase Price, including the Storage Room License Payment, if applicable, stated above. The Initial Down Payment including fifteen percent (15%) of the Storage Room License Payment, if applicable, stated above has been made on the signing of this Agreement, receipt of which by check subject to collection is hereby acknowledged by Seller. For all Purchasers who are required to make an Initial Down Payment of fifteen percent (15%) of the Total Purchase Price, including fifteen percent (15%) of the Storage Room License Payment, if applicable, within six (6) months after receipt of the signed Purchase Agreement from Sponsor or upon the Plan being declared effective, whichever is earlier, the Additional Down Payment, equal to ten percent (10%) of the Total Purchase Price, including ten percent (10%) of the Storage Room License Payment, if applicable, must be made by Purchaser or Purchaser shall be in default under the terms of this Agreement. No Additional Down Payment shall be required if the Purchaser is a foreign government or other person or entity referenced on the cover page of this Purchase Agreement and who or which has made a fifty percent (50%) Initial Down Payment, including fifty percent (50%) of the Storage Room License Payment, if applicable, as required above. If the check representing the Initial Down Payment or the Additional Down Payment is returned for insufficient funds or for any other reason (i) such return shall be deemed a non-curable default by Purchaser and this Agreement shall automatically be deemed cancelled, and (ii) upon such cancellation Purchaser and Sponsor will be released and discharged of all further liability and obligations hereunder and under the Plan, and the Unit may be sold to another as though this Agreement had never been made and without any obligation to account to Purchaser for any of the proceeds of such sale. Notwithstanding anything herein to the contrary, whether or not the Seller has canceled this Agreement as provided above, if the Seller has not collected the proceeds of any check for any payments due under this Agreement, then the Seller may take such actions at law and in equity as may be required in order to collect such payments and any and all costs of collection, including, without limitation, all attorneys' fees and expenses incurred by the Seller in connection therewith. The Balance Due at Closing shall be payable at the closing of title, as hereinafter provided in Paragraph 2, by unendorsed certified or cashier's check of Purchaser drawn on a bank or trust company which is a member of the New York Clearing House Association to the order of Seller or as otherwise directed by Seller.

2. **Closing of Title.** The closing of title shall take place on no less than thirty (30) days' prior written notice to Purchaser at such place as Sponsor may designate, at an hour and on

a date (hereinafter called the "Closing Date") to be specified by Sponsor. Such date shall be no earlier than thirty (30) days after the date on which written notice is given to Purchaser that the Plan has been declared effective (unless Purchaser and Sponsor shall agree on an earlier Closing Date). Sponsor shall have the right, from time to time, to adjourn the Closing Date on written notice to Purchaser. If adjourned, Sponsor shall fix a new date and time for the closing of title to the Unit and shall give Purchaser not less than five (5) days written notice of the newly scheduled Closing Date. Purchaser shall not be entitled to an adjournment of the Closing Date unless Sponsor, in its sole and absolute discretion, agrees to the same, and such adjournment right is explicitly set forth in this Agreement (in which case, such adjourned Closing Date shall be known hereinafter as the "Adjourned Closing Date"). In the event Sponsor agrees to a Purchaser adjournment right, such right shall be exercised upon a minimum of five (5) days written notice by Purchaser to Sponsor, and Purchaser shall not seek an adjournment of any kind based upon any provision set forth in Paragraph number 18(i) herein. If, through no fault of Sponsor, Purchaser fails for any reason to close title to his Unit on the originally scheduled Closing Date or the Adjourned Closing Date, and Sponsor does not have the right to, or elects not to, cancel this Agreement as a result of the same, (a) the adjustments for real estate taxes and Common Charges and any Storage Room Monthly License Fees, if applicable, will be made as of midnight of the day preceding the originally scheduled Closing Date, regardless of when the closing of title occurs, and (b) Purchaser will be required to pay Sponsor, as a reimbursement of Sponsor's higher carrying costs for the Unit by virtue of the delay, and in addition to the other payments to be made to Sponsor under this Agreement and the Plan, an amount equal to 0.03% (though such amount charged shall in no event exceed the New York State legal limit regarding the same) of the Total Purchase Price including the Storage Room License Payment, if applicable, for each day starting from (and including) the originally scheduled Closing Date to (and including) the day before the actual Closing Date, plus any other applicable fees due to Sponsor and/or Sponsor's Attorneys as disclosed in the "Closing Costs and Adjustments" section located in Part I of the Offering Plan. If, though no fault of Purchaser, Sponsor postpones the originally scheduled Closing Date, these provisions shall apply to the rescheduled Closing Date if Purchaser fails for any reason to close title to his Unit on the rescheduled Closing Date.

At the closing of title Sponsor shall deliver to Purchaser a bargain and sale deed, with covenant against grantor's acts, conveying the Unit to Purchaser, such deed to be in the form contained in Part II of the Plan, signed and acknowledged by Sponsor in form for recording.

Simultaneously with the delivery of the deed, Purchaser (i) shall cause the proceeds of any mortgage loan to be transferred to the Sponsor on account of the Total Purchase Price including the Storage Room License Payment, if applicable, (ii) if applicable, shall sign and deliver to the mortgagee the note and mortgage, and any other documents required by the mortgagee, as well as any documents required by Sponsor, and (iii) shall deliver the Balance Due at Closing.

Title to the Unit will close only after or concurrently with the occurrence of the events set forth in the Section of the Plan entitled "Closing of Title to Units".

3. **Power of Attorney to Board of Managers and Sponsor.** At the closing of title and simultaneously with the delivery to Purchaser of the deed conveying the Unit, Purchaser shall sign and acknowledge the power of attorney to the Board of Managers and Sponsor in the form contained in Part II of the Plan. Purchaser agrees to deliver such power of attorney to Sponsor at the closing of title for recording and to pay the recording fee.

4. **Binding Effect of Declaration, By-Laws, Plan, Rules and Regulations.** Purchaser hereby agrees to be bound by the Declaration, the By-Laws, the Rules and Regulations and the Plan, as same may be amended from time to time.

5. **Condition of Title.** Sponsor agrees to convey to Purchaser title in fee simple to the Unit free and clear of all liens and encumbrances other than those set forth in the Plan, specifically in Part I thereof in the section titled "Terms of Sale," and Exhibits submitted in connection therewith (as well as other mortgages, if any, obtained by Purchaser).

Notwithstanding the above, the existence of unpaid taxes or liens of any kind at the time of title closing shall not constitute an objection to title, provided that a reputable title insurance company licensed to do business in the State of New York shall be willing to insure against collection of same from the Unit herein described. The parties agree that the Sponsor may pay and discharge any liens and encumbrances upon the property, not provided for in the Plan or this Agreement, out of the monies to be paid by the Purchaser at the time of closing title.

6. **Expenses of Closing and Closing Adjustments.** Purchaser will pay the closing costs and expenses referred to in the Section of the Plan (as same may be amended to date) entitled "Unit Closing Costs and Adjustments," including, but not limited to, the amount of any credit for mortgage recording tax or mortgage recording tax reimbursement as set forth in such Section, payment for title insurance, if Purchaser elects or is required by a lender to obtain same, recording fees for recording the Deed, Power of Attorney and any Partial Release and/or UCC-3 Termination Statement for the Unit related to Sponsor's financing encumbering the Building, real estate taxes, New York City Real Property Transfer Tax, New York State Transfer Tax, the fees of Sponsor's Attorneys for closing the Unit, and costs associated with obtaining a mortgage loan. The legal fees of Sponsor's Attorneys in the amount of \$3,500.00 will be payable by Purchaser to D'Agostino, Levine, Landesman & Lederman, LLP, if rendered by such firm, provided that an additional fee of \$750.00 per closing shall be due and payable for any Unit closing which occurs outside the office of Sponsor's Attorneys. A further fee of \$750.00 shall be payable by Purchaser to Sponsor's Attorneys for the work involved for each assignment of a purchase agreement or contract. Assignments are permitted only with prior written consent of Sponsor. A legal fee of \$750.00 shall be payable for the work involved as a result of any adjournment by a Purchaser beyond that permitted under any right of adjournment set forth in this Purchase Agreement, should Sponsor and Purchaser agree to the same. Finally, a legal fee in the amount of \$750.00 shall be paid by Purchaser to Sponsor's Attorneys for each cancellation and or release if prepared by such firm. Purchaser will also pay to the Board of Managers the sum equal to two months of Common Charges for the Unit being purchased as Purchaser's contribution to the Working Capital Fund of the Condominium. Except as otherwise provided in

this agreement, real estate taxes and Common Charges and expenses including any Storage Room Monthly License Fees, if applicable, shall be adjusted between Sponsor and Purchaser as of midnight preceding the Closing Date in accordance with the provisions of the Plan. Any such expenses or adjustments payable to Sponsor in excess of \$500.00 will be paid by certified check or bank check drawn on a bank or trust company which is a member of the New York Clearing House Association or any successor organization. The obligation of the Purchaser to pay the transfer taxes as stated above shall survive the Closing.

Notwithstanding anything herein to the contrary, one of Purchaser's costs of closing title to his or her Unit shall be the payment of the cost of fee title insurance, if Purchaser elects to obtain title insurance. Purchaser may order such insurance from any reputable title insurance company and/or abstract company authorized to do business in the State of New York, including Madison Mahwah Abstract, having an office at 1125 Ocean Avenue, Lakewood, New Jersey 08701 (Tel. 732-333-2525).

7. **Agreement Subject to Mortgages.** Purchaser agrees that all terms and provisions of this Agreement are and shall be subject and subordinate to the lien of any building loan mortgage or development loan mortgage heretofore or hereafter made and any advances heretofore or hereafter made thereon and any payments or expenses already made or incurred or which may hereafter be made or incurred, pursuant to the terms thereof, or incidental thereto, or to protect the security thereof, to the full extent thereof without the signing of any further legal documents by Purchaser. This subordination shall apply whether such advances are voluntary or involuntary and whether made in accordance with the building loan schedule of payments or accelerated thereunder by virtue of lender's right to make advances before they become due in accordance with the schedule of payments. Notwithstanding anything to the contrary contained in this Paragraph 7, however, on the Closing Date the only mortgage to which the Unit will be subject will be the mortgage(s) obtained by Purchaser, if any.

8. **Mortgage Financing Contingency.** (THE PURCHASE OF THE UNIT WILL NOT BE CONDITIONED ON FINANCING AND THIS PARAGRAPH HAS BEEN INTENTIONALLY DELETED).

9. **Default by Purchaser.** If Purchaser shall fail to pay any portion of the balance of the Total Purchase Price, including any Storage Room License Payment, if applicable, when due, fail to close title on the date, hour and place specified by Sponsor pursuant to Paragraph 2 hereof or on the Adjourned Closing Date or fail to perform any of Purchaser's other obligations hereunder, such failure shall constitute a default by Purchaser. Sponsor shall notify Purchaser in writing of such default and advise Purchaser that he has thirty (30) days from the mailing date or thirty (30) days after personal delivery of such notice within which to cure such default. TIME IS OF THE ESSENCE FOR PURCHASER TO CURE ANY DEFAULT UNDER THIS AGREEMENT WITHIN SUCH THIRTY (30) DAY PERIOD. If such default is not cured within thirty (30) days from the mailing date or thirty (30) days after personal delivery of such written notice, Sponsor has no obligation to extend the time to cure and may (but shall not be obligated to) elect to cancel the Purchase Agreement. If Sponsor elects to cancel the Purchase

Agreement, Sponsor shall notify Purchaser in writing of said cancellation and the Down Payment, including any Storage Room License Deposit, if applicable, and any other amounts paid by Purchaser for any Custom Work shall be paid over to Sponsor as and for liquidated damages and thereafter the Purchase Agreement shall become null and void. In the event that Sponsor shall elect so to cancel this Agreement, Sponsor shall certify to its attorneys, D'Agostino, Levine, Landesman & Lederman, LLP, that title has not closed because of Purchaser's default, that a notice to cure was delivered to Purchaser and Purchaser has failed to cure the default within thirty (30) days from the mailing date or within thirty (30) days from personal delivery of such notice and that Sponsor has elected to cancel this Agreement by reason thereof, and D'Agostino, Levine, Landesman & Lederman, LLP, shall thereupon pursuant to Paragraph 16 hereunder, cause to have paid over to Sponsor as liquidated damages the Down Payment, including any Storage Room License Deposit, if applicable (and the actual cost incurred by Sponsor for any special work in the Unit ordered by Purchaser) and any interest earned thereon, and upon such payment being made each of the parties hereto shall be relieved of any further liabilities or obligations hereunder. If Sponsor instructs the Escrow Agent 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 the 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 the Escrow Agent shall provide further written notice to both parties informing them of said release. If the Escrow Agent receives a written notice from either party objecting to the release of the Deposit within said thirty (30) day period, the Escrow Agent shall continue to hold the Deposit until otherwise directed pursuant to either (a) upon closing of title to the Unit, to Sponsor, pursuant to the terms and conditions set forth in this Purchase Agreement; (b) a subsequent writing signed by both Sponsor and Purchaser; or (c) a final, non-appealable order or judgment of a court. Notwithstanding the foregoing, the 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 Condominium is located and shall give written notice to both parties of such deposit. Sponsor shall reimburse D'Agostino, Levine, Landesman & Lederman, LLP insofar as it is acting in its capacity as Escrow Agent for its reasonable cost and expenses, including attorney's fees and the fair value of legal services rendered by the Escrow Agent to itself incurred as a result of any dispute or litigation concerning the right to the Down Payment. Sponsor shall not seek the remedy of specific performance in connection with Purchase Agreements as to which there has been a default by Purchaser. If this Agreement shall be canceled by Sponsor pursuant to the provisions of this Paragraph 9, Sponsor may sell the Unit to any third party and shall be under no obligation to account to Purchaser for any part of the proceeds of such sale. D'Agostino, Levine, Landesman & Lederman, LLP may rely upon the truth and accuracy of the facts contained in Sponsor's certification and the authority of the person or persons signing the same and shall have no liability as a result of such reliance.

10. Agreement May Not be Assigned; Restrictions on Resale and Advertising. Purchaser shall have no right to assign this Agreement without the prior consent in writing of Sponsor and any purported assignment of this Agreement in violation hereof shall be voidable at the option of Sponsor. In the event Sponsor consents to the assignment of this Agreement, Purchaser shall pay D'Agostino, Levine, Landesman & Lederman, LLP the legal fee of

Sponsor's Attorneys for reviewing the assignment agreement. Such fee shall be approximately \$750.00, plus disbursements.

A Unit Owner who acquired his Unit from Sponsor ("Sponsor Sale") is prohibited from (a) listing the Unit for sale with any broker or placing or authorizing any listing in any broker's listing system or other listing service or from otherwise advertising or otherwise, offering, promoting or publicizing the availability of the Unit for sale for twelve (12) months after Closing, without Sponsor's prior written consent, which consent may be withheld, conditioned, or delayed in Sponsor's sole and absolute discretion; or (b) entering into a contract or other agreement for the sale of the Unit or reselling the Unit prior to the first anniversary of the Closing of the Sponsor Sale ("Resale"), except to such Residential Unit Owner's family member(s), or a trust for the benefit of such family member(s) or to an entity or individual that owns more than fifty percent (50%) of the legal and beneficial interest of such Unit Owner or to an entity with respect to which such Unit Owner (individual or otherwise) owns more than fifty percent (50%) of the legal and beneficial interest thereof, or to a permitted mortgagee or its nominee, who has acquired title to any Unit at a foreclosure sale of its permitted mortgage or by deed in lieu thereof delivered in a bona fide transaction. The foregoing restriction shall not apply from and after the date that Sponsor has conveyed title to all of the Units. For purposes of this clause, "family member(s)" shall mean the spouse, domestic partner, children, stepchildren, grandchildren, siblings, stepsiblings, aunts, uncles, nieces, nephews, parents, stepparents, parents-in-law and grandparents of a Unit Owner. Leasing of the Unit is permitted after closing in accordance with and subject to the provisions set forth in the By-Laws.

Prior to the Closing of title to a Unit, a Purchaser is prohibited from listing the Unit for sale with any broker or placing or authorizing any listing in any broker's listing system or other listing service or from advertising or otherwise offering, promoting or publicizing the availability of the Unit for sale, without Sponsor's prior written consent, which consent may be withheld, conditioned, or delayed in Sponsor's sole and absolute discretion. Any such action by Purchaser will be deemed a material default under this Agreement, and Sponsor may, at its option, cancel this Agreement and retain, as liquidated damages, the entire Down Payment made by the Purchaser, together with any interest earned thereon.

11. **Notices.** Any notice to be given hereunder shall be in writing and sent by registered or certified mail or personal delivery to Purchaser at the address given above and to Sponsor at c/o Lightstone Group, 460 Park Avenue, New York, NY 10022 (with copy to D'Agostino, Levine, Landesman & Lederman, LLP, 345 Seventh Avenue, 23rd Floor, New York, New York 10001) or at such other address as either party may hereafter designate to the other in writing. All such notices and communications shall be deemed to have been received on the date of personal delivery or on the fifth day after mailing.

12. **No Representation.** Except as herein or in the Plan specifically set forth, Purchaser acknowledges that he has not relied upon any architect's plans, sales plans, selling brochures, advertisements, representations, warranties or statements of any nature, whether made by Sponsor, Sponsor's Counsel or Selling Agent or otherwise, including, but not limited to, any

relating to the description or physical condition of the Building or the Unit, the size or the dimensions of the Unit or the rooms therein contained or any other physical characteristics thereof, the building services or amenities, the estimated Common Charges and expenses allocable to the Unit or the right to any income tax deduction on account of any real estate taxes and/or mortgage interest paid by Purchaser. Purchaser agrees that Sponsor shall have no liability or responsibility to Purchaser if the layout or dimensions of the Unit or any part thereof or of the Common Elements as shown on the floor plans or on the architectural plans and specifications for the Building are not accurate or correct, provided such layout or dimensions conform substantially to the floor plans and the architectural plans and specifications for the Building and the site as modified or supplemented in accordance with the Plan and that Purchaser will not be relieved from his obligations hereunder by reason of any minor inaccuracy or error. This provision shall survive the closing of title to the Unit.

13. **Recording of Deed and Power of Attorney.** At the closing of title, Purchaser will deliver the signed deed received from Sponsor and signed and acknowledged power of attorney to the representative of the title company, if any, or to Sponsor for recording in the New York County Office of the Register of the City of New York. Such deed and power of attorney will be in the form set forth in the Plan.

14. **Binding Effect.** This Purchase Agreement shall not be effective or binding on Sponsor until a counterpart hereof is signed by Sponsor and delivered to Purchaser. Subject to the provisions hereof, this Purchase Agreement shall bind and inure to the benefit of the parties hereto, their heirs, personal representatives, successors and permitted assigns.

15. **Agreement Subject to Plan Becoming Effective; Sponsor's Right to Cancel.** This Purchase Agreement is contingent upon the Plan being declared effective. The Plan may be abandoned by Sponsor at any time prior to its being declared effective and before eighty percent (80%) of the Units have been purchased. Sponsor also reserves the right to abandon the Plan after it has been declared effective pursuant to other provisions of the Offering Plan as set forth in the section titled "Effective Date of Plan". Additionally, the Plan shall be abandoned and deemed abandoned if it has not been declared effective within the time prescribed by the Plan. If the Plan is abandoned or does not become effective this Purchase Agreement shall be deemed cancelled, and the Plan terminated and Purchaser is to receive back, not later than twenty (20) days thereafter, in full, all monies paid by him hereunder (including, if applicable, all additional escrowed funds for Custom Work paid to Sponsor by Purchaser, notwithstanding whether any such funds have been expended or allocated to costs incurred by Sponsor), and upon such repayment no party shall have any claim against any other party, person or entity, and all parties shall be released from all obligations hereunder and under the Plan. If, after the Plan is declared effective, title to the Unit shall not close within the time set forth in Paragraph 2 hereof or in the Plan, for any reason other than Purchaser's default, then, at Purchaser's option, upon prior written notice sent by Purchaser to Sponsor within fifteen (15) days subsequent to the end of the scheduled closing date, after permitted adjournments, this Purchase Agreement shall be deemed cancelled. If this Purchase Agreement is cancelled pursuant to the provisions of this paragraph, then not later than twenty (20) days thereafter, Purchaser shall receive a refund in full, of all

monies paid by Purchaser hereunder (including, if applicable, all additional escrowed funds for Custom Work paid to Sponsor by Purchaser, notwithstanding whether any such funds have been expended or allocated to costs incurred by Sponsor, in the event of abandonment of the Plan; and with the exception of all additional escrowed funds for Custom Work paid to Sponsor by Purchaser to the extent such funds have already been expended or will be expended on costs Sponsor has accrued and is obligated to pay with respect to the same, in the event the Purchase Agreement is cancelled for any other reason, such as Purchaser's election to exercise a right of rescission, if applicable), with the interest earned thereon, if any. Upon such repayment, neither party shall have any claim against the other and both shall be released from all obligations.

Sponsor may cancel this Purchase Agreement by forwarding its check in the full amount paid by the Purchaser, together with a notice in writing, addressed to the Purchaser at his address hereinabove set forth in the event of the occurrence of any of the following: (a) that any governmental bureau, department or subdivision thereto shall impose restrictions on the manufacture, sale, distribution and/or use of materials necessary in the construction of residential housing and such restrictions shall prevent the Sponsor from obtaining such materials from its regular suppliers or from using same in the construction and/or completion of the dwellings; or (b) that the Sponsor is unable to obtain materials from its usual sources due to strikes, lockouts, war, military operations and requirements, national emergencies, acts of God or if the installation of public utilities is restricted or curtailed.

16. Down Payment Deposit; Escrow Account and Escrow Agent; Alternative Security; Payment of Purchase Price; Notice of Closing.

The required aggregate Down Payment pursuant to this Agreement will be either twenty-five percent (25%) or, if applicable, fifty percent (50%), of the Total Purchase Price for the Unit including the Storage Room License Payment, if applicable, set forth in the Plan, as amended, which Down Payment shall be increased by the cost of any Custom Work requested by Purchaser and agreed to by Sponsor in its sole and absolute discretion, as itemized in this Agreement, in accordance with Paragraph 33 hereof.

In accordance with section 71-a(3) of the Lien Law, Sponsor has appointed the law firm of D'Agostino, Levine, Landesman & Lederman, LLP, with an address at 345 Seventh Avenue, 23rd Floor, New York, NY 10001, telephone number 212-564-9800, to serve as escrow agent (the "Escrow Agent") for Sponsor and Purchaser to hold all Deposits, other than the deposit for a copy of the Offering Plan, received by it from Purchasers, either directly or through its agents or employees in trust. The Escrow Agent has established the escrow account at HSBC Bank, located at 452 Fifth Avenue, New York, NY 10018 (the "Bank"), a bank authorized to do business in the State of New York. The escrow account is entitled "D'Agostino, Levine, Landesman & Lederman, LLP Escrow Account for 40 East End Avenue Condominium" or a similar name (the "Escrow Account"). Purchasers are advised that a Purchaser's funds are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000.00 in the aggregate per account type per insured bank. If a Purchaser makes a Down Payment in excess of \$250,000.00 for the purchase of a Unit, such Down Payment will not be federally insured in

excess of \$250,000.00. Additionally, if Purchaser has an additional account at the Bank, the aggregate of Purchaser's funds at the Bank, including funds in the additional account and the Down Payment, may not be insured in excess of \$250,000.00. Therefore, if a Purchaser has an additional account at the Bank, Purchaser's Down Payment, including a Down Payment that is less than \$250,000.00, may not be insured in part or in its entirety. Furthermore, while the Down Payment is in the non-interest bearing check portion of the Master Escrow Account, the Down Payment may not be fully federally insured, even if the Down Payment does not exceed \$250,000.00. Purchaser should consult with the FDIC website and with their attorneys to determine which part, if any, of their funds are insured by the FDIC. Sponsor and Escrow Agent make no guarantee of the solvency of the Bank. If the limits of federal bank deposit insurance change in any manner in the future, Escrow Agent will have no obligation to make any changes to the Escrow Account.

The Escrow Agent has designated the following partners to serve as signatories: John D'Agostino, Esq., Michael J. Levine, Esq., Wayne R. Landesman, Esq., Bruce H. Lederman, Esq., Bettina Miraglia, Esq., and Jose M. Rivera, Esq. All designated signatories are admitted to practice law in the State of New York. Neither the Escrow Agent nor any authorized signatories on the account are the Sponsor, Selling Agent, Managing Agent, or any principal thereof, or have any beneficial interest in any of the foregoing.

The Escrow Agent and all authorized signatories hereby submit to the jurisdiction of the State of New York and its Courts for any cause of action arising out of the Purchase Agreement or otherwise concerning the maintenance of release of the Deposit from escrow.

All Deposits remitted to Escrow Agent shall be in the form certified or official checks, personal checks subject to collection, or wire transfers upon prior consent by Sponsor and Escrow Agent, and shall be made payable to, or endorsed by the Purchaser, to the order of D'Agostino, Levine, Landesman & Lederman, LLP, as Escrow Agent.

The interest rate for all Deposits made into the Escrow Account shall be the prevailing rate for such accounts. Interest shall begin to accrue as of the date the deposit of the Down Payment clears and is posted by the Bank to the Escrow Account. Absent Purchaser's default, all interest earned thereon shall be paid to or credited to the Purchaser at closing. Prior to the release of the Deposits, no fees of any kind from the principal or any interest earned thereon may be deducted from the Escrow Account, and the Sponsor shall bear all administrative costs associated with the maintenance of the Escrow Account.

Within five (5) business days after the Purchase Agreement has been signed by all necessary parties and tendered to Escrow Agent along with the Deposit, the Escrow Agent shall sign the Purchase Agreement and place the Deposit into the Escrow Account. Within ten (10) business days after placing the Deposit in 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

Custom Work shall be initially deposited into the Escrow Account, and released in accordance with the terms of a written agreement between Purchaser and Sponsor.

The 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 the Purchase Agreement has been signed by all necessary parties and tendered, along with the Deposit, to Escrow Agent (the "Date of Tender"), he or she may cancel the Purchase Agreement within ninety (90) days after the Date of Tender. Complaints concerning the failure to honor such cancellation requests may be referred to the New York State Department of Law, Real Estate Finance Bureau, 28 Liberty Street, 21st Floor, New York, NY 10005. 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.

All Deposits, except for advances made for Custom Work received in connection with the Purchase Agreement to the extent such payments have already been disbursed or are required to pay for the Custom Work, 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. Such funds shall not be a part of the estate of the Sponsor or the Escrow Agent upon any bankruptcy, incapacity, or death.

Under no circumstances shall Sponsor seek or accept release of the Deposit of a defaulting Purchaser until after consummation of the Offering Plan, as evidenced by the acceptance of a post-closing amendment by the New York State Department of Law. Consummation of the Offering 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) upon closing of title to the Unit, to Sponsor, pursuant to the terms and conditions set forth in this Purchase Agreement; 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), (b), or (c) above, and the 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 the 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 the Escrow Agent shall provide further written notice to both parties informing them of said release. If the Escrow Agent receives a written notice from either party objecting to the release of the Deposit within said thirty (30) day period, the Escrow Agent

shall continue to hold the Deposit until otherwise directed pursuant to paragraphs (a) through (c) above. Notwithstanding the foregoing, the Escrow Agent shall have the right at any time to deposit the Deposit contained in the Escrow Account with the clerk of the county where the Condominium is located and shall give written notice to both parties of such deposit. Upon release of the Deposit pursuant to paragraphs (a) through (c) above, or in the event that the Escrow Agent deposits the Deposit with the clerk of the county where the Condominium is located, as provided immediately above, the obligations of Escrow Agent, as well as its fiduciary duty to the Purchaser, shall be discharged.

The 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 Offering Plan or an amendment thereto; or
- (b) all Purchasers after an Amendment abandoning the Offering 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.

Any provision of any Purchase Agreement or separate agreement, whether oral or in writing, by which a Purchaser purports to waive or indemnify any obligation of the Escrow Agent holding any 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 Purchase Agreement, Offering Plan, or any amendment thereto.

The Escrow Agent shall maintain the Escrow Account under its direct supervision and control.

A fiduciary relationship shall exist between Escrow Agent and Purchaser, and Escrow Agent acknowledges its fiduciary and statutory obligations pursuant to GBL §§352-e(2-b) and 352(h).

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

Sponsor agrees that it shall not interfere with Escrow Agent's performance of its fiduciary duties and statutory obligations as set forth in GBL §§352-e(2-b) and 352(h) and the New York State Department of Law's regulations.

Sponsor shall obtain, or cause the selling agent under the Offering Plan to obtain, a completed and signed 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), whichever may be applicable, from Purchaser and deliver such form to Escrow Agent together with the Deposit and this Purchase Agreement. Notwithstanding anything contained herein to the contrary, unless and until Purchaser has delivered to the Escrow Agent a completed and originally-signed Form W-9 or Form W-8BEN, whichever may be applicable, along with any other items reasonably required by the Bank to open the account, the Down Payment will be deposited in a non-interest-bearing escrow account at the Bank.

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.

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 this Purchase Agreement or the performance or non-performance of Escrow Agent's duties under this Purchase Agreement, except with respect to actions or omissions taken or suffered by Escrow Agent in bad faith or in willful disregard of the obligations set forth in this Purchase Agreement or involving gross negligence of Escrow Agent. This indemnity includes, without limitation, disbursements and attorneys' fees either paid to retain attorneys or representing the hourly billing rates with respect to legal services rendered by Escrow Agent to itself.

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 Purchaser and/or the New York State Department of Law, whether or not Escrow Agent is in possession of the Deposit and continues as Escrow Agent.

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

Purchaser hereby acknowledges and agrees that as an alternative to depositing the Down Payment in escrow as set forth above, Sponsor has the right, in its sole and absolute discretion, to elect to withdraw the Down Payment and secure it with an unconditional irrevocable letter of credit, a surety bond from an institutional lender or recognized bonding company, or an alternative type of security, as may be acceptable to the Department of Law, pursuant to a duly filed amendment to the Plan. In such case, Sponsor shall provide a copy of such letter of credit, surety bond, or proof of such alternative type of security, as well as the amendment to the Plan, to Purchaser and further, Purchaser hereby consents to such withdrawal of such Down Payment funds from escrow.

In the event of an uncured default by Purchaser in his obligations under the Purchase Agreement, no more than twenty-five percent (25%) of the Purchase Price, including the Storage Room License Payment, if applicable, plus any interest earned thereon, may be retained as liquidated damages. Notwithstanding the above, the actual cost incurred by Sponsor for any special work in the Unit ordered by Purchaser may also be retained as liquidated damages. Sponsor agrees not to seek the remedy of specific performance in connection with Purchase Agreements as to which there has been a default by Purchaser. No Down Payment or other monies shall be released pursuant to an uncured default by Purchaser prior to the First Unit Closing and/or the Consummation of the Plan.

The balance of the Total Purchase Price will not be payable until closing of title to the Unit.

Following the declaration of effectiveness of the Plan, Purchaser will be given at least thirty (30) days prior written notice of the closing date for his Unit, which notice will also remind him of his obligation to pay the balance of the purchase price at that time and will state when Common Charges will be due and payable.

17. Equipment and Furnishings. Sponsor will provide Purchaser only with the fixtures, equipment, hardware, appliances and furnishings referred to in the Plan, which are included in the purchase price of the Unit. Furnishings, equipment, appliances and decorations in any model unit or sales office not referred to in the Plan are excluded from this sale unless specifically included by a rider to this Purchase Agreement. The cost of any such items will be added to the purchase price of the Unit.

18. Review of Unit; Acceptance of Condition of Unit; Risk of Loss.

(i) Upon giving Purchaser notice to close in accordance with Paragraph 2 hereof, Sponsor shall arrange an appointment with Purchaser to inspect the interior of the Unit (the "Pre-Settlement Orientation") within seven (7) days prior to the Closing Date or Adjourned Closing Date, if applicable. Purchaser shall attend such review and shall complete, date and sign the Pre-Settlement Orientation Form (in substantially the same form set forth in Part II of the Plan) and deliver same to Sponsor's representative at the conclusion of the review. The Pre-Settlement Orientation is for Purchaser only. Guests of Purchaser, including, but not limited to relatives, friends, architects and engineers, shall not be permitted to attend the Pre-Settlement Orientation. Failure of Purchaser either to arrange such appointment or to inspect the interior of the Unit and any Limited Common Elements appurtenant thereto within seven (7) days prior to the Closing Date or Adjourned Closing Date, if applicable, or to so sign and deliver the completed Pre-Settlement Orientation Form shall not excuse Purchaser from appearing at the closing and paying the Balance Due at closing, and shall constitute Purchaser's full acceptance of the Unit as is. However, nothing herein shall relieve Sponsor of its obligations as set forth in the Section of the Offering Plan entitled "Rights and Obligations of Sponsor."

(ii) Under no circumstances shall any work set forth on the Pre-Settlement Orientation Form (a) constitute grounds for a Purchaser to postpone or otherwise delay the

Closing Date or Adjourned Closing Date, if applicable, or (b) obligate Sponsor to deposit any monies in escrow at closing. Any work set forth on the Pre-Settlement Orientation Form shall be completed by Sponsor as agreed in writing, the means and methods of which shall be determined in Sponsor's sole discretion. Purchaser will be obligated to provide Sponsor and its contractors, subcontractors, agents and employees, unfettered access to the Unit and any Limited Common Elements appurtenant thereto after closing in order to complete the work on the Pre-Settlement Orientation Form, failure of which would relieve Sponsor of its obligations to complete the work set forth on the Pre-Settlement Orientation Form. In the event Purchaser performs work of any kind after closing in the Unit or any Limited Common Elements appurtenant thereto, affecting any of the areas or items listed in the Pre-Settlement Orientation Form, Sponsor will be relieved of any and all obligations related to such affected areas or items listed therein.

(iii) Purchaser shall accept title (without abatement in or credit against the purchase price or provision for escrow) notwithstanding that construction of (a) minor details of the Unit, including Custom Work, or the Building or (b) other Units or (c) any recreation facilities or amenities or (d) the landscaped areas or (e) other portions of the Common Elements have not been completed. Minor details referred to in (a) above shall include but not be limited to any items which Sponsor and Purchaser agree to and set forth on the Pre-Settlement Orientation Form. The Pre-Settlement Orientation Form shall survive the closing of title.

(iv) Apart from the Pre-Settlement Orientation, prior to the closing of title to a Unit, no Purchaser shall be permitted to enter the Unit without the prior consent of Sponsor or the Selling Agent. Under no circumstances shall Purchaser perform or cause to be performed any work in such Unit prior to the closing of title thereto.

(v) Purchaser represents to Sponsor that he has examined the Unit and agrees that his signing of this Purchase Agreement shall constitute acceptance of the Unit and the Building and all fixtures, machinery, equipment, furnishings, appliances, installations and other personal property contained therein, in their present condition on the date of this Purchase Agreement, subject to reasonable use, wear, tear and natural deterioration between the date of this Purchase Agreement and the Closing Date or Adjourned Closing Date, if applicable, and subject to any other obligations of Sponsor under the terms of the Plan.

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

obligated to repair any damages to the Unit or its appliances, fixtures and equipment. Accordingly, Purchaser, or one claiming by or through Purchaser, who takes possession of the Unit prior to the closing of title should obtain insurance coverage for the Unit prior to taking possession, since, despite any loss, Purchaser will remain obligated to purchase the Unit under the terms of this Purchase Agreement, without any abatement in the purchase price. PURCHASER SHOULD CONSULT WITH AN ATTORNEY AND/OR INSURANCE AGENT AS TO HIS OR HER INSURANCE NEEDS.

19. **Possession of Unit Prior to Closing.** It is expressly understood and agreed that the Purchaser shall in no event take possession of the Unit prior to the time of the delivery of the deed and full compliance by the Purchaser with the terms of this Purchase Agreement, and should the Purchaser violate this provision, the Purchaser consents that the Sponsor shall have the right to remove him from the Unit as a squatter and intruder by summary proceedings. Upon the Purchaser's unauthorized possession, the Purchaser shall be deemed in default hereunder at the option of the Sponsor, and if the Sponsor so elects, the Sponsor may cancel this Agreement and the amount deposited hereunder shall belong to the Sponsor as liquidated damages deemed earned hereunder. It is further understood and agreed that the Sponsor will not be responsible for damage or loss to any property belonging to Purchaser whether same is delivered to the property before, on or after the closing of title herein.

20. **Limitation of Sponsor's Liability.** The Sponsor's liability under this Purchase Agreement for failure to complete and/or deliver title for any reasons whatsoever shall be limited to the return of the money deposited hereunder (with interest, if any), and upon the return of said money, this Agreement shall be null and void and the parties hereto released from any and all liability hereunder. In any event, the Sponsor shall not be required to bring any action or proceeding or otherwise incur any expense to render the title to the Unit marketable or to cure any objection to title.

21. **Definitions.** The term "Purchaser" shall be read as "Purchasers" if more than one person are purchasers, in which case their obligations shall be deemed joint and several. The terms used herein shall have the same meanings as ascribed thereto in the Plan.

22. **Gender.** The use of the masculine gender in this Purchase Agreement shall be deemed to refer to the feminine gender or to an entity whenever the context so requires.

23. **Other Agreements.** This Purchase Agreement supersedes any and all understandings and agreements between the parties and constitutes the entire agreement between them and no oral representations or statements shall be considered a part hereof.

24. **Amendment of Purchase Agreement.** This Purchase Agreement may not be amended, altered or discharged except by agreement in writing signed by the party sought to be charged therewith or by his, her or its duly authorized agent.

25. **Brokerage.** Purchaser represents and warrants to Sponsor that NRT New York LLC d/b/a Corcoran Sunshine Marketing Group and _____, as co-

broker, is/are the only broker(s) or sales agents with whom Purchaser has dealt in connection with this transaction, hereinafter the "Broker". Sponsor agrees to pay the commission earned by the Broker pursuant to a separate agreement between the Sponsor and Broker. Purchaser agrees that should any claim be made against Sponsor or Broker, for commissions by any other broker or co-broker, other than the aforementioned Broker, on account of any acts of Purchaser or Purchaser's representatives, Purchaser will indemnify and hold Sponsor and Broker free and harmless from and against any and all liabilities and expenses in connection therewith, including reasonable legal fees. The provisions of this Paragraph 25 shall survive the closing of title.

26. **Storage Room.** If applicable, the Purchaser will be assigned a Storage Room at the cellar level of the Building and at the Closing will be required to sign a Storage Room License Agreement governing the use of the Storage Room. A copy of the Storage Room License Agreement to be signed at Closing is attached hereto as **Exhibit "A"**. The Storage Room License will only be assigned to the Purchaser simultaneously with the Purchaser acquiring the Unit. In the event a Residential Unit Owner elects to terminate a Storage Room License and does not transfer same to another Residential Unit Owner, the rights to the Storage Room in question will devolve to the Board of Managers which shall have the right to issue a new Storage Room License to another Residential Unit Owner in its sole discretion. Residential Unit Owners can only rent their respective Storage Rooms to other Residential Unit Owners in the Building after obtaining the written consent of the Board of Managers thereto, which shall not be unreasonably withheld and/or delayed. The Storage Rooms are located at the cellar level of the Building and the Board and Sponsor cannot make any representation that the Storage Rooms will remain dry or will not experience any water infiltration, and neither the Sponsor nor the Board will be responsible for any damage to any items placed in the Storage Rooms. Residential Unit Owners who place items in the Storage Rooms do so at their own risk and Purchasers are advised to consult with their insurance brokers regarding appropriate coverage for such stored items.

Residential Unit Owners must comply with all applicable Law regarding the Storage Rooms, which may be subject to periodic inspection by the Board of Managers and any City of New York and other governmental agencies having jurisdiction thereover. Purchaser shall be responsible for the payment of any State and City transfer taxes due in connection with the licensing of the Storage Room. The fact that a Storage Room may not be available for use by Purchaser at the time of closing will not constitute a basis for a Purchaser to fail to close title to a Residential Unit, and Purchaser shall nonetheless be obligated, at closing, to sign the Storage Room License Agreement and deliver to Seller, the full balance of the Total Purchase Price, including the Storage Room License Payment. The provisions of this Paragraph 26 shall survive the closing.

27. **Governing Law.** This Purchase Agreement shall be governed by and construed in accordance with the law of the State of New York, notwithstanding the principles of Conflict of Laws.

28. **Jury Waiver.** Purchaser hereby waives trial by jury in any action, proceeding, or counterclaim involving any matter whatsoever arising out of, or in any way connected with, this

Purchase Agreement or the relationship of the parties as Purchaser and Sponsor, or the right of Purchaser to any statutory relief or remedy.

29. **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 either Sponsor's rights or Purchaser's obligations hereunder.

30. **Acceptance by Sponsor.** Within thirty (30) days after delivery to Sponsor or its Agent by Purchaser of this Purchase Agreement, signed by Purchaser, together with the required Down Payment, Sponsor will either:

- (a) accept this Agreement and cause to be returned to Purchaser a fully signed counterpart thereof, or
- (b) reject this Agreement offer and refund the Down Payment tendered by Purchaser.

If Sponsor takes no action within said thirty (30) day period this Purchase Agreement shall be deemed null and void and Sponsor will promptly return Purchaser's Down Payment.

Upon such refund being made, neither party shall have any further rights, obligations or liabilities hereunder with respect to the other. Sponsor reserves the right to request thorough identification and financial information concerning Purchaser, including but not limited to credit reports, background and litigation checks, employment and rental/ownership history, and bank statements, subject to any limitations and requirements imposed by law. Prior to Sponsor's countersigning and returning this Purchase Agreement to Purchaser, and at any time thereafter, Purchaser agrees upon request to provide such written information and/or authorization to collect information regarding the same. 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 sex, race, creed, color, national origin, ancestry, disability, marital status, or other ground proscribed by law.

31. **Transfer Tax Returns.** At closing, Purchaser will duly complete and sign before a Notary Public the transfer tax return required to be filed with the City of New York and the appropriate New York State form (TP-584 or its successor) required to be filed with the New York County Register's office. This transfer tax return and TP-584 form shall be delivered at closing to the representative of Purchaser's title insurance company (or, if none, to Sponsor's Attorneys) for filing with the proper governmental officer.

32. **Foreign Investment in Real Property Tax Act.** Pursuant to the Foreign Investment in Real Property Tax Act (FIRPTA), upon disposition of a United States real property interest by a foreign person on or after February 17, 2016, the Purchaser of such real

property interest must deduct and withhold a tax equal to fifteen percent (15%) of the purchase price unless the Sponsor furnishes a certificate that it is not a foreign entity or individual. Sponsor, a Delaware limited liability company, will furnish to Purchaser a non-foreign certification at closing, thereby complying with FIRPTA and relieving Purchaser from any withholding obligations.

33. **Custom Work.** Sponsor shall deliver the Unit as described in the Offering Plan and does not intend to perform special custom work in the Unit. However, in the event that Sponsor, in its sole and absolute discretion, agrees to perform special custom work or install any upgrades or extras at the request of Purchaser ("Custom Work"), such agreement shall be memorialized, and such Custom Work shall be itemized, in this Purchase Agreement or a rider thereto. Purchaser acknowledges and agrees that all such Custom Work is to be performed by Sponsor's contractors. The total Custom Work amount agreed upon between Purchaser and Sponsor and memorialized in this Agreement (the "Custom Work Amount") will be in addition to the total purchase price for the Unit and will be at the sole cost and expense of Purchaser. The Initial Down Payment for the purchase of the Unit will be increased by the Custom Work Amount. Although initially deposited in escrow, upon the rescission of a Purchase Agreement by Purchaser, the funds deposited for the Custom Work will not be refunded to the Purchaser to the extent such funds have already been expended or will be expended on costs Sponsor has accrued and is obligated to pay with respect to Custom Work. Notwithstanding anything to the contrary herein, in the event Sponsor abandons the Offering Plan, Sponsor shall refund all additional escrowed funds for Custom Work to the Purchaser, notwithstanding whether any such funds have been expended or allocated to costs incurred by Sponsor.

34. **Waiver of Diplomatic or Sovereign Immunity and Consent to Jurisdiction.** If applicable, 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 the Purchaser's Unit, to expressly waive any and all immunity from suit by Sponsor and/or the Board of Managers of the Condominium. Such Purchasers at closing will be required to sign the "Waiver of Diplomatic or Sovereign Immunity and Consent to Jurisdiction" which is attached hereto as **Exhibit "B"**.

35. **Confidentiality.** Sponsor and Purchaser hereby acknowledge and agree to keep all of the terms and conditions of this Agreement confidential. Sponsor and Purchaser agree that any information which is required to be disclosed to the parties' respective lawyers, architects/engineers, accountants, individuals who "need to know" or governmental agencies shall not be deemed to be a breach by Sponsor or Purchaser of the parties undertaking the confidentiality contained in this Agreement. Any failure by Purchaser to keep the terms and conditions of this Agreement confidential shall be a default by Purchaser, entitling Sponsor to the default remedies set forth in this Agreement.

36. **Damage to Public Improvements, Amenities and Common Elements.** Purchaser shall repair and/or restore to their original condition and standards any public

improvement, amenity or Common Element on the Property damaged by Purchaser or Purchaser's agents, employees, contractors or licensees. Upon failure of Purchaser to complete such repair and/or restoration work within thirty (30) days after written notice from Sponsor, then and in that event, Sponsor may complete same at the expense of Purchaser who shall reimburse Sponsor for the cost thereof immediately upon demand. The provisions of this Paragraph 36 shall survive delivery of the deed at Closing.

37. Purchaser's Representations Regarding OFAC and the PATRIOT Act. Purchaser represents that Purchaser has full right and authority to sign 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 Down Payment 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 Down Payment.

Purchaser is not now, nor shall it be at any time prior to or at the Closing, 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 (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 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.

Purchaser has taken, and shall continue to take until the Closing, 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. App. 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.

The provisions of this Paragraph 37 shall survive the Closing of title to the Unit or termination of this Agreement.

38. **Survival.** The closing of title to the Unit and the delivery of the deed thereto shall be deemed full compliance by Sponsor with each and every term of this Purchase Agreement, except as to any item specifically listed and excepted therefrom. All representations under the Offering Plan, all obligations pursuant to the GBL, and such additional obligations under the Offering Plan which are to be performed subsequent to the closing date will survive delivery of the deed.

39. **Conflict with Plan.** Any conflict between the Plan and this Purchase Agreement will be resolved in favor of the Plan.

40. **Counterparts.** This Purchase Agreement and any Rider(s) attached thereto may be signed by facsimile and/or PDF signature and/or in any number of counterparts and each of such facsimile and /or PDF signature and/or counterpart shall for all purposes be deemed to be an original; and all such facsimile and/or PDF signatures and/or counterparts shall together constitute but one and the same Purchase Agreement.

41. **Captions.** The captions in this Purchase Agreement are for convenience and reference only and in no way define, limit or describe the scope of this Purchase Agreement, or the intent of any provision hereof.

Dated: _____
_____, New York

L.S.

Purchaser

L.S.

Purchaser

ACCEPTED BY SPONSOR:
40 East End Ave. Associates LLC

ESCROW AGENT:
D'Agostino, Levine, Landesman & Lederman, LLP

By: _____
Name:
Title:

By: _____
_____, Partner

Dated: _____, 20__

Dated: _____, 20__

**EXHIBIT A
TO PURCHASE AGREEMENT**

STORAGE ROOM LICENSE AGREEMENT

AGREEMENT MADE THIS ____ day of _____, 20__ (this "Agreement") by and between the Board of Managers of 40 East End Avenue Condominium ("Licensor"), having an office at 40 East End Avenue, New York, New York 10028 and _____, residing at 40 East End Avenue, Unit ____, New York, New York 10028 ("Licensee");

WHEREAS, pursuant to that certain Condominium Declaration, By-Laws and Rules and Regulations for the condominium known as 40 East End Avenue Condominium (the "Condominium") dated _____, recorded on _____ as CRFN _____, as same may be amended from time to time, (collectively the "Declaration") for the property having the street address of 40 East End Avenue, New York, New York 10028 (the "Property"), the Property was submitted to a condominium regime;

WHEREAS, in accordance with the terms of the Declaration, Licensor is responsible for the administration of the Common Elements of the Condominium, including, without limitation the "Storage Rooms" as same are described and defined in the Declaration;

WHEREAS, Licensee, owns or simultaneously herewith, Licensee is acquiring a Residential Unit in the Condominium and;

WHEREAS, Licensee desires the right to the exclusive use of the Storage Room identified as Storage Room # ____ (the "Space") for so long as Licensee owns a Residential Unit in the Condominium.

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

1. Subject to and in accordance with the terms and conditions of this Agreement, Licensor hereby grants to Licensee, its permitted successors and assigns and Licensee hereby accepts from Licensor, a license (the "License") to use the Space during the term hereof for storage of Licensee's personal property and the property of occupants of the Unit (the "Permitted Users") and for no other purpose. Licensee shall not store any (i) animals or food, (ii) inflammable, combustible, explosive or other dangerous items, (iii) items which have an objectionable odor or which may spoil or decay or (iv) valuable items. Licensee shall not (a) interfere with another tenant of Licensor, (b) store any property in the Building outside of the Space, (c) allow any other person to use the Space except in accordance with the terms thereof, or (d) deface, damage or alter the Space, the Building or Licensor's equipment. Licensee shall keep the Space locked and shall provide Licensor with a duplicate key. Licensee acknowledges

that it is Licensee's responsibility to safeguard the keys and Licensee is fully responsible for whoever has possession of the keys.

2a. This Agreement shall constitute a License only and shall not be construed under any circumstances to be a sale of the Storage Room or conveyance of title thereto. In no event shall a landlord/tenant relationship exist between the Condominium and the Licensee with respect to this Agreement.

2b. The term of this License shall commence on the date first set forth above, and shall continue on a month to month basis thereafter until Licensee gives written notice of termination, or unless otherwise terminated, as provided herein. This License shall automatically terminate in the event that Licensee no longer owns a Residential Unit in the Condominium. In the event this Agreement is terminated, Licensee shall vacate and surrender possession of the Space, broom clean, in the condition as existed prior to the commencement of this Agreement. Any property not removed from the Space at the expiration or other termination of this Agreement shall be considered abandoned and may, at Licensor's option, be retained as Licensor's property or disposed of at Licensee's cost and without any liability to Licensor. Licensee's obligation to observe or perform this covenant shall survive the expiration or other termination of this Agreement.

3. Licensee shall indemnify and save harmless the Sponsor, Licensor and Sponsor's or Licensor's officers, employees and agents against and from any and all liability, loss, damage and expense (including, without limitation, attorney fees and expenses) arising from injury to person or property occasioned by the failure of the Licensee to comply with any provision in this Agreement, or due wholly or in part to any act, default or omission of the Licensee or of any person using the Space, or by Sponsor or the Licensor, their officers, employees, agents, servants or contractors when acting as agent for the Licensee as herein provided.

4. Neither Licensor nor its agents or employees shall be liable for any theft or damage to the property stored in the Space unless due to the gross negligence of the Licensor. Licensee understands that Licensor intends to leave the storage area unattended and that Licensee stores property in the Space at Licensee's own risk, including, without limitation, the possibility that the Space may be damp or have water infiltration. Licensor undertakes only to act as a licensor, and under no circumstances shall the Licensor or its agents be deemed to act as Licensee's bailee.

5. Licensee represents that it has made a thorough review of the Space and agrees to take same in its condition "as is" as of the commencement of this Agreement. Licensee shall, throughout the term of this Agreement, take good care of the Space. Licensee shall repair all damage to the Building and the Space by moving of its property, furniture or equipment.

6. Licensor shall not provide any services to the Space, except lighting, electricity, ventilation, heating, and cooling. Licensee shall keep the Space clean. Licensee shall have access to the Space seven (7) days a week at such times and hours to be determined by Licensor from time to time in its sole and absolute discretion.

7. This Agreement shall inure to the benefit of Licensor's successors and assigns and may not be modified except by a writing signed by the party to be charged.

8. If Licensee shall default in fulfilling any of its covenants or obligations hereunder, in addition to any other rights and remedies available to Licensor, Licensor may (i) deny access to the Space until Licensee cures such default, or (ii) terminate this Agreement by the giving of written notice to Licensee, whereupon this Agreement shall terminate on the date set forth in such notice.

9. Licensee shall, at all times, use the Space only in a manner which is in full compliance with all present and future laws, orders, rules and regulations of all state, federal, municipal and local governments, departments, commissions and boards (including the New York Board of Fire Underwriters or any similar body) asserting jurisdiction therefor, or any direction of any public officer pursuant to law, including, without limitation, the police and fire departments of the City of New York, which may require the removal or destruction of items stored in the Space. Licensee, its servants, employees, agents, visitors and licensees shall observe faithfully, and comply strictly with the Declaration and any and all rules and regulations for the Building as Licensor or its agents may from time to time adopt.

10. Licensor or its agents shall have the right (but not the obligation) to open the Space in an emergency at any time, and, at other reasonable times, to inspect and examine the same and to make such repairs, replacements and improvements as Licensor shall deem necessary or desirable to the Space or any portion of the Building, all without any liability to Licensor whatsoever as a result thereof.

11. The failure of Licensor to seek redress for violation of, or to insist upon the strict performance of any covenant or condition of this Agreement or of any of the rules or regulations adopted by Licensor, shall not prevent a subsequent act which would have originally constituted a violation from having all the force and effect of an original violation.

12. Notwithstanding anything to the contrary set forth herein, in the event Licensee desires to assign this Agreement, such assignment shall comply with the then requirements of Licensor to effectuate such assignment, including, without limitation, the obligation to enter into a new license agreement with the assignee. Licensee may permit use of the Space by others than the Permitted Users only with the consent of Licensor.

13. All capitalized terms used in this Agreement not defined herein shall have the same means ascribed to them in the Declaration.

14. This Agreement shall inure to the benefit of and be binding upon the heirs, executors, permitted successors and assigns of the Licensee.

15. It is understood and agreed that all understandings and agreements heretofore had between the parties hereto are merged in this Agreement, which alone fully and completely

express their agreement and that this Agreement supersedes any and all such understandings and agreements with respect to the subject matter hereof.

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

17. Either party shall sign, acknowledge or 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.

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

19. During the First Year of Condominium operation, each Unit Owner who enters into a Storage Room License Agreement will not be required to pay a monthly Storage Room License Fee (a "License Fee") to the Board of Managers at the inception of the Storage Room License Agreement. However, notwithstanding anything to the contrary herein, subsequent to the First Year of Condominium operation, the Board of Managers reserves the right to establish, and to charge to each Storage Room Licensee, a monthly License Fee, which may be increased annually thereafter by the Board of Managers in its sole discretion, but based on the cost of maintenance and operation of the cellar storage area and all Storage Rooms located therein. The License Fee shall be deemed an assessment by the Board of Managers, as Licensor, and failure to pay the same shall entitle the Board of Managers to the same rights and remedies as the Board of Managers then has under the Declaration and By-Laws for non-payment of Common Charges or other assessments. Such License Fee, if established, shall only be applicable subsequent to the lawful occupancy or use of the cellar storage area and any applicable Storage Room. For avoidance of doubt, as to any unsold Storage Room Licenses, Sponsor will not be required to pay License Fees.

IN WITNESS WHEREOF, the undersigned have signed this Agreement as of the day and year first above written.

LICENSOR:

Board of Managers of
40 East End Avenue Condominium

By: _____

Name:

Title:

LICENSEE:

Attached Storage Room Floor Plan

Storage Room # _____

**EXHIBIT B
TO PURCHASE AGREEMENT**

**WAIVER OF DIPLOMATIC OR SOVEREIGN IMMUNITY
AND CONSENT TO JURISDICTION**

In consideration of Sponsor conveying title to Unit ____ of 40 East End Avenue Condominium located at 40 East End Avenue, New York, New York 10028 and for other good and valuable consideration to Sponsor, the receipt and sufficiency of which is hereby acknowledged by Sponsor, Purchaser hereby agrees to the following:

1. Capitalized terms used and not otherwise defined in this Waiver shall have the respective meanings ascribed thereto in the Offering Plan, as amended from time to time.
2. Purchaser represents and warrants that the Purchase Agreement for Unit ____ and the sales transaction contemplated thereunder is a commercial rather than a public or governmental act, and that Purchaser is not entitled to claim immunity from legal proceedings with respect to Purchaser or any property of Purchaser on the grounds of sovereignty or otherwise under any law or in any jurisdiction where any action may be brought for enforcement of Purchaser's obligations thereunder.
3. To the extent that Purchaser has now or may hereafter acquire such, Purchaser hereby irrevocably waives, in respect of Purchaser's obligations under the Purchase Agreement and the Condominium Declaration and By-Laws, (i) immunity from the jurisdiction of any court (including but not limited to the courts of the United States or any State thereof) and (ii) immunity of Purchaser's revenues, assets or properties (whether commercial or non-commercial) (A) from execution upon, attachment in aid of execution upon, and attachment prior to a judgment of any such court, (B) from setoff, and (C) from any other legal action or proceeding taken to enforce any obligation or liability of Purchaser arising, directly or indirectly, out of or relating to the Purchase Agreement and/or the Condominium Declaration and By-Laws. In addition to the extent not prohibited by the laws of the United States or international law, Purchaser hereby irrevocably waives, in respect of Purchaser's obligations under the Purchase Agreement and/or the Condominium Declaration and By-Laws, "mission inviolability" as same has been interpreted under the Vienna Convention on Diplomatic Relations, 23 U.S.T. 3227.
4. Purchaser, Sponsor and the Board of Managers of the Condominium acknowledge and agree that all disputes arising, directly or indirectly, out of or relating to the Purchase Agreement and/or the Condominium Declaration and By-Laws and all actions to enforce the Purchase Agreement and/or the Condominium Declaration and By-Laws may be dealt with and adjudicated in the courts of the United States of America or the State of New York, as Sponsor and/or the Board of Managers of the Condominium elect, and, by signing the Purchase Agreement, Purchaser hereby expressly and irrevocably accepts for itself and, to the extent permitted by law, in respect of Purchaser's property, generally

and unconditionally, the non-exclusive jurisdiction of the aforesaid courts in any suit, action or proceeding arising, directly or indirectly, out of or relating to the Purchase Agreement and/or the Condominium Declaration and By-Laws or in any action to enforce the Purchase Agreement and/or the Condominium Declaration and By-Laws. So far as is permitted under applicable law, this consent to personal jurisdiction by Purchaser shall be self-operative and no further instrument or action, other than service of process in one of the manners specified in this Waiver, or as otherwise permitted by law, shall be necessary in order to confer jurisdiction upon the person of Purchaser in any such court.

5. Provided that service of process is effected upon Purchaser in one of the manners specified in this Waiver or as otherwise permitted by applicable law, Purchaser hereby irrevocably waives, to the fullest extent permitted by law, and agrees not to assert, by way of motion, as a defense or otherwise, (i) any objection which Purchaser may now or hereafter have to the laying of venue or any suit, action or proceeding relating, directly or indirectly, to the Purchase Agreement and/or the Condominium Declaration and By-Laws in the State of New York, (ii) any claim that the State of New York is not a convenient forum for any such suit, action or proceeding, and (iii) any claim that Purchaser is not personally subject to the jurisdiction of the above named courts. Provided that service of process is effected upon Purchaser in one of the manners specified in this Waiver or as otherwise permitted by law, 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 of competent jurisdiction shall be conclusive and binding upon Purchaser and may, to the fullest extent permitted by 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.
6. In the case of the courts of the United States of America and the State of New York, Purchaser hereby designates, appoints and empowers the party described below ("Purchaser's Agent"):

as its authorized agent to accept and acknowledge for and on Purchaser's behalf service of process in any legal action or proceeding of the nature referred to in the Purchase Agreement and/or the Condominium Declaration and By-Laws, but for no other purpose. Purchaser acknowledges that the provisions of this Section 6, and the provisions of Section 8, below constitute a "special arrangement for service" within the meaning of 28 USC §1608.

7. Purchaser shall have Purchaser's Agent sign all documents and affidavits reasonably necessary to insure that (i) the designation and appointment of Purchaser's Agent as such shall be irrevocable until one year after the date of the closing of title to the Unit, and (ii) Purchaser's Agent shall not cease to act as the agent for service unless and until, in either case, another agent for such purpose reasonably satisfactory to Sponsor and/or the Board of Managers of the Condominium shall have been irrevocably designated and appointed and Purchaser shall have delivered to Sponsor and/or the Board of Managers of the Condominium or any of its successors or assigns, evidence in writing of such other agent's acceptance of such appointment. Any attempt by Purchaser's Agent to cease to so act shall be ineffective and without force or effect unless the foregoing provisions of this Section 7 shall be complied with.
8. Purchaser hereby consents to process being served in any suit, action or proceeding of the nature referred to in the Purchase Agreement and/or the Condominium Declaration and By-Laws either by the mailing of a copy thereof by registered or certified mail, postage prepaid, return receipt requested to (i) Purchaser at the address set forth in the Purchase Agreement, if mailed prior to the closing of title to the Unit, and thereafter at the Unit conveyed, and (ii) to Purchaser's Agent at the address set forth in Section 6 of this Waiver. Service shall be deemed completed ten (10) days after delivery thereof to such party served. Purchaser irrevocably waives, to the fullest extent permitted by law, all claim of error by reason of any such service and agrees that such service (i) shall be deemed in every respect effective service of process upon Purchaser in any such suit, action or proceeding, and (ii) shall to the fullest extent permitted by law, be taken and held to be valid personal service upon and personal, delivery to Purchaser. Copies of any process or other papers served on Purchaser's Agent shall be forwarded promptly to Purchaser but failure to do so shall have no effect on the effectiveness of such service on Purchaser's Agent. Purchaser undertakes to enter an unconditional appearance within thirty (30) days after the completion of such service.
9. Purchaser agrees to sign, 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 (a) the appointment of Purchaser's Agent, (b) the consent of Purchaser to jurisdiction of the state courts of New York and the federal courts sitting in New York, and (c) any other provisions of this Waiver.
10. Nothing in this Waiver shall affect the right of Sponsor and/or the Board of Managers of the Condominium to serve process in any other manner permitted by law or limit the right of Sponsor and/or the Board of Managers of the Condominium or any of its successors or assigns, to bring proceedings against Purchaser in the courts of any jurisdiction or jurisdictions.

11. The provisions of this Waiver shall survive the closing of title to the Unit to Purchaser for the purpose of any suits, action or proceeding arising, directly or indirectly, out of or relating to the Purchase Agreement and/or the Condominium Declaration and By-Laws or any action to enforce the Purchase Agreement and/or Condominium Declaration and By-Laws.

Dated _____, 201_

Purchaser:

Purchaser:

POWER OF ATTORNEY

The undersigned, _____, the Owner of Residential Unit No. _____ located at 40 East End Avenue, New York, New York 10028, in the Condominium known as 40 East End Avenue Condominium, consisting of the property submitted to the provisions of Article 9-B of the Real Property Law of the State of New York pursuant to Declaration dated _____, 20____, and recorded in the Office of the Register of the City of New York, County of New York, as CRFN _____ and on the Floor Plans on file in said office as CRFN _____, do(es) hereby nominate, constitute and appoint the persons who may from time to time constitute the Board of Managers of 40 East End Avenue Condominium jointly, true and lawful attorneys-in-fact for the undersigned, coupled with an interest, with power of substitution, to acquire in their own name, as members of the Board of Managers, or in the name of their designee, corporate or otherwise, on behalf of all Owners of Units in said Property, in accordance with their common interests, any Unit whose Owner desires to abandon or sell the same, including the undivided interest in the Common Elements appurtenant thereto, the interest of such Unit Owner in any other Units theretofore acquired by the Board of Managers, or its designee, on behalf of all Unit Owners, or in the proceeds of sale or lease thereof, if any, and the rights and privileges appurtenant thereto, the interest of such Unit Owner in all other assets of the Condominium as defined in the aforementioned Declaration or any Unit, which shall be the subject of a foreclosure or other judicial sale, or to lease any Unit whose Owner desires to rent the same, at such price or on such rental, as the case may be, and on such terms as said attorneys-in-fact shall deem proper, and thereafter to convey, sell, lease or mortgage (but not to vote the votes appurtenant thereto) to otherwise deal with any such Units so acquired by them, or to sublease any Unit so leased by them on such terms as said attorneys-in-fact may determine, granting to such attorneys-in-fact the power to do all things in the said premises which the undersigned could do if the undersigned were personally present.

The acts of majority of such persons shall constitute the acts of said attorneys-in-fact.

The undersigned do(es) hereby nominate, constitute and appoint 40 East End Ave. Associates LLC, a Delaware limited liability company duly authorized to transact business in the State of New York ("Sponsor") and/or Sponsor's designee, their successors or assigns, as attorney-in-fact for the undersigned, their successors, assigns and/or heirs, coupled with an interest, with power of substitution, to severally amend from time to time the Declaration, the By-Laws and the Rules and Regulations of the Condominium, or any of said documents, when such amendment (1) shall be required to effectuate the provisions of Articles 16 and 17 of the Declaration and any other provision thereof or set forth in the Condominium's By-Laws and/or Rules and Regulations, or to reflect any change in Unsold Units and/or the reapportionment of the Common Interests of the affected Unsold Units resulting therefrom made by Sponsor or its designee in accordance with Articles 16 and 17 of the Declaration or any other provision thereof or set forth in the Condominium's By-Laws and/or Rules and Regulations, or (2) shall be required by (a) an institutional lender procured by Sponsor or its designee, to make a mortgage loan secured by a mortgage on any Unit, (b) any governmental agency having regulatory jurisdiction over the Condominium, or (c) any title insurance company selected by Sponsor or its

designee, to insure title to any Unit, provided, however, that any amendment made pursuant to the terms of this paragraph shall not (i) change the Common Interest of the undersigned's Unit, (ii) require a material, physical modification to the undersigned's Unit, or (iii) adversely affect the priority or validity of the lien of any purchase money mortgage or any mortgage held by an institutional lender covering the undersigned's Unit unless the undersigned (in the event described in subdivision (i) or (ii) of this paragraph) and the holder of such mortgage (in the event described in subdivision (iii) of this paragraph) shall consent thereto by joining in the signing of such amendment. With regard to Sponsor's Unsold Units, the terms, covenants and conditions contained in, and the powers granted pursuant to this paragraph shall remain in full force and effect until such time as the Sponsor or Sponsor-designee(s) shall cease to own any Units in the Condominium.

The undersigned do(es) further nominate, constitute and appoint 40 East End Ave. Associates LLC and/or its designee, their successors or assigns, as attorney-in-fact for the undersigned, their successors, assigns and/or heirs, coupled with an interest, with power of substitution, to sign any document on behalf of the undersigned, if same is necessary, to effectuate the transfer, assignment or conveyance by Sponsor, in whole or in part, of the transferable air rights and/or development rights which Sponsor has retained for itself, its successors and assigns in accordance with Paragraph numbered 20 of the Declaration. This power of attorney shall in no way be construed to grant any interest in such transferable air rights and/or development rights to the undersigned.

The undersigned do(es) further nominate, constitute and appoint (i) the persons who may from time to time constitute the Board of Managers of the Condominium jointly, and (ii) 40 East End Ave. Associates LLC and/or its designee, their successors or assigns, as attorneys-in-fact for the undersigned, their successors, assigns and/or heirs, coupled with an interest, with power of substitution, to sign, acknowledge and deliver, and, if necessary, to cause to be recorded in the Office of the Register of New York County, (a) any declaration or other instrument affecting the Condominium that the Condominium Board deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution, or requirement of the Department of Buildings, the Landmarks Preservation Commission, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the maintenance, demolition, construction, alteration, repair, or restoration of the Condominium or (b) any agreement, consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting the Condominium or the Common Elements that the Condominium Board deems necessary or appropriate.

This power of attorney shall be irrevocable.

IN WITNESS WHEREOF, the undersigned, has signed this Power of Attorney this _____ day of _____, 20__.

[illegible]

On the _____ day of _____, in the year 20____, before me, the undersigned, a Notary Public in and for said state, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they signed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, signed the instrument.

Notary Public

[illegible]

On the _____ day of _____, in the year 20____, before me, the undersigned, a Notary Public in and for said state, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they signed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, signed the instrument.

Notary Public

FORM OF UNIT DEED

THIS INDENTURE made the ____ day of _____, 20__, between 40 East End Ave. Associates LLC, a Delaware limited liability company duly authorized to transact business in the State of New York, having an office c/o Lightstone Group, 460 Park Avenue, New York, New York 10022, "Grantor", and _____, "Grantee," residing at _____.

WITNESSETH:

That the Grantor, in consideration of Ten (\$10.00) Dollars and other valuable consideration paid by the Grantee, does hereby grant and release unto the Grantee, and the heirs or successors and assigns of the Grantee, forever:

The Unit known as Unit No. ____ in the Building known as 40 East End Avenue Condominium, located at 40 East End Avenue, in the Borough of the Manhattan, New York County, City and State of New York and also designated and described as Unit No. ____ in the Declaration establishing 40 East End Avenue Condominium (hereinafter called the "Property") made by the Grantor under the Condominium Act of the State of New York, as amended (Article 9-B of the Real Property Law of the State of New York), dated _____, 20__, and recorded in the New York County Office of the Register of the City of New York, on the ____ day of _____, 20__, as CRFN _____ (hereinafter called the "Declaration"), which Unit is also designated as Block No. 1578, Tax Lot No. ____ on the Floor Plans and Site Plan (the "Floor Plans") of the Building, certified by Gerner Kronick + Valcarcel, Architects, DPC, filed in the Real Property Assessment Department of the City of New York on the ____ day of _____, 20__, as Condominium Plan No. ____ and filed simultaneously with said Declaration in the said Office of the Register of the City of New York, New York County, as CRFN ____, Map No. ____ (hereinafter called the "Unit"). The land area of the Property is described as follows:

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, State of New York, bounded and described as follows:

BEGINNING at a corner formed by the intersection of the northerly side of East 81st Street with the westerly side of East End Avenue;

RUNNING THENCE westerly along said northerly side of East 81st Street, 123 feet;

THENCE northerly parallel with the westerly side of East End Avenue, 102 feet 2 inches to the center of the block;

THENCE easterly along said center of the block 25 feet;

THENCE southerly again parallel with the westerly side of East End Avenue, 51 feet;

THENCE easterly parallel with the northerly side of East 81st Street, 98 feet to the westerly side of East End Avenue.

THENCE southerly along said westerly side of East End Avenue 51 feet 2 inches to the corner aforesaid at the point or place of BEGINNING.

SAID PREMISES to be known as and by the street number 40 East End Avenue, New York, New York 10028.

TOGETHER with all right, title and interest, if any, to any interior strips or gores adjoining the above described premises on any sides thereof.

TOGETHER with an undivided _____ percent interest in the common elements of the Property described in said Declaration (hereinafter called the "Common Elements");

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

TOGETHER with an easement in common with the Owners of other Units to use any pipes, wires, ducts, cables, conduits, public utility lines, and other Common Elements located in any of the other Units or elsewhere on the Property, and serving the Unit;

TOGETHER with the appurtenances and all the estate and rights of the Grantor in and to the Unit;

TOGETHER with and SUBJECT to all easements of necessity in favor of the Unit or in favor of other Units or the Common Elements;

SUBJECT to easements in favor of adjoining Units and in favor of the Common Elements for the continuance of all encroachments of such adjoining Units or Common Elements on the Unit, now existing as a result of the construction or rehabilitation of the Building, or which may come into existence hereafter as a result of settling of the Building, or as a result of repair or restoration of the Building or any adjoining Unit or of the Common Elements, after damage, condemnation or eminent domain proceedings, or by reason of an alteration or repair to the Common Elements made by or with the consent of the Board of Managers, so that any such

encroachments may remain so long as the Building shall stand. Each Unit shall be subject to the aforesaid easements in favor of all other Units. In addition, each Unit shall have, and shall be subject to, easements of subjacent support and necessity in favor of such Unit or in favor of other Units and the Common Elements;

SUBJECT also to an easement in favor of the other Units to use the pipes, wires, ducts, conduits, cables, public utility lines and other Common Elements located in the Unit or elsewhere on the Property and serving such other Units;

TOGETHER with and SUBJECT TO EASEMENTS, rights of way, restrictions and encumbrances created by the Declaration for 40 East End Avenue Condominium recorded in the New York County Office of the Register of the City of New York on the ____ day of _____, 20__ as CRFN _____.

SUBJECT to the provisions of the Declaration, By-Laws, and Floor Plans of the Condominium recorded simultaneously with and as part of the Declaration, as the same may be amended from time to time by instruments recorded in the New York County Office of the Register of the City of New York, which provisions, together with any amendments thereto, shall constitute covenants running with the land and shall bind any person having at any time any interest or estate in the Unit, as though such provisions were recited and stipulated at length herein;

AND the Grantor covenants that the Grantor has not done or suffered anything whereby the said premises have been encumbered in any way whatsoever, except as aforesaid; this deed was authorized at a duly called meeting of the members of Grantor;

TO HAVE AND TO HOLD the same unto the Grantee, and the heirs or successors and assigns of the Grantee, forever.

The Unit is intended to, and, subject to and by the terms of the Declaration, is to be used as a Residential Unit.

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 clause 18 of the Declaration shall control.

The Grantor, in compliance with Section 13 of the Lien Law, covenants that the Grantor will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund for the purpose of paying the cost of the improvement and will apply the same first to the payment of the cost of the improvements before using any part of the same for any other purpose.

The Grantee accepts and ratified the provisions of the Declaration and the By-Laws and the Rules and Regulations of the Condominium recorded simultaneously with and as part of the Declaration and agrees to comply with all the terms and provisions thereof, as the same may be amended from time to time by instruments recorded in the office of the New York City Register, New York County.

This conveyance has been made with the consent of all the members of the party of the first part entitled to vote thereon at a meeting duly called.

IN WITNESS WHEREOF, the Grantor has duly signed this deed the day and year first above written.

Grantor:

40 East End Ave. Associates LLC

By: _____

Name:

Title:

Grantee:

Grantee:

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

On the ____ day of _____, in the year 20__, before me, the undersigned, a Notary Public in and for said state, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they signed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, signed the instrument.

Notary Public

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

On the ____ day of _____, in the year 20__, before me, the undersigned, a Notary Public in and for said state, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they signed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, signed the instrument.

Notary Public

DESCRIPTION OF PROPERTY AND SPECIFICATIONS

**Description of Property and Specifications per Section 20.7 of Title 13, Part 20 NYCRR
40 East End Avenue, New York, New York**

(a) *Location and use of property:*

The property and proposed use will comply with all Zoning and Use requirements.

- (1) Address:
40 East End Avenue
New York, NY 10028
- (2) Block and lot number:
Block 1578, Lot 23 as tax lot (the "Property"). As detailed in the "Further Development" section of this report, Lot 23 and Lot 31, an adjacent property, form a combined zoning lot.
- (3) Zoning:
R10A, R8B
- (4) Permitted use: groups 1-2 residential use; groups 2-4 residential and community facility use.
Proposed use: group 2 residential use.

(b) Status of construction. :

The job is not self certified.

- (1) Anticipated date of substantial completion is on or about December 31st, 2018. Upon substantial completion, 40 East End Ave. Associates LLC, the sponsor of the project ("Sponsor"), intends to submit the Property, including the new building to be constructed thereon, to condominium ownership. The Property will be known as 40 East End Avenue Condominium (the "Condominium").
- (2) The building will be 1-B Fire Resistant Rating per NYC 2014 Building code
- (3) There will be one Certificate of Occupancy. The building will open with a Temporary Certificate of Occupancy (TCO) that will cover one or more floors or units in the building. It is possible the initial TCO will only cover certain floor(s) or unit(s) in the building and that the balance of floors or units will be covered by (a) subsequent TCO(s). A TCO indicates that the property is safe for occupancy but it has an expiration date. A TCO typically expires 90 days after it is issued. The Sponsor of the proposed Condominium shall make best efforts to renew the TCO until a final certificate of occupancy is issued for the building.
- (4) All construction work has been filed under a New Building Application number 121190120 The project has been designed to comply with Quality Housing guidelines.
The building permit number is 121190120

(c) Site.:

(1) Size:

The Property will have 123 feet of frontage along East 81st Street and 51.17 feet of frontage along East End Avenue. The approximate total area of the Property is 7,569 square feet.

(2) Number of buildings and use:

The one (1) building to be newly constructed at the Property will be for residential use. There will be a total of 29 residential units plus accessory storage located at the cellar level.

(3) Streets owned or maintained by the project:

N/A. The streets are owned by the NYC DOT and conform to its rules and regulations.

(4) Drives, sidewalks and ramps:

(i) Paving:

Typical asphalt concrete road and concrete sidewalk to be maintained by the Condominium. It will also keep the area clean and shoveled

(ii) Curbing:

Typical concrete and steel plate curbing to be maintained by the Condominium.

(iii) Catch basins, drainage:

N/A

(iv) Street lighting:

No street lights added, only street landscape lighting. See table provided under section (q)

(v) These items are in conformity with local fire district, town or municipal building codes.

(vi) Paving at garden:

Rear garden of the Maisonette unit is comprised of basalt and porcelain paving, or equal. Access to the rear garden is through the Maisonette unit and is only accessible by the unit owner. Maintenance is the responsibility of the Maisonette unit owner.

(vii) Drainage at garden:

At the garden area drainage is provided by means of cast iron area drains. These are cast into the concrete. They drain to the detention tank before connecting to the city sewer system.

(d) *Utilities.*

(1) *Electricity:*

Electric service is delivered by Con Edison. Service enters the building from East End Avenue at the cellar level. Each unit is individually metered and will have its own account with the utility. Unit Owners will be required to arrange their own electric accounts upon closing title, and will be solely responsible for all electric charges incurred with respect to their respective units. There are also common meters for house loads; the cost of all usage measured by the house meters will be a common expense of all unit owners.

(2) *Natural Gas:*

Natural Gas service is delivered by Con Edison. Two gas services enter the building from East End Avenue at the cellar level. One service is dedicated for the gas fired emergency power generator, which shall be commonly metered and the other for (a) gas cooking, gas grills in Unit PHA and the Maisonette and domestic fireplace use in Unit PHA and (b) domestic hot water heating and heating by the packaged rooftop units. This service will be split into two branches as described by (a) and (b) immediately above; each branch will be commonly metered. There will be three (3) gas meters in total. All gas costs will be a common expense of all unit owners.

(3) *Domestic Water and Sewer Service:*

Water and Sewer service are provided by NYC Department of Environmental Preservation (DEP). Water service enters the building from East End Avenue at the cellar level. There are two water meters; one each for domestic use and fire protection. Sewer service enters the building from East 81st Street at the cellar level. Water and sewer charges are commonly metered, and will be a common expense of all unit owners.

(4) *Telephone, Cable TV and Internet Services:*

Telephone, Cable TV and Internet, are provided by Spectrum and/or Verizon. Unit Owners will be required to arrange their own account for these services with the respective providers. Each unit owner will be responsible for charges incurred on their own account.

(e) *Sub-soil conditions:*

- (1) Uneven foundation movement or settling has not occurred. This will be a new building, foundations have been constructed.

- (2) There are no current groundwater infiltration issues. Based on subsurface investigations, the natural groundwater table at the site is approximately Elev. +22 (NAVD 88). Below-grade walls and floor slabs will be waterproofed in accordance with NYC Building Code requirements.
- (3) The high water table at the site is approximately Elev. +25 (NAVD 88). The building site is **not located in a FEMA Flood Zone**.
- (4) On October 12, 2016, New York State Department of Environmental Conservation (NYSDEC) Spill # 1608636 was opened for the Property due to the detection of a release of fuel oil from a former aboveground storage tank. Under the direction of the NYSDEC, P.W. Grosser Consulting oversaw a remediation of the Spill. The impacted soils in the area of the former tank were excavated and properly disposed. Post-remediation sampling indicated that the remediation was successful. P.W. Grosser Consulting submitted a Spill Closure Report to the NYSDEC in March 2017. Upon review of the Report, the NYSDEC closed the Spill File on March 22, 2017, requiring no further action.

(f) *Landscaping and enclosures.*

(1) Grass Cover, Plantings, and Trees:

Large deciduous trees (Japanese Pagoda Tree) will be planted on sidewalk. They will be watered by the Condominium but maintained by the city. Sidewalk planters will have shrubs and perennials that will be maintained by the Condominium.

The maisonette private garden is to have a mix of trees, shrubs, perennials, grasses and vines. The grasses are perennial and do not require mowing. Maintenance is the responsibility of the unit owner.

Unit 7/8B private terrace will have surface planters containing perennials and grasses. Maintenance is the responsibility of the unit owner

Unit PHA Roof Terrace will have surface planters containing perennials and grasses. Maintenance is the responsibility of the unit owner

(2) Fencing:

Roof terrace and 7th floor roof fence comprised of ipe wood and pressure-treated timber framing, or equal.

(3) Gates:

7th floor roof fence and gate and roof terrace fence made of cedar wood boards, or equal.

(4) Garden walls:

Maisonette garden walls to be clad in horizontal cedar boards and/or stainless steel cables to create wall trellises. The walls will be a combination of concrete, brick, horizontal cedar boards and trellises to the north, west and east.

(5) Retaining walls:

Concrete retaining walls surrounding the Maisonette garden. The north wall is approximately 22' wide and 16' tall, topped with a 3'-6" cedar board railing. The west wall is approximately 26' long and 12' tall, topped with a 6'-0" cedar board railing. The east wall is approximately 27' long and 12' tall. See (f)(4) for finishes.

(6) Display pools and fountains:

Maisonette garden includes a small zinc fountain, the maintenance and repair of which shall be the responsibility of the Maisonette unit owner.

(g) *Building size.:*

- (1) The building is 209'-5" to the roof level, 241'-1" to the top of the mechanical roof and 248'-1" to the top of the parapet from project datum.

- (2) Crawl spaces:

N/A

- (3) The building has 1 cellar.

- (4) The building will have 18 stories (construction floors) in addition to a cellar level and roof level. The mechanical bulkhead has three interior levels. As illustrated in the table below, certain floors (beginning with the construction floor 13) have different designations for marketing purposes. All floors referenced here are marketing floors unless otherwise noted.

Actual/Construction Floor	Marketing Floor
Roof	PHA Roof Terrace
18 th Floor	PHA Upper Level
17 th Floor	PHA Lower Level
16 th Floor	PH17
15 th Floor	PH16
14 th Floor	PH15
13 th Floor	14 th Floor
12 th Floor	12 th Floor
11 th Floor	11 th Floor
10 th Floor	10 th Floor
9 th Floor	9 th Floor
8 th Floor	8 th Floor

7 th Floor	7 th Floor
6 th Floor	6 th Floor
5 th Floor	5 th Floor
4 th Floor	4 th Floor
3 rd Floor	3 rd Floor
2 nd Floor	2 nd Floor
1 st Floor	1 st Floor (Parlor Level in Maisonette Unit)
Cellar	Cellar (Garden Level in Maisonette Unit)

(5) Equipment rooms:

Equipment rooms are located in the cellar as well as within the mechanical bulkhead.

In the cellar there is a boiler room, elevator machine room, generator room, gas meter room, electrical meter room, IT room, emergency panel room, fire pump room, water meter room, detention tank, elevator control room, and compactor room.

On the roof level there is an elevator control room, and bulkhead ladder access room.

(6) Parapet (height above roof):

Top of rail or glass is 42" min for all parapets on terraces, roofs and Juliette balconies.

(h) *Structural system:*

(i) Foundation:

The Building's foundations consist of spread footings resting on bedrock with a bearing capacity of 20 tons/ft².

Foundation walls, columns and shear walls are supported by reinforced concrete spread footings bearing on bedrock.

Because the cellar level is located below the groundwater table, a structural pressure slab and tie-down anchors will be installed to resist hydrostatic uplift.

The cellar level is confined by conventional reinforced concrete foundation walls.

There was no underpinning required at adjacent properties during construction.

(ii) Subsoil

A continuous membrane of Preprufe 300R is used to waterproof the slab on grade and foundation walls below grade uses. Bituthene 4000 waterproofing membrane is used for waterproofing of foundation walls above. Hyrdophilic waterstops are used at concrete construction joints.

(iii) Superstructure:

The structure will be comprised of cast in place reinforced concrete flat slab system supported by interior and perimeter reinforced concrete columns and reinforced concrete shear walls engineered in accordance with the 2014 New York City Building Code. The lateral-load resisting system for the tower consists of a reinforced concrete core wall system.

Floor / ceiling assemblies separating dwelling units from one another and from other building spaces will have a sound transmission class [STC] of not less than 50 in accordance with ASTM E336 and NYC BC 1207.2. Concrete slabs vary from 8" to 15" thick. 5mm GenieMat sound control underlayment is used beneath wood floors.

(1) Exterior of Building:

(i) Walls:

Panel (typical location, everywhere except where CI is used):. The Building's western, eastern, and southern facades will be cladded primarily in a panel system. From the 1st to 13th construction floors, the panel will feature a Belden Tri-state / Taylor Clay Products brick blend of light, medium, and dark colors with precast accents. From the 14th construction floor and up, the panels will be precast. Both portions will have darker contrasting windows set in the panel. The back of the panels will be insulated with closed cell spray foam insulation. The interior back-up wall will be metal studs with batt insulation and gypsum sheathing.

The Bulding's northern façade will feature brick in part, and CI in part. The façade of the stair and elevator bulkhead will feature CI covered with a louvered screen at all elevations. Insulation to be used between the exterior and interior wall assemblies to meet the required energy code designed for this building envelope.

CI: Continuous insulation system will be installed over concrete masonry unit or reinforced concrete back-up wall and is an internally drained system with a vapor permeable air barrier installed over the back-up wall.

Amendments to the high-rise facade safety statute (formerly known as Local Law 10 of 1980, later known as Local Law 11 of 1998, and now known as the Facade Inspection Safety Program, or "FISP") passed by the City Council and signed by the Mayor of New York City require professional engineers or registered architects to advise the Buildings Department of the City of New York and the owner of a property of any unsafe condition in a building's exterior walls revealed during a FISP inspection. The amendments also subject all exterior walls to be inspected;

previously, only walls fronting on a street were affected by the law. The revised law also calls for a certification by the registered professional that a wall is either safe or unsafe; the latter declaration by the professional means that an immediately hazardous condition exists and must be corrected within thirty (30) days with the option of a ninety (90) day extension upon application to the Buildings Department. A building is considered either safe with no further action necessary, or fit, but in a condition that warrants a repair and/or maintenance program. In the latter case, the condition must be corrected during the five (5) year period between mandatory inspections. As a result of the new construction of the Building, the completed Building will require regular five (5) year inspections in accordance with FISP. The first inspection will be required five (5) years after the issuance of the first temporary certificate of occupancy for the Building. Thereafter, the Building must be inspected in accordance with FISP's five (5) year cycle.

(ii) Windows:

Windows will be installed throughout the Building at locations shown on the building plans. The window frames will be from Architectural Window Manufacturing Corporation constructed with extruded aluminum featuring thermal breaks, installed into aluminum head and sill receptors. Glass will be 1 inch IGU comprised of 1/4" glass, 1/2" air space and 1/4" glass. Window U-Values will comply with DOB code. The manufacturer's warranty on the window system is a minimum of 5 years.

Window specifications call for operable portions to have a limiter that complies with Department of Health requirements. Pull hardware provided for operable window portions. Window guards and insect screens are not provided.

Lot line windows are located on the north side of the building starting on the 7th floor and above in A-line units and in penthouses. The following rooms within those units have lot line windows:

Unit	Room(s) with lot line windows	Approx dimesnions WxH
7A	Master Bathroom	5'-2 1/2" x 5'-6"
8A	Master Bathroom	5'-2 1/2" x 5'-6"
9A	Master Bathroom	5'-2 1/2" x 5'-6"
10A	Master Bathroom	5'-2 1/2" x 5'-6"
11A	Master Bathroom	5'-2 1/2" x 5'-6"
12A	Master Bathroom	5'-2 1/2" x 5'-6"

14A	Master Bathroom	5'-2 1/2" x 5'-6"
PH15	Master Bedroom	1'-10 1/2" x 7'-5"
PH16	Master Bedroom	1'-10 1/2" x 7'-5"
PH17	Breakfast Room	1'-10 1/2" x 7'-5"
PHA	Master bathroom, Great Room	7'-5" x 6'7" 7'-5" x 9'2"

Lot line windows are not counted towards light and air requirements. They provide supplementary light and air only. Legal Light and air is not required in bathrooms. In the aforementioned units with lot line windows, the required legal light and air is provided on the east and south façade. In case of further development on the adjacent site to the north of the Property that obstructs the lot line windows, the affected lot line windows would need to be closed up with a 2 hour rated construction in the unlikely event that the adjacent site is reconstructed such that it adjoins the Property directly in front of an affected window.

Storefronts will be installed at the ground floor level. The framing will be constructed with extruded aluminum with steel reinforced featuring thermal breaks. Glass will be inch IGU comprised of 1/4" glass, 1/2" air space and 1/4" glass. Storefront U-values will comply with DOB code. The manufacturer's warranty on the storefront system is a minimum of 5 years.

(iii) Landmark status:

N/A. This is a new building and does not have landmark status.

(2) Parapets and copings:

The coping will be constructed with precast concrete and anchored to the building structure concrete curb with stainless steel anchors. Coping assemblies will feature a through wall flashing system with membrane flashing and stainless steel drip edge flashing. A tempered glass guardrail parapet will be mounted above in a continuous aluminum shoe.

(3) Chimneys and caps:

- i. Boiler Flue – Double wall stainless steel construction with masonry enclosure. The flue terminates above the roof bulkhead level and is located on the north wall

of the building at the corner of the elevator hoistway. The flue runs from the cellar to the roof.

ii. Compactor Chute Vent – Single wall steel construction. Enclosed in masonry and vented above the roof at the north west of the stair bulkhead. The vent runs from the cellar to the roof.

iii. There is one natural gas only fireplace at the 18th Floor (construction) in the great room of Unit PHA. It has a 12" diameter flue constructed of metal.

iv. Generator Flue – Double wall stainless steel with 2" ceramic insulation with masonry enclosure. The flue terminates above the roof bulkhead level and is located on the north wall of the building at the corner of the elevator hoistway. The flue runs from the cellar to the roof.

(4) Balconies and terraces.

Juliette balconies are provided in A-line and C-line units on the 4th -6th floors, and in A-line and B-line Units on the 7th -13th floors (construction). A Glass guardrail runs along the length of operable doors and is located a maximum of 4" from the edge of the exterior face of the doors.

Juliette balconies are located outside of the living room and dining room of units 4A through 14A; outside of the living/dining room of units 7/8B, 9B through 14B; outside of the master bedroom of units 4C, 7/8B; outside of the library and the bedroom located directly below it of unit 5/6C.

Doors to balconies and terraces to be extruded aluminum featuring thermal breaks and tempered glass Series 900i by Architectural Window Manufacturing Corporation.

Private terraces are located on the 5th, 6th, 7th, 14th, 15th, 16th, 17th, and 18th construction floors as well as at the main roof level of the building. They will have pavers as a surface finish.

- (i) Deck finish of the private terraces are Concrete pavers except that the deck finish at the Unit PHA Roof Terrace is comprised of grey porcelain paving and ipe wood decking, or equal.
- (ii) The guardrail is clear tempered glass mounted in a continuous aluminum shoe.
- (iii) There is no Railing in addition to the guard rail.

(iv) The Copings at the terraces will be constructed from precast.

(v) There are no soffits at terraces.

(vi) Doors to terraces:

Terrace doors will be installed at panels. The door frames will be constructed with extruded aluminum featuring thermal breaks. Glass will be 1 inch IGU comprised of 1/4" glass, 1/2" air space and 1/4" glass. The U-values of all terrace doors will comply with DOB code. The manufacturer's warranty on the terrace door system is a minimum of 5 years.

(5) Exterior entrances.

(i) Exterior doors and frames:

Exterior entrance doors will be installed at the ground floor level. The framing will be constructed with extruded aluminum with steel reinforcement as required, featuring thermal breaks. Glass will be 1 inch IGU comprised of 1/4" glass, 1/2" air space and 1/4" glass. Exterior door U-values will comply with DOB code. The manufacturer's warranty on exterior entrance doors is a minimum of 5 years. Electric mortise locks will be installed.

(ii) Vestibule doors and frames:

Vestibule doors are located at the lobby and porte cochere entrances and will be glass with extruded aluminum frame. Vestibule doors will not be locked.

(iii) Exterior stairs:

N/A

(iv) Railings:

N/A

(v) Mail boxes:

Locked mailboxes are located off of the residential lobby. Florence Corporation Versatile Recessed metal mail boxes.

(vi) Lighting:

A recessed LED light is integrated into the edges of the canopy structure. Recessed downlights are located in the ceiling of the porte cochere.

(6) Service entrances:

The service entrance is located on the north side of the East End Avenue side of the building. It will be locked with an electric mortise lock.

- (i) Doors and frames:
Solid metal door and extruded aluminum frame
 - (ii) Gates:
N/A
 - (iii) Exterior stairs:
N/A
 - (iv) Railings:
N/A
- (7) Roof and roof structures:
- (i) Type roofs for all areas:
 - (a) Material:

Roofing assembly membrane will be two plies of modified bitumen waterproofing membrane, torch applied to the sloped-to-drain concrete roof deck. Drainage mat will be installed direct over the roofing membrane. The specified system basis of design shall be manufactured by Siplast, Soprema or equal.
 - (b) Insulation:

This project will utilize inverted roofing system with rigid insulation installed at thickness to achieve R-25 as required by Code.
 - (c) Surface finish:

Unit PHA private rooftop terrace will have combination of ipe decking and porcelain pavers on pedestals. All other roofs will have precast concrete pavers supported by adjustable pedestals.
 - (d) Bond or guarantee:

Manufacturer's warranty on the roof system is a minimum of 5 years.
 - (e) Flashing materials including counter flashing:

Flashings shall be comprised of a modified bitumen flashing reinforcement ply and reinforced fluid applied PMMA flashing membrane.
 - (ii) Drains:
 - (a) Location, material and type:

Cast iron roof drains are cast into the concrete roof deck. These engage the roofing membrane by way of a clamping ring. Drains are located on the main roof and terraces as required by code. They drain to the detention tank before connecting to the city sewer system.

- (b) Scuppers, Gutters and leaders:
Scuppers, conductors and down spouts are used where required at the 6th and 5th floor terraces as well as the bulkhead roofs.
- (iii) Skylights:
N/A
- (iv) Bulkheads:
 - (a) Stairs and elevators:
The stair and elevator bulkhead consists of CMU walls with CI system on the exterior. An Airolite extruded aluminum sight screen louver screens the bulkhead structure and mechanical units. The non-corrosive aluminum will be coated with a kynar finish.
 - (b) Vertical ladders, including safety cages;
Painted non-corrosive steel ladders are provided for access between the bulkhead roof levels.
 - (c) Other:
The Unit PHA penthouse stair bulkhead walls consist of in part a glass window wall system, and in part CMU infilled walls with CI system on the exterior. The bulkhead has a steel-framed concrete roof.
- (v) Metal work at roof levels:
 - (a) Exterior, metal stairs;
N/A
 - (b) Vertical ladders, including safety cages where required:
Painted non-corrosive steel ladders are provided for access between the bulkhead roof levels.
 - (c) Railings:
9/16" tempered glass rails are provided around the roof. Railings are mounted on the side of a masonry and precast parapet. The top of the rail will be at 42" above the pavers.

(d) Hatches to roof

Roof hatch for maintenance provided at the stair and elevator bulkhead roof. Roof hatches will be provided galvanized sheet steel with insulated double-wall lids and insulated double-wall curb frame to withstand 40-lbf/sq.ft. external and 20-lbf/sq. ft. internal loads. The specified system basis of design shall be Bilco's S-50T or equal.

(vi) Rooftop facilities:

The building is not being constructed with any rooftop antennae, cell phone towers, satellite dishes, or lightening protection equipment.

(8) Fire escapes:

N/A

(9) Yard and courts:

There is one private garden at the cellar level of the Maisonette unit. The south side of the garden abuts the Maisonette unit, and the remaining sides are enclosed by reinforced concrete retaining walls. The courtyard floor consists of concrete slab below the paving and planters.

(i) Paving:

Rear garden of the Maisonette unit is comprised of basalt and porcelain paving, or equal. Access to the rear garden is through the Maisonette unit and is only accessible by the unit owner. Maintenance is the responsibility of the Maisonette unit owner.

(ii) Drainage:

At the garden area drainage is provided by means of cast iron area drains. These are cast into the concrete. They drain to the detention tank before connecting to the city sewer system.

(iii) Railings:

N/A

(iv) Stairs:

Maisonette garden steps comprised of basalt treads and risers, or equal.

(v) Fencing:

A fence to the adjacent properties will be provided on top of the concrete retaining walls. The fence will consist of cedar wood planks, or equal.

(vi) Walls:

Concrete retaining walls on the west, north and east elevation.

(10) Interior stairs:

(i) Number of stairs of each type:

Two fire staircases in the form of a "scissor stair" are serving the entire building for egress.

One interior stair within each duplex or triplex apartment connecting floors. This occurs in the Maisonette unit (triplex), Unit 5/6C (duplex), Unit 7/8B (duplex) and Unit PHA (triplex).

(ii) Enclosure:

Scissor stair: Exterior wall is cast in place concrete painted on the interior. Dividing wall is painted gypsum wallboard. Wall facing the corridor is 2 hr. rated painted gypsum wallboard partition.

Interior stair: partially open and partially enclosed with painted gypsum wallboard.

(iii) Stair construction:

Scissor stair: Concrete

Interior stair: wood with steel support as required

(iv) Stringers:

Scissor stair: Concrete

Interior stair: Wood with steel support as required

(v) Treads:

Scissor stair: Concrete

Interior stair: Wood

(vi) Risers:

Scissor stair: Concrete

Interior stair: Wood

(vii) Guard rails:

Scissor stair: N/A

Interior stair: painted metal with wood handrail

(viii) Balustrade:

Scissor stair: N/A

Interior stair: painted metal with wood handrail

(11) Interior doors and frames:

(i) Unit entrance and interior doors and frames:

Residential unit entrances shall be 90 min fire rated wood doors and hollow metal frames and will meet Building Code requirements. Entrance doors on common corridors will have a stained wood finish or similar at hall side, painted on the apartment side. Entry door vestibule will include one or more side panels, as depicted on the floor plans. At Maisonette Unit, Unit 5/6C, Unit 7/8B there is a primary and secondary entrance door(s). The secondary entrance door(s) will have the same door and hardware as the primary door, but no side panel(s) at the entry door vestibule. The secondary entrance door(s) are located on the 1st and 2nd floors of the Maisonette Unit, the 5th floor of Unit 5/6C and the 8th floor of Unit 7/8B.

(ii) Corridor doors and frames:

Refuse room doors at public corridor will be 90 min fire-rated wood doors with hollow metal frames and will meet Building Code requirements. Doors will have painted finish.

(iii) Stair hall doors and frames:

Stair doors at public corridor will be 90 min fire-rated wood doors with hollow metal frames and will meet Building Code requirements. Doors will have painted finish.

(iv) Mechanical, Electrical, Plumbing, and Utility Roof and basement doors and frames will be 90 min fire-rated painted hollow metal.

(v) Doors in Units PH15, PH16 and PH17

All doors leading from the elevators will be 90 minute fire rated wood doors with wood frames. They will be equipped with a closer. Doors will be on a hold open device tied to the fire alarm system.

(12) Elevators.

(i) Number of passenger and service elevators:

There are two common elevators, one private Maisonette elevator, and one private Maisonette dumbwaiter. Maintenance of the common elevators will be provided by the Condominium. Maintenance of the Maisonette elevator and dumbwaiter will be by the Maisonette unit owner.

(ii) Manufacturer, age of each and capacity in pounds and number of passengers):

There are two new Common AC gearless machine roomless elevators. One has the capacity of 3500 pounds and can carry about 14 people. The other has a capacity of 2500 pounds and can carry about 11 people. The Maisonette elevator has a capacity of 900 pounds and can carry about 5 people. The Maisonette dumbwaiter has a capacity of about 250 pounds and is not for passenger use.

(iii) Type of operation for each elevator by elevator number or location in building:

The two Common elevators, PE1 and PE2 operate automatically with duplex operation. The Maisonette elevator has simplex collective operation and the Maisonette dumbwaiter is Call and Send operation.

(iv) All elevators have microprocessor controls.

(v) Floors served:

The common elevators are labeled PE1 and PE2. PE1 serves C, 1-18, Roof. PE2 serves C, 1-18. All floors noted as construction floors. The Maisonette elevator serves C, 1-2. The Maisonette dumbwaiter serves C, 1.

(vi) Type:

The two Common elevators and the Maisonette elevator are AC gearless machine roomless. The Maisonette dumbwaiter is a winding drum.

(vii) Doors:

The Common elevators have two speed side opening doors. The Maisonette elevator has center opening and the Maisonette dumbwaiter has manual vertical bi-parting doors.

(viii) Location of machine rooms:

The Common, Maisonette elevator and the Maisonette dumbwaiter elevators have no machine room. The machine is in the overhead of the hoistway. They have a control closet located within 150' of the top of the hoistway. There is a different control closet location for each elevator.

(ix) DC motor:

N/A

(x) AC motor-generator set:

N/A

(xi) Other

(13) Elevator cabs:

(i) Kind:

Cab manufacturer to be EDI, Inc, United Cabs, Inc or equal

(ii) Floor:

Floor in Common and Maisonette elevators will be stone. The Maisonette dumbwaiter will be stainless steel

(iii) Walls:

Wall material for the Common and Maisonette elevator will be wood and antiqued mirror. The Maisonette dumbwaiter will be stainless steel

(iv) Ceiling:

Ceiling for the Common and Maisonette elevator will be bronze metal. The Maisonette dumbwaiter will be stainless steel

(v) Lighting:

In the common elevators is a linear LED uplight and recessed LED high-hats. Maisonette elevator to receive only recessed LED high-hats. (Manufacturers: Luminii, Lucifer Lighting or equal).

(vi) Alarm, safety system:

The common elevators will have FS Phase I and Phase II, emergency communication, Alarm bell, and position indicators in the lobby panel for emergency response.

(i) *Auxiliary facilities:*

(1) Laundry rooms:

No central facility is provided.

A clothes washer and dryer will be provided in the laundry room, laundry closet, or utility room of each residential unit. Residential unit washer and dryer details are disclosed in Section (w) of this report. The residential unit washer and dryer are electric and the dryer is vented to either the 7th floor roof, main roof or bulkhead roof. Each residential unit laundry room, laundry closet, or utility room will be provided with makeup air from an indoor VRF unit located in an adjacent room.

(2) Bicycle storage room:

A bicycle storage room is provided at the cellar level with a storage capacity of approximately 15 bicycles.

(3) Refuse disposal:

(i) Incinerator(s):

Incinerators are not provided. Every residential floor has a "refuse room" off the common corridor. However on all penthouse floors, the refuse room and adjacent corridor and elevator foyer shall be a part of the sole unit occupying that floor. The refuse room has a trash chute which empties into the compactor located in the cellar. There are 2 recycling bins in each refuse room. Building staff will collect recycling from the common refuse rooms and, with respect to the refuse rooms located within the penthouse units, as coordinated with those Unit Owners.

(ii) Compactor(s):

There is one compactor in the cellar

(iii) Approvals by authority having jurisdiction:

No specific approval is required for the compactor

(iv) There will be a recycling area in all refuse rooms on each floor.

Additionally, there is a refuse area in the cellar at the compactor room.

(v) Pick-up schedule, and whether public or private provider:

Pick-up will take place by NYC Department of Sanitation

(j) *Plumbing and drainage.*

(1) Water supply:

Potable water shall be supplied by New York City public water system administered and metered by the Department of Environmental Protection (DEP).

A separate four (4) inch water service enters the building from East End Avenue for the purpose of supplying the hot and cold domestic water systems. A dedicated double detector check valve provides back flow prevention for this service. This service is directly metered by DEP.

A six (6) inch water service enters the building from East End Avenue for the purpose of supplying the fire protection system. A dedicated double detector check valve provides back flow prevention for this service. This service is directly metered by DEP.

The main shut off valve is located in the water meter room.

(2) Fire protection system:

(i) Standpipes:

The building is provided with a Class I standpipe system in accordance with NFPA 14 and New York City 2014 Building Code Chapter 9 and Appendix Q.

(ii) Hose racks, hoses and nozzles:

Standpipe capped hose valves are provided in each stairs on all floors. Hose Storage cabinets are located on the first floor, tenth floor and eighteenth floor (construction).

(iii) Sprinkler heads:

The building has full wet sprinkler system coverage in accordance with NFPA 13 and New York City 2014 Building Code Chapter 9 and Appendix Q. Hazard Classification is Light Hazard.

(iv) Siamese connection:

Combined Siamese Fire Department Connection is located on the street face of the building along East End Avenue and East 81st Street. The Siamese connections are cross connected to the combination standpipe and sprinkler risers and can be used to charge the risers if the fire pump is not operating.

(v) Fire pump / Jockey pump:

The fire pump room is located cellar and is equipped with a 75 HP Fire Pump and 3 HP Jockey Pump. These pumps serve to pressurize the fire suppression system in accordance with the requirements of NFPA 20.

(3) Water storage tank(s) and enclosures:

There are no water storage tanks in the building. See "Storm Drainage System" for information on detention tank.

(4) Water pressure and how maintained:

Pressure in the fire suppression system is maintained by the fire pump and jockey pump described above.

Pressure in the domestic system is maintained by two duplex booster pump systems serving the low and high zones. The pump set serving the low zone is SICO model 2300 with (2) Grundfos Model CR10-3, or equal, each of the duplex pumps being 3 HP. The pump set serving the high zone is SICO model 2300 with (2) Grundfos Model CR10-5, or equal, each of the duplex pumps being 5 HP. Each pump system is controlled by their own central control with VFDs.

A cushion tank is provided for each system to maintain pressure in low flow situations.

(5) Sanitary sewage system:

(i) Sewage piping:

Above grade sanitary piping is regular weight cast iron with no hub joints.

Underground Sanitary piping is service weight cast iron with neoprene push joints.

(ii) Sewage pumps:

There is one duplex ejector pump located in a pit in the cellar for the cellar floor drains. The pump is a Federal Pump Model VSS-3P-.75-4, or equal.

(iii) Sewage disposal:

All sewage drains to the New York City sewer system. The combined sanitary and storm sewer service enters the building from East 81st Street

at the cellar level. House traps are at the service entrance inside the building in the cellar level.

(6) Permits:

Sewer Connection – SCP dated 09/01/15, Approved by DEP – 01/26/16

Water Connect / BFP, dated 11/05/15 and Approved by DEP 12/08/15

(7) Storm drainage system.

(i) Catch basins:

There are no catch basins for this project

(ii) Yard and roof drains:

Yard, trench and roof drains are cast iron drains embedded in the concrete structure and connected to the building storm drainage system.

(iii) Piping:

Above grade storm piping is regular weight cast iron with no-hub joints.

Underground storm piping is service weight cast iron with neoprene push joints.

The building does not have a separate sub-slab drainage system

(iv) Eject or sump pumps:

There are two simplex sump pumps. One pump is located in each of the two elevator pits. The sump pumps in each elevator pit are a Federal Pump Model 1-1/2P-1/3-4, or equal. One pump is located in the common elevator pit and another is located in the Maisonette elevator pit.

There is one duplex sump pump located in the compactor room pit. This sump pump is Federal Pump Model VSS-2 1/2D-1 1/2-4, or equal.

(v) Detention Tank:

In order to comply with the requirements of NYC DEP, there is a storm water detention tank will be installed at the cellar toward the South side of

the building. The tank has a total capacity of 640 Cubic Feet and restricts discharge to the sewers to 0.25 CFS.

(k) *Heating:*

- (1) Space heating and cooling is provided by Variable Refrigerant Flow units. Domestic hot water is provided by two high efficient gas fired boilers each rated at 1,100 MBH with two indirect hot water heaters, one 119 gallon heater for the low zone and one 119 gallon heater for the high zone.

Heating and cooling to the public corridors are provided by packaged two roof top units. One located on the roof is rated at 6000 CFM, 432,000 Btu gas input for heating and 30 Ton for cooling. This unit is an Aaon model RN-030-8-0-EB09-3C9, or equal. The second one located on the 7th floor mechanical terrace roof is rated at 1720 CFM, 125,000 Btu gas input for heating and 5 Ton for cooling. This unit is a Task Applied Products LLC model TGU053RT-HTW-NG, or equal. On floors 7 - 18 (construction) supplemental heating near the exterior window is provided by wall mounted, electric baseboard heaters manufactured by Ouellet.

The building heating and air conditioning system is designed in accordance with ASHRAE 90.1 and is fully capable of maintaining the required conditions under ASHRAE design criteria for the New York City geographic region.

Design criteria ASHRAE 90.1 Climate Zone 4

- (2) Number of boilers and description:

The building has two (2) gas fired boilers. Each boiler is rated for 1,100,000 BTU input. Each boiler is sized for 100% of the domestic hot water load.

The building has two (2) indirect hot water heaters. Each heater is 119 gallons and rated for 500,000 BTU input. Each heater is sized for 100% of the domestic hot water load for their respective zone.

- (3) Manufacturer and age of boiler(s):

Boilers will be Camus Model DF-1100, or equal. These boilers are gas fired non-condensing type with integral burners. They have a nominal efficiency of 85%. Boilers are new, and have an expected useful life of at least 25 years.

Heaters will be Thermo 2000, Inc Model Turbomax 109, or equal. These heater use boiler water to provide domestic hot water. The heaters are new, and have an expected useful life of at least 25 years.

(4) Manufacturer and age of burners:

The burners are integral to the boilers and are new.

(5) Type of controls:

Boilers are controlled by a microprocessor digital control system. This system manages the staging and turn down of the boilers and ties into demand for heat signals from the condenser water loop.

(6) Radiators, piping, insulation, valves, pumps:

Variable Refrigerant Flow (VRF) units in each apartment provide heat for the apartment. VRF units are, Mitsubishi City Multi series or similar.

Indoor Air Handler VRF Units							
Constr Floor	Unit	MFG	Model No.	Capacity (Tons)	Electrical (V/P/HZ)	Cooling Capacity (BTU)	Heating Capacity (BTU)
Cellar	Maisonette (Triplex)	Mitsubishi	PV FY-P48NMAU-E	4.0	208/1/60	48,000	54,000
1st floor		Mitsubishi	PEFY-P08NMAU-E3	0.75	208/1/60	8,000	9,000
		Mitsubishi	PEFY-P15NMAU-E3	1.25	208/1/60	15,000	17,000
		Mitsubishi	PEFY-P24NMAU-E3	2.0	208/1/60	24,000	27,000
2nd floor		Mitsubishi	PEFY-P15NMAU-E3	1.25	208/1/60	15,000	17,000
		Mitsubishi	PEFY-P27NMAU-E3	2.25	208/1/60	27,000	30,000
3rd-4th floor	A	Mitsubishi	PEFY-P08NMAU-E3	0.75	208/1/60	8,000	9,000
		Mitsubishi	PEFY-P12NMAU-E3	1.0	208/1/60	12,000	13,500
		Mitsubishi	PEFY-P54NMAU-E3	4.5	208/1/60	54,000	60,000
	B	Mitsubishi	PEFY-P08NMAU-E3	0.75	208/1/60	8,000	9,000
		Mitsubishi	PEFY-P48NMAU-E3	4.0	208/3/60	48,000	54,000
	C	Mitsubishi	PEFY-P08NMAU-E3	0.75	208/1/60	8,000	9,000
		Mitsubishi	PEFY-P15NMAU-E3	1.25	208/1/60	15,000	17,000
		Mitsubishi	PEFY-P48NMAU-E3	4.0	208/3/60	48,000	54,000
5th floor	A	Mitsubishi	PEFY-P08NMAU-E3	0.75	208/1/60	8,000	9,000
		Mitsubishi	PEFY-P12NMAU-E3	1.0	208/1/60	12,000	13,500
		Mitsubishi	PEFY-P54NMAU-E3	4.5	208/1/60	54,000	60,000
	B	Mitsubishi	PEFY-P08NMAU-E3	0.75	208/1/60	8,000	9,000
		Mitsubishi	PEFY-P48NMAU-E3	4.0	208/3/60	48,000	54,000
	C (Duplex)	Mitsubishi	PEFY-P08NMAU-E3	0.75	208/1/60	8,000	9,000
		Mitsubishi	PEFY-P12NMAU-E3	1.0	208/1/60	12,000	13,500
		Mitsubishi	PEFY-P15NMAU-E3	1.25	208/1/60	15,000	17,000
		Mitsubishi	PEFY-P18NMAU-E3	1.5	208/1/60	18,000	20,000
6th floor	A	Mitsubishi	PEFY-P08NMAU-E3	0.75	208/1/60	8,000	9,000
		Mitsubishi	PEFY-P12NMAU-E3	1.0	208/1/60	12,000	13,500

	B	Mitsubishi	PEFY-P54NMAU-E3	4.5	208/1/60	54,000	60,000
		Mitsubishi	PEFY-P12NMAU-E3	1.0	208/1/60	12,000	13,500
		Mitsubishi	PEFY-P08NMAU-E3	0.75	208/1/60	8,000	9,000
		Mitsubishi	PEFY-P48NMAU-E3	4.0	208/3/60	48,000	54,000
	C (Duplex)	Mitsubishi	PEFY-P15NMAU-E3	1.25	208/1/60	15,000	17,000
		Mitsubishi	PEFY-P24NMAU-E3	2.0	208/1/60	24,000	27,000
		Mitsubishi	PEFY-P48NMAU-E3	4.0	208/3/60	48,000	54,000
7th floor	A	Mitsubishi	PEFY-P08NMAU-E3	0.75	208/1/60	8,000	9,000
		Mitsubishi	PEFY-P12NMAU-E3	1.0	208/1/60	12,000	13,500
		Mitsubishi	PEFY-P54NMAU-E3	4.5	208/1/60	54,000	60,000
	B (Duplex)	Mitsubishi	PEFY-P08NMAU-E3	0.75	208/1/60	8,000	9,000
		Mitsubishi	PEFY-P12NMAU-E3	1.0	208/1/60	12,000	13,500
		Mitsubishi	PEFY-P54NMAU-E3	4.5	208/1/60	54,000	60,000
8th floor	A	Mitsubishi	PEFY-P08NMAU-E3	0.75	208/1/60	8,000	9,000
		Mitsubishi	PEFY-P12NMAU-E3	1.0	208/1/60	12,000	13,500
		Mitsubishi	PEFY-P54NMAU-E3	4.5	208/1/60	54,000	60,000
	B (Duplex)	Mitsubishi	PEFY-P12NMAU-E3	1.0	208/1/60	12,000	13,500
		Mitsubishi	PEFY-P15NMAU-E3	1.25	208/1/60	15,000	17,000
		Mitsubishi	PEFY-P27NMAU-E3	2.25	208/1/60	27,000	30,000
9th-13th floor	A	Mitsubishi	PEFY-P08NMAU-E3	0.75	208/1/60	8,000	9,000
		Mitsubishi	PEFY-P12NMAU-E3	1.0	208/1/60	12,000	13,500
		Mitsubishi	PEFY-P54NMAU-E3	4.5	208/1/60	54,000	60,000
	B	Mitsubishi	PEFY-P12NMAU-E3	1.0	208/1/60	12,000	13,500
		Mitsubishi	PEFY-P24NMAU-E3	2.0	208/1/60	24,000	27,000
		Mitsubishi	PEFY-P48NMAU-E3	4.0	208/3/60	48,000	54,000
14th floor	PH15	Mitsubishi	PEFY-P15NMAU-E3	1.25	208/1/60	15,000	17,000
		Mitsubishi	PEFY-P18NMAU-E3	1.5	208/1/60	18,000	20,000
		Mitsubishi	PEFY-P24NMAU-E3	2.0	208/1/60	24,000	27,000
15th floor	PH16	Mitsubishi	PEFY-P15NMAU-E3	1.25	208/1/60	15,000	17,000
		Mitsubishi	PEFY-P18NMAU-E3	1.5	208/1/60	18,000	20,000
		Mitsubishi	PEFY-P36NMAU-E3	3.0	208/3/60	36,000	40,000
16th floor	PH17	Mitsubishi	PEFY-P24NMAU-E3	2.0	208/1/60	24,000	27,000
		Mitsubishi	PEFY-P30NMAU-E3	2.5	208/1/60	30,000	34,000
		Mitsubishi	PEFY-P48NMAU-E3	4.0	208/3/60	48,000	54,000
17th-18th floor	PH A	Mitsubishi	PEFY-P30NMAU-E3	2.5	208/1/60	30,000	34,000
		Mitsubishi	PEFY-P36NMAU-E3	3.0	208/3/60	36,000	40,000
		Mitsubishi	PEFY-P48NMAU-E3	4.0	208/3/60	48,000	54,000
		Mitsubishi	PEFY-P54NMAU-E3	4.5	208/1/60	54,000	60,000
Cellar	Storage Rm 1	Mitsubishi	PKFY-P06NBMU-E2	0.5	208/1/60	6,000	6,700
	Storage Rm 2	Mitsubishi	PKFY-P06NBMU-E2	0.5	208/1/60	6,000	6,700
	Storage Rm 3	Mitsubishi	PKFY-P06NBMU-E2	0.5	208/1/60	6,000	6,700
	Storage Rm 9	Mitsubishi	PKFY-P06NBMU-E2	0.5	208/1/60	6,000	6,700
	Storage Rm 24	Mitsubishi	PKFY-P06NBMU-E2	0.5	208/1/60	6,000	6,700
	Storage Rm 25	Mitsubishi	PKFY-P06NBMU-E2	0.5	208/1/60	6,000	6,700
	Storage Rm 26	Mitsubishi	PKFY-P06NBMU-E2	0.5	208/1/60	6,000	6,700
	Storage Rm 27	Mitsubishi	PKFY-P06NBMU-E2	0.5	208/1/60	6,000	6,700

	Storage Rm 28	Mitsubishi	PKFY-P06NBMU-E2	0.5	208/1/60	6,000	6,700
	Storage Rm 29	Mitsubishi	PKFY-P06NBMU-E2	0.5	208/1/60	6,000	6,700
	Storage Rms	Mitsubishi	PEFY-P24NMAU-E3	2.0	208/1/60	24,000	27,000
1st Fl	Lounge	Mitsubishi	PEFY-P72NMHSU-E	6.0	208/1/60	72,000	80,000
	Lobby	Mitsubishi	PEFY-P27NMAU-E3	2.25	208/1/60	27,000	30,000
	Vestibule	Mitsubishi	PEFY-P08NMAU-E3	0.75	208/1/60	8,000	9,000
2nd Fl	Game Room	Mitsubishi	PEFY-P36NMAU-E3	3.0	208/3/60	36,000	40,000
	Fitness Center	Mitsubishi	PEFY-P48NMAU-E3	4.0	208/3/60	48,000	54,000
	Library	Mitsubishi	PEFY-P54NMAU-E3	4.5	208/1/60	54,000	60,000

Outdoor Condenser VRF Units							
Constr Floor	Unit	MFG	Model No.	Capacity (Tons)	Electrical (V/P/HZ)	Cooling Capacity (BTU)	Heating Capacity (BTU)
Cellar to 2nd floor	Maisonette (Triplex)	Mitsubishi	PURY-P144TLMU-A	12.0	208/3/60	144,000	160,000
3rd-4th floor	A	Mitsubishi	PURY-P96TLMU-A	8.0	208/3/60	96,000	108,000
	B	Mitsubishi	PURY-P72TLMU-A	6.0	208/3/60	72,000	80,000
	C	Mitsubishi	PURY-P72TLMU-A	6.0	208/3/60	72,000	80,000
5th floor	A	Mitsubishi	PURY-P96TLMU-A	8.0	208/3/60	96,000	108,000
	B	Mitsubishi	PURY-P72TLMU-A	6.0	208/3/60	72,000	80,000
	C (Duplex)	See 6 th Floor C (Duplex) below					
6th floor	A	Mitsubishi	PURY-P96TLMU-A	8.0	208/3/60	96,000	108,000
	B	Mitsubishi	PURY-P72TLMU-A	6.0	208/3/60	72,000	80,000
	C (Duplex)	Mitsubishi	PURY-P144TLMU-A	12.0	208/3/60	144,000	160,000
7th floor	A	Mitsubishi	PURY-P96TLMU-A	8.0	208/3/60	96,000	108,000
	B (Duplex)	Mitsubishi	PURY-P72TLMU-A	6.0	208/3/60	72,000	80,000
8th floor	A	Mitsubishi	PURY-P96TLMU-A	8.0	208/3/60	96,000	108,000
	B (Duplex)	Mitsubishi	PURY-P72TLMU-A	6.0	208/3/60	72,000	80,000
9th-13th fl	A	Mitsubishi	PURY-P96TLMU-A	8.0	208/3/60	96,000	108,000
	B	Mitsubishi	PURY-P96TLMU-A	8.0	208/3/60	96,000	108,000
14th fl	PH15	Mitsubishi	PURY-P120TLMU-A	10.0	208/3/60	120,000	135,000
15th fl	PH16	Mitsubishi	PURY-P120TLMU-A	10.0	208/3/60	120,000	135,000
16th fl	PH17	Mitsubishi	PURY-P120TLMU-A	10.0	208/3/60	120,000	135,000
17 th fl	PHA Lower Level	Mitsubishi	PURY-P120TLMU-A	10.0	208/3/60	120,000	135,000
18th fl	PHA Upper Level	Mitsubishi	PURY-P144TLMU-A	12.0	208/3/60	144,000	160,000
Cellar-1 st fl	Storage Rooms Lounge Lobby Vestibule	Mitsubishi	PURY-P168TLMU-A	14.0	208/3/60	168,000	188,000
2nd fl	Game Room	Mitsubishi	PURY-P144TLMU-A	12.0	208/3/60	144,000	160,000

	Fitness Center Library						
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Split AC Units						
Area Served	MFG	Model No.	Capacity (Tons)	Electrical (V/PH/HZ)	Cooling Capacity (BTU)	Heating Capacity (BTU)
Elevator Machine Room	Mitsubishi	PKA-A24KA6/PUZ- A24NHA6	2.0	208/1/60	24,000	-
Elevator Machine Room	Mitsubishi	PKA- A12HA6/PUY- A12NHA6	1.0	208/1/60	12,000	-

(7) Fuel:

Natural gas is provided to the boilers and packaged rooftop units.

(l) Gas supply

(1) Natural Gas provided by Con Edison as described above.

(2) Meters:

There are three Meters serving the building.

- o Domestic Gas Meter - Serves cooking gas to unit ranges, Unit PHA fireplace and gas grills located at the Unit PHA Roof Terrace and Maisonette Unit garden.
- o Heating – Serves the boilers and packaged rooftop units.
- o Emergency Generator – a separated dedicated gas service and meter serves the emergency generator as required by the NYC Building Code.

(3) Piping. Schedule 40 black iron pipe is used for gas distribution. Threaded or Welded fitting will be used based on pipe size and gas pressure in the piping. All work will be in accordance with NYC plumbing code.

(m) Air conditioning.

(l) Type of system:

Space heating and cooling is provided by Variable Refrigerant Flow ("VRF") units. The system is designed in accordance with ASHRAE 90.1 and is fully capable of maintaining legally required conditions under ASHRAE design criteria for the New York City geographic region.

VRF units in each apartment provide cooling for the apartment. VRF units are Mitsubishi VRF series or similar. Indoor VRF units are ceiling hung in each apartment.

See VRF indoor and outdoor schedule above in section K.

Conditioned air is ducted from the VRF rooms by means of sheet metal duct work.

Indoor VRF units are connected to their respective branch controller box and outdoor condensing unit. Condensing units are located at the 7th floor roof and stair and elevator bulkhead roof.

All storage rooms are provided with ventilation from a VRF unit. The unit provides heating, cooling and ventilation to each storage unit. The large storage rooms over 80 SF in the cellar are each provided with an additional indoor VRF unit for supplemental heating and cooling.

- (2) Central system:

N/A

- (3) Cooling towers, condensers:

N/A

(n) *Ventilation.*

- (1) Kitchen Exhaust:

Kitchen hoods in the apartments are provided with a ducted exhaust hood system connected to sheet metal duct risers which are in turn connected to kitchen exhaust fans on the 7th floor roof or main roof. Each kitchen exhaust hood is rated at 300 CFM.

- (2) Toilet Exhaust:

Toilet exhaust system provides 50 CFM of exhaust from bathrooms and powder rooms. This exhaust is routed through sheet metal ductwork risers to exhaust fans at the 7th floor roof, main roof or Stair and elevator bulkhead roof.

(3) Fresh Air Ventilation for apartment units:

The apartment units are provided with 75 CFM of tempered outside air continuously for ventilation.

The kitchen hood is interconnected to a ventilation system within each apartment unit to provide makeup air to the apartment unit when the hood exhaust is running.

(4) Dryer Exhaust:

The dryers for the apartment units are vented through ducts to sheet metal ductwork risers to exhaust fans on the 7th floor roof or Stair and elevator bulkhead roof.

(5) Common Corridor Ventilation:

The two packaged rooftop units serve the common corridor on each floor containing the same. An Aaon model and a Task Applied Products model or similar electric cooling roof top unit with gas fired furnace for heating provides conditioned 100% outside air to these spaces by means of an insulated sheet metal ductwork riser.

(6) Combustion Air Intake:

Combustion air for the boilers are provided by duct into the boilers room with a supply fan to provide the required minimum combustion air.

(7) Gas Fire Box:

Prefabricated natural gas fireplace system with a combustion air inlet and vent terminating at the roof level. A draft inducer fan is provided on the vent at the roof level.

(6) *Electrical system.*

(1) Service from main service switchgear (amperes, voltage, phases, wire, protective equipment);

The main switch gear receives incoming service from Con Ed at the service end box located on the East End Avenue building wall in the cellar level.

Service is 208 Volt three phase. The main gear has three main services switches as follow;

- (i) Service switch 1 for the residential unit distribution rated at 1600 Amps, 208 Volt, 3 phase. The switch serves the residential meter banks.
- (ii) Service switch 2 for the house distribution rated at 3000 Amps, 208 Volt, 3 Phase. This switch serves all common electrical uses including mechanical systems, elevators and common areas.
- (iii) Service switch 3 for the Fire Pump trans S cabinet rated at 1200 Amps, 208 Volts, 3 Phase, fused at 1200 Amps serves the fire pump.

(2) Service to individual units:

Service to individual units is distributed from the residential meter banks. Power is routed from the meter banks to the units on dedicated risers.

The apartment receives 225 Amps, 208 Volt, 3 Phase to the main panel within the unit

(3) Compartment switch gear:

The House Distribution Panel (HDP) serves house loads throughout the building.

There are no transformers in the building.

There are three meter banks and they are located on the cellar floor serving all the units.

(4) Unit service:

Unit service is through a panel in each apartment rated at 225 Amps, 120/208 Volt, 3 Phase. Per 2008 NEC and 2011 NYC Electrical code, service is designed to handle normal and customary modern usage including multiple kitchen appliances and air conditioning for the apartment.

(5) Adequacy:

(i) Service:

Capacity provided for each Residential Unit will be in accordance with 2008 NEC and 2011 NYC Electrical Code requirements, and sized for 225 Ampere at 120/208V, 3 phases. Service will be adequate to meet normal apartment appliance, lighting and air conditioning loads.

(ii) Lighting and fixtures:

Switched lighting fixtures will be provided in bathrooms, foyers and kitchens. Fixtures will be LED or fluorescent type. Switched outlets will be provided in secondary bedrooms, switched J-boxes will be provided in master bedrooms and dining and living rooms.

Maisonette garden and Unit PHA Roof Terrace lighting fixtures to be controlled by astrological timer with an override switch.. Fixtures will be LED or MR-16. All fixtures to be 12V.

LOCATION	MAKE
Residential Unit Kitchens	Lucifer Lighting (recessed LED downlights)
Residential Unit Foyers	Lucifer Lighting (recessed LED downlights)
Residential Unit Living Rooms	Switched outlets, and/or ceiling junction boxes for control of owner provided lighting
Residential Unit Bedrooms	Switched outlets, and/or ceiling junction boxes for control of owner provided lighting
Residential Unit Bathrooms	- Lucifer Lighting (recessed LED downlights) - Lucifer Lighting (recessed LED wet location downlights) Custom (LED vanity sconce)
Residential Unit Terraces	Luminii LineLED Wet Series (LED terrace perimeter integrated lighting)
Maisonette Unit Garden planters	BK Lighting – Delta Star (uplights in planters for trees and plants)
Maisonette Unit Garden outdoor kitchen	Vista Pro – Specialty Light (grill light flush mounted to countertop)
Maisonette Unit Garden steplights	BK Lighting – Yatch Star Step Light (to be installed into riser of steps)
Unit PHA Roof Terrace	BK Lighting – Delta Star (uplights in planters for grasses)
Unit PHA Roof Terrace	Vista Pro – Specialty Light (grill light flush mounted to countertop)

(iii) Convenience outlets, appliance outlets:

Convenience Outlets: Tamper Resistant Receptacles will be provided in all rooms to meet the New York City Electrical code. All power receptacles in bedrooms will be protected with AFCI (Arc Fault Circuit Interrupting) type circuit breakers.

Appliance Outlets: Appliance receptacles will be provided in kitchens. Dedicated appliance receptacles will be provided for laundry equipment and individual loads such as cooking range and clothes washers & dryers.

Ground fault receptacles will be provided in all bathrooms, kitchens, and at Residential Unit terraces.

(6) Generator:

An Emergency standby generator is provided in accordance with New York City 2014 Building Code Chapter 27 and NFPA 110 to provide power to required life safety systems and non-life safety equipment in an event of a power outage. The generator is located in the cellar.

Life Safety systems supplied by the emergency standby generator include the fire pump, elevators, and fire alarm system. Non-life safety equipment supplied by the emergency standby generator include booster pumps, boilers, hot water heaters, hot water recirculating pumps, supply fan, sewage ejector pumps, and 2nd floor amenity space lighting and several receptacles.

The generator is gas fired.

(8) Wire material:

Copper

(p) *Intercommunication and/or door signal systems, security closed circuit TV.*

- (1) Telephone services will enter the building from East End Avenue and be fed to a telecom room located on Cellar Level. It will then be distributed throughout the building through risers and sleeves. Each Residential Unit will receive telephone service to a closet within the unit. Wiring will be installed in each Residential Unit to enable the Unit Owner to obtain telephone and cable television service at the Unit Owner's Expense.

The building will be served by Spectrum (formerly Time Warner of NY) and Verizon. Each service provider will be available in the IDF closet and extend into each residential unit network interface device (NID). Verizon will provide fiber inside the building and extend fiber into the NID panel, Charter will provide services using Coax.

- (2) The building will be equipped with an intercom system that will allow for guest notification from the front desk. The doorman concierge will notify residents via an intercom call to the residents' cell phone or a dedicated device in the apartment. The infrastructure for the dedicated device will be provided, but the device itself will need to be provided and installed by the unit owner.

- (3) The building will be equipped with a CCTV system with cameras deployed in select common areas of the building. The system will have recording capabilities will be able to store data for 30 days. The system will also have a video display monitor at the doorman concierge desk.

There will be access control on several common doors. The residents will be equipped with a key fob entrance to these locations. All activities on this system will be recorded in the access control database.

(q) *Public area lighting.*

Public Spaces inclusive of Lobbies and all interior / exterior public Amenity spaces:

Lighting will be furnished for the public areas of the building through the use of LED sources. The light levels will meet or exceed the requirements as stated in the New York City Building Code. All common areas throughout the building, including stairways, will be provided with ceiling or wall mounted lights, and emergency lighting. The lobby and amenities spaces will be provided with an intelligent lighting control system. The lighting has been designed for compliance with the current New York City Energy Conservation Code (NYCECC).

LOCATION	MAKE
Exterior	- Hydrel Lighting (LED uplights) - Design Plan Lighting (LED in grade uplights)
Exterior Canopy	Selux Lighting (canopy LED linear slot light)
Lobby	- Lucifer Lighting (recessed LED downlights) - Leucos (semi-recessed decorative downlight)
Lounge	- Yellow Goat Lighting (Custom Chandelier) - Lucifer Lighting (recessed LED downlights) - RSA Combolight (art wallwashers) - Interlux Rubber (handrail LED lighting)
Common Hallways and Elevator Lobbies	- Lucifer Lighting (recessed LED downlights) - Leucos (semi-recessed decorative downlight) - Luminii LLX Series (LED Cove lighting)
Mailroom	- Lucifer Lighting (recessed LED accent lights) - Luminii LLX Series (LED Mailbox integrated lighting)
Porte Cochere	- Pinnacle Edge (recessed LED slot wallwasher) - Bega (recessed LED downlights)
Library	- DDC Lighting (Decorative Sconces) - Lucifer Lighting (recessed LED downlights) - RSA Combolight (art wallwashers)
Fitness Center and Game Room	- Louis Pouslen Munkegaard (LED Downlights) - Luminii LineLED Wet Series (LED Cove lighting)

(r) *Garages and parking areas.*

No Garage or parking provided, but the building will have a porte cochere driveway.

- (l) The porte cochere is located on the 1st floor level on the East 81st Street side of the building.
- (2) The driving and walking surface will be 6" x 12" asphalt pavers.
- (3) The Porte Cochere is open on the street side.
- (4) The porte cochere area is fully protected by a dry sprinkler system.
- (5) Area drains are provided in the floor.

(s) *Swimming pool(s):* N/A

(t) *Tennis courts, playgrounds and recreation facilities*

- (1) Tennis courts.

N/A

- (2) Playgrounds.

N/A

- (3) Other recreation facilities.

A fitness center, a library, as well as a game room will be provided as building amenities. They will be located on the 2nd floor together with a common kitchen. On the ground floor there will also be a common lobby and a double height lounge space with a feature stair connecting the space to the 2nd floor library.

(u) *Permits and certificates.*

The following permits shall be obtained from the NYC Department of Buildings.

A) New Building Permit: Renewed yearly for the duration of construction.

B) Additional required permits/approvals are as follows:

Sprinkler, Standpipe, Fire Alarm, Generator, Boiler, Paving Plan, Elevators, Electrical.

C) Accessory permits are: Means and Methods of Construction.

D) Required Inspections:

1. Temporary Certificate of Occupancy: Initial DOB inspection. Renewable every 90 days.
2. Final Certificate of Occupancy: Initial DOB inspection.
3. Sprinkler and Standpipe: Initial DOB inspection.
4. Fire Alarm: Initial FDNY inspection. Annual inspection by licensed third party.
5. Plumbing: Initial DOB inspection.
6. Electrical: Initial DOB BEC inspection.
7. Elevators: Initial DOB Elevator Division inspection. Annual inspection.
8. Boiler: Initial DOB inspection. Annual inspection by licensed third party.
9. Emergency Generator: Initial DOB inspection. Monthly test and annual test with full load bank by licensed third party.
10. Service Switch Boards Infrared Scan: Initial DOB BEC inspection. Annual inspection by licensed third party.
11. Fire Pump. Initial FDNY inspection: Monthly zero flow test and annual flow test by licensed third party.
12. Backflow Preventers. Initial DOB inspection. Annual inspection by licensed third party.
13. Storm Water Detention Tank: Initial inspection by licensed third party.

(v) *Violations.*

Sponsor shall cause any existing and future violations to be removed prior to the issuance of the final Certificate of Occupancy for the Building.

(w) *Unit information:*

There will be 29 Residential Units in the building.

The approximate gross square footage of all Units other than Penthouse Units (as defined below) is measured horizontally on their respective floor or floors from the exterior side of the glass or the exterior side of the exterior walls of the Building to the centerline of the interior walls and partitions separating one Unit from another Unit, or the exterior side facing Common Elements of the interior walls and partitions separating a Unit from common corridors, common stairways, common elevators and elevator shafts, mechanical equipment spaces, and other Common Elements. Columns, mechanical pipes, shafts, shaftways, chases, chaseways, and conduits (whether located within the Unit or along the perimeter of the Unit) are included in the approximate gross square foot area of these Units; however, common corridors, common stairways, common elevators and elevator shafts, mechanical equipment spaces, and other Common Elements located outside of these Units are not included in the square footage calculations for these Units.

The approximate gross square footage of Units PH15, PH16, PH17, and PHA (each, a "Penthouse Unit" and collectively, "Penthouse Units") is measured horizontally on their respective floor or floors from the exterior side of the glass or the exterior side of the exterior walls of the Building to the exterior side of the glass or the exterior side of the exterior walls of the Building, or the exterior side facing Common Elements of the interior walls and partitions separating a Penthouse Unit from common stairways, common elevators and elevator shafts, mechanical equipment spaces, and other Common Elements. Columns, mechanical pipes, shafts, shaftways, chases, chaseways, and conduits (whether located within the Unit or along the perimeter of the Unit) are included in the approximate gross square foot area of these Units; however, common stairways, common elevators and elevator shafts, mechanical equipment spaces, and other Common Elements located outside of these Units are not included in the square footage calculations for these Units.

The approximate exterior private terrace and private garden areas are measured from the exterior face of the Unit wall to the exterior side of the walls, railings, or fencing delineating such areas, as may be applicable.

The approximate square footage of the Storage Rooms is measured horizontally from the exposed, interior face of the wall (or, if applicable, column) at the perimeter of the Storage Room to the exposed, interior face of the opposite wall (or, if applicable, column) at the perimeter of the Storage Room.

Vertically:

The approximate height of a unit is measured from the top of the concrete floor slab to the underside of the concrete ceiling slab above. Approximate finished ceiling heights will vary from approximately 8'-0" to 12'-11" with lower areas above closets, bathrooms, laundry rooms, kitchens, foyers, hallways, living and dining rooms. Dimensions are dependent on normal construction tolerances.

The approximate height of a Storage Room is measured from the top of the concrete floor slab to the underside of the concrete ceiling slab above. The approximate height of Storage Rooms 7, and 8 is 10'-11" and the approximate height of all other Storage Rooms is 9'-7". However, piping

and ductwork will be installed below the ceiling slab above each Storage Room, which will effectively reduce the “usable” height of each such Storage Room.

Floor	Approximate Unit Height (top-of-slab to bottom-of-slab above)
Cellar, 1 st floor	11'-2"
2 nd floor	11'-4"
3 rd -4 th floor	10'-4"
5 th floor	10'-2" (9'-6" underneath 6 th floor terraces)
6 th floor	11'-4" (10'-5" underneath 7 th floor roof)
7 th – 12 th floor	10'-4"
13 th floor (construction floor)	10'-9" (10'-2" underneath 14 th floor terraces)
14 th -16 th floor (construction floor)	11'-4" (10'-6" underneath terraces)
17 th floor (construction floor)	10'-6" (9'-8" underneath 18 th floor terrace)
18 th floor (construction floor)	13'-4"
Roof level (elevator vestibule)	8'-2"

Floor	Unit	Unit Description Bedroom	Unit Description Bathroom	Approx. Finished Ceiling Heights	Approx. Unit Gross Square feet	Approx. Terrace or Garden Square feet
Cellar through 2 nd floor	Maisonette (Triplex)	4*	3 full and 2 powder rooms	8'-0" to 10'-9"	4,888	608
3 rd floor	3A	3	3 full and 1 powder room	8'-3" to 10'-1"	2,234	
3 rd floor	3B	2	2 full and 1 powder room	8'-3" to 10'-1"	1,472	
3 rd floor	3C	3	3 full and 1 powder room	8'-3" to 10'-1"	2,211	
4 th floor	4A	3	3 full and 1 powder room	8'-3" to 10'-1"	2,234	
4 th floor	4B	2	2 full and 1 powder room	8'-3" to 10'-1"	1,472	
4 th floor	4C	3	3 full and 1 powder room	8'-3" to 10'-1"	2,211	
5 th floor	5A	3	3 full and 1 powder room	8'-3" to 10'-1"	2,234	
5 th floor	5B	2	2 full and 1 powder room	8'-3" to 10'-1"	1,472	
5 th /6 th floor	5/6 C	5*	4 full and 1	8'-3" to	3,727	541

	(Duplex)		powder room	9'-10"		
6 th floor	6A	3	3 full and 1 powder room	8'-3" to 11'-1"	2,229	
6 th floor	6B	2	2 full and 1 powder room	8'-3" to 11'-1"	1,472	
7 th floor	7A	4*	3 full and 1 powder room	8'-3" to 10'-1"	2,621	
7 th /8 th floor	7/8 B (Duplex)	5*	5 full and 1 powder room	8'-3" to 10'-1"	3,530	375
8 th floor	8A	3	3 full and 1 powder room	8'-3" to 10'-1"	2,229	
9 th floor	9A	3	3 full and 1 powder room	8'-3" to 10'-1"	2,229	
9 th floor	9B	3	3 full and 1 powder room	8'-3" to 10'-1"	1,959	
10 th floor	10A	3	3 full and 1 powder room	8'-3" to 10'-1"	2,229	
10 th floor	10B	3	3 full and 1 powder room	8'-3" to 10'-1"	1,962	
11 th floor	11A	3	3 full and 1 powder room	8'-3" to 10'-1"	2,229	
11 th floor	11B	3	3 full and 1 powder room	8'-3" to 10'-1"	1,959	
12 th floor	12A	3	3 full and 1 powder room	8'-3" to 10'-1"	2,229	
12 th floor	12B	3	3 full and 1 powder room	8'-3" to 10'-1"	1,959	
13 th floor (construction)	14A	3	3 full and 1 powder room	8'-1" to 9'-9"	2,229	
13 th floor (construction)	14B	3	3 full and 1 powder room	8'-1" to 10'-1"	1,959	
14 th floor (construction)	PH15	4	4 full and 1 powder room	8'-3" to 11'-1"	3,645	855
15 th floor (construction)	PH16	4	4 full and 1 powder room	7'-7" to 10'-5"	3,464	162
16 th floor (construction)	PH17	4	4 full and 1 powder room	8'-3" to 10'-11"	3,237	193
17 th -18 th floor (construction) and roof level	PHA	4	4 full and 1 powder room	8'-1" to 12'-11"	5,949	1,866
Storage rooms						
Cellar	S-1	Storage			116	
Cellar	S-2	Storage			135	
Cellar	S-3	Storage			101	
Cellar	S-4	Storage			28	

Cellar	S-5	Storage			26	
Cellar	S-6	Storage			26	
Cellar	S-7	Storage			26	
Cellar	S-8	Storage			24	
Cellar	S-9	Storage			159	
Cellar	S-10	Storage			25	
Cellar	S-11	Storage			27	
Cellar	S-12	Storage			23	
Cellar	S-13	Storage			26	
Cellar	S-14	Storage			27	
Cellar	S-15	Storage			27	
Cellar	S-16	Storage			27	
Cellar	S-17	Storage			27	
Cellar	S-18	Storage			20	
Cellar	S-19	Storage			27	
Cellar	S-20	Storage			26	
Cellar	S-21	Storage			25	
Cellar	S-22	Storage			21	
Cellar	S-23	Storage			48	
Cellar	S-24	Storage			85	
Cellar	S-25	Storage			91	
Cellar	S-26	Storage			153	
Cellar	S-27	Storage			100	
Cellar	S-28	Storage			99	
Cellar	S-29	Storage			104	

*** all units indicated with an asterisk include a library in the bedroom count. Library can be used as a legal bedroom, if desired.**

Note: All ceiling heights are approximate and may vary.

Finish Schedule: Typical Residential Unit:

Spaces	Floor	Walls	Ceiling
Foyer	WF*	PT	PT
Gallery	WF*	PT	PT
Living Room	WF	PT	PT
Family Room	WF	PT	PT
Bedrooms	WF	PT	PT
Library	WF	PT	PT
Kitchen**	WF	PT	PT
Pantry	WF	PT	PT
Master Bath	ST-2	ST-2/GL	PT
Secondary Bath	ST-3	ST-5/PT	PT

Powder Room	ST-4	WD/GL	PT
Closets	WF	PT	PT
W/D	CT	PT	PT
Corridor	WF	PT	PT

Legend:

WF ¾" white oak hardwood flooring w/ underlayment

CT Porcelain Tile

PT Paint min 1 coat primer with 1 coat finish

ST-1 white marble with black marble border

ST-2 white marble

ST-3 mosaic marble tile

ST-4 black marble

ST-5 marble tile

GL ribbed glass with metallic backing

*Foyer - WF, except for Maisonette, PH15, PH16, PH17, and PHA Upper Level, which are ST-1

*Gallery - WF, except for Maisonette, which is ST-1

** Kitchen Countertops - White marble. Kitchen Cabinets - custom millwork.

Bathroom and kitchen plumbing fixtures:

Master bath	Description	Make and Model
	Lavatory	Waterworks Clara
	Lavatory Trim	Waterworks Henry low profile
	Water Closet	Kallista Pleo
	Bathtub	Waterworks Cambridge
	Bath trim	Waterworks Henry low profile concealed tub filler with Handshower
	Shower Trim	Showerhead: Waterworks Henry Thermostatic and volume control valve: Waterworks Henry Handshower: Waterworks Henry
Master bath	Lavatory	Waterworks Clara

(Unit PHA)	Lavatory Trim	Waterworks Henry low profile
	Water Closet	Kallista Pleo
	Bathtub	Waterworks Margaux
	Bath trim	Waterworks Henry exposed floor mounted tub filler with handshower
	Shower Trim	Showerhead: Waterworks Henry Thermostatic and volume control valve: Waterworks Henry Handshower: Waterworks Henry
Secondary bath with tub	Lavatory	Waterworks Clara
	Lavatory Trim	Waterworks Transit low profile
	Water Closet	Kohler Santa Rosa
	Bathtub	Custom Waterworks Alcove tub without apron
	Bath Trim	Tub Spout: Waterworks Highgate Showerhead: Waterworks Universal Handshower: Waterwork Transit Thermostatic control: Waterworks Transit Volume Control: Waterworks Transit
Secondary bath with shower	Lavatory	Waterworks Clara
	Lavatory Trim	Waterworks Transit low profile
	Water Closet	Kohler Santa Rosa
	Shower Trim	Showerhead: Waterworks Universal Thermostatic control: Waterworks Transit Volume Control: Waterworks Transit
Powder rooms	Water Closet	Kallista Pleo
	Lavatory	Waterworks Normandy drop in
	Lavatory Trim	Waterworks Henry low profile
Kitchen	Kitchen Sink	Elkay Crosstown double bowl undermount sink
	Sink Trim	Waterworks Henry one hole gooseneck faucet with spray
Pantry	Pantry sink	Elkay Crosstown single bowl undermount sink
	Sink Trim	Waterworks Henry one hole gooseneck faucet
Laundry	Sink	American Standard wall mounted sink
	Sink Trim	American Standard Heritage wall mounted faucet

Kitchen and laundry appliances

Typical apartments

Item	Make and Model
Cooktop	Gaggenau 5 Burner gas cooktop
Vent hood	Bosch Built-in 36" under cabinet slide-out
Oven	Gaggenau 30" single oven
Speed oven	Gaggenau 24"
Refrigerator/Freezer	Gaggenau built-in 36" bottom freezer refrigerator

Wine storage	Thermador undercounter
Dishwasher	Gaggenau fully integrated 24"
Washing Machine	Whirlpool front loading washer
Dryer	Whirlpool electric dryer

Duplex, Maisonette and full floor apartment (Maisonette, Unit 5/6C, 7/8B, PH15, PH16, PH17)

Item	Make and Model
Cooktop	Gaggenau 5 Burner gas cooktop
Vent hood	Bosch Built-in 36" under cabinet slide-out
Oven	Gaggenau 30" double wall oven
Microwave	Gaggenau 24" microwave drawer
Refrigerator	Gaggenau 30" built-in
Freezer	Gaggenau 30" built-in
Wine storage	Gaggenau 18"
Dishwasher	Gaggenau fully integrated 24"
Washing Machine	Whirlpool front loading washer
Dryer	Whirlpool electric dryer

Unit PHA

Item	Make and Model
Cooktop	Gaggenau 5 Burner gas cooktop
Teppan Yaki	Gaggenau
Grill	Gaggenau electric grill
Vent hood	Bosch Built-in 36" under cabinet slide-out
Oven	Gaggenau 30" double wall oven
Microwave	Gaggenau 24" microwave drawer
Refrigerator	Gaggenau 30" built-in
Freezer	Gaggenau 30" built-in
Wine storage	Gaggenau 18"
Dishwasher	Gaggenau fully integrated 24"
Washing Machine	Whirlpool front loading washer
Dryer	Whirlpool electric dryer

(x) *Finish schedule of spaces other than units.*

Room	Floor	Walls	Ceiling
Storage Room	CONC	P	DP
Bicycle Room	CONC	P	DP

Lobby	ST	WD	P
Lounge	ST	WD	P
Fitness Center	Rubber tiles	WD/GL/WC	P
Game Room	Cork	WD/GL/WC	P
Library	CPT	WD/WC	P
Public corridor	CPT/ST	WC	P/WD
Corridor 1 st floor	ST	WC/WD	P/WD
Stairs	DP/CONC	P	DP
Refuse room	PT	P	P

Abbreviation of Finishes:

CPT	Carpet
CONC	Concrete
DP	Deck Paint
GL	Mirror/Glass
P	Paint
PT	Porcelain Tile
ST	Stone
WC	Wall Covering
WD	Wood

Substitution:

Where materials, appliances, equipment, fixtures and other construction and design details are specified in this report, Sponsor has the right to substitute in their place similar materials, appliances, equipment and/or fixtures of substantially equal or better quality and may utilize different materials, appliances, equipment and/or fixtures in Sponsor's model apartments.

(y) Safety and warning devices. Describe any fire or smoke safety devices installed in units and common areas. State what devices are required by law, and whether any required devices have not been installed.

1. Photoelectric type smoke detectors & combination CO detector, hard wired, with battery backup, 120 volt provided in each apartment. Maintenance of safety and warning devices is the responsibility of the unit owner.
2. The building will be provided with a voice evacuation fire alarm system which includes area smoke detectors located in all mechanical, electrical & telephone rooms. The fire alarm panel located in the main lobby will provide a one way voice evacuation communication to each of the units in the event of a fire alarm emergency. In addition all public and common areas will be provided with audible & visual fire alarm devices where required by code.

(z) *Further development.*

Excess development rights comprising of approximately 7,130 square feet were purchased by Sponsor from the adjacent property located at 554 East 82nd Street (tax lot 31) to maximize the development area on the Property. Tax lots 23 (the Property) and 31 (the aforementioned adjacent property) form a combined zoning lot (the "combined zoning lot"). In addition, inclusionary housing bonus floor area comprising of approximately 12,842 square feet was purchased from an off site location. Based upon the building plans, upon construction of the building, approximately 370 square feet of unused development rights pertaining to the Property will remain.

(aa) *Asbestos.*

No Asbestos containing materials are being used in the new building.

(bb) *Lead-based paint.*

No Lead-based paint will be used in the new building.

(cc) *Additional items.*

1. Fire Alarm System

Building is provided with a Sprinkler and Smoke Detection Alarm System with one-way voice communications system and post fire smoke purge system in accordance with NFPA 72 2010 and New York City 2014 Building Code Chapter 9 and Appendix Q.

2. Auxiliary Radio Communication System

Building is provided with an auxiliary radio communication system in accordance with NFPA 72 2010 and New York City 2014 Building Code Chapter 9 and Appendix Q for use by the local fire department.

Gerner Kronick + Valcarcel, Architects, DPC

By: _____

Randolph Gerner, AIA

Date



SITE PLAN & FLOOR PLANS

Please note that all dimensions are approximate.

The approximate gross square footage of all Units other than Penthouse Units (as defined below) is measured horizontally on their respective floor or floors from the exterior side of the glass or the exterior side of the exterior walls of the Building to the centerline of the interior walls and partitions separating one Unit from another Unit, or the exterior side facing Common Elements of the interior walls and partitions separating a Unit from common corridors, common stairways, common elevators and elevator shafts, mechanical equipment spaces, and other Common Elements. Columns, mechanical pipes, shafts, shaftways, chases, chaseways, and conduits (whether located within the Unit or along the perimeter of the Unit) are included in the approximate gross square foot area of these Units; however, common corridors, common stairways, common elevators and elevator shafts, mechanical equipment spaces, and other Common Elements located outside of these Units are not included in the square footage calculations for these Units.

The approximate gross square footage of Units PH15, PH16, PH17, and PHA (each, a "Penthouse Unit" and collectively, "Penthouse Units") is measured horizontally on their respective floor or floors from the exterior side of the glass or the exterior side of the exterior walls of the Building to the exterior side of the glass or the exterior side of the exterior walls of the Building, or the exterior side facing Common Elements of the interior walls and partitions separating a Penthouse Unit from common stairways, common elevators and elevator shafts, mechanical equipment spaces, and other Common Elements. Columns, mechanical pipes, shafts, shaftways, chases, chaseways, and conduits (whether located within the Unit or along the perimeter of the Unit) are included in the approximate gross square foot area of these Units; however, common stairways, common elevators and elevator shafts, mechanical equipment spaces, and other Common Elements located outside of these Units are not included in the square footage calculations for these Units.

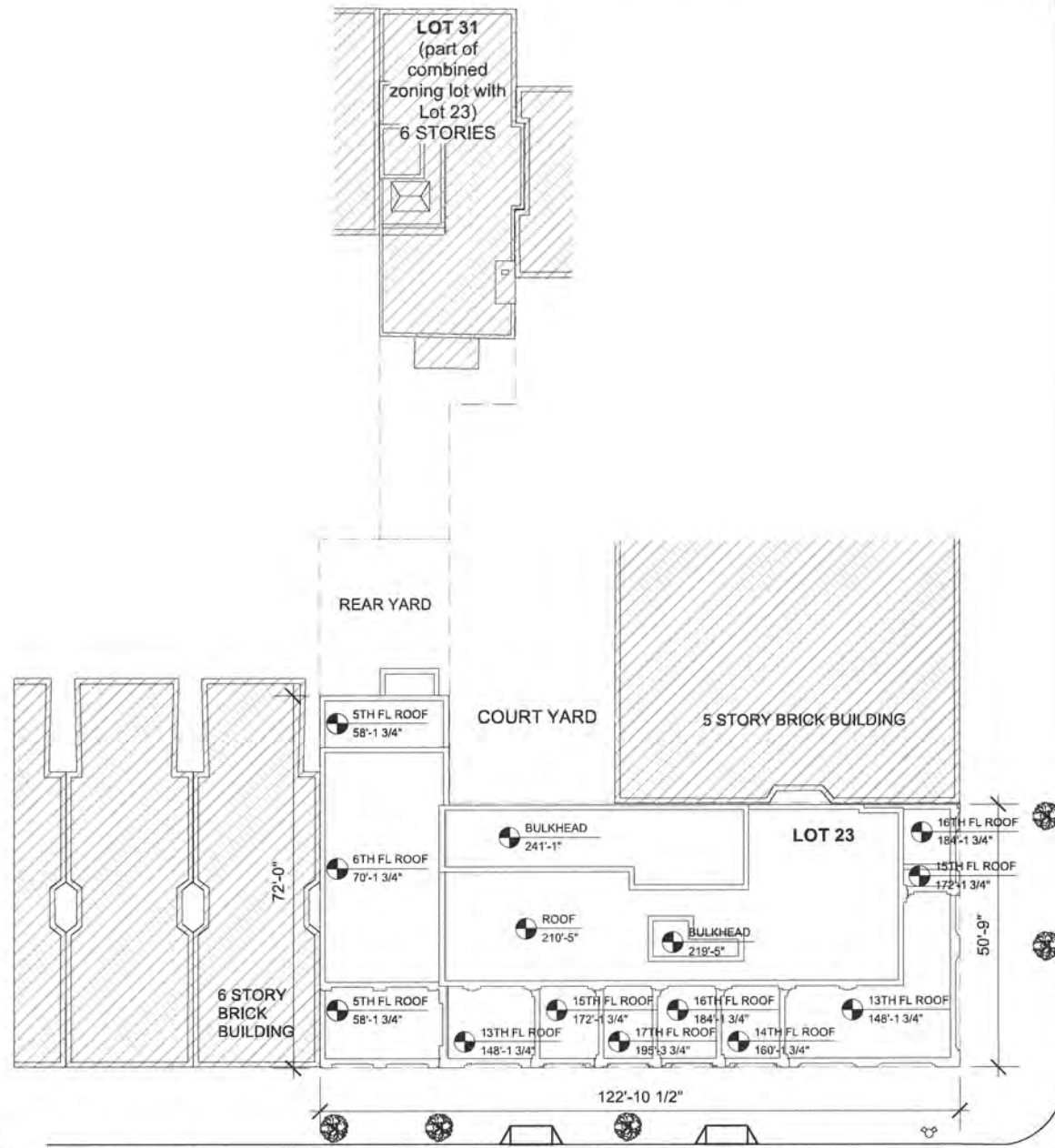
As set forth above, the approximate square footage of a Unit set forth on the Floor Plans and on Schedule A is an approximate gross square footage of the Unit, which is greater than the approximate square footage of a Unit measured by using the legal definition of the Unit which appears in the Declaration of the Condominium in Part II of the Plan. As is customary in New York City, these approximate gross square footages substantially exceed the useable floor area of each Unit.

The approximate exterior private terrace and private garden areas are measured from the exterior face of the Unit wall to the exterior side of the walls, railings, or fencing delineating such areas, as may be applicable.

The approximate square footage of the Storage Rooms is measured horizontally from the exposed, interior face of the wall (or, if applicable, column) at the perimeter of the Storage Room to the exposed, interior face of the opposite wall (or, if applicable, column) at the perimeter of the Storage Room.

Any floor layout, plan or sketch shown to a prospective Purchaser is only an approximation of the square foot area and layout of the Unit in question and shall be subject to normal construction variances and tolerances.

EAST 82ND STREET



40 East End Avenue Condominium

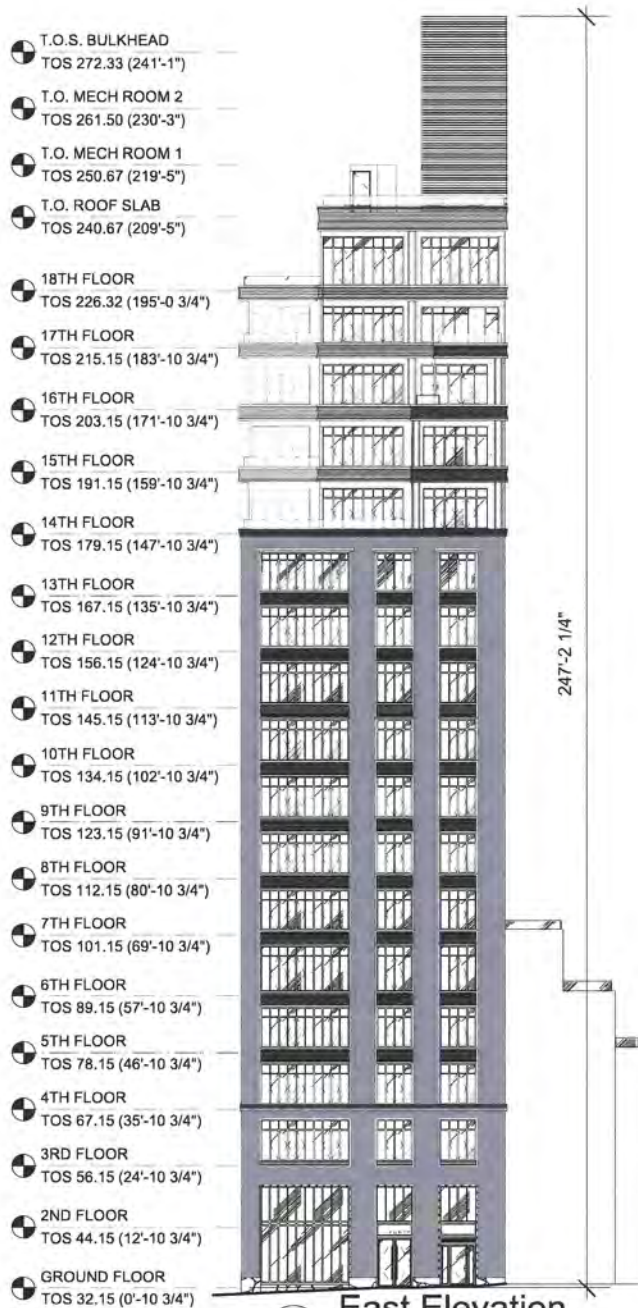
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New York, NY 10028



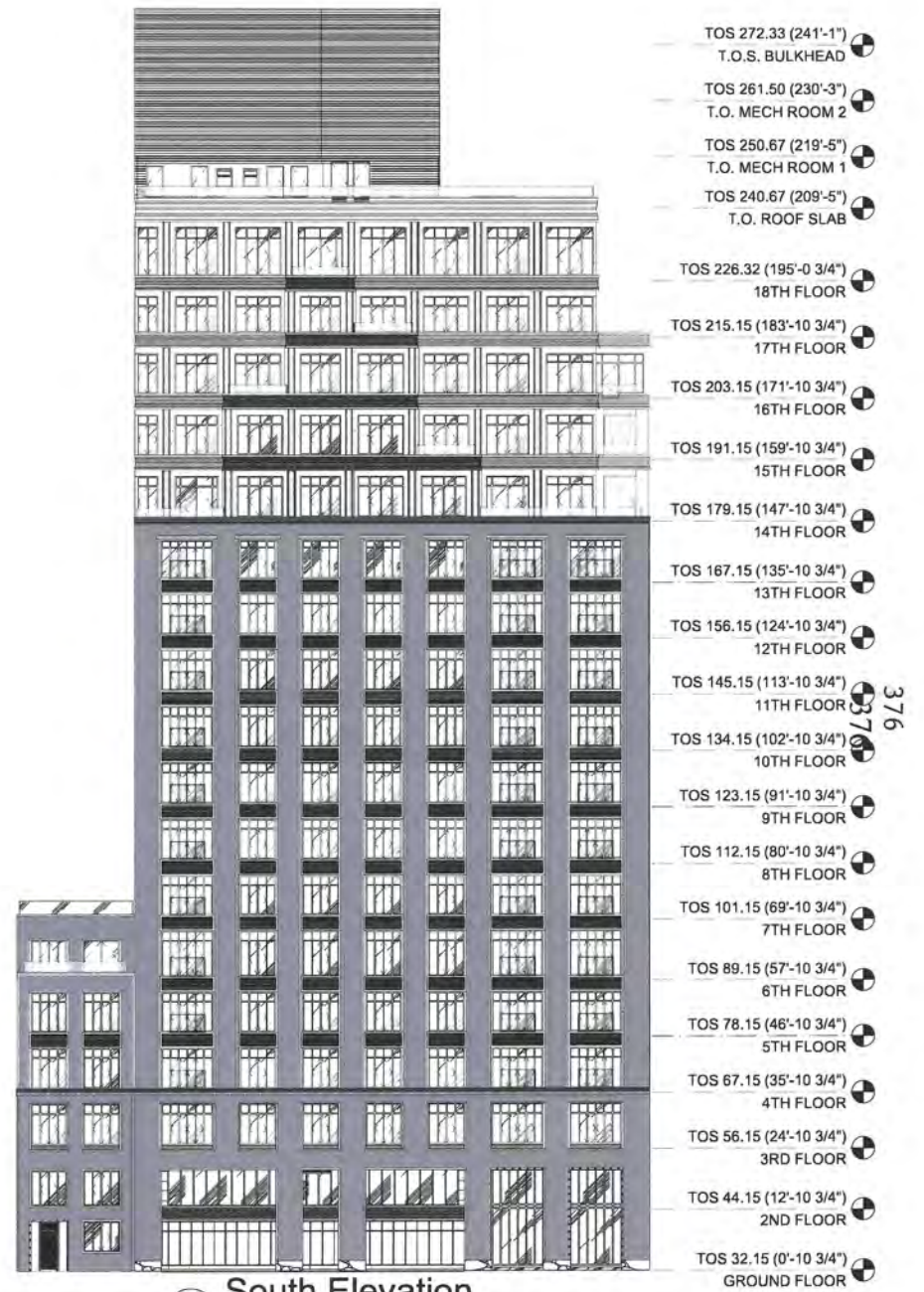
EAST 81ST STREET

EAST END AVENUE

Site Plan



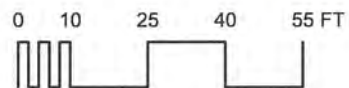
1 East Elevation

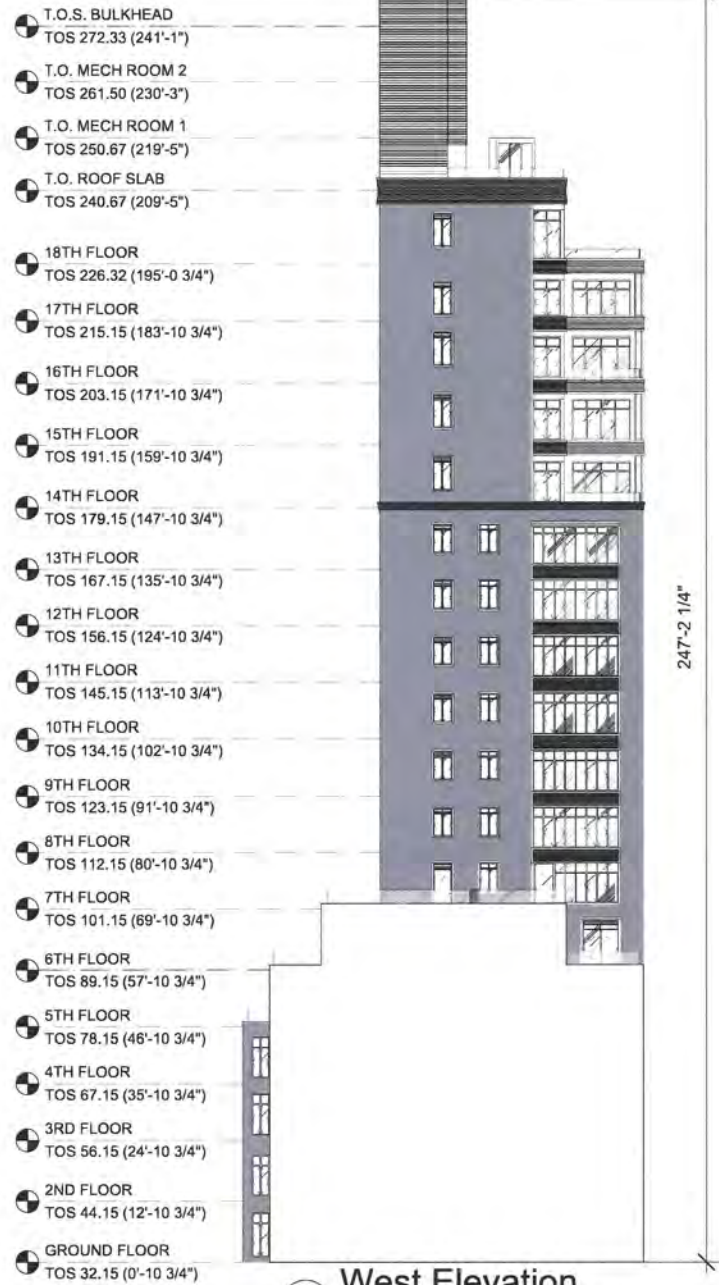


2 South Elevation

40 East End Avenue Condominium

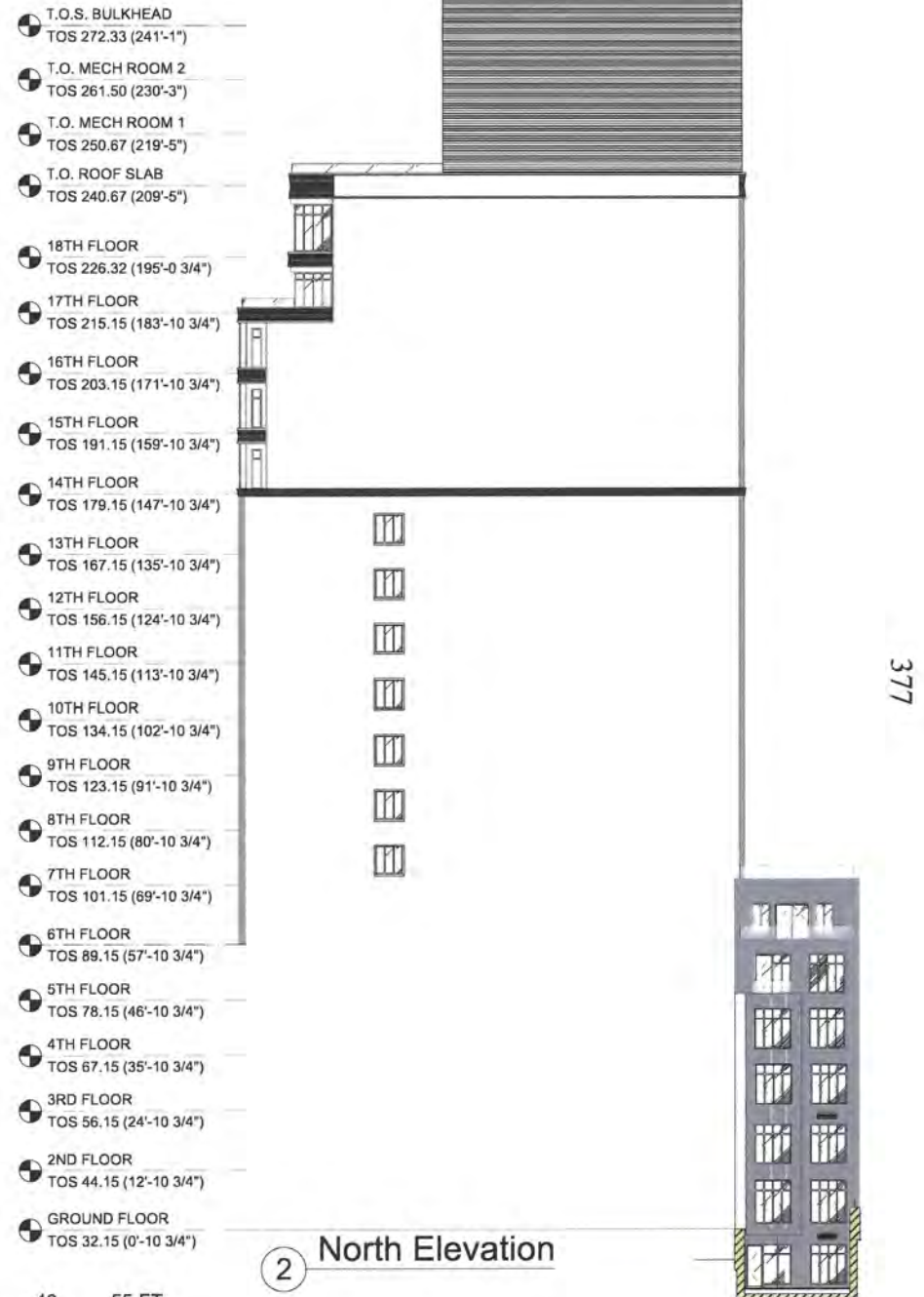
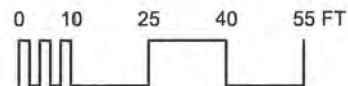
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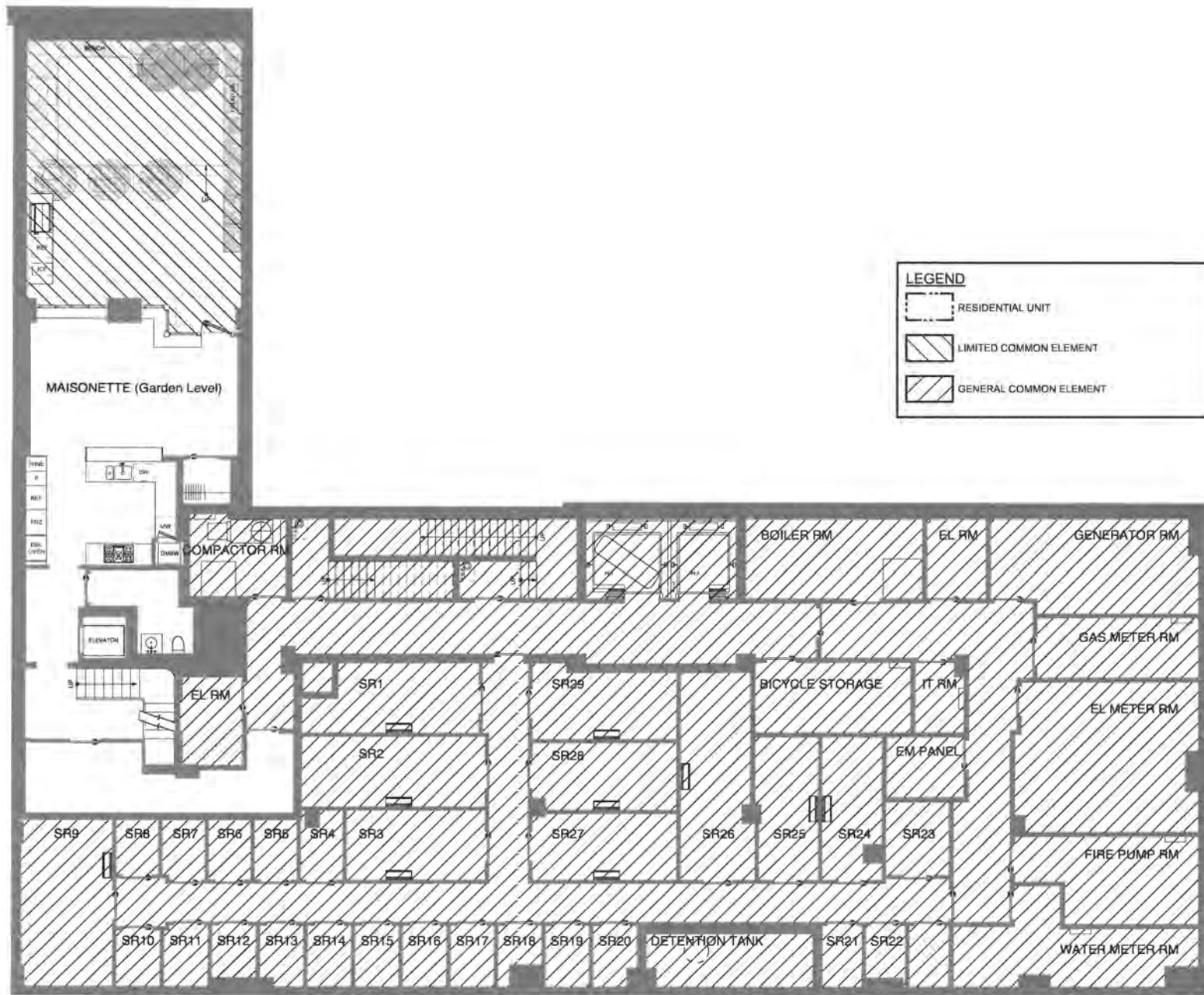




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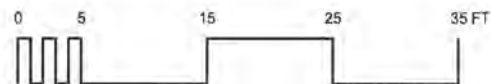
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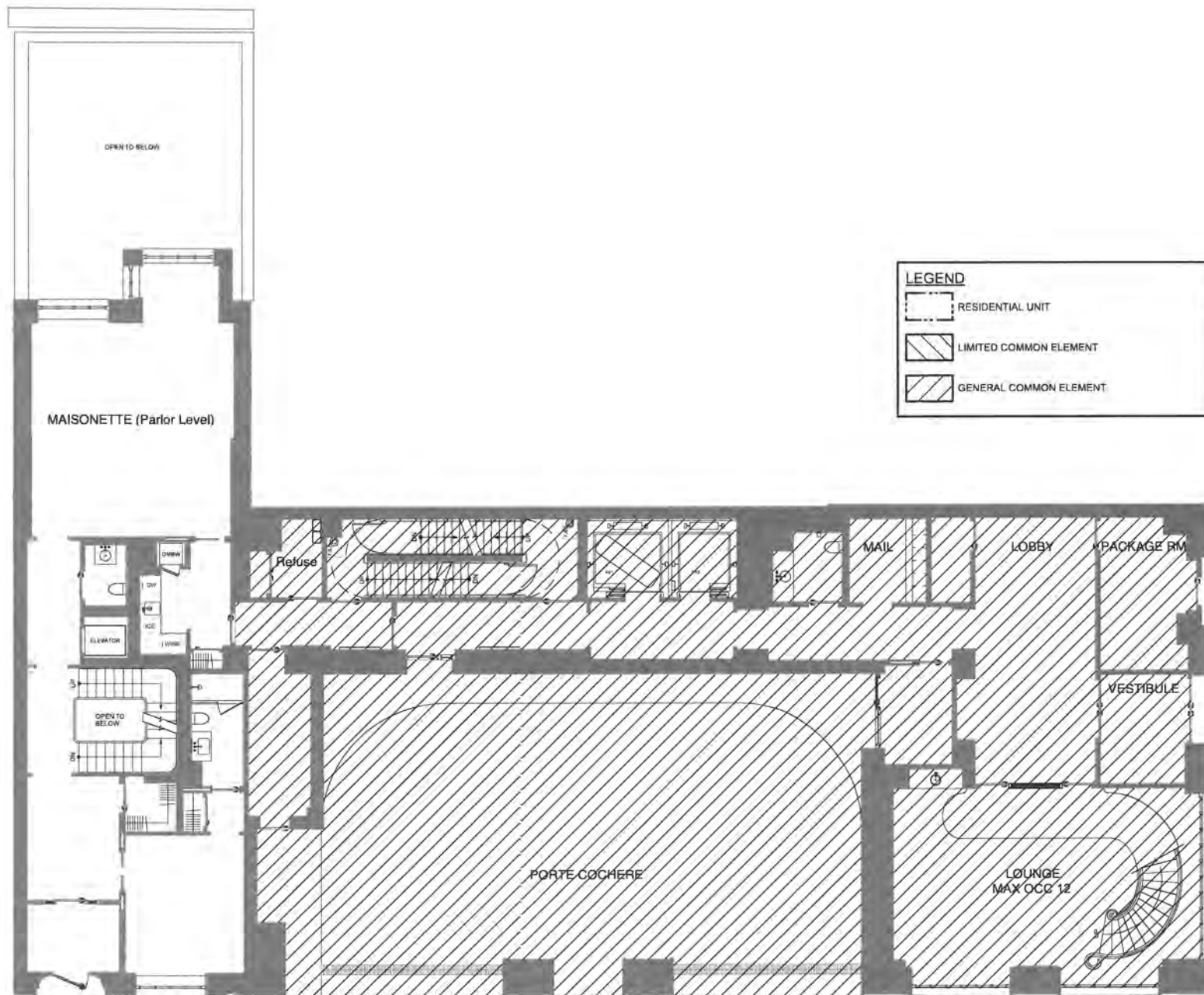


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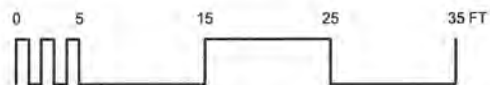
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 New York, NY 10028



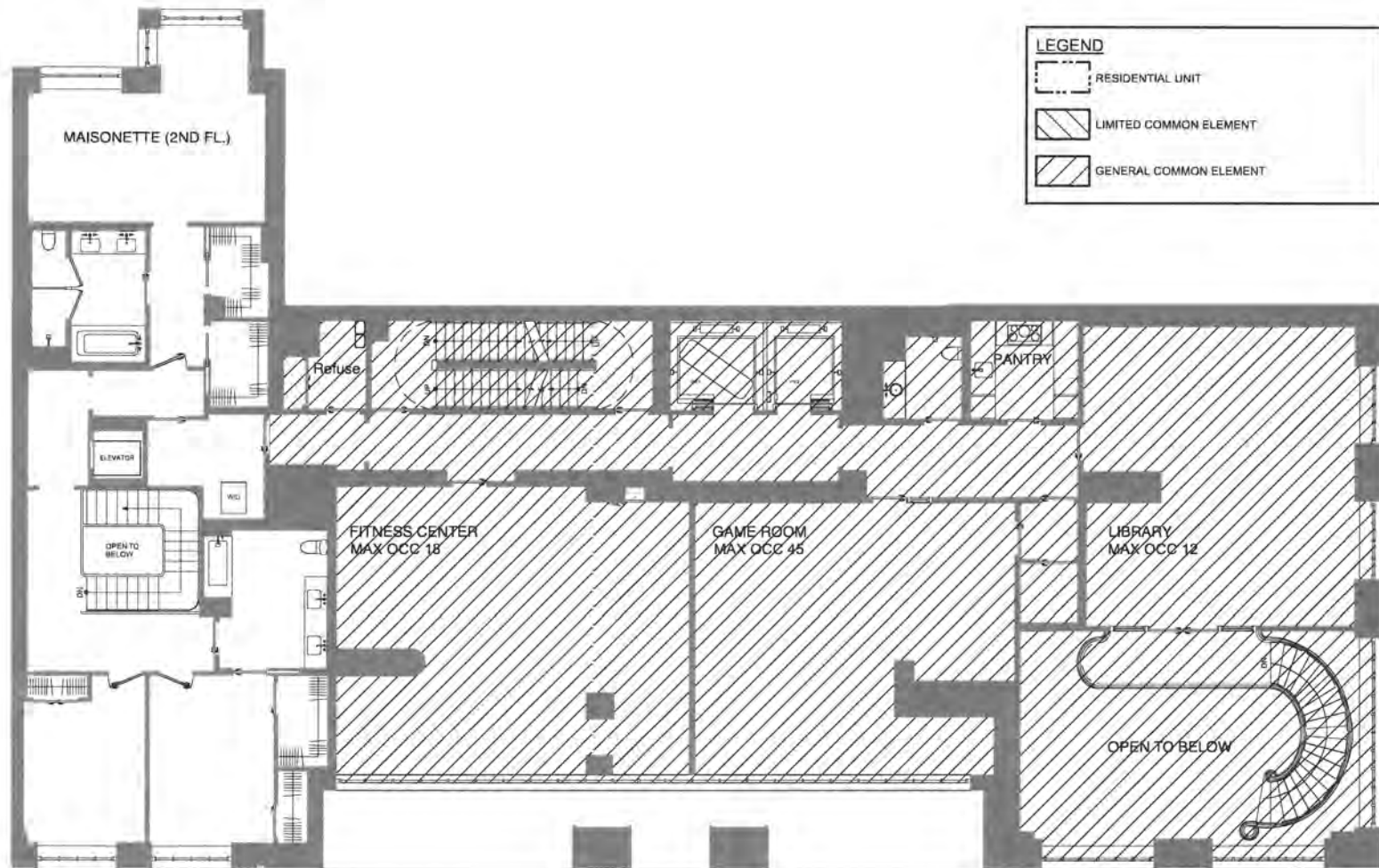
Cellar Floor



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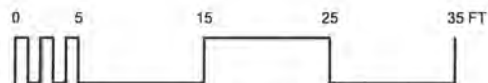


1st Floor





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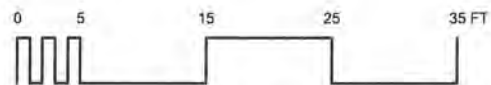


5th Floor

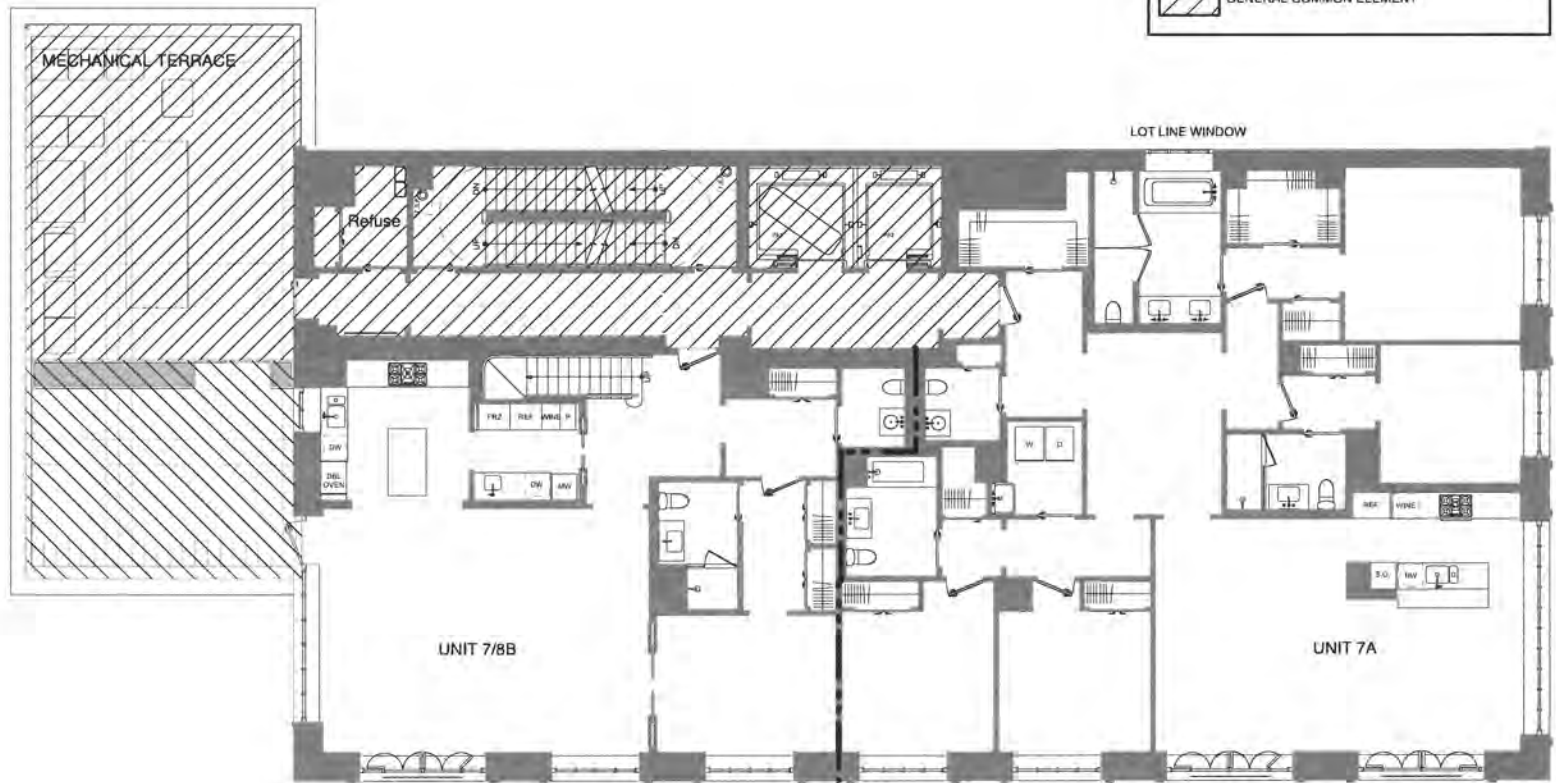


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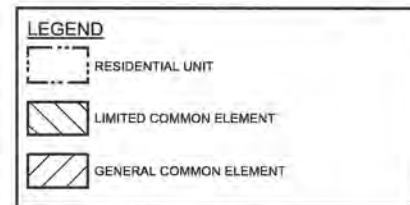
6th Floor



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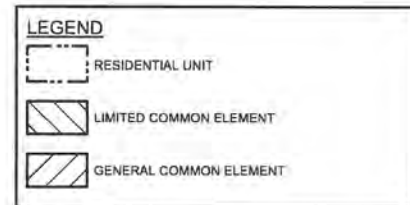
7th Floor



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 New York, NY 10028

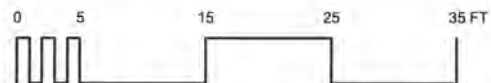


8th Floor

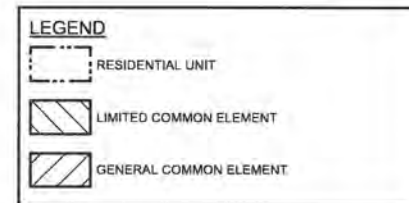


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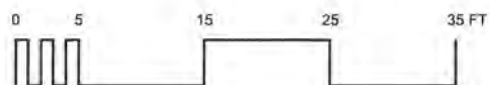


9th Floor



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10th Floor

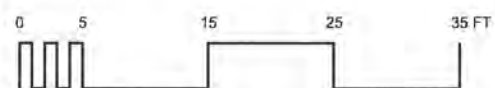
LEGEND

- RESIDENTIAL UNIT
- LIMITED COMMON ELEMENT
- GENERAL COMMON ELEMENT

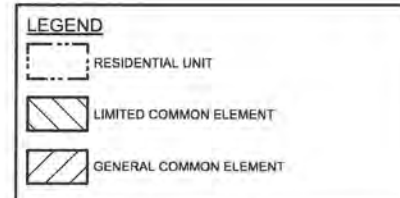


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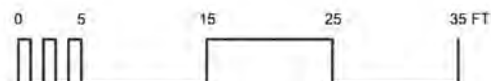


11th Floor

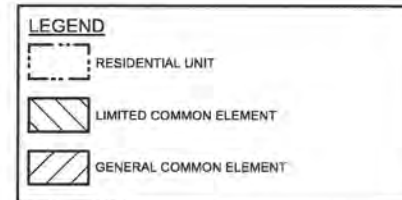


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40 East End Avenue Condominium
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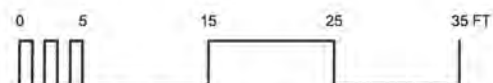


12th Floor

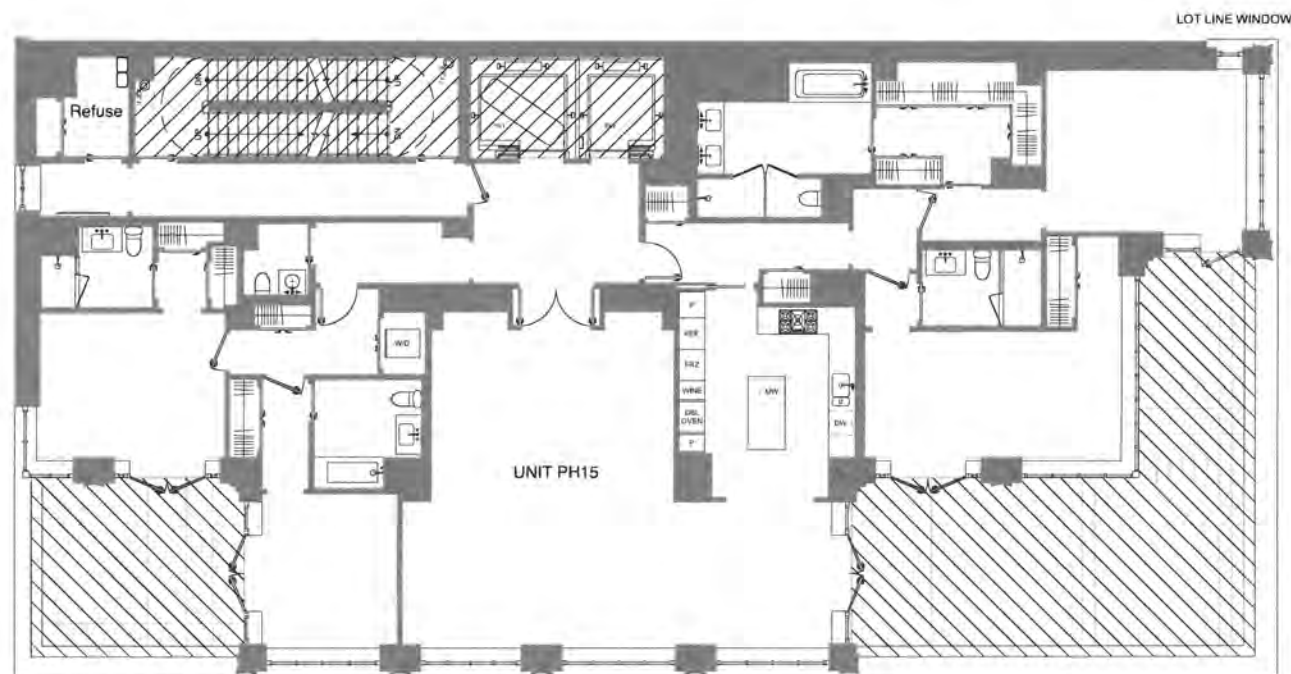
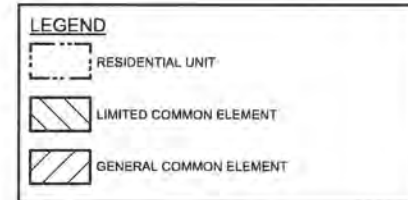


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40 East End Avenue Condominium
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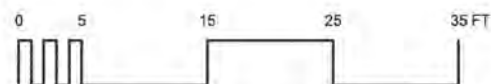
**14th Floor
 (13th Floor Construction)**



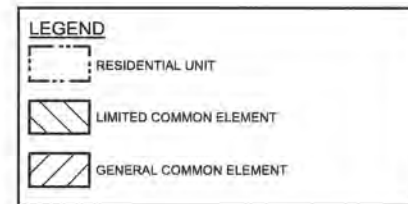
392

40 East End Avenue Condominium

40 East End Avenue
New York, NY 10028

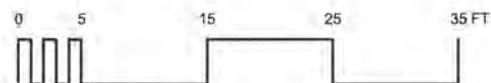


**Floor PH15
(14th Floor Construction)**



393

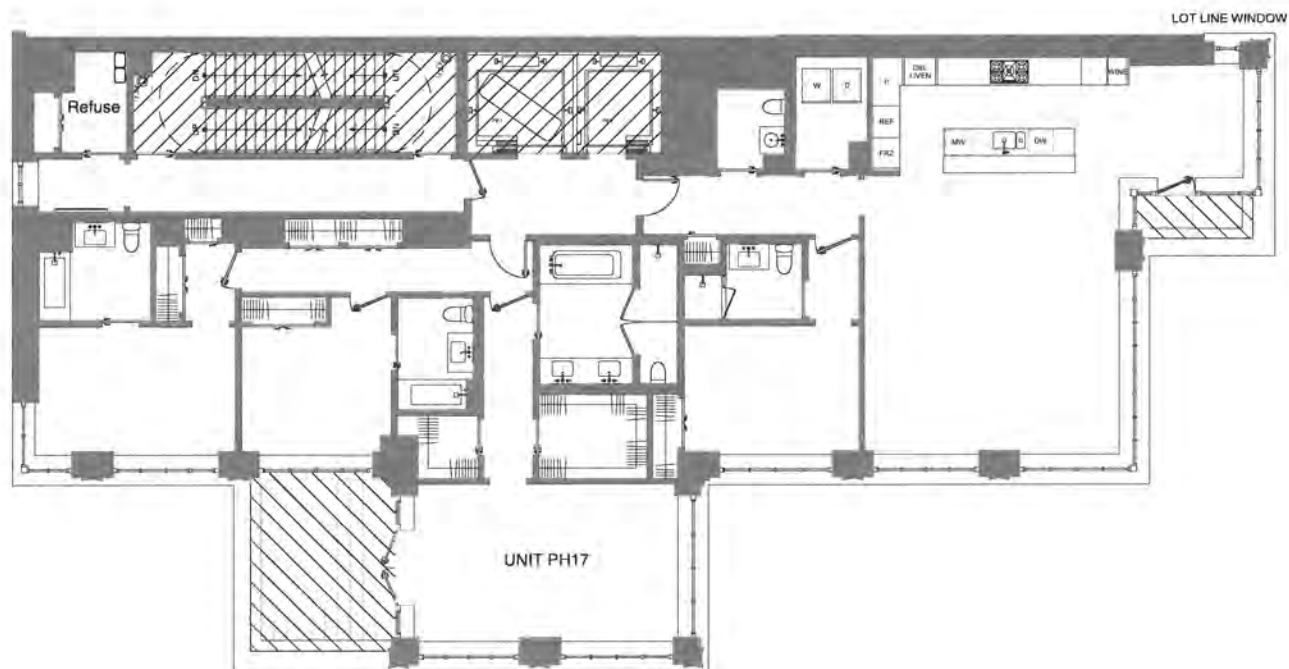
40 East End Avenue Condominium
 40 East End Avenue
 New York, NY 10028



Floor PH16
(15th Floor Construction)

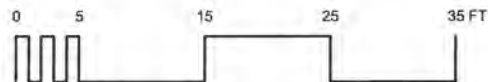
LEGEND

-  RESIDENTIAL UNIT
-  LIMITED COMMON ELEMENT
-  GENERAL COMMON ELEMENT

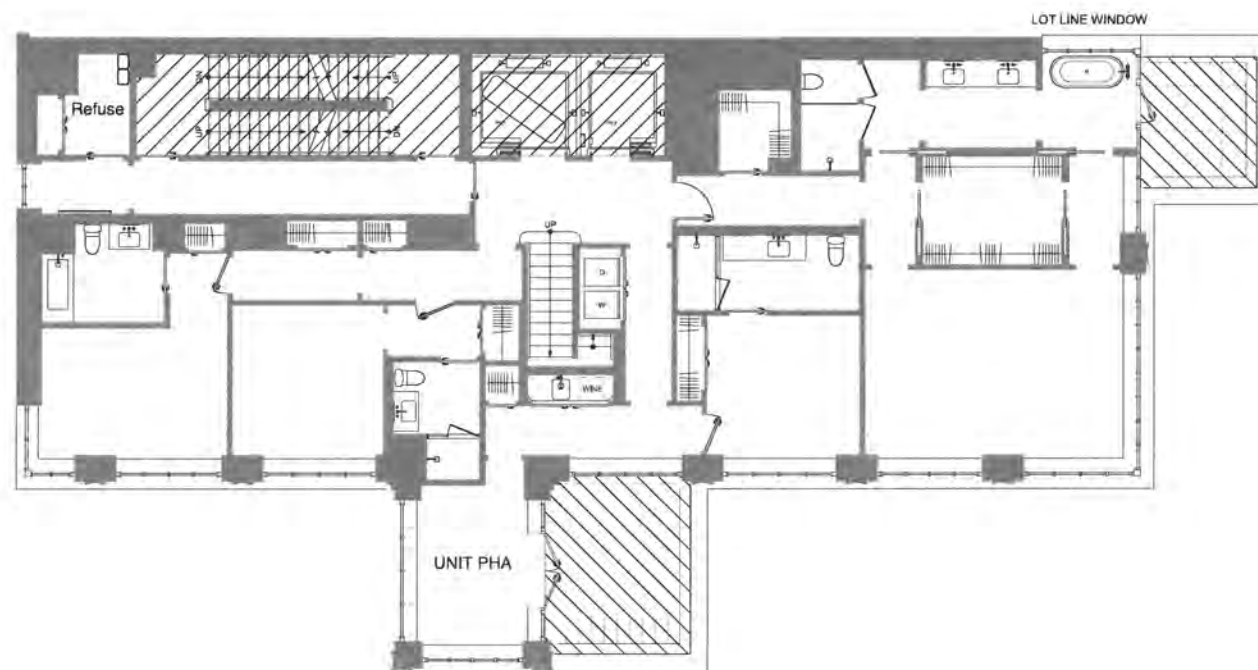
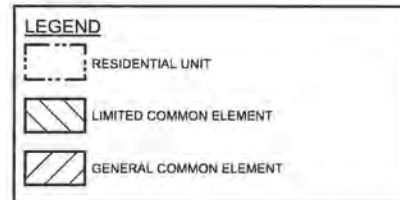


394

40 East End Avenue Condominium
40 East End Avenue
New York, NY 10028

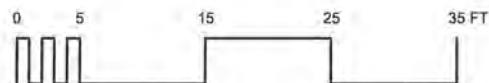


Floor PH17
(16th Floor Construction)



395

40 East End Avenue Condominium
 40 East End Avenue
 New York, NY 10028



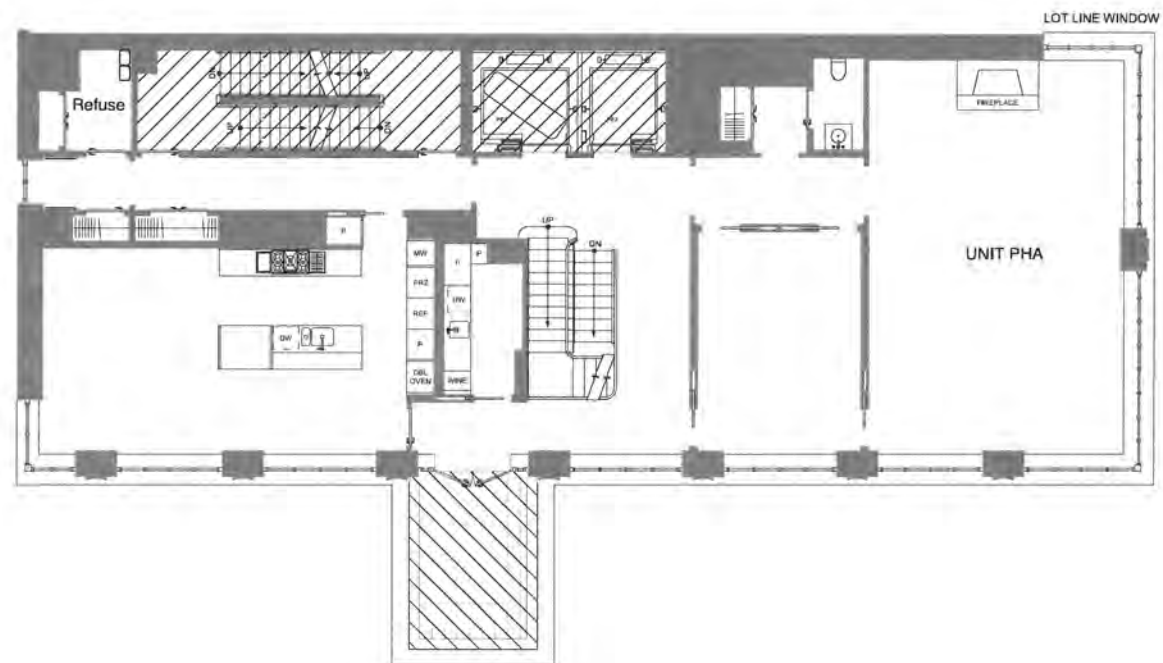
**Floor PHA Lower Level
 (17th Floor Construction)**

LEGEND

RESIDENTIAL UNIT

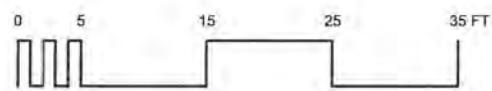
LIMITED COMMON ELEMENT

GENERAL COMMON ELEMENT

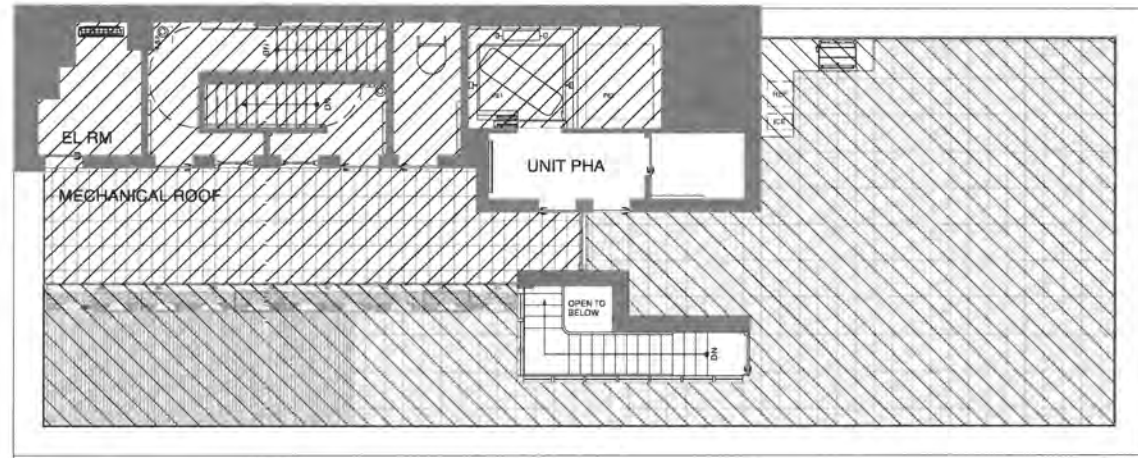
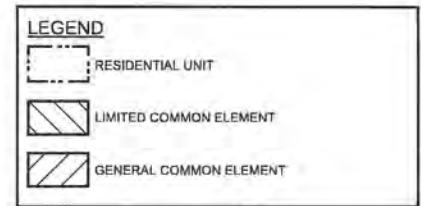


396

40 East End Avenue Condominium
 40 East End Avenue
 New York, NY 10028

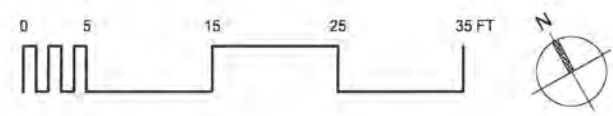


**Floor PHA Upper Level
 (18th Floor Construction)**

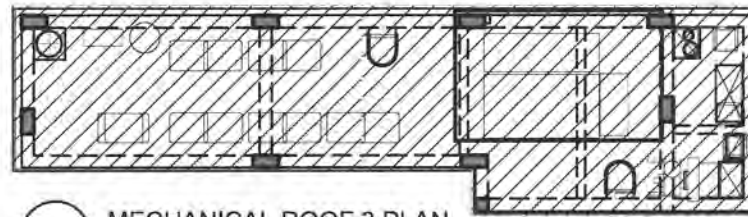


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40 East End Avenue Condominium
 40 East End Avenue
 New York, NY 10028



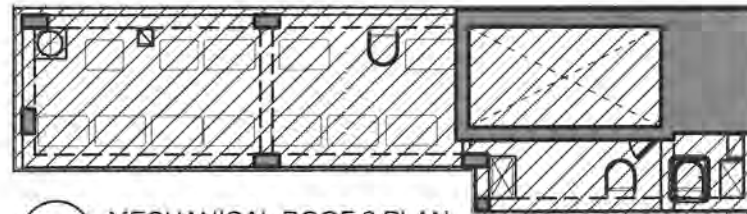
**Floor PHA Roof Terrace
 (Roof Construction)**



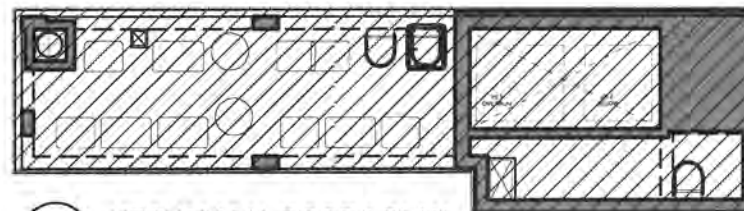
3 MECHANICAL ROOF 3 PLAN

LEGEND

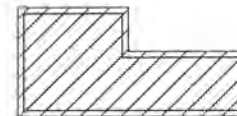
- RESIDENTIAL UNIT
- LIMITED COMMON ELEMENT
- GENERAL COMMON ELEMENT



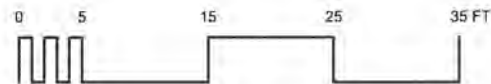
2 MECHANICAL ROOF 2 PLAN



1 MECHANICAL ROOF 1 PLAN



40 East End Avenue Condominium
 40 East End Avenue
 New York, NY 10028



Bulkhead plans

40 East End Avenue
Condominium

40 East End Avenue
New York, NY 10028

Maisonette Residence - Garden Level

4 Bedrooms
3 Baths
2 Powder Rooms
Great Room
Garden
Butler's Pantry
Private Elevator
Dumbwaiter

Garden Level Interior: 1,155 SF / 107 SM
Garden Level Exterior: 608 SF / 56 SM

Maisonette Total Interior: 4,888 SF / 454 SM

Maisonette Total Exterior: 608 SF / 56 SM



Key Plan - Cellar Floor (Garden Level)



All room dimensions are maximum and are measured from either the inside face of the window glass or drywall to the opposing window or drywall or the opposing face of the kitchen island cabinets as applicable, and are taken approximately through the center of each space. Dimensions include columns, sills and furred out mechanical systems, exclude closets and cutouts, and are subject to normal construction variances and tolerances. Plans and dimensions may contain minor variations floor to floor. Square footage exceeds the usable floor area. Sponsor reserves the right to make changes in accordance with the Offering Plan. With respect to measurement of approximate gross square footage of the Residential Units, see Note 3 of the Notes to Schedule A in the Offering Plan.

40 East End Avenue
Condominium

40 East End Avenue
New York, NY 10028

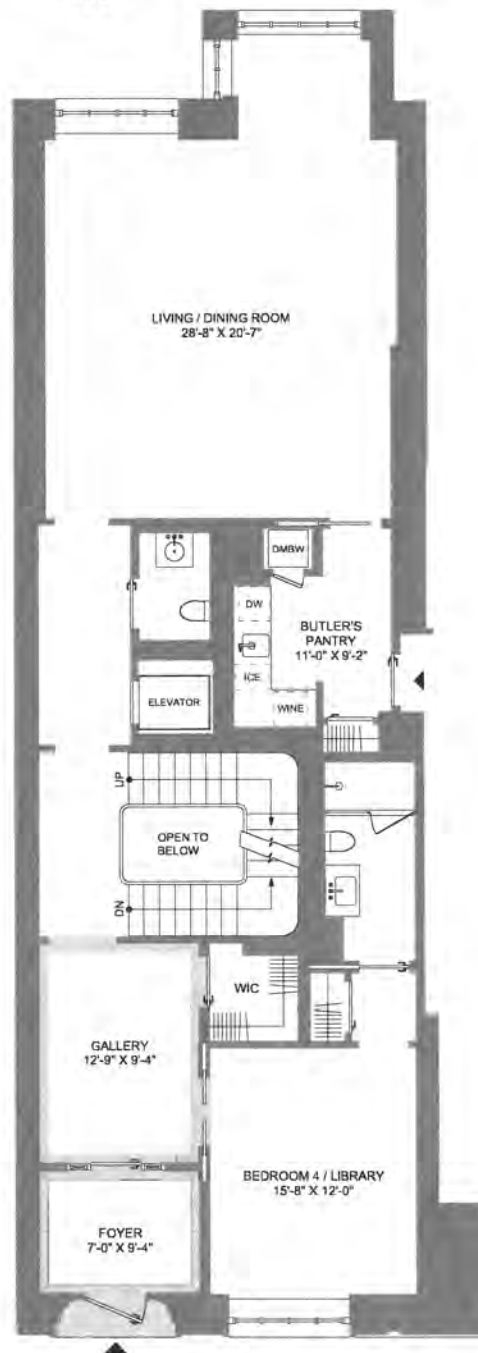
Maisonette Residence - 1st Floor (Parlor)

4 Bedrooms
3 Baths
2 Powder Rooms
Great Room
Garden
Butler's Pantry
Private Elevator
Dumbwaiter

Parlor Interior: 1,795 SF / 166 SM

Maisonette Total Interior: 4,888 SF / 454 SM

Maisonette Total Exterior: 608 SF / 56 SM



All room dimensions are maximum and are measured from either the inside face of the window glass or drywall to the opposing window or drywall or the opposing face of the kitchen island cabinets as applicable, and are taken approximately through the center of each space. Dimensions include columns, sills and furred out mechanical systems, exclude closets and cutouts, and are subject to normal construction variances and tolerances. Plans and dimensions may contain minor variations floor to floor. Square footage exceeds the usable floor area. Sponsor reserves the right to make changes in accordance with the Offering Plan. With respect to measurement of approximate gross square footage of the Residential Units, see Note 3 of the Notes to Schedule A in the Offering Plan.

Key Plan - 1st Floor (Parlor Level)

40 East End Avenue
Condominium

40 East End Avenue
New York, NY 10028

Maisonette Residence - 2nd Floor

4 Bedrooms
3 Baths
2 Powder Rooms
Great Room
Garden
Butler's Pantry
Private Elevator
Dumbwaiter

2nd Floor Interior: 1,938 SF / 180 SM

Maisonette Total Interior: 4,888 SF / 454 SM

Maisonette Total Exterior: 608 SF / 56 SM



All room dimensions are maximum and are measured from either the inside face of the window glass or drywall to the opposing window or drywall or the opposing face of the kitchen island cabinets as applicable, and are taken approximately through the center of each space. Dimensions include columns, sills and furred out mechanical systems, exclude closets and cutouts, and are subject to normal construction variances and tolerances. Plans and dimensions may contain minor variations floor to floor. Square footage exceeds the usable floor area. Sponsor reserves the right to make changes in accordance with the Offering Plan. With respect to measurement of approximate gross square footage of the Residential Units, see Note 3 of the Notes to Schedule A in the Offering Plan.

Key Plan - 2nd Floor

40 East End Avenue
Condominium

40 East End Avenue
New York, NY 10028

Residence 3A

3 Bedrooms
3 Baths
Powder Room
Gallery

2,234 SF / 207 SM



Key Plan - 3rd Floor



All room dimensions are maximum and are measured from either the inside face of the window glass or drywall to the opposing window or drywall or the opposing face of the kitchen island cabinets as applicable, and are taken approximately through the center of each space. Dimensions include columns, sills and furred out mechanical systems, exclude closets and cutouts, and are subject to normal construction variances and tolerances. Plans and dimensions may contain minor variations floor to floor. Square footage exceeds the usable floor area. Sponsor reserves the right to make changes in accordance with the Offering Plan. With respect to measurement of approximate gross square footage of the Residential Units, see Note 3 of the Notes to Schedule A in the Offering Plan.

40 East End Avenue
Condominium

40 East End Avenue
New York, NY 10028

Residence 3B

2 Bedrooms
2 Baths
Powder Room

1,472 SF / 136 SM



Key Plan - 3rd Floor



All room dimensions are maximum and are measured from either the inside face of the window glass or drywall to the opposing window or drywall or the opposing face of the kitchen island cabinets as applicable, and are taken approximately through the center of each space. Dimensions include columns, sills and furred out mechanical systems, exclude closets and cutouts, and are subject to normal construction variances and tolerances. Plans and dimensions may contain minor variations floor to floor. Square footage exceeds the usable floor area. Sponsor reserves the right to make changes in accordance with the Offering Plan. With respect to measurement of approximate gross square footage of the Residential Units, see Note 3 of the Notes to Schedule A in the Offering Plan.

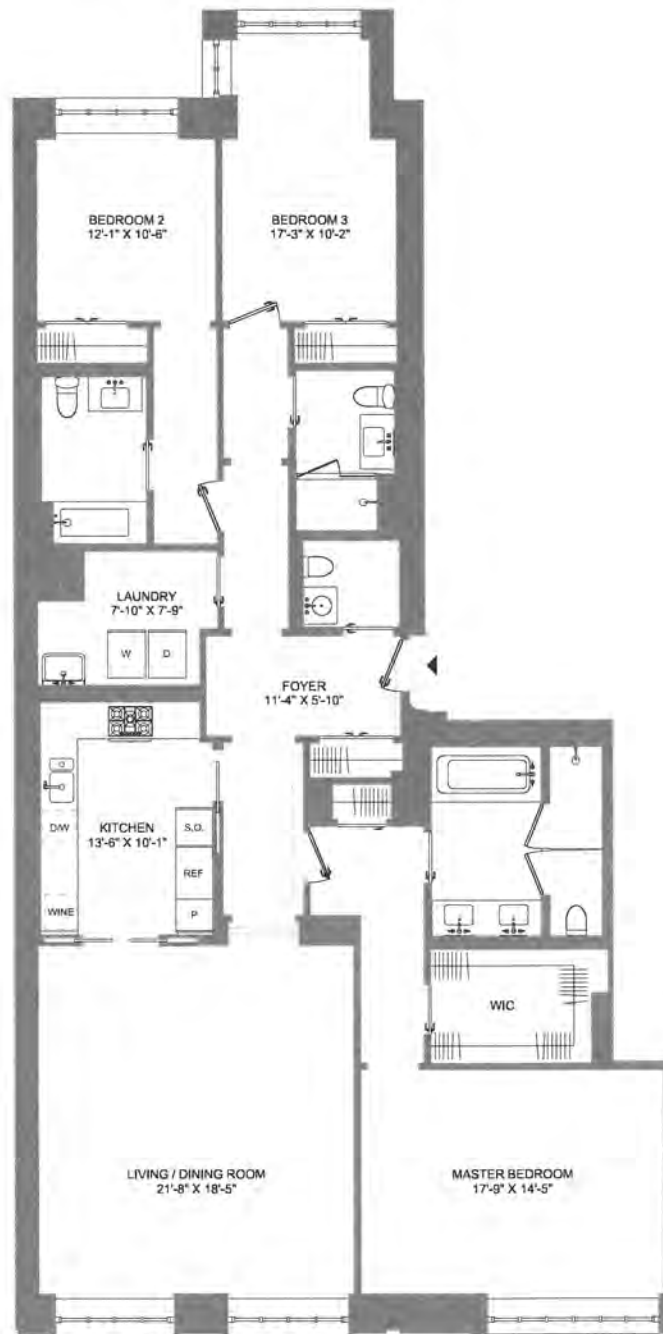
40 East End Avenue
Condominium

40 East End Avenue
New York, NY 10028

Residence 3C

3 Bedrooms
3 Bath
Powder Room

2,211 SF / 205 SM



All room dimensions are maximum and are measured from either the inside face of the window glass or drywall to the opposing window or drywall or the opposing face of the kitchen island cabinets as applicable, and are taken approximately through the center of each space. Dimensions include columns, sills and furred out mechanical systems, exclude closets and cutouts, and are subject to normal construction variances and tolerances. Plans and dimensions may contain minor variations floor to floor. Square footage exceeds the usable floor area. Sponsor reserves the right to make changes in accordance with the Offering Plan. With respect to measurement of approximate gross square footage of the Residential Units, see Note 3 of the Notes to Schedule A in the Offering Plan.

Key Plan - 3rd Floor

40 East End Avenue
Condominium

40 East End Avenue
New York, NY 10028

Residence 4A

3 Bedrooms
3 Baths
Powder Room
Gallery
Juliette Balconies

2,234 SF / 207 SM



All room dimensions are maximum and are measured from either the inside face of the window glass or drywall to the opposing window or drywall or the opposing face of the kitchen island cabinets as applicable, and are taken approximately through the center of each space. Dimensions include columns, sills and furred out mechanical systems, exclude closets and cutouts, and are subject to normal construction variances and tolerances. Plans and dimensions may contain minor variations floor to floor. Square footage exceeds the usable floor area. Sponsor reserves the right to make changes in accordance with the Offering Plan. With respect to measurement of approximate gross square footage of the Residential Units, see Note 3 of the Notes to Schedule A in the Offering Plan.

Key Plan - 4th Floor

40 East End Avenue
Condominium

40 East End Avenue
New York, NY 10028

Residence 4B

2 Bedrooms
2 Baths
Powder Room

1,472 SF / 136 SM



All room dimensions are maximum and are measured from either the inside face of the window glass or drywall to the opposing window or drywall or the opposing face of the kitchen island cabinets as applicable, and are taken approximately through the center of each space. Dimensions include columns, sills and furred out mechanical systems, exclude closets and cutouts, and are subject to normal construction variances and tolerances. Plans and dimensions may contain minor variations floor to floor. Square footage exceeds the usable floor area. Sponsor reserves the right to make changes in accordance with the Offering Plan. With respect to measurement of approximate gross square footage of the Residential Units, see Note 3 of the Notes to Schedule A in the Offering Plan.

Key Plan - 4th Floor

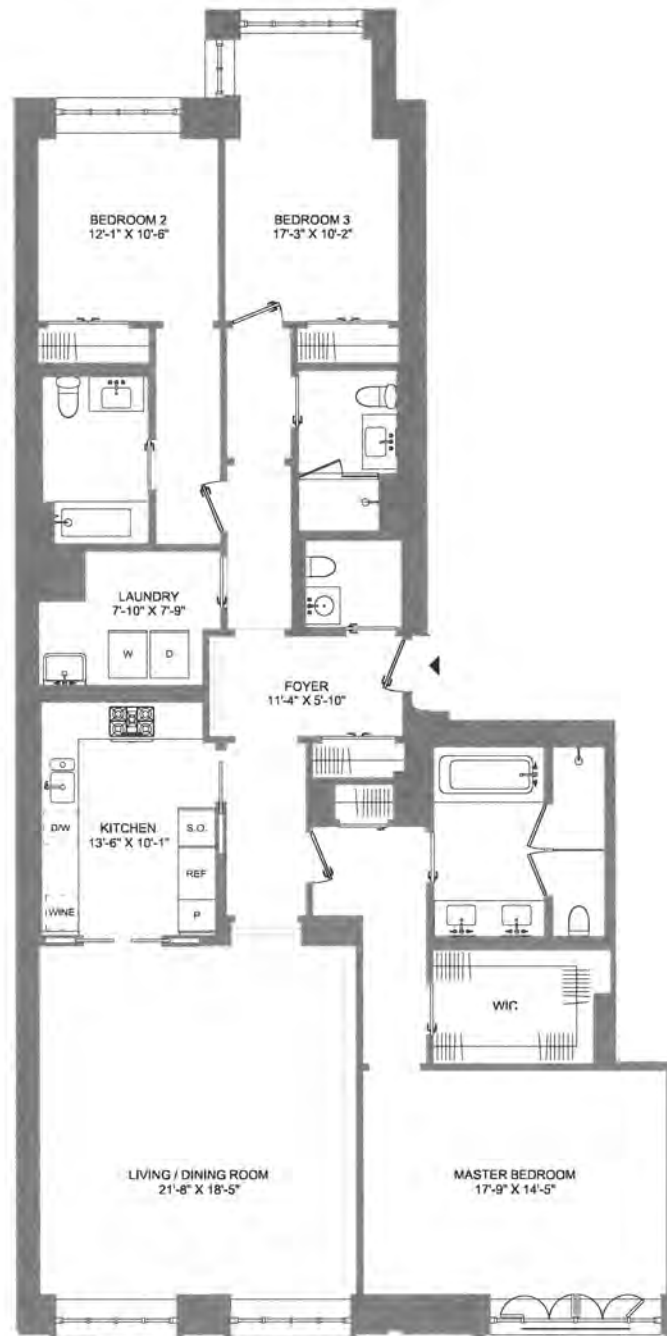
40 East End Avenue
Condominium

40 East End Avenue
New York, NY 10028

Residence 4C

3 Bedrooms
3 Baths
Powder Room
Juliette Balconies

2,211 SF / 205 SM



All room dimensions are maximum and are measured from either the inside face of the window glass or drywall to the opposing window or drywall or the opposing face of the kitchen island cabinets as applicable, and are taken approximately through the center of each space. Dimensions include columns, sills and furred out mechanical systems, exclude closets and cutouts, and are subject to normal construction variances and tolerances. Plans and dimensions may contain minor variations floor to floor. Square footage exceeds the usable floor area. Sponsor reserves the right to make changes in accordance with the Offering Plan. With respect to measurement of approximate gross square footage of the Residential Units, see Note 3 of the Notes to Schedule A in the Offering Plan.

Key Plan - 4th Floor

40 East End Avenue
Condominium

40 East End Avenue
New York, NY 10028

Residence 5A

3 Bedrooms
3 Baths
Powder Room
Gallery
Juliette Balconies

2,234 SF / 207 SM



Key Plan - 5th Floor



All room dimensions are maximum and are measured from either the inside face of the window glass or drywall to the opposing window or drywall or the opposing face of the kitchen island cabinets as applicable, and are taken approximately through the center of each space. Dimensions include columns, sills and furred out mechanical systems, exclude closets and cutouts, and are subject to normal construction variances and tolerances. Plans and dimensions may contain minor variations floor to floor. Square footage exceeds the usable floor area. Sponsor reserves the right to make changes in accordance with the Offering Plan. With respect to measurement of approximate gross square footage of the Residential Units, see Note 3 of the Notes to Schedule A in the Offering Plan.

40 East End Avenue
Condominium

40 East End Avenue
New York, NY 10028

Residence 5B

2 Bedrooms
2 Baths
Powder Room

1,472 SF / 136 SM



All room dimensions are maximum and are measured from either the inside face of the window glass or drywall to the opposing window or drywall or the opposing face of the kitchen island cabinets as applicable, and are taken approximately through the center of each space. Dimensions include columns, sills and furred out mechanical systems, exclude closets and cutouts, and are subject to normal construction variances and tolerances. Plans and dimensions may contain minor variations floor to floor. Square footage exceeds the usable floor area. Sponsor reserves the right to make changes in accordance with the Offering Plan. With respect to measurement of approximate gross square footage of the Residential Units, see Note 3 of the Notes to Schedule A in the Offering Plan.

Key Plan - 5th Floor

40 East End Avenue
Condominium

40 East End Avenue
New York, NY 10028

Duplex Residence 5/6C - 5th Floor

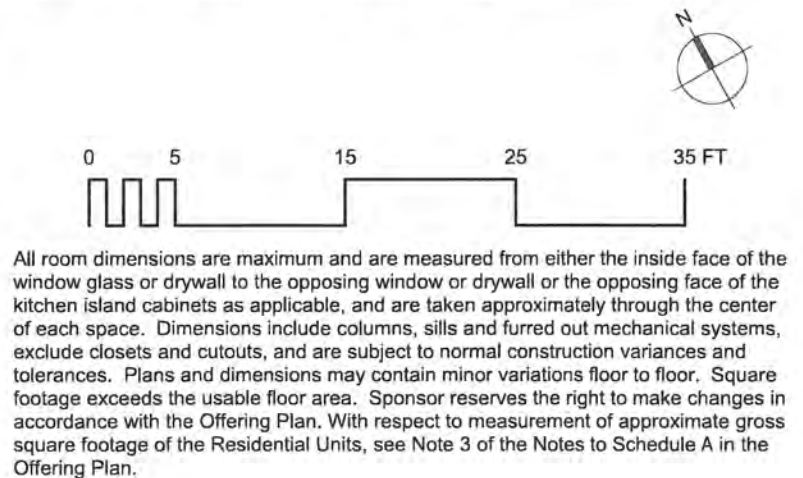
5 Bedrooms
4 Baths
Powder Room
Eat-In Kitchen
Wet Bar
Terraces
Juliette Balconies

Lower Level (5th floor) Interior: 2,161 SF / 200 SM
Lower Level (5th floor) Exterior: 39 SF / 3 SM

Total Interior: 3,727 SF / 346 SM
Total Exterior: 541 SF / 50 SM



Key Plan - 5th Floor



40 East End Avenue
Condominium

40 East End Avenue
New York, NY 10028

Residence 6A

3 Bedrooms
3 Baths
Powder Room
Gallery
Juliette Balconies

2,229 SF / 207 SM



All room dimensions are maximum and are measured from either the inside face of the window glass or drywall to the opposing window or drywall or the opposing face of the kitchen island cabinets as applicable, and are taken approximately through the center of each space. Dimensions include columns, sills and furred out mechanical systems, exclude closets and cutouts, and are subject to normal construction variances and tolerances. Plans and dimensions may contain minor variations floor to floor. Square footage exceeds the usable floor area. Sponsor reserves the right to make changes in accordance with the Offering Plan. With respect to measurement of approximate gross square footage of the Residential Units, see Note 3 of the Notes to Schedule A in the Offering Plan.

Key Plan - 6th Floor

40 East End Avenue
Condominium

40 East End Avenue
New York, NY 10028

Residence 6B

2 Bedrooms
2 Baths
Powder Room

1,472 SF / 136 SM



All room dimensions are maximum and are measured from either the inside face of the window glass or drywall to the opposing window or drywall or the opposing face of the kitchen island cabinets as applicable, and are taken approximately through the center of each space. Dimensions include columns, sills and furred out mechanical systems, exclude closets and cutouts, and are subject to normal construction variances and tolerances. Plans and dimensions may contain minor variations floor to floor. Square footage exceeds the usable floor area. Sponsor reserves the right to make changes in accordance with the Offering Plan. With respect to measurement of approximate gross square footage of the Residential Units, see Note 3 of the Notes to Schedule A in the Offering Plan.

Key Plan - 6th Floor

40 East End Avenue
Condominium

40 East End Avenue
New York, NY 10028

Duplex Residence 5/6C - 6th Floor

5 Bedrooms
4 Baths
Powder Room
Eat-In Kitchen
Wet Bar
Terraces
Juliette Balconies

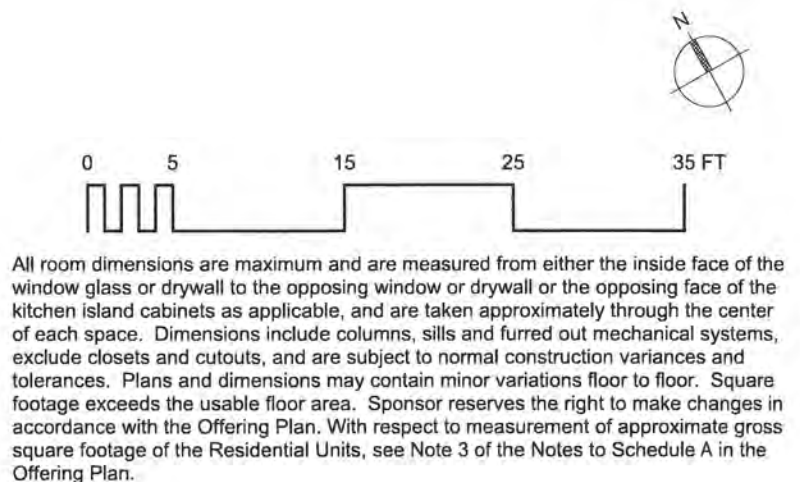
Upper Level (6th floor) Interior: 1,566 SF / 145 SM
Upper Level (6th floor) Exterior: 502 SF / 46 SM

Total Interior: 3,727 SF / 346 SM

Total Exterior: 541 SF / 50 SM



Key Plan - 6th Floor



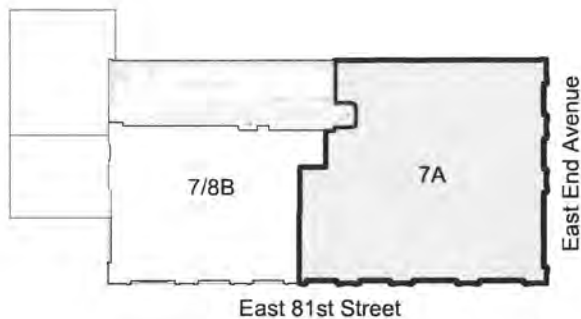
40 East End Avenue
Condominium

40 East End Avenue
New York, NY 10028

Residence 7A

4 Bedrooms
3 Baths
Powder Room
Gallery
Juliette Balconies

2,621 SF / 243 SM



Key Plan - 7th Floor



All room dimensions are maximum and are measured from either the inside face of the window glass or drywall to the opposing window or drywall or the opposing face of the kitchen island cabinets as applicable, and are taken approximately through the center of each space. Dimensions include columns, sills and furred out mechanical systems, exclude closets and cutouts, and are subject to normal construction variances and tolerances. Plans and dimensions may contain minor variations floor to floor. Square footage exceeds the usable floor area. Sponsor reserves the right to make changes in accordance with the Offering Plan. With respect to measurement of approximate gross square footage of the Residential Units, see Note 3 of the Notes to Schedule A in the Offering Plan.

*Lot Line Window



40 East End Avenue
Condominium

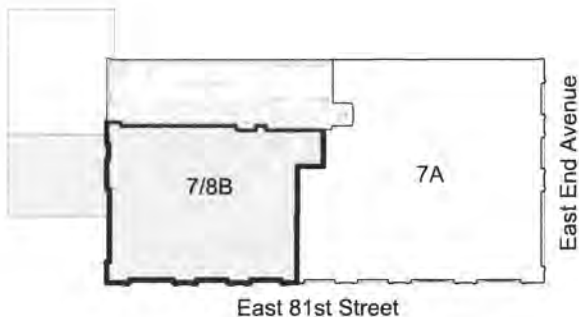
40 East End Avenue
New York, NY 10028

Duplex Residence 7/8B - 7th Floor

5 Bedrooms
5 Baths
Powder Room
Gallery
Juliette Balconies
Terrace

Lower Level (7th floor) Interior: 1,566 SF / 145 SM
Lower Level (7th floor) Exterior: 375 SF / 34 SM

Total Interior: 3,530 SF / 327 SM
Total Exterior: 375 SF / 34 SM



All room dimensions are maximum and are measured from either the inside face of the window glass or drywall to the opposing window or drywall or the opposing face of the kitchen island cabinets as applicable, and are taken approximately through the center of each space. Dimensions include columns, sills and furred out mechanical systems, exclude closets and cutouts, and are subject to normal construction variances and tolerances. Plans and dimensions may contain minor variations floor to floor. Square footage exceeds the usable floor area. Sponsor reserves the right to make changes in accordance with the Offering Plan. With respect to measurement of approximate gross square footage of the Residential Units, see Note 3 of the Notes to Schedule A in the Offering Plan.

Key Plan - 7th Floor

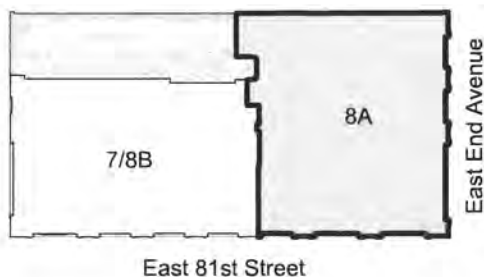
40 East End Avenue
Condominium

40 East End Avenue
New York, NY 10028

Residence 8A

3 Bedrooms
3 Baths
Powder Room
Gallery
Juliette Balconies

2,229 SF / 207 SM



Key Plan - 8th Floor



All room dimensions are maximum and are measured from either the inside face of the window glass or drywall to the opposing window or drywall or the opposing face of the kitchen island cabinets as applicable, and are taken approximately through the center of each space. Dimensions include columns, sills and furred out mechanical systems, exclude closets and cutouts, and are subject to normal construction variances and tolerances. Plans and dimensions may contain minor variations floor to floor. Square footage exceeds the usable floor area. Sponsor reserves the right to make changes in accordance with the Offering Plan. With respect to measurement of approximate gross square footage of the Residential Units, see Note 3 of the Notes to Schedule A in the Offering Plan.

*Lot Line Window

40 East End Avenue
Condominium

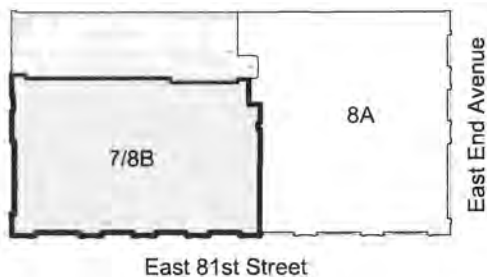
40 East End Avenue
New York, NY 10028

Duplex Residence 7/8B

5 Bedrooms
5 Baths
Powder Room
Gallery
Juliette Balconies
Terrace

Upper Level (8th floor) Interior:
1,964 SF / 182 SM

Total Interior: 3,530 SF / 327 SM
Total Exterior: 375 SF / 34 SM



All room dimensions are maximum and are measured from either the inside face of the window glass or drywall to the opposing window or drywall or the opposing face of the kitchen island cabinets as applicable, and are taken approximately through the center of each space. Dimensions include columns, sills and furred out mechanical systems, exclude closets and cutouts, and are subject to normal construction variances and tolerances. Plans and dimensions may contain minor variations floor to floor. Square footage exceeds the usable floor area. Sponsor reserves the right to make changes in accordance with the Offering Plan. With respect to measurement of approximate gross square footage of the Residential Units, see Note 3 of the Notes to Schedule A in the Offering Plan.

Key Plan - 8th Floor

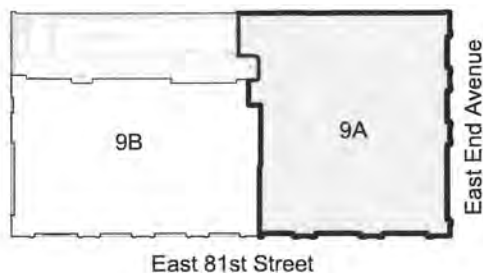
40 East End Avenue
Condominium

40 East End Avenue
New York, NY 10028

Residence 9A

3 Bedrooms
3 Baths
Powder Room
Gallery
Juliette Balconies

2,229 SF / 207 SM



Key Plan - 9th Floor



All room dimensions are maximum and are measured from either the inside face of the window glass or drywall to the opposing window or drywall or the opposing face of the kitchen island cabinets as applicable, and are taken approximately through the center of each space. Dimensions include columns, sills and furred out mechanical systems, exclude closets and cutouts, and are subject to normal construction variances and tolerances. Plans and dimensions may contain minor variations floor to floor. Square footage exceeds the usable floor area. Sponsor reserves the right to make changes in accordance with the Offering Plan. With respect to measurement of approximate gross square footage of the Residential Units, see Note 3 of the Notes to Schedule A in the Offering Plan.

*Lot Line Window

40 East End Avenue
Condominium

40 East End Avenue
New York, NY 10028

Residence 9B

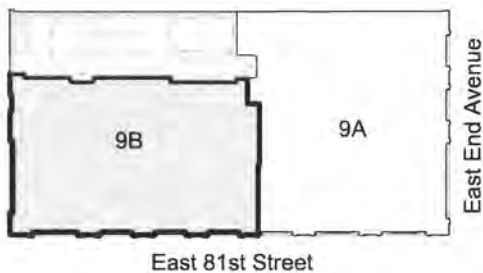
3 Bedrooms

3 Baths

Powder Room

Juliette Balconies

1,959 SF / 181 SM



All room dimensions are maximum and are measured from either the inside face of the window glass or drywall to the opposing window or drywall or the opposing face of the kitchen island cabinets as applicable, and are taken approximately through the center of each space. Dimensions include columns, sills and furred out mechanical systems, exclude closets and cutouts, and are subject to normal construction variances and tolerances. Plans and dimensions may contain minor variations floor to floor. Square footage exceeds the usable floor area. Sponsor reserves the right to make changes in accordance with the Offering Plan. With respect to measurement of approximate gross square footage of the Residential Units, see Note 3 of the Notes to Schedule A in the Offering Plan.

Key Plan - 9th Floor

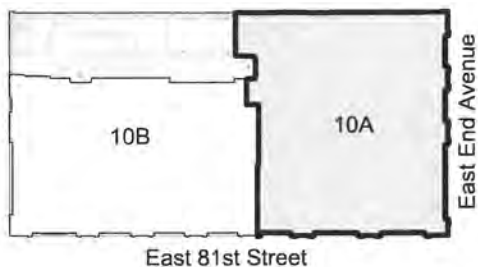
40 East End Avenue
Condominium

40 East End Avenue
New York, NY 10028

Residence 10A

3 Bedrooms
3 Baths
Powder Room
Gallery
Juliette Balconies

2,229 SF / 207 SM



Key Plan - 10th Floor



All room dimensions are maximum and are measured from either the inside face of the window glass or drywall to the opposing window or drywall or the opposing face of the kitchen island cabinets as applicable, and are taken approximately through the center of each space. Dimensions include columns, sills and furred out mechanical systems, exclude closets and cutouts, and are subject to normal construction variances and tolerances. Plans and dimensions may contain minor variations floor to floor. Square footage exceeds the usable floor area. Sponsor reserves the right to make changes in accordance with the Offering Plan. With respect to measurement of approximate gross square footage of the Residential Units, see Note 3 of the Notes to Schedule A in the Offering Plan.

*Lot Line Window

40 East End Avenue
Condominium

40 East End Avenue
New York, NY 10028

Residence 10B

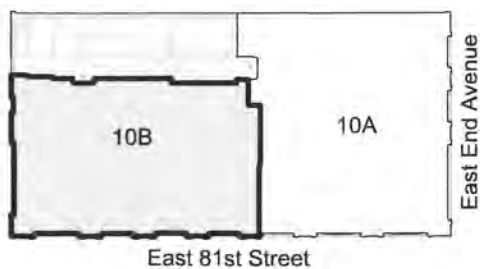
3 Bedrooms

3 Baths

Powder Room

Juliette Balconies

1,962 SF / 182 SM



All room dimensions are maximum and are measured from either the inside face of the window glass or drywall to the opposing window or drywall or the opposing face of the kitchen island cabinets as applicable, and are taken approximately through the center of each space. Dimensions include columns, sills and furred out mechanical systems, exclude closets and cutouts, and are subject to normal construction variances and tolerances. Plans and dimensions may contain minor variations floor to floor. Square footage exceeds the usable floor area. Sponsor reserves the right to make changes in accordance with the Offering Plan. With respect to measurement of approximate gross square footage of the Residential Units, see Note 3 of the Notes to Schedule A in the Offering Plan.

Key Plan - 10th Floor

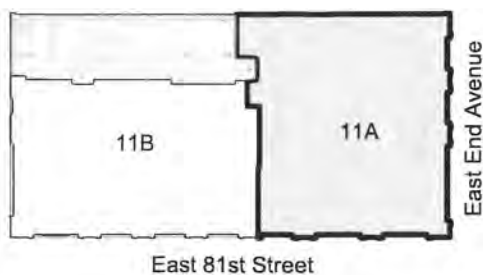
40 East End Avenue
Condominium

40 East End Avenue
New York, NY 10028

Residence 11A

3 Bedrooms
3 Baths
Powder Room
Gallery
Juliette Balconies

2,229 SF / 207 SM



All room dimensions are maximum and are measured from either the inside face of the window glass or drywall to the opposing window or drywall or the opposing face of the kitchen island cabinets as applicable, and are taken approximately through the center of each space. Dimensions include columns, sills and furred out mechanical systems, exclude closets and cutouts, and are subject to normal construction variances and tolerances. Plans and dimensions may contain minor variations floor to floor. Square footage exceeds the usable floor area. Sponsor reserves the right to make changes in accordance with the Offering Plan. With respect to measurement of approximate gross square footage of the Residential Units, see Note 3 of the Notes to Schedule A in the Offering Plan.

*Lot Line Window

Key Plan - 11th Floor

40 East End Avenue
Condominium

40 East End Avenue
New York, NY 10028

Residence 11B

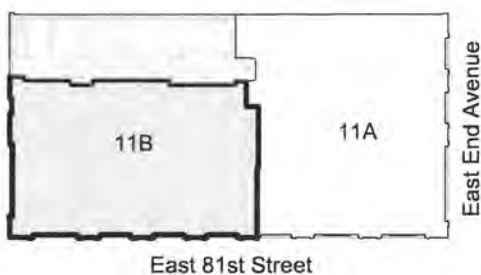
3 Bedrooms

3 Baths

Powder Room

Juliette Balconies

1,959 / 181 SM



All room dimensions are maximum and are measured from either the inside face of the window glass or drywall to the opposing window or drywall or the opposing face of the kitchen island cabinets as applicable, and are taken approximately through the center of each space. Dimensions include columns, sills and furred out mechanical systems, exclude closets and cutouts, and are subject to normal construction variances and tolerances. Plans and dimensions may contain minor variations floor to floor. Square footage exceeds the usable floor area. Sponsor reserves the right to make changes in accordance with the Offering Plan. With respect to measurement of approximate gross square footage of the Residential Units, see Note 3 of the Notes to Schedule A in the Offering Plan.

Key Plan - 11th Floor

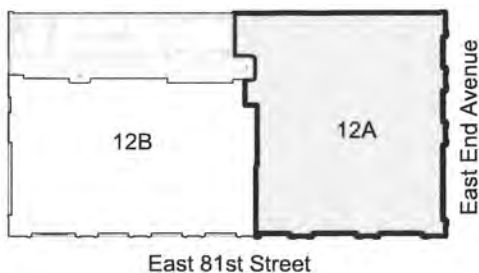
40 East End Avenue
Condominium

40 East End Avenue
New York, NY 10028

Residence 12A

3 Bedrooms
3 Baths
Powder Room
Gallery
Juliette Balconies

2,229 SF / 207 SM



Key Plan - 12th Floor



All room dimensions are maximum and are measured from either the inside face of the window glass or drywall to the opposing window or drywall or the opposing face of the kitchen island cabinets as applicable, and are taken approximately through the center of each space. Dimensions include columns, sills and furred out mechanical systems, exclude closets and cutouts, and are subject to normal construction variances and tolerances. Plans and dimensions may contain minor variations floor to floor. Square footage exceeds the usable floor area. Sponsor reserves the right to make changes in accordance with the Offering Plan. With respect to measurement of approximate gross square footage of the Residential Units, see Note 3 of the Notes to Schedule A in the Offering Plan.

*Lot Line Window

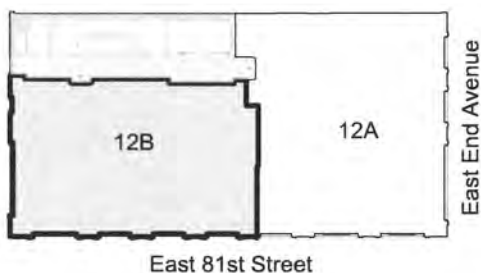
40 East End Avenue
Condominium

40 East End Avenue
New York, NY 10028

Residence 12B

3 Bedrooms
3 Baths
Powder Room
Juliette Balconies

1,959 SF / 181 SM



All room dimensions are maximum and are measured from either the inside face of the window glass or drywall to the opposing window or drywall or the opposing face of the kitchen island cabinets as applicable, and are taken approximately through the center of each space. Dimensions include columns, sills and furred out mechanical systems, exclude closets and cutouts, and are subject to normal construction variances and tolerances. Plans and dimensions may contain minor variations floor to floor. Square footage exceeds the usable floor area. Sponsor reserves the right to make changes in accordance with the Offering Plan. With respect to measurement of approximate gross square footage of the Residential Units, see Note 3 of the Notes to Schedule A in the Offering Plan.

Key Plan - 12th Floor

40 East End Avenue
Condominium

40 East End Avenue
New York, NY 10028

Residence 14A

3 Bedrooms
3 Baths
Powder Room
Gallery
Juliette Balconies

2,229 SF / 207 SM



Key Plan - 14th Floor
(13th Floor Construction)



All room dimensions are maximum and are measured from either the inside face of the window glass or drywall to the opposing window or drywall or the opposing face of the kitchen island cabinets as applicable, and are taken approximately through the center of each space. Dimensions include columns, sills and furred out mechanical systems, exclude closets and cutouts, and are subject to normal construction variances and tolerances. Plans and dimensions may contain minor variations floor to floor. Square footage exceeds the usable floor area. Sponsor reserves the right to make changes in accordance with the Offering Plan. With respect to measurement of approximate gross square footage of the Residential Units, see Note 3 of the Notes to Schedule A in the Offering Plan.

*Lot Line Window

40 East End Avenue
Condominium

40 East End Avenue
New York, NY 10028

Residence 14B

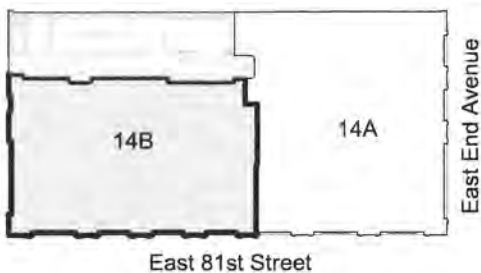
3 Bedrooms

3 Baths

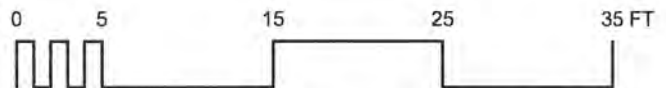
Powder Room

Juliette Balconies

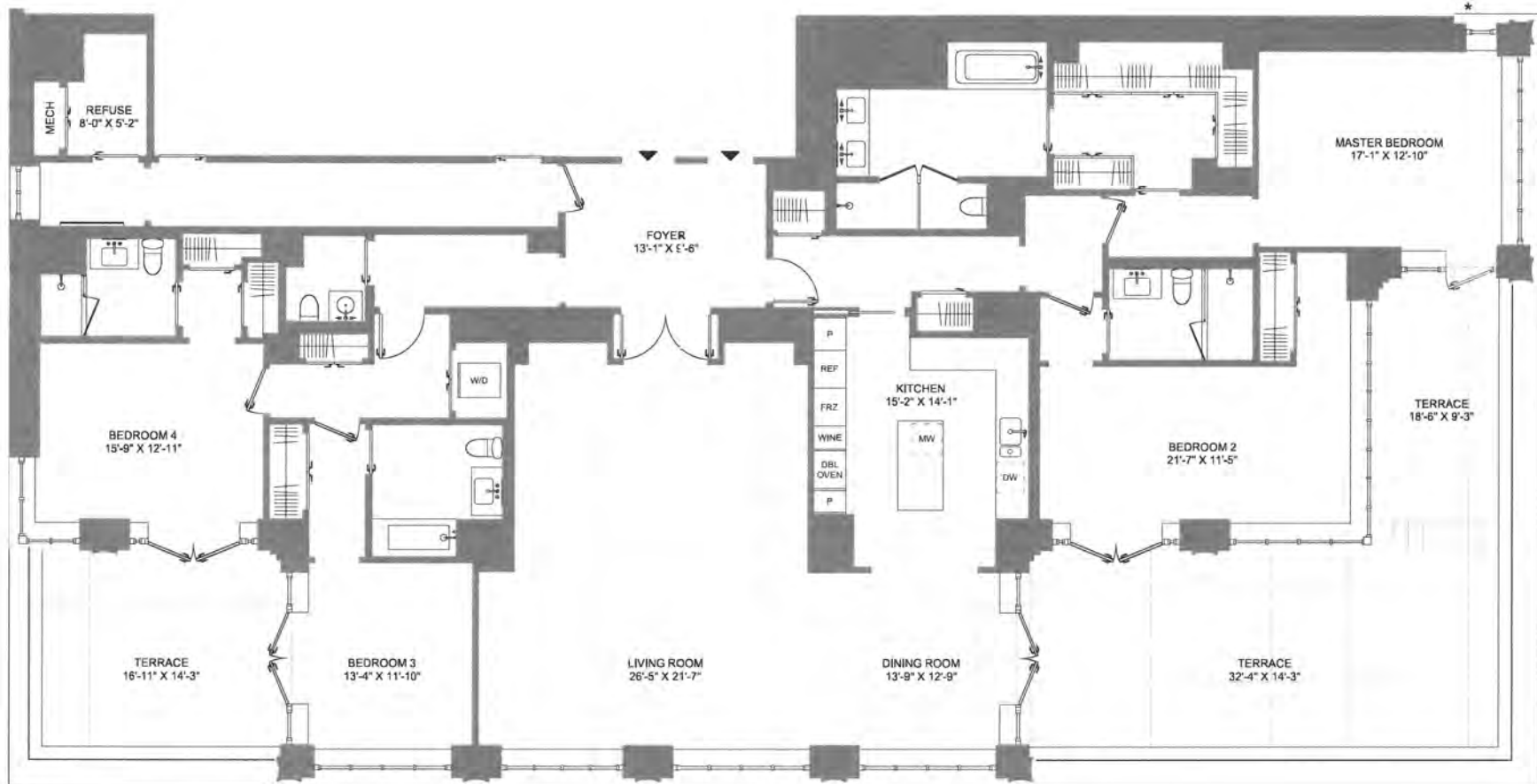
1,959 SF / 181 SM



Key Plan - 14th Floor
(13th Floor Construction)



All room dimensions are maximum and are measured from either the inside face of the window glass or drywall to the opposing window or drywall or the opposing face of the kitchen island cabinets as applicable, and are taken approximately through the center of each space. Dimensions include columns, sills and furred out mechanical systems, exclude closets and cutouts, and are subject to normal construction variances and tolerances. Plans and dimensions may contain minor variations floor to floor. Square footage exceeds the usable floor area. Sponsor reserves the right to make changes in accordance with the Offering Plan. With respect to measurement of approximate gross square footage of the Residential Units, see Note 3 of the Notes to Schedule A in the Offering Plan.



40 East End Avenue
Condominium

40 East End Avenue
New York, NY 10028

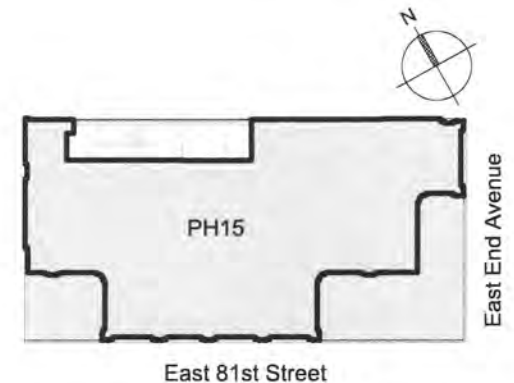
Full Floor Residence PH15

4 Bedrooms
4 Baths
Powder Room
Terraces
Elevator Foyer

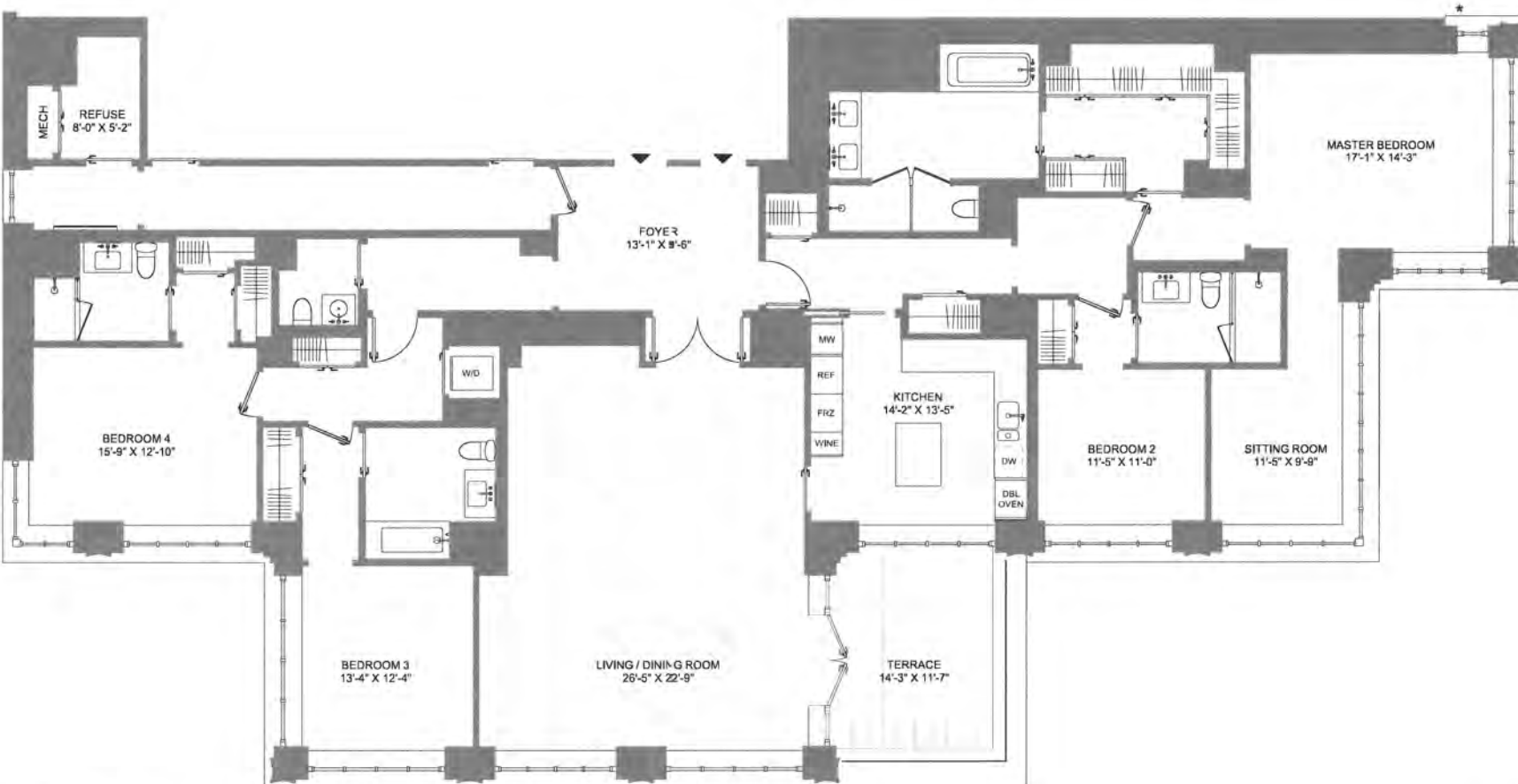
Interior: 3,645 SF / 338 SM
Exterior: 855 SF / 79 SM

All room dimensions are maximum and are measured from either the inside face of the window glass or drywall to the opposing window or drywall or the opposing face of the kitchen island cabinets as applicable, and are taken approximately through the center of each space. Dimensions include columns, sills and furred out mechanical systems, exclude closets and cutouts, and are subject to normal construction variances and tolerances. Plans and dimensions may contain minor variations floor to floor. Square footage exceeds the usable floor area. Sponsor reserves the right to make changes in accordance with the Offering Plan. With respect to measurement of approximate gross square footage of the Residential Units, see Note 3 of the Notes to Schedule A in the Offering Plan.

*Lot Line Window



Key Plan - Floor PH15
(14th Floor Construction)



40 East End Avenue
Condominium

40 East End Avenue
New York, NY 10028

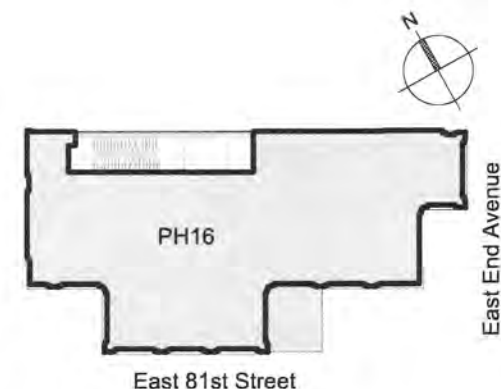
Full Floor Residence PH16

4 Bedrooms
4 Baths
Powder Room
Sitting Room
Terrace
Elevator Foyer

Interior: 3,464 SF / 321 SM
Exterior: 162 SF / 15 SM

All room dimensions are maximum and are measured from either the inside face of the window glass or drywall to the opposing window or drywall or the opposing face of the kitchen island cabinets as applicable, and are taken approximately through the center of each space. Dimensions include columns, sills and furrowed mechanical systems, exclude closets and cutouts, and are subject to normal construction variances and tolerances. Plans and dimensions may contain minor variations floor to floor. Square footage exceeds the usable floor area. Sponsor reserves the right to make changes in accordance with the Offering Plan. With respect to measurement of approximate gross square footage of the Residential Units, see Note 3 of the Notes to Schedule A in the Offering Plan.

*Lot Line Window



Key Plan - Floor PH16
(15th Floor Construction)



430

40 East End Avenue
Condominium

40 East End Avenue
New York, NY 10028

Full Floor Residence PH17

4 Bedrooms
4 Baths
Powder Room
Breakfast Room
Terraces
Elevator Foyer

Interior: 3,237 SF / 300 SM
Exterior: 193 SF / 17 SM

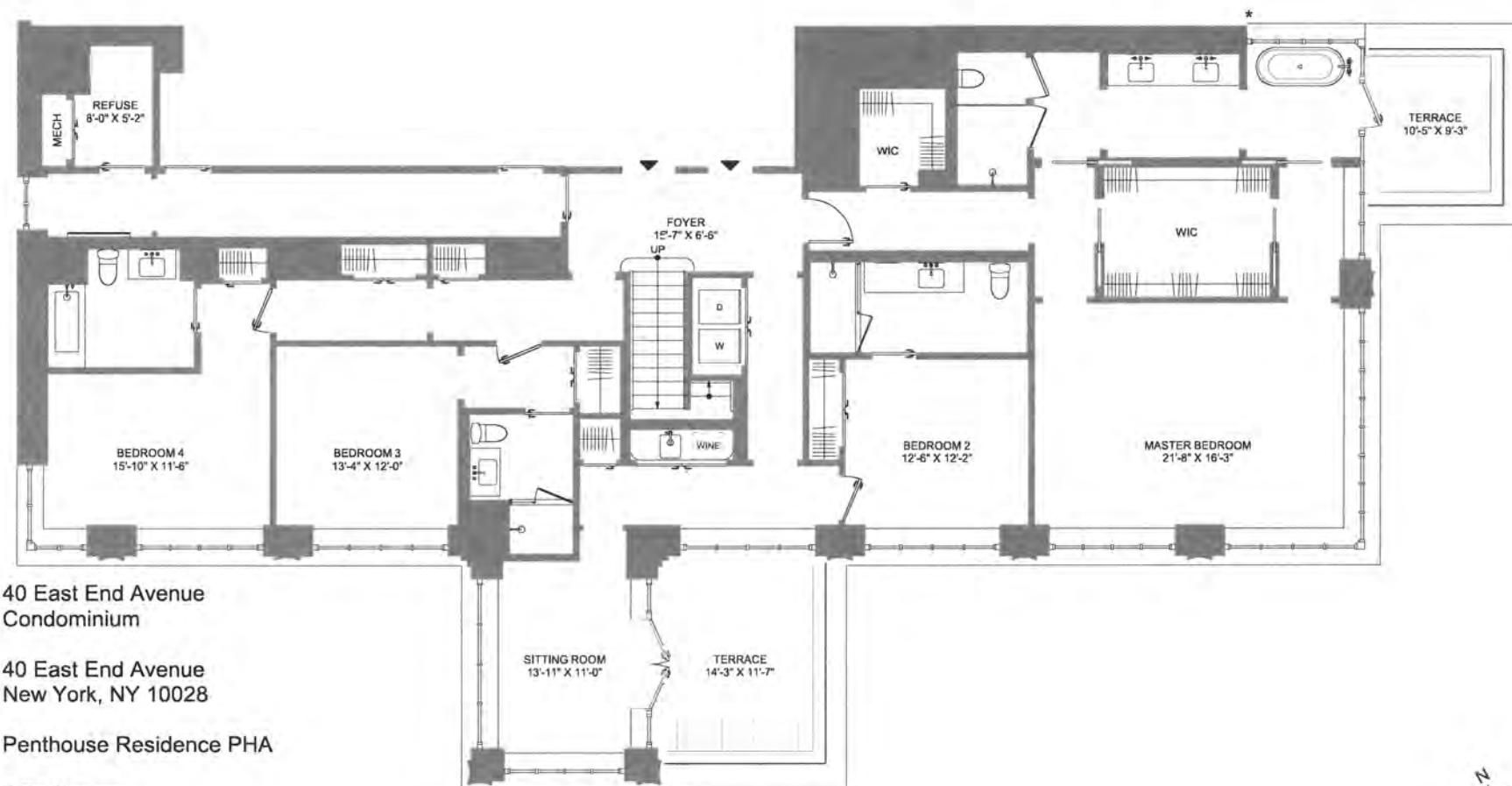


All room dimensions are maximum and are measured from either the inside face of the window glass or drywall to the opposing window or drywall or the opposing face of the kitchen island cabinets as applicable, and are taken approximately through the center of each space. Dimensions include columns, sills and furred out mechanical systems, exclude closets and cutouts, and are subject to normal construction variances and tolerances. Plans and dimensions may contain minor variations floor to floor. Square footage exceeds the usable floor area. Sponsor reserves the right to make changes in accordance with the Offering Plan. With respect to measurement of approximate gross square footage of the Residential Units, see Note 3 of the Notes to Schedule A in the Offering Plan.

*Lot Line Window



Key Plan - Floor PH17
(16th Floor Construction)



40 East End Avenue
Condominium

40 East End Avenue
New York, NY 10028

Penthouse Residence PHA

4 Bedrooms
4 Baths
Powder Room
Sitting Room
Butler's Pantry
Fireplace
Great Room
Breakfast Room
Private Roof Terrace

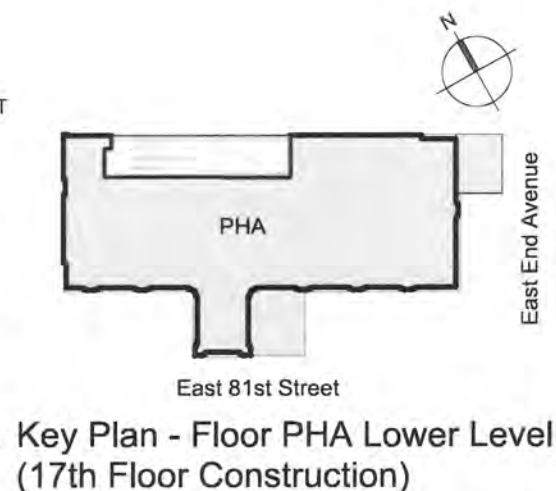
Lower Level (17th floor) Interior: 2,921 SF / 271 SM
Lower Level (17th floor) Exterior: 258 SF / 23 SM

Total Interior: 5,949 SF / 552 SM
Total Exterior: 1,866 SF / 173 SM



All room dimensions are maximum and are measured from either the inside face of the window glass or drywall to the opposing window or drywall or the opposing face of the kitchen island cabinets as applicable, and are taken approximately through the center of each space. Dimensions include columns, sills and furred out mechanical systems, exclude closets and cutouts, and are subject to normal construction variances and tolerances. Plans and dimensions may contain minor variations floor to floor. Square footage exceeds the usable floor area. Sponsor reserves the right to make changes in accordance with the Offering Plan. With respect to measurement of approximate gross square footage of the Residential Units, see Note 3 of the Notes to Schedule A in the Offering Plan.

*Lot Line Window





432

40 East End Avenue
Condominium

40 East End Avenue
New York, NY 10028

Penthouse Residence PHA

4 Bedrooms

4 Baths

Powder Room

Sitting Room

Butler's Pantry

Fireplace

Great Room

Breakfast Room

Private Roof Terrace

Upper Level (18th floor) Interior: 2,744 SF / 254 SM

Upper Level (18th floor) Exterior: 144 SF / 13 SM

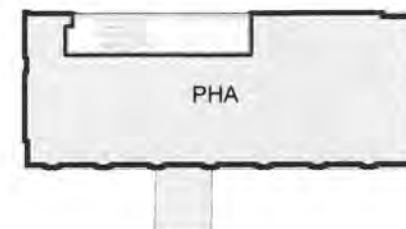
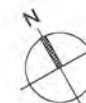
Total Interior: 5,949 SF / 552 SM

Total Exterior: 1,866 SF / 173 SM



All room dimensions are maximum and are measured from either the inside face of the window glass or drywall to the opposing window or drywall or the opposing face of the kitchen island cabinets as applicable, and are taken approximately through the center of each space. Dimensions include columns, sills and furred out mechanical systems, exclude closets and cutouts, and are subject to normal construction variances and tolerances. Plans and dimensions may contain minor variations floor to floor. Square footage exceeds the usable floor area. Sponsor reserves the right to make changes in accordance with the Offering Plan. With respect to measurement of approximate gross square footage of the Residential Units, see Note 3 of the Notes to Schedule A in the Offering Plan.

*Lot Line Window



East End Avenue

East 81st Street

**Key Plan - Floor PHA Upper Level
(18th Floor Construction)**



433

40 East End Avenue
Condominium

40 East End Avenue
New York, NY 10028

Penthouse Residence PHA

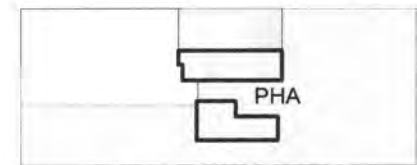
4 Bedrooms
4 Baths
Powder Room
Sitting Room
Butler's Pantry
Fireplace
Great Room
Breakfast Room
Private Roof Terrace

Roof Terrace Interior: 284 SF / 26 SM
Roof Terrace Exterior: 1,464 SF / 136 SM

Total Interior: 5,949 SF / 552 SM
Total Exterior: 1,866 SF / 173 SM



All room dimensions are maximum and are measured from either the inside face of the window glass or drywall to the opposing window or drywall or the opposing face of the kitchen island cabinets as applicable, and are taken approximately through the center of each space. Dimensions include columns, sills and furred out mechanical systems, exclude closets and cutouts, and are subject to normal construction variances and tolerances. Plans and dimensions may contain minor variations floor to floor. Square footage exceeds the usable floor area. Sponsor reserves the right to make changes in accordance with the Offering Plan. With respect to measurement of approximate gross square footage of the Residential Units, see Note 3 of the Notes to Schedule A in the Offering Plan.



East 81st Street

East End Avenue

**Key Plan - Floor PHA Roof Terrace
(Roof Construction)**

DECLARATION

Establishing a Plan for Condominium Ownership of Premises located at 40 East End Avenue, New York County, City and State of New York Pursuant to Article 9-B of the Real Property Law of the State of New York.

NAME:

**40 EAST END AVENUE CONDOMINIUM
40 East End Avenue
New York, New York 10028**

SPONSOR:

**40 EAST END AVE. ASSOCIATES LLC
c/o Lightstone Group
460 Park Avenue
New York, NY 10022**

DATE OF DECLARATION: _____.

The land affected by the within instrument lies in Block 1578 Formerly Tax Lot 23 and to be Known as Tax Lots ____ to ____ on the Tax Map of the Borough of Manhattan, County, City and State of New York.

Record and Return:

D'AGOSTINO, LEVINE, LANDESMAN & LEDERMAN, LLP
Attorneys for Sponsor
345 Seventh Avenue, 23rd Floor
New York, New York 10001
(212) 564-9800

Declaration Establishing a Plan for Condominium Ownership of Premises to be known as 40 East End Avenue Condominium, located at 40 East End Avenue, County of New York, City and State of New York, Pursuant to Article 9-B of Real Property Law of the State of New York.

40 East End Ave. Associates LLC, a Delaware limited liability company duly authorized to transact business in the State of New York, with an office c/o Lightstone Group, 460 Park Avenue, New York, New York 10022, hereinafter referred to as "Sponsor" and/or "Declarant" does hereby declare:

1. **Submission of Property:** Sponsor hereby submits the land hereinafter described, together with the building and improvements thereon erected (the "Property") to the provisions of Article 9-B of the Real Property Law of the State of New York. Specifically excluded are any unused transferable air rights and/or development rights pertaining to the Land or Building, which rights are being reserved by Sponsor for itself or for Sponsor's designee, and any successors or assigns thereof.
2. **Area and Location of Land.** The land ("Land") has an area of approximately 7,569 square feet and consists of all that certain tracts, plots, pieces and parcels of land situate, lying and being in the County of New York, City and State of New York, more particularly described on Schedule A annexed hereto and made a part hereof. The Land is owned by the Sponsor in fee simple.
3. **Name of Condominium.** The Condominium shall be known as 40 East End Avenue Condominium.
4. **Description of the Building.** The Sponsor is constructing a new eighteen (18) story, plus cellar and roof/bulkhead level, building (the "Building"). The Building will be located at the northwest corner of East End Avenue and East 81st Street and will have its principal entrance on East End Avenue. As shown on the Floor Plans, the floors of the Building are designated cellar, floor 1 (ground floor), floors 2 through 18, and roof. However, for purposes of marketing, there is no designated floor 13, and construction floor 13 has been designated as floor 14, construction floor 14 has been designated as floor PH15, construction floor 15 has been designated as floor PH16, construction floor 16 has been designated as floor PH17, construction floor 17 has been designated as floor PHA Lower Level, and construction floor 18 has been designated as floor PHA Upper Level. Collectively, floors PH15, PH16, PH17, PHA Lower Level, and PHA Upper Level shall be known as the "Penthouse Floors." All Units located on Penthouse Floors shall be known as the "Penthouse Units." Additionally, with respect to the Maisonette Unit (as defined below), for marketing purposes, the cellar level thereof may be referred to as the Garden Level and floor 1 thereof may be referred to as the Parlor Level.

The newly constructed Building shall be comprised of twenty-nine (29) residential units (the "Residential Units") plus other common elements ("Common Elements") of the Building. The Common Elements shall either be for the use of all of the Unit Owners ("General Common Elements") or for the exclusive use of one or more Unit Owners ("Limited Common Elements").

The Residential Units will be comprised of twenty-five (25) simplex Units, two (2) duplexed Units, one (1) triplexed Unit, and one (1) Unit which shall be known as the "Maisonette Unit." The Maisonette Unit will be comprised of portions of the cellar, floor 1, and floor 2, each level of which will be connected by an internal access stair as well as by an internal private elevator. Additionally, a private internal dumbwaiter, not intended for passenger use, will run between the Garden Level and Parlor Level portions of the Maisonette Unit. Each of floors 3 and 4 will contain three (3) simplex Units. Floor 5 will contain two (2) simplex Units and the lower level of one (1) duplexed Unit. Floor 6 will contain two (2) simplex Units and the upper level of the aforementioned duplexed Unit, the two levels of which will be connected by an internal access stair. Floor 7 will contain one (1) simplex Unit and the lower level of one (1) duplexed Unit. Floor 8 will contain one (1) simplex Unit and the upper level of the aforementioned duplexed Unit, the two levels of which will be connected by an internal access stair. Each of floors 9, 10, 11, 12, and 14 will contain two (2) simplex Units. Each of floors PH15, PH16, and PH17 will contain one (1) simplex Penthouse Unit. Floor PHA Lower Level will contain the lower level living space of one (1) triplexed Penthouse Unit and floor PHA Upper Level will contain the upper level living space of the aforementioned triplex Penthouse Unit, each level of which will be connected by an internal access stair which will also lead to a stair landing in such triplex Penthouse Unit at the roof level, which will provide access to a private roof terrace appurtenant to the same Unit. Additionally, the roof level will contain an elevator vestibule, accessed by one of the common elevators, as well as an adjacent private storage area. This elevator vestibule and private storage area will be a part of Unit PHA, though such areas are not contiguous with or directly accessible from the Unit PHA stair landing.

Any internal access stair or internal private elevator or dumbwaiter, along with any related mechanical equipment, shall be deemed a part of its respective Unit.

Certain Residential Units (namely, Units 5/6C, 7/8B, PH15, PH16, PH17, and PHA) will also have one (1) or more individual private terraces which are adjacent to and directly accessed from those Units, and the Maisonette Unit will have a private rear garden which is adjacent to and directly accessed from such Unit. These private terraces and private garden will be Limited Common Elements for the exclusive use of the individual Unit Owners of the Units to which the foregoing are appurtenant.

The Building's southerly façade at certain Units will feature Juliette Balconies. Collectively, a Juliette Balcony shall consist of the following components: (a) the door that is part of the window wall system, which shall be part of the applicable Unit, and (b) the railing and slab beyond the door at the exterior of the Unit, which shall be General Common Elements. Though the Offering Plan, the Floor Plans included in Part II of Offering Plan, and any marketing descriptions or depictions may refer to these Units as having Juliette Balconies, the Juliette Balconies are an architectural feature of a decorative nature and the railing and slab component thereof shall not be stepped upon or accessed from the interior of the applicable Units.

The Common Elements located at the cellar level will include a residential storage area containing a total of twenty-nine (29) individual storage rooms (the "Storage Rooms") which will be General Common Elements of the Condominium. The Storage Rooms will be licensed by the Board of Managers of the Condominium to certain Unit Owners at the sole and absolute discretion of the Sponsor. Other than a Storage Room License held by Sponsor or a Sponsor-designee, a Storage Room may only be licensed in conjunction with the ownership of a Residential Unit. With regard to a Storage Room held by the Sponsor or a Sponsor-designee, the assignment or rental of a Storage Room held by Sponsor or a Sponsor-designee does not require the simultaneous ownership by such licensee of a Residential Unit.

Additional Common Elements located at the cellar level will include a bicycle storage room, boiler room, gas meter room, emergency panel room, electrical meter room, water meter room, fire pump room, detention tank, elevator control room, and compactor room, as well as common corridors and stairs and the common elevator shafts and pits.

Common Elements located floor 1 will include the main residential entrance to the Building located on East End Avenue, the residential lobby and adjacent double-height lounge, the mail room, package room, dry cleaning closet, and general storage area; the elevator lobby, a refuse room, the driveway and porte-cochère at East 81st Street and the additional entrances to the Building accessed therefrom, as well as common corridors and stairs and the common elevator shafts.

Common Elements located at floor 2 will include the fitness center, game room, library, common kitchen, a refuse room, as well as common corridors and stairs and the common elevator shafts.

Common Elements located at each of floors 3, 4, 5, and 6 will include a refuse room, as well as common corridors and stairs and the common elevator shafts.

Common Elements located at floor 7 will include a mechanical area occupying a portion of the rooftop over floor 6, a refuse room, as well as common corridors and stairs and the common elevator shafts.

Common Elements located at each of floors 8, 9, 10, 11, 12, and 14 will include a refuse room, as well as common corridors and stairs and the common elevator shafts.

Common Elements located at each of floors PH15, PH16, PH17, PHA Lower Level, and PHA Upper Level will include common stairs and the common elevator shafts.

Common Elements located at or above the main roof level of the Building will include mechanical terrace space and a bulkhead containing the common elevator shafts, elevator machine room, common stairs, and various mechanical and utility equipment. Additionally, the bulkhead will contain an elevator vestibule as well as an adjacent private storage area, both of which will be a part of Unit PHA.

Other than the lounge located at floor 1 and the fitness center, game room, library, and common kitchen located at floor 2, there are no other common recreational areas or facilities at the Property. Any roofs, yards, or areaways of the Building, including, but not limited to, the mechanical terrace areas located at the main roof or other roofs of the Building, are either common areas not meant for public access or use or Limited Common Elements for the exclusive use of one of the Unit Owners. Additionally, there are no parking facilities which are part of the Property and the Building does not have balconies or terraces other than the Juliette Balconies and private terraces described above.

There will be two (2) fire staircases at the Building, which act as two (2) separate means of egress in the form of a "scissor stair," which run from the cellar level to the main roof of the Building. Additionally, there will be one (1) curved staircase connecting the lounge located at floor 1 and the library located at floor 2. The Building will have two (2) common passenger elevators, one (1) of which that will service all of the floors of the Building and one (1) of which that will service all of the floors of the Building except for the main roof level.

The individual Residential Units will be provided with a laundry closet or laundry room with individual hook-ups for one (1) electric washer and one (1) vented electric dryer or, at the sole discretion of Sponsor, for a stackable unit which is a combination thereof. The washer and dryer units are being supplied by the Sponsor as part of the Offering Plan.

Certain Units have a library that may be used as a legal bedroom, if desired. Specifically, the Maisonette Unit and Unit 7A each have three bedrooms in addition to a library that may be used as a fourth bedroom; Unit 5/6C and 7/8B

each have four bedrooms in addition to a library that may be used a fifth bedroom. Each aforementioned library has a window providing legal light and air and is a livable room under the Building Code, and, provided such library complies with all other applicable law, may be used for sleeping purposes. For this reason, the aforementioned libraries are counted as bedrooms in the bedroom count shown in column numbered (2) of Schedule A. Additionally, certain Units have a foyer, gallery, pantry, utility room, refuse room, and/or private storage area. Any of the aforementioned rooms is not intended for sleeping purposes, which use is not permitted under, and could result in a violation issued pursuant to, the Building Code.

The great room located at the Garden Level of the Maisonette Unit may be used for sleeping or dining purposes, as it receives sufficient legal light and air for such use. However, no other portions of the Garden Level of the Maisonette Unit may be used for sleeping or dining purposes, which use is not permitted under, and could result in a violation issued pursuant to, the Building Code.

Unit PHA will contain a working natural gas fireplace in the Unit.

The Unit PHA private roof terrace and Maisonette Unit private garden will each have a gas-fired barbeque grill.

The elevator foyer and adjacent corridor on each of the Penthouse Floors shall be a part of the sole Unit occupying that floor. The Building Code of the City of New York mandates that the elevator foyer on each of the Penthouse Floors shall be enclosed with fire doors on each side of such foyer (the "Interior Fire Doors"), which are further described in the "Description of Property and Specifications" in Part II of the Offering Plan. It is a special risk that the Unit Owner of each of the Penthouse Units shall not remove, disable, or otherwise tamper with the Interior Fire Doors, which shall be a part of his or her respective Unit, and shall be responsible for the upkeep and maintenance thereof at his or her sole cost and expense. Notwithstanding anything to the contrary herein, on each of the Penthouse Floors, the two (2) fire doors between the common stairways and the respective Unit's corridor adjacent thereto shall be General Common Elements for which the Condominium shall be responsible for the cost of the upkeep and maintenance thereof.

Structurally, the Building will be comprised of a cast-in-place reinforced concrete flat slab system supported by interior and perimeter reinforced concrete columns and reinforced concrete shear walls. The lateral load resisting system for the Building consists of a reinforced concrete core wall system. The Building's foundations consist of spread footings resting on bedrock. The subterranean portion of the Building will be confined by conventional reinforced concrete foundation walls.

The Building's western, eastern, and southern façades will be cladded primarily in a panel system. From the 1st to 13th construction floors, the panel will feature a brick blend of light, medium, and dark colors with precast accents. From the 14th construction floor and up, the panels will be precast. Both portions will have darker contrasting windows set in the panel. The Building's northern façade will feature brick in part and continuous insulation ("CI") in part. The façade of the stair and elevator bulkhead will feature CI at all elevations. CI will be installed over concrete masonry unit or reinforced concrete back-up wall and is designed to be a drainable system with a vapor permeable air barrier installed over the back-up wall.

Window frames will be constructed with extruded aluminum featuring thermal breaks, installed into aluminum head and sill receptors. Windows will be insulated glass units ("IGU"). Storefronts will be installed at floor 1. The framing will be constructed with extruded aluminum with steel reinforcement featuring thermal breaks. Windows will be IGU.

There are Lot-Line Windows on portions of the north façade of the Building (collectively, "Lot-Line Windows"). Specifically, the following Units have Lot-Line Windows:

<u>Unit</u>	<u>Location</u>
7A	Master Bathroom
8A	Master Bathroom
9A	Master Bathroom
10A	Master Bathroom
11A	Master Bathroom
12A	Master Bathroom
14A	Master Bathroom
PH15	Master Bedroom
PH16	Master Bedroom
PH17	Breakfast Room
PHA	Master Bathroom on PHA Lower Level, Great Room on PHA Upper Level

All Lot-Line Windows shall be constructed in full compliance with all applicable building codes and other regulations, shall be sprinkler protected as required by DOB, and all Units will meet the light and ventilation requirements for residential occupancy without taking the Lot-Line Windows into account. In the unlikely event that the owner of the adjacent property opposite the applicable lot line, located at 44 East End Avenue, expands or reconstructs the same such that it adjoins the Building directly in front of a Lot-Line Window, such affected Lot-Line Window will need to be sealed, and the view from such window will be blocked or otherwise obstructed. The Lot-Line Windows do not provide the legal

light and air required for residential occupancy. In any circumstance, all Residential Units containing a Lot-Line Window have other windows located at the south and/or east façades that, under the existing Building Code, will satisfy any such applicable light and air requirements. The Lot-Line Windows provide supplementary light and air only, and the sealing of any or all of the Lot-Line Windows will not affect the validity of the certificate of occupancy.

In the event that any or all of the Lot-Line Windows must be sealed, it is customary for the adjacent property owner whose construction caused the necessity of sealing, to bear the responsibility of the cost and expense of the same. Should this not be the case, all construction to enclose the windows shall be performed by the Sponsor, at its sole cost and expense, during the time period that Sponsor controls the Board of Managers of the Condominium, or after such control period, by the Board of Managers of the Condominium, as a Common Expense of all Unit Owners.

Roofing assembly will be two plies of modified bitumen waterproofing membrane. The project will utilize an inverted roofing system with rigid insulation. Surface finish will be precast concrete pavers supported by adjustable pedestals. At the main roof level, the bulkhead over the stair and elevator bulkhead will consist of concrete masonry unit ("CMU") walls with CI system on the exterior. The Unit PHA penthouse stair bulkhead will consist, in part, of a glass window wall system and, in part, of steel-framed CMU infilled walls with CI system on the exterior.

Domestic water will be supplied through a domestic water service pipe connecting the New York City water main to the Building. Water and sewerage services are provided for by the City of New York, and the cost of consumption thereof in all of the Units and in the Common Elements shall be commonly metered as a Common Expense of all of the Unit Owners. There will be two (2) water meters; one (1) each for domestic use and fire protection.

Space heating and cooling in the Residential Units, Storage Rooms, and common amenities areas such as the lobby, lounge, fitness center, game room, library, and common kitchen, will be provided by variable refrigerant flow ("VRF") units. The Building will have two (2) gas-fired boilers to generate hot water for heating. Heating and cooling for the common corridors will be provided by two (2) packaged rooftop units. Domestic hot water will be provided by two (2) indirect hot water heaters. There will be three (3) gas meters: one (1) for domestic cooking, barbeque, and fireplace use, one (1) for the boilers and heating purposes, and one (1) serving the emergency generator. Gas usage for the foregoing items in the Residential Units and in the Common Elements shall be a Common Expense of all of the Unit Owners.

Each of the Units shall be separately metered for the consumption and cost of electricity in the respective Unit. A common meter or meters or submeters shall measure the consumption of electricity in the common areas or Common Elements, the cost of which shall be a Common Expense of all of the Unit Owners.

With respect to telephone, cable television, and internet service, each Residential Unit Owner desiring the same shall be responsible for arranging an account with the respective provider thereof, and the costs of any such services shall be the sole responsibility of the respective Residential Unit Owner.

The Building is being constructed in accordance with all applicable zoning and buildings laws, regulations, codes and other requirements of the New York City Building Code and applicable zoning requirements.

Pursuant to the New York City Building Code, the Class of Construction for the Building is Class 1-B. A certificate of occupancy will be obtained by the Sponsor upon final completion of the project.

5. **The Units.** Schedule B annexed hereto and made a part hereof sets forth the following data with respect to each Unit necessary for the proper identification thereof: unit designation; tax lot number; percentage interest in the Common Elements; approximate square footage area of the Unit and its exclusive Limited Common Elements, if any; location; number of rooms and baths; and the portion of the Common Elements to which the Unit has immediate access. The location of each Unit is more clearly designated on the Floor Plans (as hereinafter defined) and reference should be made thereto for the statement of the location of each Unit.

As shown on the Floor Plans of the Building (the "Floor Plans"), certified by Gerner Kronick + Valcarcel, Architects, DPC, and intended to be filed in the New York County Office of the Register of the City of New York, simultaneously with the recording of this Declaration, the approximate physical dimensions of each Unit consists of the area on one or more floors of the Unit measured horizontally from the Unit side of the glass or the inside face of the exterior walls of the Building (columns, mechanical pipes, shafts, shaftways, chases, chaseways, or conduits, whether located within the Unit or along the perimeter of the Unit, are not deducted for square footage calculations) to the centerline of the interior walls and partitions separating the Unit from another Unit, common corridors, common stairways, common elevators and elevator shafts, mechanical equipment spaces or other Common Elements; or to the Unit side of the glass or the inside face of the opposite exterior walls of the Building, if applicable. Vertically, each Unit consists of the space at each floor of the Building between the upper face of the slab below (located under the finished flooring and sub-floor materials) and the

upper face of the drywall ceiling above or where there is no drywall ceiling, the under face of the floor slab above. Doors and windows which open from or form a border of a Unit shall be deemed part of the Unit.

Any private elevator, dumbwaiter, or access stair located within a Unit which is for the exclusive use of the individual Unit Owner shall be deemed a part of the Unit. Such Unit Owners shall be responsible for the cost of any maintenance, repair or replacement of said private elevator, dumbwaiter, or access stair.

Any mechanical or other equipment, including, but not limited to, sprinkler, heating, hot water and air-conditioning equipment, communication equipment, elevator equipment, or outdoor kitchen equipment, with all related ductwork, piping, wiring, and conduits attached thereto, located outside or inside a Unit which only services a particular Unit shall be a fixture which is the personal property of the Unit Owner of the Unit it services. Such Unit Owner shall be responsible for the cost of any maintenance, repair or replacement of such mechanical equipment.

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

Exterior private terrace and private garden areas are measured from the exterior face of the Unit wall to the exterior side of the walls, railings, or fencing delineating such areas, as may be applicable.

The elevator foyer and adjacent corridor on each of the Penthouse Floors shall be a part of the sole Unit occupying that floor. The Building Code of the City of New York mandates that the elevator foyer on each of the Penthouse Floors shall be enclosed with fire doors on each side of such foyer (the "Interior Fire Doors"), which are further described in the "Description of Property and Specifications" in Part II of the Offering Plan. It is a special risk that the Unit Owner of each of the Penthouse Units shall not remove, disable, or otherwise tamper with the Interior Fire Doors, which shall be a part of his or her respective Unit, and shall be responsible for the upkeep and maintenance thereof at his or her sole cost and expense. Notwithstanding anything to the contrary herein, on each of the Penthouse Floors, the two (2) fire doors between the common stairways and the respective Unit's corridor adjacent thereto shall be General Common Elements for which the Condominium shall be responsible for the cost of the upkeep and maintenance thereof.

6. **Common Elements.** The Common Elements of the Condominium consist of the entire Property, including all parts of the Building and improvements thereon other than the Units or unless otherwise specified. Common Elements are comprised of General Common Elements and Limited Common Elements. They include, without limitation, the following:

A. General Common Elements:

- (1) The land on which the Building is physically erected, including any rear or side yard or courtyard areas, if any, and all other lands comprising the Property, if any. Specifically excluded are any unused transferable air rights and/or development rights pertaining to the Land and Building, which rights are being reserved by Sponsor for itself or Sponsor's designee and any successors or assigns thereof. Rear or side yards and/or other areaways at the Property, if any, other than the Limited Common Elements described below, are not intended for public use except for ingress or egress purposes;
- (2) To the extent they exist, all foundations, footings, columns, girders, floor slabs and concrete ceilings, beams, supports, and interior bearing walls (except to the extent included below as Limited Common Elements); those portions of the exterior walls and any insulation or framing beyond the unexposed face of the dry wall at the exterior face of the Building, or where applicable, those portions of the exterior walls beyond the interior face of the exterior walls or the concealed blockwork, brickwork or masonry or concealed structural members of those walls; those portions of the walls and partitions dividing the Units from the corridors, the elevator shafts, mechanical equipment spaces which are not part of a Unit, fire staircases and stairs located beyond the unexposed face of the dry walls enclosing the Units, or, where applicable, the blockwork, brickwork, masonry or concrete work of the interior walls of the Building separating one Unit from another Unit, or from corridors, the elevator shafts, fire staircases, stairs, vestibules or lobbies not within a Unit; the subfloors and framing joists, if any, including any framing attached to such joists from which the dry wall ceiling of the Unit below is attached;
- (3) Roof bulkheads and roof areas which are not for the exclusive use of a particular Unit or Units, the use of which shall be at the sole discretion of the Board of Managers; skylights and/or glass enclosures, if any, other than those directly over Units;
- (4) Service corridors, fire corridors, halls, stairs, stairway areas and elevator lobbies located at all levels of the Building which are beyond the unexposed face of the dry walls or blockwork, brickwork, masonry or concrete work of the walls enclosing a Unit and are not specifically designated below as a Limited Common Element (which shall exclude the elevator foyer and adjacent

corridor on each Penthouse Floor, which shall be part of the sole Unit occupying that floor);

- (5) Storage and utility areas, mechanical rooms and equipment closets, if any, located at all levels of the Building and which are not part of a Unit or which are not specifically designated below as Limited Common Elements, and are located beyond the unexposed face of the drywalls or blockwork, brickwork, masonry or concrete work enclosing a Unit; all cellar areas which are not specifically designated below as a Limited Common Element and not part of a Unit;
- (6) The sidewalks in front of the Building, including any tree, shrubbery, flower or other planting or horticulture tub or box located thereon; the service entrances to the Building, if any; the entrances to and exits from the Building, including any handicapped ramp and/or lift, if any, adjacent thereto, together with any canopies, which are not part of a particular Unit or which are not specifically designated as a Limited Common Element;
- (7) The Building's driveway and porte-cochère at East 81st Street;
- (8) The mechanical rooms or other rooms located at the cellar level of the Building, including, but not limited to, the water meter room, gas meter room, emergency panel room, fire pump room; the detention tank; the emergency generator; the gas meters, water meters, electric meters, pumps and other equipment in the cellar; any and all cellar or other areas of the Building and Facilities which are not designated as part of a Unit or a Limited Common Element;
- (9) The compactor room together with any refuse room and compactor machinery and related Facilities located at the cellar level of the Building; the refuse rooms and compactor chutes located on all floors of the Building, all of which shall be used in a manner to be determined by the Board of Managers in its sole discretion (except that each refuse room located on a Penthouse Floor shall be part of the sole Unit occupying that floor);
- (10) Except to the extent they are deemed part of a Unit, the elevators, elevator machinery, the shafts and pits; the elevator switch rooms, the elevator bulkheads and elevator machine rooms, if any, for the elevators, together with all Facilities related thereto, located on any floor or roof of the Building;

- (11) On floor 2 of the Building, the fitness center, game room, library, and common kitchen, which shall be for the exclusive use of all of the Unit Owners in a manner to be determined by the Board of Managers. The use of the foregoing areas shall be subject to the By-Laws of the Condominium and any and all rules and regulations promulgated with regard thereto by the Board of Managers in their sole discretion;
- (12) The lobby to the Building together with the adjacent lounge, mail room and mailboxes for the Units located therein, package room, dry cleaning closet and general storage areas;
- (13) The residential storage area, including any and all individual Storage Rooms located therein, located at the cellar floor of the Building. Each Storage Room shall be made available for the exclusive use of an individual Unit Owner pursuant to a Storage Room License between such Unit Owner and the Board of Managers. The use of any Storage Room shall be subject to the By-Laws of the Condominium and any and all rules and regulations promulgated with regard thereto by the Board of Managers in their sole discretion;
- (14) The bicycle storage room located at the cellar level which shall be for the exclusive use of all of the Unit Owners in a manner to be determined by the Board of Managers. The use of the bicycle storage room shall be subject to the By-Laws of the Condominium and any and all rules and regulations promulgated with regard thereto by the Board of Managers in their sole discretion;
- (15) All installations and Facilities on the Property outside the Units for services such as gas, power, light, cable television, heat, telephone and water which service the Units and/or the General Common Elements;
- (16) All sewer pipes and drainage pipes; sprinkler systems and standpipe systems;
- (17) Those portions of the main roofs located at any level of the Building and those portions of the land, if any, which have been designated for the installation of mechanical equipment, including, but not limited to, roof tanks, cooling towers, any ventilation or air-conditioning equipment or other related Facilities, if any, which service the Units and/or the General Common Elements;

- (18) The boilers, heating equipment or hot water heaters or equipment, if any, ventilation and/or air-conditioning equipment, cooling towers and water tanks, if any, and related machinery or Facilities, wherever located in the Building, which service the Units and/or the General Common Elements;
- (19) Any piping and/or ductwork which is necessary for the functioning of the heating equipment or hot water heaters or equipment, if any, ventilation and/or air-conditioning equipment and cooling towers, if any, wherever located in the Building, which service the Units and/or the General Common Elements;
- (20) Any and all windows of the Building which are not part of a particular Unit;
- (21) All street vaults, if any. To the extent there are any charges for said vault areas, such charges shall be paid by all of the Unit Owners as a Common Expense;
- (22) Any common tanks, common water and cooling towers or tanks, pumps, including, but not limited to, motors, fans, compressors, ducts, siamese connections, and, in general, all apparatus and installations and Facilities existing for common use;
- (23) The railing and slab component of each Juliette Balcony;
- (24) On each of the Penthouse Floors, the two (2) fire doors between the common stairways and the respective Unit's corridor adjacent thereto; and
- (25) All other apparatus, installations and Facilities existing in the Building for common use or necessary or convenient to the existence, maintenance or safety of the Building and the Units.

B. **Limited Common Elements.** The following portions of the Common Elements will be Limited Common Elements which shall be for the exclusive use of an individual Unit Owner:

- (1) The skylights, if any, existing or installed at some future date, that are directly above any Unit which shall be for the exclusive use of such Unit Owner. The maintenance, repair and replacement of such skylights shall be the responsibility of the individual Unit Owners of such Units;

- (2) Any fireplace, together with any flue and/or ductwork attached thereto, whether gas-fired or wood-burning, existing or installed at some future date in any Unit shall be for the exclusive use of such Unit Owner;
- (3) The private terraces, together with any fencing delineating such area and any landscaping located thereon, which are adjacent to or directly accessed from a particular Unit, as delineated on the Floor Plans, which shall be for the exclusive use of the Unit Owner of such Unit. Nonstructural, ordinary repairs and maintenance of each private terrace, together with any fencing which delineates such area and any landscaping located thereon, shall be the sole responsibility of the individual Unit Owner who has the exclusive use thereof; and
- (4) The private garden, together with any fencing or walls delineating or enclosing such garden and landscaping located therein, which is adjacent to and directly accessed from the Maisonette Unit, as delineated on the Floor Plans, which shall be for the exclusive use of the Unit Owner of such Unit. Nonstructural, ordinary repairs and maintenance of the private garden, together with any fencing or walls delineating or enclosing such garden and any landscaping located therein, shall be the sole responsibility of the individual Unit Owner who has the exclusive use thereof.

Notwithstanding anything to the contrary in this Paragraph numbered (6), since a Limited Common Element benefits only a particular Unit Owner, the costs of alteration, additional, repair, replacement and restoration thereto shall be borne solely by the Unit Owner who benefits from the Limited Common Element. In addition, except as otherwise provided in Article VI, Section 10 of the By-Laws, such Unit Owner shall be responsible for the normal operation, maintenance and repair of any such Limited Common Element at their sole cost and expense.

- 7. **Use of Units.** Subject to compliance with the By-Laws of the Condominium, each of the Residential Units may be used only for private residential use, except that a Residential Unit Owner may use his Residential Unit for any home occupation use permitted under applicable zoning law and ordinances, building code or other rules and regulations of governmental authorities having jurisdiction. Such Residential Units may also be used as professional offices by a resident thereof provided such professional use does not violate any zoning law and ordinances and provided further, that the prior written consent of the Board of Managers to such professional use is obtained. Further, certain Units have a library that may be used as a legal bedroom, if desired. Specifically, the Maisonette Unit and Unit 7A each have three bedrooms in addition to a library that may be used as a fourth

bedroom; Unit 5/6C and 7/8B each have four bedrooms in addition to a library that may be used a fifth bedroom. Each aforementioned library has a window providing legal light and air and is a livable room under the Building Code, and, provided such library complies with all other applicable law, may be used for sleeping purposes. For this reason, the aforementioned libraries are counted as bedrooms in the bedroom count shown on Schedule B to this Declaration. Additionally, certain Units have a foyer, gallery, pantry, utility room, refuse room, and/or private storage area. Any of the aforementioned rooms is not intended for sleeping purposes, which use is not permitted under, and could result in a violation issued pursuant to, the Building Code.

The great room located at the Garden Level of the Maisonette Unit may be used for sleeping or dining purposes, as it receives sufficient legal light and air for such use. However, no other portions of the Garden Level of the Maisonette Unit may be used for sleeping or dining purposes, which use is not permitted under, and could result in a violation issued pursuant to, the Building Code.

Notwithstanding the foregoing, the Sponsor or its designee may, without the permission of the Board of Managers, retain ownership of one or more Units for use as models, sales and/or production offices in connection with the sale or rental of the Units.

A Residential 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 (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 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 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 the foregoing.

Any Storage Room which is licensed by a Residential Unit Owner may be used for any lawful use which is accessory to the residential use of the Unit, including, but not limited to, the storage of personal effects of the Residential Unit Owner, provided that no stored article or material that shall pose a threat to the health or

safety of the Unit Owners or other occupants or tenants of the Building or shall otherwise create a nuisance shall be permitted to be brought into or stored in said Storage Room by any Residential Unit Owner. In no event may a Storage Room be used for sleeping or dining purposes, which use is not permitted under, and could result in a violation issued pursuant to, the Building Code.

Notwithstanding anything herein to the contrary, any Rules and Regulations pertaining to the use of a Storage Room will not be applicable to a Storage Room held or rented by Sponsor or Sponsor-designee.

As shown on the Floor Plans, the Garden Level of the Maisonette Unit is adjacent to Storage Room #9. Notwithstanding anything to the contrary in this Declaration or the By-Laws, the Unit Owner of the Maisonette Unit shall have the right, at his or her sole cost and expense, to install a door between the Maisonette Unit and Storage Room #9, and upon connecting such spaces, shall have the right to use Storage Room #9 as if it were an extension of the Maisonette Unit, provided that such use complies with the Building Code, Zoning Resolution, and other applicable law, as well as with the Rules and Regulations of the Condominium as they apply to the Residential Units. However, Storage Room #9, notwithstanding whether it is connected to the Maisonette Unit, is not intended for sleeping or dining purposes, which use is not permitted under, and could result in a violation issued pursuant to, the Building Code. Though the connection of the Maisonette Unit and Storage Room #9 shall not require the consent of the Board of Managers, the Unit Owner of the Maisonette Unit shall be responsible for complying with all reasonable conditions the Board of Managers shall require when it grants consent to alterations done by other Unit Owners; e.g., that all work shall be done by reputable contractors with adequate liability, property damage and workers' compensation insurance (certificate for which shall be delivered to the Board of Managers prior to the commencement of construction) and that the work shall be done in accordance with all governmental or quasi-governmental laws, rules, regulations, codes and ordinances.

8. **Determination of Percentages in Common Elements.** The percentage of Common Interest allocated to each Unit is based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit.
9. **Encroachments.** If any portion of the Common Elements now encroach upon any Unit, or if any Unit now encroaches upon any other Unit or upon any portion of the Common Elements, or if any encroachment shall occur hereafter as a result of (a) settling or shifting of the Building, or (b) alteration or repair to the Common Elements made by or with the consent of the Board of Managers, or (c) as a result

of repair or restoration of the Building or a Unit after damage by fire or other casualty, or (d) as a result of condemnation or eminent domain proceedings; a valid easement shall exist for such encroachment and for the maintenance of the same so long as the Building shall stand.

10. Maintenance and Operation of Internal Drains.

- A. Pursuant to the requirements of all applicable laws, ordinances and/or building codes, each Unit Owner, together with the Condominium, shall be responsible for the maintenance and operation of the internal drains within the Property which are Common Elements ("Internal Drains"). The cost of such maintenance and operation shall be a Shared Common Expense of all the Unit Owners.
- B. Any charge or assessment for said maintenance and operation of the Internal Drains shall be a charge upon the Land or Unit against which the same are made and shall be a continuing lien upon the Land or Unit so charged or assessed. In addition such charge or assessment shall be the personal obligation of the record owner of such Land or Unit against which the same is made.
- C. The Sponsor and/or Condominium and each Unit Owner thereof shall keep the Internal Drains wholly within the boundary lines of the Property, and its point of exit from the Property shall not be altered.
- D. The Sponsor and/or Condominium and each and every Unit Owner thereof shall maintain the Internal Drains at all times throughout the life of the Condominium and Property. They shall be responsible for the abatement of any nuisance due to the use of the Internal Drains that would have an adverse effect on the health, safety and welfare of the City and State of New York.
- E. The Sponsor shall insure that the utilization of the Internal Drains for the conveyance of the sanitary flow is to be designed as to size, shape, slope and velocity to have sufficient capacity to take the estimated peak sanitary flow from the Property.
- F. The Sponsor and/or Condominium and each and every Unit Owner thereof, shall utilize the Internal Drains in such a manner, that it will not in any way have an adverse effect on the City of New York's complete or pending sanitary and storm water drainage plans for the tributary drainage area or the separate sewer outlets.

11. Easements.

- A. Each Unit Owner shall have an easement in common with the owners of all other Units to use all pipes, wires, ducts, cables, conduits, public utility lines and other Common Elements located in any of the other Units and serving his Unit. Each Unit shall be subject to an easement in favor of the Owners of all other Units to use the pipes, ducts, cables, wires conduits, public utility lines and other Common Elements serving such other Units and located in such Unit. Sponsor (for so long as Sponsor owns at least one (1) Unsold Unit), the Board of Managers, the Managing Agent, and their servicemen, consultants, repairmen and/or any other party authorized by the same, shall have a right of access to all General Common Elements, to each Unit and any Limited Common Elements appurtenant thereto to inspect the same, to remove violations therefrom and/or to maintain, repair or replace the Common Elements contained within a particular Unit or elsewhere in the Building. In addition, each Unit shall have, and shall be subject to, easements of subjacent support and necessity in favor of such Unit and in favor of other Units and the Common Elements.
- B. The Sponsor and its designees, their successors, assigns, invitees, licensees, contractors, employees and tenants, shall have an easement in, on, over and across the Property for (i) construction, installation and development thereon of recreation facilities, if any, and for the construction and installation, ingress to and egress from, and use of (including the right to connect with) all pipes, conduits, ducts, flues, cables, wires, storm drainage facilities, water, sewer and other utility lines for the benefit of the recreation facilities, if any, and (ii) construction and installation of, whether on the interior or exterior of the Building, ingress to and egress from and the right to use (in common with Unit Owners) all storm drainage facilities, water, sewer and other utility lines, pipes, conduits, flues, ducts, wires and cables necessary for the use of its Units, and (iii) ingress to and egress from all land areas of the Property and the use of said land areas (in common with Unit Owners) for any lawful purpose.
- C. The Sponsor, its designees and their successors, assigns, invitees, licensees, contractors, employees and tenants (i) shall have an easement to erect, maintain, repair and replace from time to time one or more signs on the Property for the purposes of advertising the sale of Units and the leasing of space in any Unit as well as an easement in and access to Units and Common Elements consistent with the purposes of the Offering Plan for the Property, as same may be amended, and Sponsor's rights and obligations thereunder, including, without limitation, the right to develop, renovate, maintain, repair, refurbish, offer, sell and lease Units and

Common Elements and (ii) reserve the right to establish, grant and create easements for any additional underground, exterior wall mounted, or rooftop electric transformer, amplifier, gas, cable television, telephone, satellite, telecommunication equipment, water, storm drainage, sewer or other utility lines or services and appurtenances in, under, over and through the Property, including, without limitation, an easement or easements for the benefit of any property adjacent to the Property, to relocate any existing utility or equipment easements in any portion of the Property and to dedicate any or all of such facilities to any governmental body, public benefit corporation or utility company if the Sponsor or designee shall deem it necessary or desirable for the proper operation and maintenance of the Property or any portion thereof, or for the general health or welfare of any Unit Owner, or the residents of any property adjacent to the Property, or users of the recreation facilities, if any, provided that such additional utilities or equipment or the relocation of existing utilities or equipment will not prevent or unreasonably interfere with the use of the Residential Units for dwelling purposes or home occupation purposes. Any utility company or service company or public benefit corporation furnishing services to the Property, and the employees and agents of any such company or corporation, shall have the right of access to any Unit, to the Common Elements or the Limited Common Elements in furtherance of such easements, provided such right of access is exercised in such a manner as to not unreasonably interfere with the use of the Units.

- D. All Unit Owners, their servicemen, consultants and/or repairmen, shall have an easement by means of the shortest distance and/or route from the common entrances to the Building and through the public staircase in, on, over and across the main roofs or other applicable roofs of the Building for the sole purpose of maintaining, repairing and/or replacing any mechanical equipment, including but not limited to, air-conditioning equipment, located on such roofs of the Building which services one or more of the Units.
- E. Sponsor, its assignee or designee and their respective successors, assigns, invitees, licensees, contractors, employees, agents and tenants shall have such rights of access, storage and use necessary to fulfill obligations under the Plan (in the case of Sponsor) and/or to effectuate the rights of such parties to make alterations, additions, improvements or repairs to Units owned by each, respectively, including without limitation the right to (i) use the elevator, stairs and other Building facilities during customary industry practice construction hours; (ii) maintain roll-off refuse containers on the Property and dumpsters adjacent to the Property; (iii) store and maintain tools and materials on the Property; (iv) connect to and

use the Building's common electricity, water and other utility services and facilities with the cost thereof being a Common Expense paid by all Unit Owners as part of their Common Charges; (v) compel Unit Owners to facilitate penetration and entry into Units to permit the extension and provision of Building services to space under construction or to work, and (vi) erect and maintain hoists, sidewalk sheds, sidewalk fences and temporary walkways, construction shacks and trailers in the street adjacent to and on the Property.

- F. Sponsor and its designee(s) shall have the right, until the fifth anniversary of the First Unit 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). Such activities will result in increased traffic and noise in the Building, and may interfere with owner-occupants' enjoyment of the Building. However, in exercising this right, Sponsor shall follow all Rules and Regulations of the Condominium, which are disclosed as an addendum to the By-Laws in Part II of the Offering Plan.
- G. Sponsor (for so long as Sponsor owns at least one (1) Unsold Unit), the Board of Managers, the Managing Agent, and their servicemen, consultants and/or repairmen, shall have an easement by means of the shortest distance and/or route from the common entrances to the Building and through the public staircase in, on, over and across the Units, Limited Common Elements and General Common Elements, including, but not limited to, the main roofs or other applicable roofs of the Building, the private terraces, and the private garden appurtenant to the Maisonette Unit, for the sole purpose of maintaining, cleaning, repairing and/or replacing (i) any windows of the Building; (ii) the exterior façade of the Building; and (iii) any mechanical equipment, including but not limited to, air-conditioning equipment and/or window washing equipment, located on such roofs of the Building which services or is for the benefit of one or more of the Units. Such easement in favor of the Board of Managers, their servicemen, consultants and/or repairmen, shall include the right to temporarily remove any fencing or other improvements located on and/or which demarcate any such roof, terrace or garden areas. The foregoing shall include an easement over, through, and upon the Unit PHA elevator vestibule at the roof level in order to access any mechanical roof and bulkhead areas for purposes of maintaining, servicing, or inspecting those areas and the equipment located therein.
- H. In addition, each Unit shall have an easement for the exclusive use, alone or in common with one or more other specified Units, of its Limited Common Elements.

- I. The user of any easement granted by subparagraphs B, C, D, E, F, G and H of this Paragraph 11 shall have the responsibility of repairing any damage resulting therefrom. No fee or charge may be imposed by the Board of Managers for any easement granted herein.
12. **Power of Attorney to Board of Managers.** Each Unit Owner, their successors assigns and/or heirs, shall grant to the persons who shall from time to time constitute the Board of Managers, an irrevocable power of attorney, coupled with an interest, to acquire title to or lease any Unit whose owner desires to surrender, sell or lease the same, or which may be the subject of a foreclosure or other judicial sale, in the name of the Board of Managers or its designee, corporate or otherwise on behalf of all Unit Owners, and to convey, sell, lease, mortgage (but not to vote the votes appurtenant thereto) or otherwise deal with any such Units so acquired or to sublease any Unit so leased by the Board of Managers. Each Unit Owner, their successors, assigns and/or heirs, shall also grant to the Sponsor or its designee, an irrevocable power of attorney, coupled with an interest, with power of substitution to exercise Sponsor's or Sponsor designee's rights hereunder, including but not limited to, the Sponsor's or Sponsor designee's rights set forth in Paragraph numbered 20 hereinafter. The Form of Power of Attorney to the Board of Managers and Sponsor is attached hereto as Schedule D.
13. **Acquisition of Units by Board of Managers.** In the event any Unit Owner shall surrender his Unit, together with: (i) the undivided interest in the Common Elements, general and limited, appurtenant thereto; (ii) the interest of such Unit Owner in any other Units acquired by the Board of Managers or its designee 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 any other assets of the Condominium; (hereinafter collectively called the "Appurtenant Interests"), pursuant to the provisions of Section 339-x of the Real Property Law of the State of New York, or in the event the Board of Managers shall purchase from any Unit Owner who has elected to sell the same, a Unit, together with the Appurtenant Interests, pursuant to Section 1 of Article VIII of the By-Laws, or in the event the Board of Managers shall purchase at a foreclosure or other judicial sale, a Unit, together with the Appurtenant Interests, title to any such Unit, together with the Appurtenant Interests, shall be held by the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective Common Interests. The lease covering any Unit leased by the Board of Managers, or its designee, corporate or otherwise, shall be held by the Board of Managers, or its designee, on behalf of all Unit Owners, in proportion to their respective Common Interests.
14. **Person to Receive Service.** For the period during which Sponsor is in control of the Board of Managers, 40 East End Ave. Associates LLC, with an office c/o Lightstone Group, 460 Park Avenue, New York, New York 10022, is hereby

designated to receive notice of process in any action which may be brought against the Condominium. After Sponsor relinquishes control of the Board of Managers notice of process in any action which may be brought against the Condominium shall be served on the President of the Condominium at the Office of the Condominium, at 40 East End Avenue, New York, New York 10028. In addition, the Secretary of State of the State of New York, as agent of the Board of Managers, and any successor to the jurisdiction thereof, is hereby designated to receive service of process in any action that may be brought against the Condominium.

15. **Units Subject to Declaration, By-Laws and Rules and Regulations.** All present and future Owners, tenants, subtenants 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 initial By-Laws of the Condominium are attached hereto as Schedule E. The acceptance of a deed or conveyance or the entering into of a lease or the entering into occupancy of any Unit shall constitute an agreement that the provisions of this Declaration, the By-Laws and the Rules and Regulations, as they may be amended from time to time, are accepted and ratified by such Owner, tenant or occupant, and all of such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed or conveyance or lease thereof.
16. **Amendment to Declaration.** This Declaration may be amended, modified, added to or deleted from by the vote of at least sixty-seven percent (67%) in number and in Common Interest of all Unit Owners, cast in person or by proxy at a meeting duly held in accordance with the provisions of the By-Laws, or in lieu of a meeting, any amendment may be approved, in writing by sixty-seven percent (67%) in number and in Common Interest of all Unit Owners, provided, however:
 - (a) No amendment, modification, addition or deletion which shall adversely affect the lien of any mortgage may be made without the written consent of the mortgagee;
 - (b) No amendment which shall change the percentage of Common Interests allocated to any Unit or Units may be made without the written consent of such Owner(s); no amendment which shall increase the percentage of Common Interests allocated to any Unit or Units may be made without the written consent of the mortgagee(s) of such Unit or Units, if any;
 - (c) No amendment, modification, addition or deletion of or to this Declaration will be effective in any respect against Sponsor, its designee, or any

Unsold Unit until Sponsor or such designee, as the case may be, shall consent thereto in writing.

The Sponsor hereby reserves to itself and its designee(s) the right to amend the Condominium Declaration at any time without the requirement of a vote and without the approval or consent of any Unit Owners or mortgagees for the sole purpose of (i) filing the Floor Plans required by the New York Real Property Law Section 339-p for any portion or portions of the Building and appurtenances which are incomplete at the time the Declaration is recorded and the filing along with said amendment to the Declaration and the Floor Plans, the verified statement of a registered architect or licensed professional engineer certifying that the plans being filed simultaneously with such amendment, fully and fairly depict the layout, location, unit designations and approximate dimensions of the particular Unit or Units as built, as provided in said Section 339-p; and/or (ii) conforming the Declaration to the requirements of applicable state and local condominium laws and/or the legal requirements of the Department of Housing and Urban Development of the United States of America ("HUD"), including, but not limited to, HUD Revised Legal Policy which is attached as appendix 24 of HUD Handbook 4265.1, as same may be amended from time to time, or any other governmental authority or agency, to qualify the Condominium for any applicable Unit financing, including, but not limited to, financing of the Federal Housing Authority of the United States of America ("FHA") and/or Fannie Mae financing.

No such amendment shall be effective until recorded in the New York County Office of the Register of the City of New York.

17. **Changes in Unsold Units.** For any Unit owned by the Sponsor or its designee(s), if not prohibited by the New York Condominium Act (as the same may be amended), the Sponsor or its designee(s) shall have the right, without the vote or consent of the Board of Managers, other Unit Owners or the holders of Unit mortgages, to (i) make alterations, additions, or improvements in, to and upon the Unit; (ii) change the layout or number of rooms in the Unit; (iii) change the size and/or number of such Units by subdividing a Unit, combining separate Units (including those resulting from any subdivision or otherwise) into one or more Units, altering the boundary walls between any Unit or otherwise; and (iv) reapportion among such Unit(s) affected by such change in size or number, subdivision, combination or alteration, their appurtenant interests in the Common Elements; provided, however, that the Sponsor or its designee(s) shall comply with all rules, ordinances and regulations of all governmental authorities, including the Landmarks Preservation Commission, if applicable, having jurisdiction and shall agree to hold the Board of Managers and all other Unit Owners harmless from any liability arising therefrom.

In connection with the foregoing as it relates to the Unsold Units, the Sponsor or its designee shall cause the Declaration to be amended, if necessary. Sponsor or its designee shall have the right pursuant to the Powers of Attorney granted by Unit Owners to amend and record any amendment to the Declaration on behalf of the Condominium and all Unit Owners as required to reflect the foregoing without any further consent of the Condominium Board, Unit Owners or the holders of Unit mortgages. Sponsor or its designee shall each have the right, upon its request, to require any other Unit Owners or the Condominium Board or its officers to sign, file and/or record any amendment to the Declaration, together with any application, documents or instruments as they deem appropriate to effectuate the same, or any application, documents or instruments required by any governmental or quasi-governmental agency having or asserting jurisdiction in connection with the foregoing, or any application, documents or instruments necessary in connection with any change, addition, decoration, alteration, improvement, repair or subdivision of any Units owned by said parties or any operation of any Unit owned by said parties, at which time, the requesting party shall indemnify and hold the Condominium Board and the other Unit Owners and Sponsor or its designee harmless from any expense or liability by virtue of the signing of any of such applications, document or instruments. As an alternative, Sponsor or its designee shall have the right pursuant to the Powers of Attorney granted by Unit Owners to sign, file and/or record any such applications, documents or instruments on behalf of the Condominium Board and all Unit Owners. For purposes of recording any amendment to the Declaration or signing, filing or recording any applications, documents or instruments, Sponsor or its designee may rely on the authority contained in the Power of Attorney and no further consent of the Board or the Unit Owners or holders of Unit mortgages is required.

In accordance with law, the Common Elements appurtenant to each Unit as expressed in this Declaration shall have a permanent character and shall not be altered without the consent of all Unit Owners affected. Written consents will be obtained from Unit Owners, if any, who are adversely and directly affected as a result of the above changes. The provisions of this paragraph 17 may not be added to, amended or deleted without the prior written consent of the Sponsor or its designees(s).

Unit Owners in the Condominium hold title to their respective Units subject to the benefits, rights, privileges, easements, burdens, covenants, and restrictions as described herein, in the By-Laws of the Condominium and any agreement of record recorded prior or subsequent to this Declaration.

Additionally, and notwithstanding its effect on the Common Elements, Sponsor reserves the right to reconfigure, change, combine, relocate and/or modify the residential storage area and/or any Storage Rooms in its sole discretion in order to

sell, assign and/or lease any of the Storage Rooms and to increase the number of Storage Rooms provided such increase is in accordance with all applicable Law.

18. **Invalidity.**

- (a) If any provision of this Declaration or of the By-Laws is invalid under, or would cause this Declaration or the By-Laws to be insufficient to submit the Property to the provisions of the Condominium Act, such provision shall be deemed deleted from this Declaration or the By-Laws, as the case may be, for the purpose of submitting the Property to the provisions of the Condominium Act, but shall nevertheless be valid and binding upon, and shall 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 the 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 or 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 that is necessary to cause this Declaration or the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from this Declaration or the By-Laws, then such provision shall be deemed included as a part of this Declaration or the By-Laws, as the case may be, for the purpose of submitting the Property to the provisions of the Condominium Act.
- (b) Subject to the terms of paragraph (a) of this clause 18, if this Declaration or the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, the provisions of this Declaration or the By-Laws shall nevertheless be valid and binding upon, and shall 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.

19. **Termination of Condominium.** The Condominium may be terminated by casualty loss, condemnation or eminent domain, in accordance with the provisions of the By-Laws, or by withdrawing the Property from the provisions of the New York Condominium Act if authorized by an affirmative vote of Unit Owners that own not less than eighty percent (80%) in number and in Common Interest of the Units and the affirmative vote of Eligible Holders of first mortgages on Units to

which not less than sixty-seven percent (67%) of the votes of Units subject to mortgages held by such Eligible Holders are allocated. Sponsor or its designees will not vote its interests appurtenant to any Unsold Units for such withdrawal unless at least eighty percent (80%) in number and in Common Interest of all other Unit Owners have elected for such withdrawal, in which event Sponsor may choose to vote in favor of or against such withdrawal. In the event said withdrawal is authorized as aforesaid, the Property shall be subject to an action for partition by any Unit Owner or lienor as if owned in common, in which event the net proceeds of sale shall be divided among all the Unit Owners in proportion to their respective Common Interests, provided, however, that no payment shall be made to a Unit Owner until there has first been paid off out of his share of such net proceeds all liens on his Unit, in the order of priority of such liens.

20. Sponsor's Retention of Transferable Air Rights and/or Development Rights.

- (a) Sponsor hereby reserves to itself and/or to Sponsor's designee, and their successors or assigns, all unused transferable air rights and/or development rights (hereinafter "Unused Development Rights"). As against all other Unit Owners and their mortgagees, their successors, assigns and/or heirs, and the Board of Managers of the Condominium and any mortgagees thereof, the Sponsor or Sponsor's designee, their successors or assigns, shall have the exclusive right to cause any part or all Unused Development Rights pertaining to the Property to be conveyed, transferred or otherwise assigned to any other adjoining premises, "zoning lot," "development" or "enlargement" as those prior three terms are now defined in the Zoning Resolution of the City of New York, as amended.
- (b) Sponsor or Sponsor's designee, their successors or assigns, have also bound themselves, their successors or assigns, from transferring, assigning, or surrendering in whole or in part any Unused Development Rights, if such transfer, assignment or surrender shall (i) make illegal the erection, existing or restoration or use of the Building at the time of the recordation of this Declaration, or (ii) will allow any party, including Sponsor or its designee, their successors or assigns as the holder of Unsold Units, to build on or directly above the land and/or expand the Building. However, with regard to (ii) above, the Sponsor, its designee, their successors or assigns may transfer in whole or in part any Unused Development Rights to the Board of Managers of the Condominium subsequent to Sponsor relinquishing control of the Board of Managers. In such event, any construction by the Condominium shall (i) not increase the number of Units in the Building; (ii) be limited in scope to a minor alteration to a Unit and/or the Building; (iii) not have any material impact on the operating budget of the Condominium; (iv) not impact the Percentage of Common Elements allocated to any of the Units; and (v) be

made only in accordance with the Condominium's Declaration and By-Laws, all applicable law, including any requirements of the Landmarks Preservation Commission and the requirements of 13 NYCRR 20.3(a) of the Attorney General's Regulations. As defined herein, "Unused Development Rights" shall include all such rights which exist under the current Zoning Resolution of the City of New York, as amended, and any further rights which result from future amendments to the Zoning Resolution.

- (c) The Sponsor or Sponsor's designee, their successors or assigns, at their sole cost and expense, shall have the right to cause the Board of Managers, all of the Unit Owners, and any mortgagees thereof, to take such action as it deems necessary to convey the Unused Development Rights. This includes signing, acknowledgement, delivery and recording in the Register's Office of the County of New York in the City of New York and elsewhere, if required by law, such instruments and documents, including, but not limited to (i) deed(s), lease(s), zoning lot agreement(s), declaration(s), consent(s), waiver(s) and/or grant(s) of such Unit Owner's, mortgagees' and such Board's interests, if any, in the Property with respect only to any Unused Development Rights for the purpose of confirming the ownership of Sponsor or Sponsor's designee and/or their successors or assigns in such rights and/or for the purpose of effectuating the transfer, assignment or surrender of such rights by Sponsor or Sponsor's designee and/or their successors or assigns; (ii) any amendment to this Declaration which the Sponsor or Sponsor's designee and/or their successors or assigns deems necessary or appropriate to effectuate the purpose of this Paragraph 20, provided that such amendment complies with the terms in Paragraph 20 and 13 NYCRR 20.3(a) of the Attorney General's Regulations.
- (d) Failure of the Unit Owners and Board of Managers to comply with the terms of this Paragraph 20 shall result in liquidated damages payable by the Board of Managers to the Sponsor or Sponsor's designee and/or their successors or assigns, as the case may be, in an amount equal to the purchase price to be paid to Sponsor or Sponsor's designee and/or their successors or assigns for the transfer, assignment or surrender of such Unused Development Rights.
- (e) If any provision that is necessary to effectuate the purposes of this Paragraph 20 is missing, then such provision shall be deemed included as part of paragraph 20, including, but not limited to, any provision required by law to limit the reservation of the contingent rights as set forth herein. Any term of limitation, if required to be measured, may be determined by

the use of the life of Sponsor, any principal thereof or the children of any principal thereof plus twenty-one (21) years.

21. **Common Expense.** Common Expenses of the Condominium shall mean and include all expenses of operation of the Property and all sums designated Common Expenses by or pursuant to the provisions of Article 9-B of the Real Property Law of the State of New York, the Declaration or the By-Laws.
22. **Covenant of Further Assurances.**
 - (a) Any person who is subject to the terms of this Declaration, whether such Person is a Unit Owner, a lessee or sublessee of a Unit Owner, an occupant of a Unit, a member of the Board of Managers, an officer of the Condominium, or otherwise, shall, at the expense of any such other Person requesting the same, sign, acknowledge and deliver to such other Person, such instruments, in addition to those specifically provided for herein, and take such other action as such other Person may reasonably request to effectuate the provisions of this Declaration or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.
 - (b) If any Unit Owner or any other Person who is subject to the terms of this Declaration fails or refuses to sign, acknowledgment, or deliver any instrument, or fails or refuses, within 10 days after request therefor, to take any action that such Unit Owner or Person is required to take pursuant to this Declaration, then the Board of Managers is hereby authorized as attorney-in-fact for such Unit Owner or other Person, which power shall be deemed to be coupled with an interest, to sign, acknowledge and deliver such instrument, or to take such action, in the name of such Unit Owner or other Person, and such document or action shall be binding on such Unit Owner or other Person.
 - (c) If any Unit Owner or the Board of Managers or any other Person who is subject to the terms of this Declaration fails or refuses to sign, acknowledge, or deliver any instrument, or fails or refuses, within 10 days after request therefor, to take any action that the Board of Managers, Unit Owner, or other Person is required to take pursuant to this Declaration at the request of Sponsor, then the Sponsor is hereby authorized as attorney-in-fact for the Board of Managers, such Unit Owner, or other Person, which power shall be deemed to be coupled with an interest, to sign, acknowledge and deliver such instrument, or to take such action, in the name of the Board of Managers, such Unit Owner, or other Person, and such document or action shall be binding on the Board of Managers, such Unit Owner, or other Person, as the case may be.

23. **Definitions.** All capitalized terms used in this Declaration that are not defined herein shall have the meanings set forth in Schedule C to this Declaration. Each of the capitalized terms shall be applicable to singular and to plural nouns, as well as to verbs of any tense.
24. **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.
25. **Captions.** The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this Declaration nor the intent of any provision thereof.
26. **Gender.** The use of the masculine gender in this Declaration shall be deemed to refer to the feminine gender and the use of the singular shall be deemed to refer to the plural, and vice versa, whenever the context so requires.

IN WITNESS WHEREOF, the party has caused this Declaration to be signed by its duly authorized representative this ____ day of _____, 20__.

Sponsor/Declarant:

40 East End Ave. Associates LLC,
a Delaware limited liability company duly
authorized to transact business in the State of New
York

By: _____
Name:
Title:

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

On the _____ day of _____, in the year 20__, before me, the undersigned, a Notary Public in and for said state, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he signed the same in his capacity, and that by his signature on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, signed the instrument.

Notary Public

**SCHEDULE A
TO THE DECLARATION
OF CONDOMINIUM OF THE PREMISES
KNOWN AS**

40 EAST END AVENUE CONDOMINIUM

**40 EAST END AVENUE
NEW YORK, NEW YORK 10028**

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, State of New York, bounded and described as follows:

BEGINNING at a corner formed by the intersection of the northerly side of East 81st Street with the westerly side of East End Avenue;

RUNNING THENCE westerly along said northerly side of East 81st Street, 123 feet;

THENCE northerly parallel with the westerly side of East End Avenue, 102 feet 2 inches to the center of the block;

THENCE easterly along said center of the block 25 feet;

THENCE southerly again parallel with the westerly side of East End Avenue, 51 feet;

THENCE easterly parallel with the northerly side of East 81st Street, 98 feet to the westerly side of East End Avenue.

THENCE southerly along said westerly side of East End Avenue 51 feet 2 inches to the corner aforesaid at the point or place of BEGINNING.

SAID PREMISES to be known as and by the street number 40 East End Avenue, New York, New York 10028.

SCHEDULE B TO THE DECLARATION OF 40 EAST END AVENUE CONDOMINIUM 40 EAST END AVENUE NEW YORK, NEW YORK Block: 1578; Lots: TBD to TBD (f/k/a 23)									01/31/2018	
					Approximate Square Foot Area of Private Garden and/or Terrace(s)					
					Approximate				Number of	
					Square Foot Area				Common Elements	
					Which Is/Are A				To Which Unit	
Unit	Tax Lot	Percentage Interest	Square Foot Area	Limited Common Element	Location	Bedrooms/Baths/ Powder Rooms/Etc.	Has Immediate Access			
	Number	In Common Elements	of Unit							
M	TBD	6.3910%	4,487	608	Cellar, First & Second Floors - West	4BD/3/2/G	Elevator, Public Hall & Stairs			
3A	TBD	2.9299%	2,134	N/A	Third Floor - East	3BD/3/1	Elevator, Public Hall & Stairs			
3B	TBD	1.8941%	1,412	N/A	Third Floor - Center	2BD/2/1	Elevator, Public Hall & Stairs			
3C	TBD	2.8724%	2,077	N/A	Third Floor - West	3BD/3/1	Elevator, Public Hall & Stairs			
4A	TBD	2.9445%	2,134	N/A	Fourth Floor - East	3BD/3/1	Elevator, Public Hall & Stairs			
4B	TBD	1.9219%	1,412	N/A	Fourth Floor - Center	2BD/2/1	Elevator, Public Hall & Stairs			
4C	TBD	2.8867%	2,077	N/A	Fourth Floor - West	3BD/3/1	Elevator, Public Hall & Stairs			
5A	TBD	2.9591%	2,133	N/A	Fifth Floor - East	3BD/3/1	Elevator, Public Hall & Stairs			
5B	TBD	1.9314%	1,412	N/A	Fifth Floor - Center	2BD/2/1	Elevator, Public Hall & Stairs			
5/6C	TBD	4.8435%	3,477	541	Fifth & Sixth Floors - West	5BD/4/1/T	Elevator, Public Hall & Stairs			
6A	TBD	2.9670%	2,117	N/A	Sixth Floor - East	3BD/3/1	Elevator, Public Hall & Stairs			
6B	TBD	1.9409%	1,412	N/A	Sixth Floor - Center	2BD/2/1	Elevator, Public Hall & Stairs			
7A	TBD	3.4888%	2,500	N/A	Seventh Floor - East	4BD/3/1	Elevator, Public Hall & Stairs			
7/8B	TBD	4.7780%	3,352	375	Seventh & Eighth Floors - West	5BD/5/1/T	Elevator, Public Hall & Stairs			
8A	TBD	2.9815%	2,120	N/A	Eighth Floor - East	3BD/3/1	Elevator, Public Hall & Stairs			
9A	TBD	3.0244%	2,119	N/A	Ninth Floor - East	3BD/3/1	Elevator, Public Hall & Stairs			
9B	TBD	2.6332%	1,864	N/A	Ninth Floor - West	3BD/3/1	Elevator, Public Hall & Stairs			
10A	TBD	3.0390%	2,119	N/A	Tenth Floor - East	3BD/3/1	Elevator, Public Hall & Stairs			
10B	TBD	2.6500%	1,864	N/A	Tenth Floor - West	3BD/3/1	Elevator, Public Hall & Stairs			
11A	TBD	3.0537%	2,119	N/A	Eleventh Floor - East	3BD/3/1	Elevator, Public Hall & Stairs			
11B	TBD	2.6587%	1,864	N/A	Eleventh Floor - West	3BD/3/1	Elevator, Public Hall & Stairs			
12A	TBD	3.0971%	2,119	N/A	Twelfth Floor - East	3BD/3/1	Elevator, Public Hall & Stairs			
12B	TBD	2.6967%	1,864	N/A	Twelfth Floor - West	3BD/3/1	Elevator, Public Hall & Stairs			
14A	TBD	3.1119%	2,119	N/A	Thirteenth Floor - East	3BD/3/1	Elevator, Public Hall & Stairs			
14B	TBD	2.7096%	1,864	N/A	Thirteenth Floor - West	3BD/3/1	Elevator, Public Hall & Stairs			
PH15	TBD	5.4128%	3,472	855	Fourteenth Floor	4BD/4/1/T	Elevator & Public Stairs			
PH16	TBD	4.9849%	3,289	162	Fifteenth Floor	4BD/4/1/T	Elevator & Public Stairs			
PH17	TBD	4.6951%	3,066	193	Sixteenth Floor	4BD/4/1/T	Elevator & Public Stairs			
PHA	TBD	8.5022%	5,595	1,866	Seventeenth & Eighteenth Floors, Roof	4BD/4/1/T	Elevator & Public Stairs			
Totals:		100.0000%	69,593	4,600						
BD - denotes Bedrooms										
G - denotes private Garden										
M - denotes Maisonette Unit										
PH - denotes Penthouse Unit										
T - denotes private Terrace(s)										

**SCHEDULE C
TO THE DECLARATION
OF CONDOMINIUM OF THE PREMISES
KNOWN AS**

40 EAST END AVENUE CONDOMINIUM

**LOCATED AT
40 EAST END AVENUE
NEW YORK, NEW YORK 10028**

DEFINITIONS

- | | | |
|---|---|--|
| “Appurtenant Interest” | - | With respect to any Unit, the undivided interest of the owner thereof, pursuant to the terms of Section 339-x of the Condominium Act, in and to: (i) the Common Elements; (ii) any other Units owned or leased at the time in question by the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners; (iii) any proceeds of the sale or lease of Units of the nature described in subdivision (ii) above; and (iv) any other assets of the Condominium. |
| “Assessments” | - | The charges allocated and assessed by the Board of Managers to the Unit Owners, pro rata, in accordance with their respective Common Interest, (except as otherwise provided in the Declaration or in the By-Laws). |
| “Board of Managers” or
“Condominium Board” | - | The governing board of the Condominium composed of representatives elected by Unit Owners voting in accordance with their respective percentages of Common Interest. |
| “Building” | - | The structure known as 40 East End Avenue Condominium, being newly constructed at 40 East End Avenue, New York, New York 10028. |

- “Common Charges”

 - Each Unit Owner’s proportionate share of the Common Expenses (as defined in the Condominium Documents), payable by the individual Unit Owner;
- “Common Elements”

 - All portions of the Property other than Units. Common Elements are comprised of General Common Elements and Limited Common Elements.
- “Common Expenses”

 - (a) Expenses of operation of the Property, and
 - (b) All sums designated Common Expenses by or pursuant to the provisions of the New York Condominium Act, the Declaration or the By-Laws.
- “Common Interest”

 - The proportionate, undivided interest in fee simple absolute in the Common Elements appertaining to each Unit as expressed in the Declaration.
- “Condominium”

 - A form of ownership of real property in which individual Units as component parts of a whole are owned in fee simple with the right of exclusive use, by separate individuals or entities, which separate individuals and/or entities jointly own those parts of the whole designated as Common Elements. In the context of this Offering Plan, “Condominium” specifically refers to 40 East End Avenue Condominium.
- “Condominium Act”

 - Article 9-B of the Real Property Law of the State of New York, as the same may be amended from time to time.
- “Condominium Documents”

 - The Declaration and all Schedules thereto, the By-Laws, the Rules and Regulations, the Floor Plans, form of Unit Deed and the form of Unit Owners Power of Attorney.
- “Consummation of the Plan”

 - Means (a) acceptance of the Amendment by the Department of Law confirming or declaring the Plan effective; (b) the recording of the Declaration of Condominium; and (c) the first transfer of title to a condominium unit to at least one (1) purchaser under the Plan following a declaration of effectiveness by the Sponsor.

- “Declaration”

- The instrument, as may be amended from time to time, by which the Property is submitted to the provisions of the New York State Condominium Act, consistent with the provisions of the New York Condominium Act and the By-Laws.
- “Down Payment” or
“Down Payments”

Means all deposits, advances and payments made by Purchaser, pursuant to the Purchase Agreement, including, but not limited to, the initial down payment (“Initial Down Payment”), any additional down payment (“Additional Down Payment”), if applicable, any initial and/or additional reservation payment for a Storage Room License (“License Down Payment”) and any other amounts paid by Purchaser for any special or custom work and/or upgrades, other than the deposit for a copy of the Offering Plan.
- “Eligible Holder”

- A holder, insurer or guarantor of a first mortgage on a Unit.
- “Equal or Better Quality”

- This phrase shall mean comparable or higher quality as recognized by industry standards or performance, efficiency, longevity and/or classifications, as applicable.
- “Facility” or “Facilities”

- As used in the Declaration, the word “Facility” or “Facilities” includes, but is not limited to, the following items (grouped more or less functionally) which are set forth only for purposes of illustrating the broad scope of that term: system, equipment, apparatus, radiator, heater, convertor, heat exchanger, mechanism, device, machinery, motor, pump, control, tank or tank assembly, insulation, induction unit, condenser, compressor, fan, damper, blower, thermostat, thermometer, coil, vent, sensor, shut-off valve or other valve, gong, panel, receptacle, outlet, relay, alarm, sprinkler head, electric distribution facility, wiring, wireway, switch, switchboard, circuit breaker, transformer, fitting, siamese connection, hose, plumbing fixture, lighting fixture, other fixture, bulb, sign, telephone, meter, meter assembly, scaffolding, piping, line,

duct, conduit, cable, riser, main shaft, pit, flue, lock or other hardware, rack, screen, strainer, trap, drain, catch basin, leader, filter, canopy, incinerator, closet, cabinet, door, railing, coping, step, furniture, mirror, furnishing, appurtenance, urn, basket, mailbox, carpeting, tile or other floor covering, drapery, shade or other window covering, wallpaper or other wall covering.

- “Filing”

 - Means the issuance of a letter from the Attorney General stating that an Offering Plan and/or an Amendment has been accepted for filing.
- “First Unit Closing”

 - The first closing of title with a bona fide purchaser of a Residential Unit.
- “Floor Plans”

 - The floor plans of the Units certified by a licensed engineer or registered architect, and filed in the Register’s Office of New York County simultaneously with the recording of the Declaration, together with any supplemental floor plans thereto.
- “General Common Elements”

 - The General Common Elements include, without limitation:
 - (1) The land on which the Building is physically erected, including any rear or side yard or courtyard areas, if any, and all other lands comprising the Property, if any. Specifically excluded are any unused transferable air rights and/or development rights pertaining to the Land and Building, which rights are being reserved by Sponsor for itself or Sponsor’s designee and any successors or assigns thereof. Rear or side yards and/or other areaways at the Property, if any, other than the Limited Common Elements described below, are not intended for public use except for ingress or egress purposes;
 - (2) To the extent they exist, all foundations, footings, columns, girders, floor slabs and concrete ceilings, beams, supports, and interior bearing walls (except to the extent

included below as Limited Common Elements); those portions of the exterior walls and any insulation or framing beyond the unexposed face of the dry wall at the exterior face of the Building, or where applicable, those portions of the exterior walls beyond the interior face of the exterior walls or the concealed blockwork, brickwork or masonry or concealed structural members of those walls; those portions of the walls and partitions dividing the Units from the corridors, the elevator shafts, mechanical equipment spaces which are not part of a Unit, fire staircases and stairs located beyond the unexposed face of the dry walls enclosing the Units, or, where applicable, the blockwork, brickwork, masonry or concrete work of the interior walls of the Building separating one Unit from another Unit, or from corridors, the elevator shafts, fire staircases, stairs, vestibules or lobbies not within a Unit; the subfloors and framing joists, if any, including any framing attached to such joists from which the dry wall ceiling of the Unit below is attached;

- (3) Roof bulkheads and roof areas which are not for the exclusive use of a particular Unit or Units, the use of which shall be at the sole discretion of the Board of Managers; skylights and/or glass enclosures, if any, other than those directly over Units;
- (4) Service corridors, fire corridors, halls, stairs, stairway areas and elevator lobbies located at all levels of the Building which are beyond the unexposed face of the dry walls or blockwork, brickwork, masonry or concrete work of the walls enclosing a Unit and are not specifically designated below as a Limited Common Element (which shall exclude the elevator foyer and adjacent corridor on each Penthouse Floor, which

shall be part of the sole Unit occupying that floor);

- (5) Storage and utility areas, mechanical rooms and equipment closets, if any, located at all levels of the Building and which are not part of a Unit or which are not specifically designated below as Limited Common Elements, and are located beyond the unexposed face of the drywalls or blockwork, brickwork, masonry or concrete work enclosing a Unit; all cellar areas which are not specifically designated below as a Limited Common Element and not part of a Unit;
- (6) The sidewalks in front of the Building, including any tree, shrubbery, flower or other planting or horticulture tub or box located thereon; the service entrances to the Building, if any; the entrances to and exits from the Building, including any handicapped ramp and/or lift, if any, adjacent thereto, together with any canopies, which are not part of a particular Unit or which are not specifically designated as a Limited Common Element;
- (7) The Building's driveway and porte-cochère at East 81st Street;
- (8) The mechanical rooms or other rooms located at the cellar level of the Building, including, but not limited to, the water meter room, gas meter room, emergency panel room, fire pump room; the detention tank; the emergency generator; the gas meters, water meters, electric meters, pumps and other equipment in the cellar; any and all cellar or other areas of the Building and Facilities which are not designated as part of a Unit or a Limited Common Element;

- (9) The compactor room together with any refuse room and compactor machinery and related Facilities located at the cellar level of the Building; the refuse rooms and compactor chutes located on all floors of the Building, all of which shall be used in a manner to be determined by the Board of Managers in its sole discretion (except that each refuse room located on a Penthouse Floor shall be part of the sole Unit occupying that floor);
- (10) Except to the extent they are deemed part of a Unit, the elevators, elevator machinery, the shafts and pits; the elevator switch rooms, the elevator bulkheads and elevator machine rooms, if any, for the elevators, together with all Facilities related thereto, located on any floor or roof of the Building;
- (11) On floor 2 of the Building, the fitness center, game room, library, and common kitchen, which shall be for the exclusive use of all of the Unit Owners in a manner to be determined by the Board of Managers. The use of the foregoing areas shall be subject to the By-Laws of the Condominium and any and all rules and regulations promulgated with regard thereto by the Board of Managers in their sole discretion;
- (12) The lobby to the Building together with the adjacent lounge, mail room and mailboxes for the Units located therein, package room, dry cleaning closet and general storage area;
- (13) The residential storage area, including any and all individual Storage Rooms located therein, located at the cellar floor of the Building. Each Storage Room shall be made available for the exclusive use of an individual Unit Owner pursuant to a Storage Room License between such Unit Owner and the Board of Managers. The use of any

Storage Room shall be subject to the By-Laws of the Condominium and any and all rules and regulations promulgated with regard thereto by the Board of Managers in their sole discretion;

- (14) The bicycle storage room located at the cellar level which shall be for the exclusive use of all of the Unit Owners in a manner to be determined by the Board of Managers. The use of the bicycle storage room shall be subject to the By-Laws of the Condominium and any and all rules and regulations promulgated with regard thereto by the Board of Managers in their sole discretion;
- (15) All installations and Facilities on the Property outside the Units for services such as gas, power, light, cable television, heat, telephone and water which service the Units and/or the General Common Elements;
- (16) All sewer pipes and drainage pipes; sprinkler systems and standpipe systems;
- (17) Those portions of the main roofs located at any level of the Building and those portions of the land, if any, which have been designated for the installation of mechanical equipment, including, but not limited to, roof tanks, cooling towers, any ventilation or air-conditioning equipment or other related Facilities, if any, which service the Units and/or the General Common Elements;
- (18) The boilers, heating equipment or hot water heaters or equipment, if any, ventilation and/or air-conditioning equipment, cooling towers and water tanks, if any, and related machinery or Facilities, wherever located in the Building, which service the Units and/or the General Common Elements;
- (19) Any piping and/or ductwork which is necessary for the functioning of the heating

equipment or hot water heaters or equipment, if any, ventilation and/or air-conditioning equipment and cooling towers, if any, wherever located in the Building, which service the Units and/or the General Common Elements;

- (20) Any and all windows of the Building which are not part of a particular Unit;
- (21) All street vaults, if any. To the extent there are any charges for said vault areas, such charges shall be paid by all of the Unit Owners as a Common Expense;
- (22) Any common tanks, common water and cooling towers or tanks, pumps, including, but not limited to, motors, fans, compressors, ducts, siamese connections, and, in general, all apparatus and installations and Facilities existing for common use;
- (23) The railing and slab component of each Juliette Balcony;
- (24) On each of the Penthouse Floors, the two (2) fire doors between the common stairways and the respective Unit's corridor adjacent thereto; and
- (25) All other apparatus, installations and Facilities existing in the Building for common use or necessary or convenient to the existence, maintenance or safety of the Building and the Units.

"Insurance Trustee"

- A bank, a trust company or savings and loan association, having an office in the City of New York, from time to time appointed to serve as such by the Condominium Board.

"Juliette Balcony"

- Refers to a decorative architectural feature that will be provided on the Building's southerly façade at certain Residential Units. Collectively, a Juliette

Balcony shall consist of the following components:
 (a) the door that is part of the window wall system, which shall be part of the applicable Unit, and (b) the railing and slab beyond the door at the exterior of the Unit, which shall be General Common Elements.

“Land”

- All that certain tracts, plots, pieces and parcels of land situate, lying and being in City of New York, County and State of New York as more particularly described in Schedule A to the Declaration.

“Law”

- The laws and ordinances of any or all of the Federal, New York State, New York City, and New York County governments, the rules, regulations, orders and directives of any or all departments, subdivisions, bureaus, agencies, or offices thereof or of any other governmental, public, or quasi-public authorities, including the Landmarks Preservation Commission, having jurisdiction over the Property and/or the Condominium, and/or the direction of any public officer pursuant to law.

“Limited Common Elements”

- Parts of the whole which are owned as Common Elements, but the exclusive use of which is granted to a single Unit Owner or several Unit Owners and, unless otherwise specified, the maintenance and repair of which is the responsibility of the Unit Owners or Owners to which the exclusive use has been allocated. In this Plan, the following are Limited Common Elements which shall be for the exclusive use of an individual Unit Owner(s):
 - (1) The skylights, if any, existing or installed at some future date, that are directly above any Unit which shall be for the exclusive use of such Unit Owner. The maintenance, repair and replacement of such skylights shall be the responsibility of the individual Unit Owners of such Units;
 - (2) Any fireplace, together with any flue and/or ductwork attached thereto, whether gas-fired or wood-burning, existing or installed at

some future date in any Unit shall be for the exclusive use of such Unit Owner;

- (3) The private terraces, together with any fencing delineating such area and any landscaping located thereon, which are adjacent to or directly accessed from a particular Unit, as delineated on the Floor Plans, which shall be for the exclusive use of the Unit Owner of such Unit. Nonstructural, ordinary repairs and maintenance of each private terrace, together with any fencing which delineates such area and any landscaping located thereon, shall be the sole responsibility of the individual Unit Owner who has the exclusive use thereof; and
- (4) The private garden, together with any fencing or walls delineating or enclosing such garden and landscaping located therein, which is adjacent to and directly accessed from the Maisonette Unit, as delineated on the Floor Plans, which shall be for the exclusive use of the Unit Owner of such Unit. Nonstructural, ordinary repairs and maintenance of the private garden, together with any fencing or walls delineating or enclosing such garden and any landscaping located therein, shall be the sole responsibility of the individual Unit Owner who has the exclusive use thereof.

“Majority”

- Majority of Unit Owners means either (i) more than fifty percent (50%) in Common Interest in the aggregate, or (ii) more than fifty percent (50%) in number of Units in the aggregate, or (iii) more than fifty percent (50%) in the aggregate in both Common Interest and in number of Units, as may be specified herein or in the Declaration or the By-Laws with respect to any matter or matters. Any specified percentage of Unit Owners means (i) such percentage in Common Interest in the aggregate, or (ii) such percentage in number of Units in the

aggregate, or (iii) such percentage in Common Interest and such percentage in number of Units, as may be specified herein or in the Declaration or the By-Laws with respect to any matter or matters, provided, however, that different percentages in interest and in number of Units may be so specified.

“Managing Agent”

- A person employed by the Condominium Board pursuant to Article II, Section 3 of the By-Laws, who shall undertake to perform the duties and services that the Condominium Board shall direct and who shall have whatever powers the Condominium shall delegate, subject to the limitations contained in such Section of the By-Laws.

“Offering Plan”

- The document filed with the New York State Department of Law which describes the condominium property and pursuant to which individual Units in the Condominium are offered for sale, as the same may be amended from time to time. Sometimes herein referred to as the “Plan”.

“Operation of the Property”

- The administration and operation of the Property and the maintenance, repair and replacement of, and the making of any additions and improvements to, the Common Elements.

“PCO”

- Refers to a permanent certificate of occupancy issued by the Department of Buildings of the City of New York.

“Penthouse Floor”

- Refers to each of floors PH15, PH16, PH17, PHA Lower Level, and PHA Upper Level.

“Person”

- A natural person, corporation, limited liability company, partnership, association, trustee or other legal entity.

“Power of Attorney”

- The document, signed by Unit Owners, which appoints:
 - (i) the Board of Managers as attorney-in-fact to acquire, on behalf of all Unit Owners, any Unit the Unit Owner of which wishes to sell

or abandon together with the Appurtenant Interests thereto and to deal with any such Units so acquired as they may determine.

- (ii) the Sponsor and/or Sponsor's designee, their successors or assigns, as attorney-in-fact, to amend the Declaration, the By-Laws, and the Rules and Regulations of the Condominium or any of said documents under certain conditions set forth in the Power of Attorney.
- (iii) the Sponsor and/or Sponsor's designee, their successors or assigns, as attorney-in-fact, to sign any document to effectuate the transfer, assignment or conveyance by Sponsor, in whole or part, of the unused transferable air rights and/or development rights which Sponsor has retained for itself and/or Sponsor's designee, and/or their successors or assigns.

"Property"

- Means and includes the Land, the Building and all other improvements thereon, (i) owned in fee simple absolute, (ii) all easements, rights and appurtenances belonging thereto, and (iii) all other property, personal or mixed, intended for use in connection therewith, which have been or are intended to be submitted to the provisions of the New York State Condominium Act.

"Purchase Agreement"

- Means the agreement to initially purchase a Unit in the Building.

"Purchaser"

- Any Person who has entered into a Purchase Agreement with Sponsor for the right to purchase a Residential Unit and is not in default thereunder.

"Recording officer" and
"Recording" or "Recorded"

- Shall have the meanings stated in section two hundred ninety of the New York State Real Property Law.

- “Residential Unit”

 - A designated apartment in the Building comprising the Condominium which is owned in fee simple absolute.
- “Residential Units”

 - Collectively, all the apartments in the Building.
- “Residential Unit Owner”

 - Means the person, persons or entity owning a Residential Unit in fee simple absolute.
- “Rules and Regulations”

 - The rules and regulations of the Condominium, which are annexed as an addendum to the By-Laws, as any of the same may be amended, modified, added to, or deleted from time to time pursuant to the terms of the By-Laws, provided that they are not in conflict with the terms of the Condominium Act, the Declaration, or the By-Laws.
- “Selling Agent”

 - The entity which will, on behalf of the Sponsor, originate and supervise sales of Units. NRT New York LLC d/b/a Corcoran Sunshine Marketing Group is the Selling Agent pursuant to the terms of the Offering Plan.
- “Sponsor”

 - The promoter of the project and/or Offering Plan to convert a particular parcel of property to Cooperative or Condominium Ownership; 40 East End Ave. Associates LLC is the Sponsor of this Offering Plan.
- “Sponsor-designee”

 - Any Person designated by Sponsor to hold title to any Unit. Sponsor’s statement in writing that a Person is a Sponsor-designee shall be conclusive evidence of such status so as to entitle such Person to all the rights of a Sponsor-designee under this Offering Plan. A Sponsor-designee shall have the right to designate a Person to succeed to its rights and any such designee shall also be deemed a “Sponsor-designee”.
- “Sponsor’s Attorneys”

 - Shall mean D’Agostino, Levine, Landesman & Lederman, LLP.
- “Storage Room”

 - Refers to one of the individual storage rooms located at the cellar floor of the Building which will be made available for the exclusive use of an

individual Residential Unit Owner pursuant to a Storage Room License and which constitutes a General Common Element.

- “Storage Room License”

 - Refers to the license to be granted to a Residential Unit Owner evidencing the Residential Unit Owner’s right to the exclusive use of a Storage Room.
- “TCO”

 - Refers to a temporary certificate of occupancy issued by the Department of Buildings of the City of New York.
- “Unit”

 - Any space in the Building designated as a Unit. Such Units are a part of the Property intended for any type of legal use or uses, and adjoin an exit to a public street or highway or a Common Element or elements leading to a public street or highway, and may include such appurtenances as a private terrace or private garden. Any private elevator, dumbwaiter, or access stair located within a Unit which is for the exclusive use of the individual Unit Owner shall be deemed a part of the Unit. Such Unit Owner shall be responsible for the cost of any maintenance, repair or replacement of said private elevator, dumbwaiter, or access stair. Further, any mechanical or other equipment, including, but not limited to, sprinkler, heating, hot water and air-conditioning equipment, communication equipment, elevator or pool equipment, outdoor kitchen equipment, with all related ductwork, piping, wiring, and conduits attached thereto, located outside or inside a Unit which only services a particular Unit shall be a fixture which is the personal property of the Unit Owner of the Unit it services. Such Unit Owner shall be responsible for the cost of any maintenance, repair or replacement of such mechanical equipment.
- “Unit Deed”

 - The deed transferring title to a specified Unit from Sponsor to Purchaser in fee simple absolute.
- “Unit Designation”

 - The number, letter or combination thereof or other official designations conforming to the tax lot number, if any, designating the Unit in the Declaration and on the floor plans.

“Unit Owner”

- The person or persons, or entity owning a Unit in fee simple absolute. It collectively means the respective owners of the Residential Units.

“Unsold Units”

- Any Unit owned by Sponsor or its designee at the time in question.

**SCHEDULE D
TO THE DECLARATION
OF CONDOMINIUM OF THE PREMISES
KNOWN AS**

40 EAST END AVENUE CONDOMINIUM

**LOCATED AT
40 EAST END AVENUE
NEW YORK, NEW YORK 10028**

POWER OF ATTORNEY

The undersigned, _____, the Owner of Residential Unit No. _____ located at 40 East End Avenue, New York, New York 10028, in the Condominium known as 40 East End Avenue Condominium, consisting of the property submitted to the provisions of Article 9-B of the Real Property Law of the State of New York pursuant to Declaration dated _____, 20____, and recorded in the Office of the Register of the City of New York, County of New York, as CRFN _____ and on the Floor Plans on file in said office as CRFN _____, do(es) hereby nominate, constitute and appoint the persons who may from time to time constitute the Board of Managers of 40 East End Avenue Condominium jointly, true and lawful attorneys-in-fact for the undersigned, coupled with an interest, with power of substitution, to acquire in their own name, as members of the Board of Managers, or in the name of their designee, corporate or otherwise, on behalf of all Owners of Units in said Property, in accordance with their common interests, any Unit whose Owner desires to abandon or sell the same, including the undivided interest in the Common Elements appurtenant thereto, the interest of such Unit Owner in any other Units theretofore acquired by the Board of Managers, or its designee, on behalf of all Unit Owners, or in the proceeds of sale or lease thereof, if any, and the rights and privileges appurtenant thereto, the interest of such Unit Owner in all other assets of the Condominium as defined in the aforementioned Declaration or any Unit, which shall be the subject of a foreclosure or other judicial sale, or to lease any Unit whose Owner desires to rent the same, at such price or on such rental, as the case may be, and on such terms as said attorneys-in-fact shall deem proper, and thereafter to convey, sell, lease or mortgage (but not to vote the votes appurtenant thereto) to otherwise deal with any such Units so acquired by them, or to sublease any Unit so leased by them on such terms as said attorneys-in-fact may determine, granting to such attorneys-in-fact the power to do all things in the said premises which the undersigned could do if the undersigned were personally present.

The acts of majority of such persons shall constitute the acts of said attorneys-in-fact.

The undersigned do(es) hereby nominate, constitute and appoint 40 East End Ave. Associates LLC, a Delaware limited liability company duly authorized to transact business in the State of New York ("Sponsor") and/or Sponsor's designee, their successors or assigns, as attorney-in-fact for the undersigned, their successors, assigns and/or heirs, coupled with an interest, with power of substitution, to severally amend from time to time the Declaration, the By-Laws and the Rules and Regulations of the Condominium, or any of said documents, when such amendment (1) shall be required to effectuate the provisions of Articles 16 and 17 of the Declaration and any other provision thereof or set forth in the Condominium's By-Laws and/or Rules and Regulations, or to reflect any change in Unsold Units and/or the reapportionment of the Common Interests of the affected Unsold Units resulting therefrom made by Sponsor or its designee in accordance with Articles 16 and 17 of the Declaration or any other provision thereof or set forth in the Condominium's By-Laws and/or Rules and Regulations, or (2) shall be required by (a) an institutional lender procured by Sponsor or its designee, to make a mortgage loan secured by a mortgage on any Unit, (b) any governmental agency having regulatory jurisdiction over the Condominium, or (c) any title insurance company selected by Sponsor or its designee, to insure title to any Unit, provided, however, that any amendment made pursuant to

the terms of this paragraph shall not (i) change the Common Interest of the undersigned's Unit, (ii) require a material, physical modification to the undersigned's Unit, or (iii) adversely affect the priority or validity of the lien of any purchase money mortgage or any mortgage held by an institutional lender covering the undersigned's Unit unless the undersigned (in the event described in subdivision (i) or (ii) of this paragraph) and the holder of such mortgage (in the event described in subdivision (iii) of this paragraph) shall consent thereto by joining in the signing of such amendment. With regard to Sponsor's Unsold Units, the terms, covenants and conditions contained in, and the powers granted pursuant to this paragraph shall remain in full force and effect until such time as the Sponsor or Sponsor-designee(s) shall cease to own any Units in the Condominium.

The undersigned do(es) further nominate, constitute and appoint 40 East End Ave. Associates LLC and/or its designee, their successors or assigns, as attorney-in-fact for the undersigned, their successors, assigns and/or heirs, coupled with an interest, with power of substitution, to sign any document on behalf of the undersigned, if same is necessary, to effectuate the transfer, assignment or conveyance by Sponsor, in whole or in part, of the transferable air rights and/or development rights which Sponsor has retained for itself, its successors and assigns in accordance with Paragraph numbered 20 of the Declaration. This power of attorney shall in no way be construed to grant any interest in such transferable air rights and/or development rights to the undersigned.

The undersigned do(es) further nominate, constitute and appoint (i) the persons who may from time to time constitute the Board of Managers of the Condominium jointly, and (ii) 40 East End Ave. Associates LLC and/or its designee, their successors or assigns, as attorneys-in-fact for the undersigned, their successors, assigns and/or heirs, coupled with an interest, with power of substitution, to sign, acknowledge and deliver, and, if necessary, to cause to be recorded in the Office of the Register of New York County, (a) any declaration or other instrument affecting the Condominium that the Condominium Board deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution, or requirement of the Department of Buildings, the Landmarks Preservation Commission, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the maintenance, demolition, construction, alteration, repair, or restoration of the Condominium or (b) any agreement, consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting the Condominium or the Common Elements that the Condominium Board deems necessary or appropriate.

This power of attorney shall be irrevocable.

IN WITNESS WHEREOF, the undersigned, has signed this Power of Attorney this _____ day of _____, 20__.

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

On the _____ day of _____, in the year 20____, before me, the undersigned, a Notary Public in and for said state, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they signed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, signed the instrument.

Notary Public

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

On the _____ day of _____, in the year 20____, before me, the undersigned, a Notary Public in and for said state, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they signed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, signed the instrument.

Notary Public

SCHEDULE E

BY-LAWS

OF

THE CONDOMINIUM OF THE PREMISES

KNOWN AS

40 EAST END AVENUE CONDOMINIUM

**LOCATED AT 40 EAST END AVENUE
NEW YORK, NEW YORK 10028**

Borough of Manhattan

New York County, City and State of New York

**D'AGOSTINO, LEVINE, LANDESMAN & LEDERMAN, LLP
ATTORNEYS FOR SPONSOR
345 SEVENTH AVENUE, 23RD FLOOR
NEW YORK, NEW YORK 10001**

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**BY-LAWS
OF
THE CONDOMINIUM OF THE PREMISES
KNOWN AS
40 EAST END AVENUE CONDOMINIUM
LOCATED AT 40 EAST END AVENUE
NEW YORK, NEW YORK 10028**

ARTICLE I

PLAN OF UNIT OWNERSHIP

Section 1. **Unit Ownership.** The property, located in the Borough of Manhattan, New York County, City and State of New York at 40 East End Avenue, New York, New York 10028 (hereinafter called the "Property") has been submitted pursuant to the provisions of Article 9-B of the Real Property Law of the State of New York by the Declaration recorded in the New York County Office of the Register of the City of New York, simultaneously herewith. The Condominium thereby created shall hereinafter be known as 40 East End Avenue Condominium and is sometimes referred to as the "Condominium" or "Condominiums."

Section 2. **Applicability of By-Laws.** The provisions of these By-Laws are applicable to the Property of the Condominium and to the use and occupancy thereof. The term "Property" as used herein shall include the land, the Building and all other improvements thereon (including the Units and the Common Elements, whether General Common Elements or Limited Common Elements), but excluding any unused transferable air rights and/or development rights pertaining to the land and building which rights are being reserved by Sponsor for itself and/or Sponsor's designee and any successors or assigns thereto, owned in fee simple absolute, and all easements, rights and appurtenances belonging thereto, and all other property, personal or mixed, intended for use in connection therewith, all of which are intended to be submitted to the provisions of said Article 9-B of the Real Property Law of the State of New York. The Condominium Units are hereinafter sometimes referred to as "Unit" or "Units."

Section 3. **Application.** All present and future owners, mortgagees, lessees and occupants of Units and their employees, and any other persons who may use the facilities of the Property in any manner are subject to these By-Laws, the Declaration and the Rules and Regulations attached hereto as Addendum to the By-Laws.

The acceptance of a deed or conveyance or the entering into of a lease for a Unit or the act of occupancy of a Unit shall constitute an agreement that these By-Laws, the Rules and Regulations and the provisions of the Declaration, as they may be amended from time to time, are accepted, ratified, and will be complied with.

Section 4. **Definitions.** All capitalized terms used in these By-Laws that are not otherwise defined in any of the Articles hereof shall have the meanings set forth in Schedule C to the Declaration, unless the context in which the same are used shall otherwise require. All capitalized terms used in these By-Laws that are defined in any of the Articles hereof shall have the meanings ascribed to them in such Articles, unless the context in which the same are used shall otherwise require. Each of the aforescribed capitalized terms shall be applicable to singular and to plural nouns, as well as to verbs of any tense.

Section 5. **Office.** The office of the Condominium and of the Board of Managers shall be located at the Property.

ARTICLE II

BOARD OF MANAGERS

Section 1. **Status of the Board of Managers.** Unless and until the Board of Managers shall incorporate in accordance with the terms of Section 3 hereof, the Board of Managers shall have, to the extent permitted by Law, the status conferred upon unincorporated associations under, or pursuant to, the terms of the General Association Law of the State of New York. If the Board of Managers shall incorporate in accordance with the terms of Section 3 hereof, the Board of Managers shall have, to the extent permitted by Law, the status conferred upon it under, or pursuant to, the terms of the applicable statutes of the State of New York. In either event, however, the Board of Managers shall also have the status conferred upon it under, or pursuant to, the terms of the Condominium Act.

Section 2. **Number and Term.** The number of Managers which shall constitute the whole Board shall be not less than three (3) and not more than seven (7). Until succeeded by the Managers elected at the first meeting of Unit Owners called for such purpose, Managers need not be Unit Owners; thereafter, all Managers, other than a representative of Sponsor or its designee, shall be Unit Owners, the principal or officer of a Unit Owner or the spouse of a Unit Owner. The number of Managers elected at the first such meeting shall be five (5). Thereafter, within the limits above specified, the number of Managers shall be determined by the Unit Owners at their annual meetings. The Managers shall be elected at the annual meeting of the members. There shall always be an odd number of Managers. The Managers shall hold office until their successors have been elected and hold their first meeting. But, in any event, the terms of the members of the Board of Managers shall expire annually.

Section 3. **Powers and Duties.** The Board of Managers shall have the powers and duties necessary for the administration of the affairs of the Condominium and may do all such acts and things except as by law or by the Declaration or by these By-Laws may not be delegated to the

Board of Managers by the Unit Owners. Such powers and duties of the Board of Managers shall include, but shall not be limited to, the following:

- a. Contracting for the necessary services for operation, care, upkeep and maintenance of the Common Elements.
- b. Determination of the Common Expenses and Common Charges required for the affairs of the Condominium, including, without limitation, the operation and maintenance of the Property.
- c. Collection of the Common Charges and expenses of the Condominium from the Unit Owners.
- d. Employment and dismissal of the personnel necessary for the maintenance and operation of the Common Elements.
- e. Adoption and amendment of Rules and Regulations covering the details of the operation and use of the Property subject to a right of the Unit Owners to overrule the Board (See Article VI, Section 16).
- f. Opening of bank accounts on behalf of the Condominium and designating the signatories required therefor.
- g. Purchasing or leasing or otherwise acquiring in the name of the Board of Managers, or its designee, corporate or otherwise, on behalf of all Unit Owners, Units offered for sale or lease or surrendered by their Owners to the Board of Managers.
- h. Purchasing of Units at foreclosure or other judicial sales in the name of the Board of Managers, or its designee, corporate or otherwise, on behalf of all Unit Owners.
- i. Acquiring in the name of the Board of Managers, or its designee, corporate or otherwise, on behalf of all Unit Owners, rights and interests in real and personal property for use in connection with the ownership and operation of the Property as a condominium, as described in the Declaration and these By-Laws.
- j. Selling, leasing, mortgaging (but not voting the votes appurtenant to), or otherwise dealing with Units acquired by, and subleasing Units leased by the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners.
- k. Organizing corporations to act as designees of the Board of Managers in acquiring title to or leasing of Units on behalf of all Unit Owners.

- l. To incorporate, to the extent and in the manner provided in the Condominium Act, provided, however, that: (i) the certificate of incorporation and by-laws of any such resulting corporation shall conform as closely as practicable to the terms of the Declaration and these By-Laws and (ii) the terms of the Declaration and these By-Laws shall prevail in the event of any inconsistency or conflict between the terms thereof and the terms of such certificate of incorporation and bylaws;
- m. Obtaining and reviewing of insurance for the Property, including the Units, pursuant to the provisions of Article VI, Section 2 hereof.
- n. Making of repairs, additions and improvements to or alterations of the Property and repairs to and restoration of the Property in accordance with the other provisions of these By-Laws, after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings.
- o. Negotiation and settlement of all claims and actions relating to the Condominium.
- p. Borrowing money on behalf of the Condominium when required in connection with the operation, care, upkeep and maintenance of the Common Elements, provided, however, that (i) the consent of a majority of all Unit Owners shall be required for the borrowing of any sum in excess of \$10,000.00 and (ii) no lien to secure repayment of any sum borrowed may be created on any Unit or its appurtenant interest in the Common Elements without the written consent of the Unit Owner. If any sum borrowed by the Board of Managers on behalf of the Condominium pursuant to the authority contained in this paragraph (p) is not repaid by the Board, a Unit Owner who pays to the creditor such proportion thereof as his interest in the Common Elements bears to the interest of all the Unit Owners in the Common Elements shall be entitled to obtain from the creditor a release of any judgment or other lien which said creditor shall have filed or shall have the right to file against the Unit Owner's Unit.
- q. Levying fines against Unit Owners for violations of the Rules and Regulations governing the operation and use of the Property and levying late payment charges against Unit Owners for late payment of their Common Charges, including Assessments and Special Assessments.
- r. Notwithstanding anything to the contrary contained in these By-Laws, so long as the Sponsor or any Sponsor-designee shall continue to own twenty-five percent (25%) of the Common Interests allocated to the Units, but in no event for a period in excess of five (5) years from the closing of title to the first Unit ("First Unit Closing"), the Board of Managers may not, without the Sponsor's or Sponsor-designee's prior written consent, (i) make any addition, alteration or improvement to the Common Elements, including but not limited to the Building's façade, or to any Unit or (ii) assess any Common Charge for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund except that

Sponsor will consent to replacements to any contingency fund and/or capital replacement reserve provided for in Schedule B of the Offering Plan for the Property to the extent that the aggregate amount of such fund does not exceed four percent (4%) of the budgeted expenses of the Condominium, and Sponsor will consent to replacements to the Major Capital Improvement Replacement Reserve Fund provided for in Schedule B of the Offering Plan and as required by Federal Housing Administration ("FHA") and Fannie Mae guidelines to the extent that the aggregate amount of such funds does not exceed ten percent (10%) of the budgeted expenses of the Condominium, but subject to Sponsor's right to obtain a reserve study that may justify the reduction of the requisite percentage or (iii) borrow money on behalf of the Condominium (except where necessary to perform work required by law to the extent that existing reserves are insufficient) or (iv) increase the number or change the type of employees from that described in Schedule B of the Offering Plan to be filed for the Property or (v) provide for new or additional services from those indicated in Schedule B of the Offering Plan to be filed for the Property, unless the annual cost of all other services being provided, is no greater than the total cost of those provided for in Schedule B. As long as the Sponsor or any Sponsor-designee shall continue to own a Unit the Board of Managers may not, without the Sponsor's or Sponsor designee's prior written consent (i) amend the Declaration or these By-Laws so as to in any way adversely affect the Sponsor or its designees or (ii) interfere with the offer and sale or leasing of Units and/or Storage Rooms; (iii) interfere with the operation of general or sales and leasing offices at the Property or the actions necessary for construction, renovation, repair or correction at the Property, as required by Sponsor. The Sponsor or Sponsor-designee shall have the right to withhold its consent to any of the foregoing actions. However, notwithstanding the provisions of this Section 3r, the Sponsor or Sponsor-designee shall not withhold its consent to the making of capital repairs to the Common Elements or assessment of any Common Charge for expenses required to comply with applicable law or regulations or to remedy any notice of violation or to remedy any work order by an insurer.

Section 4. Managing Agent and Manager. The Board of Managers may employ for the Condominium a managing agent and/or a manager at a compensation established by the Board of Managers to perform such duties and services as the Board of Managers shall authorize. The Board of Managers may delegate to the manager or managing agent, all of the powers granted to the Board of Managers by these By-Laws other than the powers set forth in subdivisions (b), (e), (f), (g), (h), (i), (j), (k), (l), (o), (p) and (q) of Section 3 of this Article II. Except with respect to Sponsor or Sponsor's designee, the managing agent or manager may not be a member of the Board of Managers.

Section 5. First Board of Managers. The first Board of Managers shall consist of persons designated by the Sponsor, who shall hold office and exercise all powers of the Board of Managers until the first meeting of Unit Owners called for the purpose of electing Managers.

Any or all of said Managers shall be subject to replacement in the event of resignation or death in the manner set forth in Section 7 of this Article.

Section 6. Removal of Members of the Board of Managers. At any regular or special meeting of Unit Owners, any one or more of the members of the Board of Managers, other than a member designated by the Sponsor or a Sponsor-designee, may be removed with or without cause by an affirmative vote of Unit Owners whose aggregate Common Interest exceed fifty percent (50%) of the Common Interest of the Condominium, and a successor may then and there or thereafter be elected to fill the vacancy thus created. Any member of the Board of Managers whose removal has been proposed by the Unit Owners shall be given an opportunity to be heard at the meeting. A member of the Board of Managers designated by the Sponsor or a Sponsor-designee may only be removed for cause by the affirmative vote of Unit Owners (including Sponsor and/or any other Holder of Unsold Units) owning in the aggregate, a percentage in Common Interest in excess of fifty percent (50%) of the Common Interest of the Condominium. In the event of such removal, the Sponsor or Sponsor-designee, as the case may be, shall have the exclusive right to designate a replacement for such removed member of the Board of Managers. Notwithstanding anything to the contrary herein, any member of the Board of Managers designated by Sponsor or a Sponsor-designee may be replaced at any time by Sponsor or such Sponsor-designee, unilaterally and in its sole discretion. If a member of the Board of Managers ceases to be a Unit Owner, the principal or officer of a Unit Owner or the spouse of a Unit Owner, unless such member is a designee of the Sponsor or a Sponsor-designee, such Board Member shall be deemed to have resigned effective as of the date such ownership interest ceased.

Section 7. Vacancies. Vacancies in the Board of Managers caused by any reason other than the removal of a member thereof by a vote of the Unit Owners shall be filled by vote of a majority of the remaining members at a special meeting of the Board of Managers 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 each person so elected shall be a member of the Board of Managers until a successor shall be elected at the next annual meeting of the Unit Owners to serve the remaining term. Notwithstanding the foregoing, vacancies of members designated by the Sponsor or Sponsor-designee, shall be filled only by the Sponsor or Sponsor-designee, as the case may be.

Section 8. Organization Meeting. The first meeting of the members of the Board of Managers following the annual meeting of the Unit Owners shall be held within ten (10) days thereafter, at such time and place as shall be fixed by a majority of the members of the Board of Managers elected at the meeting at which they shall have been elected, and no notice shall be necessary to the newly elected members of the Board of Managers in order legally to constitute such meeting, providing a majority of the whole Board of Managers shall be present thereat.

Section 9. Regular Meetings. Regular meetings of the Board of Managers may be held at such time and place as shall be determined from time to time by a majority of the members of the Board of Managers, but at least two (2) such meetings shall be held during each fiscal year.

Notice of regular meetings of the Board of Managers shall be given to each member of the Board of Managers, by mail or telegraph, at least five (5) business days prior to the day named for such meeting.

Section 10. **Special Meetings.** Special meetings of the Board of Managers may be called by the President on three (3) business days' notice to each member of the Board of Managers, given by mail, telegraph or personal delivery to the Unit owned by such member of the Board of Managers, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Managers shall be called by the President or Secretary in like manner and on like notice on the written request of at least two (2) members of the Board of Managers.

Section 11. **Waiver of Notice.** Any member of the Board of Managers may at any time waive notice of any meeting of the Board of Managers in writing and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board of Managers at any meeting of the Board shall constitute a waiver of notice by him of the time and place thereof. If all the members of the Board of Managers are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 12. **Quorum of Board of Managers.** At all meetings of the Board of Managers, a majority of the members thereof shall constitute a quorum for the transaction of business, and the votes of a majority of the members of the Board of Managers present at a meeting at which a quorum is present shall constitute the decision of the Board of Managers. If at any meeting of the Board of Managers there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called, may be transacted without further notice. Any action required or permitted to be taken by the Board of Managers or any committee thereof may be taken without a meeting if all members of the Board or the committee consent in writing to the adoption of a resolution authorizing such action, and the writing or writings are filed with the minutes of the proceedings of the Board or the committee.

Section 13. **Fidelity Bonds.** The Board of Managers shall, in its discretion, obtain fidelity bonds in the amount of \$100,000.00 or more for all officers and employees of the Condominium handling or responsible for Condominium funds and for the managing agent, if any. The premiums on such bonds shall constitute a Common Expense.

Section 14. **Compensation.** No member of the Board of Managers shall receive any compensation from the Condominium for acting as such.

Section 15. **Liability of the Board of Managers.** The members of the Board of Managers shall not be liable to the Unit Owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The Unit Owners shall indemnify and hold harmless each of the members of the Board of Managers against all contractual liability to others arising out of contracts made by the Board of Managers on behalf of the Condominium unless any such contract shall have been made in bad faith or contrary to

the provisions of the Declaration or of these By-Laws. It is intended that the members of the Board of Managers shall have no personal liability with respect to any contract made by them on behalf of the Condominium within the scope of their authority. It is understood and permissible for the original Board of Managers who are members of the Sponsor to contract with the Sponsor and affiliated corporations without fear of being charged with self-dealing. It is also intended that the liability of any Unit Owner arising out of any contract made by the Board of Managers or out of the aforesaid indemnity in favor of the members of the Board of Managers shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the interests of all the Unit Owners in the Common Elements. Every agreement made by the Board of Managers or by the managing agent or by the manager on behalf of the Condominium shall provide that the members of the Board of Managers, or the managing agent, or the manager, as the case may be, are acting only as agent for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners), and that each Unit Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the interest of all Unit Owners in the Common Elements.

Section 16. Executive Committee. The Board of Managers may, by resolution duly adopted, appoint an Executive Committee to consist of two (2) or more members of the Board of Managers, at least one of whom shall be a member designated by the Sponsor or Sponsor-designee so long as the Sponsor or Sponsor-designee has the right to designate a member of the Board. Such Executive Committee shall have and may exercise all the powers of the Board of Managers in the managing of the business and affairs of the Condominium during the intervals between the meetings of the Board of Managers insofar as may be permitted by law, except that the Executive Committee shall not have power (a) to determine the Common Charges and expenses required for the affairs of the Condominium, (b) to determine the Common Charges payable by the Unit Owners to meet the Common Charges and expenses of the Condominium, (c) to adopt or amend the Rules and Regulations covering the details of the operation and use of the Property or (d) to exercise any of the powers set forth in subdivisions (g), (h), (i) and (p) of Section 3 of Article II.

Section 17. Other Committees. The Board of Managers may by resolution create such other committees as it shall deem appropriate and such committees shall have such powers and authority as the Board of Managers shall vest therein. The members of any such committee, at least one (1) of whom shall be designated by the Sponsor or a Sponsor-designee, so long as the Sponsor or Sponsor-designee has the right to designate a member of the Board, shall be appointed by the President of the Condominium. The members of any such committee need not be a member of the Board of Managers, but must be eligible to be elected to the Board of Managers. Such committee shall not have power to do any act which the Executive Committee may not do under subsections (a)-(d) of Section 16 of Article II.

ARTICLE III

UNIT OWNERS

Section 1. Annual Meetings.

(a) Within thirty (30) days after the earlier of (i) one hundred twenty (120) days after the date on which seventy-five percent (75%) of all of the Units have been conveyed to Unit Purchasers; (ii) the date on which the closing of title to all of the Units has occurred; or (iii) two (2) years from the First Unit Closing, or such earlier time as Sponsor deems to be in the best interest of the parties the Sponsor shall call a special Unit Owners meeting for the purpose of electing a Board of Managers. At such meeting the First Board of Managers shall resign and a new Board shall be elected by the Unit Owners. Thereafter, annual meetings shall be held on or about the anniversary of such date each succeeding year. At such meetings, there shall be elected by ballot of the Unit Owners a Board of Managers in accordance with the requirements of Article II of these By-Laws. The Unit Owners may also transact such other business of the Condominium as may properly come before them.

(b) Sponsor's Right to Elect Members of the Board of Managers. So long as the Sponsor or a Sponsor-designee shall continue to own: (i) one (1) or more Units, the Sponsor or Sponsor-designee shall have the right to designate or elect at least three (3) of the five (5) members of the Board of Managers and in any event a majority of the Board of Managers for up to five (5) years subsequent to the First Unit Closing; or (ii) one (1) or more Units five (5) years or more subsequent to the First Unit Closing, the Sponsor or Sponsor-designee shall have the right to designate or elect at least two (2) of the five (5) members of the Board of Managers and in any event the right to designate or elect a number of members of the Board of Managers which equals one (1) less than a majority thereof. Members of the Board of Managers shall serve for a term of one (1) year. The Unit Owners may transact such other business at such meetings as may properly come before them. Upon the earlier of (i) the closing of title to all of the Units, or (ii) five (5) years from the First Unit Closing, Sponsor, including any designee thereof, will relinquish control of the Board of Managers if it has such control and will not elect a majority of its nominees for positions on the Board of Managers, even though the total percentage of Common Interest may otherwise enable it to do so.

(c) Subsequent to the date that the Sponsor, including any designee thereof, relinquishes control of the Board of Managers, all Board members, other than those members which the Sponsor or its designee have the right to appoint hereunder, must be owner-occupants of the Condominium who are not related to Sponsor or to any principal of Sponsor. In the event that the number of owner-occupants of the Condominium is insufficient to establish a majority of the Board members, then, in such event, any owner-occupant shall be entitled to one (1) seat on the Board of Managers.

Section 2. **Place of Meetings.** Meetings of the Unit Owners shall be held at the principal office of the Condominium or at such other suitable place convenient to the Unit Owners as may be designated by the Board of Managers.

Section 3. **Special Meetings.** It shall be the duty of the President to call a special meeting of the Unit Owners as directed by the Board of Managers or upon a petition signed by a majority of the Unit Owners as defined in Section 9 of this Article III having been presented to the Secretary. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 4. **Notice of Meetings.** It shall be the duty of the Secretary to mail a notice of each annual or special meeting of the Unit Owners, at least ten (10) but not more than thirty (30) days prior to such meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Unit Owner of record, at the building or at such other address as such Unit Owner shall have designated by notice in writing to the Secretary. If the purpose of any meeting shall be to act upon a proposed amendment to the Declaration or to these By-Laws, the notice of meeting shall be mailed at least ten (10) days prior to such meeting. The mailing of a notice of meeting in the manner provided in this Section shall be considered service of notice.

Section 5. **Adjournment of Meetings.** If any meeting of Unit Owners cannot be held because a quorum has not attended, a majority of the Unit Owners who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.

Section 6. **Order of Business.** The order of business at all meetings of the Unit Owners shall be as follows:

- a. Roll call;
- b. Proof of notice of meeting;
- c. Reading of minutes of preceding meeting;
- d. Reports of officers;
- e. Report of Board of Managers;
- f. Reports of committees;
- g. Election of inspectors of election (when so required);
- h. Election of members of the Board of Managers (when so required);
- i. Unfinished business;

j. New business.

Section 7. Title to Units. Title to Units may be taken in the name of an individual or in the names of two (2) or more persons, as tenants in common or as joint tenants or as tenants by the entirety or in the name of a corporation or limited liability company or partnership, or in the name of a fiduciary or trust, estate, unincorporated association, syndicate, joint venture, organization, government or any department or agency thereof, or any other entity permitted to own real property in the State of New York. The term "Unit Owner" as used in these By-Laws shall include any person, group of persons, association or entity taking title as set forth in this Section. The above shall not constitute consent or condonation of any activity not permitted under existing certificates of occupancy, zoning requirements or other applicable law or regulation.

Section 8. Voting. The Owner or Owners of each Unit, or some person designated by such Owner or Owners to act as proxy on his or their behalf and who need not be an Owner, shall be entitled to cast the votes appurtenant to such Unit at all meetings of Unit Owners. The designation of any such proxy shall be made in writing to the Secretary, and shall be revocable at any time by written notice to the Secretary by the Owner or Owners so designating. Any or all of such Owners may be present at any meeting of the Unit Owners. The Owners of each Unit (including the Sponsor or Sponsor-designee, if the Sponsor or its designee shall then own one (1) or more Units) shall be entitled to cast one (1) vote for each .0001% of interest in the Common Elements attributable to the Unit or Units owned by them on all matters put to a vote at all meetings of Unit Owners; except that, when voting for the election of members of the Board of Managers, each Unit Owner: (i) shall be entitled to one vote for each .0001% of Common Interest attributable to his Unit per member to be elected, and (ii) shall not have the right to cumulate his votes in favor of any one or more members to be elected. If Units are owned by more than one (1) person as joint tenants, tenants by the entirety or as tenants in common or by a partnership, corporation, limited liability company, or other entity, the persons owning said Unit shall agree among themselves and cast the votes for their Unit. A fiduciary shall be the voting member with respect to any Unit in a fiduciary capacity. Any Unit or Units owned by the Board of Managers or its designee shall not be entitled to vote.

Section 9. Majority of Unit Owners. As used in these By-Laws the term "majority of Unit Owners" shall mean those Unit Owners having greater than fifty percent (50%) of the total authorized votes of all Unit Owners present in person or by proxy and voting at any meeting of the Unit Owners, determined in accordance with the provisions of Section 8 of this Article III.

Section 10. Quorum. Except as otherwise provided in these By-Laws, the presence in person or by proxy of a majority of Unit Owners shall constitute a quorum at all meetings of the Unit Owners.

Section 11. Majority Vote. The vote of a majority of Unit Owners at a meeting at which a quorum shall be present shall be binding upon all Unit Owners for all purposes except where, in the Declaration or these By-Laws or by law, a higher percentage vote is required.

Section 12. **Action Without Meeting.** Any action required or permitted to be taken by the Unit Owners may be taken without a meeting if the number of Unit Owners required by the Declaration, these By-Laws or applicable law consent in writing to the adoption of a resolution authorizing such action and the writing or writings are filed with the records of the Condominium.

ARTICLE IV

OFFICERS

Section 1. **Designation.** The principal officers of the Condominium shall be the President, the Vice President, the Secretary and the Treasurer, all of whom shall be elected by the Board of Managers. The Board of Managers may appoint an assistant treasurer, an assistant secretary, and such other officers as in its judgment may be necessary. The President and Vice President, but no other officers, need be members of the Board of Managers.

Section 2. **Election of Officers.** The officers of the Condominium shall be elected annually by the Board of Managers at the organization meeting of each new Board of Managers and shall hold office at the pleasure of the Board of Managers and until their successors are elected.

Section 3. **Removal of Officers.** Upon the affirmative vote of a majority of the members of the Board of Managers, any officer may be removed, either with or without cause, and his successor may be elected at any regular meeting of the Board of Managers, or at any special meeting of the Board of Managers called for such purpose.

Section 4. **President.** The President shall be the chief executive officer of the Condominium. He shall preside at all meetings of the Unit Owners and of the Board of Managers. He 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 members of committees created by the Board of Managers from among the Unit Owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Condominium.

Section 5. **Vice President.** The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Managers is to act in the place of the President, on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Managers or by the President.

Section 6. **Secretary.** The Secretary shall keep the minutes of all meetings of the Unit Owners and of the Board of Managers; he shall have charge of such books and papers as the Board of Managers may direct; and he shall in general perform all the duties incident to the office of secretary of a stock corporation organized under the Business Corporation Law of the State of New York.

Section 7. **Treasurer.** The Treasurer shall have the responsibility for Condominium funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements and for the preparation of all required financial data. He shall be responsible for the deposit of all moneys and other valuable effects in the name of the Board of Managers, or the managing agent, in such depositories as may from time to time be designated by the Board of Managers, and he shall, in general, perform all the duties incident to the office of treasurer of a stock corporation organized under the Business Corporation Law of the State of New York.

Section 8. **Agreements, Contracts, Deeds, Checks, etc.** All agreements, contracts, deeds, leases, checks and other instruments of the Condominium shall be signed by any two (2) officers of the Condominium or by such other person or persons as may be designated by the Board of Managers.

Section 9. **Compensation of Officers.** No officer shall receive any compensation from the Condominium for acting as such.

Section 10. **Liability of Officers.** The officers of the Condominium shall have the same rights and liabilities as the members of the Board of Managers under Article II Section 15 of these By-Laws.

ARTICLE V

NOTICES

Section 1. **Definition.** Whenever, under the provisions of the Declaration or of these By-Laws, notice is required to be given to the Board of Managers, any manager, Unit Owner or mortgagee, it shall not be construed to mean personal notice; but such notice may be given in writing, by mail, by depositing the same in a post office or letter box, in a postpaid sealed wrapper, addressed to the Board of Managers, such manager or Unit Owner or mortgagee at such address as appears on the books of the Condominium. Members of the Board of Managers may be given notice in writing personally delivered to them.

Section 2. **Service of Notice Waiver.** Whenever any notice is required to be given under the provisions of the Declaration or of these By-Laws, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

ARTICLE VI

OPERATION OF THE PROPERTY

Section 1. **Determination of Common Expenses and Fixing of Common Charges.** The Board of Managers shall from time to time, at least annually, prepare a budget for the Condominium, determine the amount of the Common Charges payable by the Unit Owners to

meet the Common Expenses of the Condominium and allocate and assess such Common Charges among the Unit Owners according to their respective percentage of Common Interest. The Common Expenses shall include, among other things, the cost of all insurance premiums on all policies of insurance required to be or which have been obtained by the Board of Managers pursuant to the provisions of Section 2 of this Article VI and the fees and disbursements of the Insurance Trustee, if any. The Common Expenses shall also include such amounts as the Board of Managers may deem proper for the operation and maintenance of the Property, including, without limitation, an amount for working capital of the Condominium for a general operating reserve, and for a reserve fund for replacements, to make up any deficit in the Common Expenses for any prior year. The Common Expenses may also include such amounts as may be required for the purchase or lease by the Board of Managers or its designee, corporate or otherwise, on behalf of all Residential Unit Owners, of any Unit whose owner has elected to sell or lease such Unit or of any Unit which is to be sold at a foreclosure or other judicial sale, together with such amounts as may be necessary to maintain such Unit(s).

The Board of Managers shall also, where necessary, impose an Assessment or additional Common Charge in order to meet any unanticipated Common Expense. All such Assessments or additional Common Charges shall be levied against all Unit Owners in proportion to their respective Common Interest. Assessments may be payable either in one lump sum or in installments, as the Board of Managers shall determine, provided, however, that the Board of Managers shall give each Unit Owner not less than fifteen (15) days written notice prior to the date upon which such Assessment, or the first installment thereof, shall be due and payable, which notice shall set forth, in reasonable detail, the nature and purposes thereof. The Board of Managers shall have all rights and remedies for the collection of Assessments as are provided herein for the collection of Common Charges, such Assessments constituting a Common Charge. The Board of Managers shall advise all Unit Owners, promptly, in writing, of the amount of Common Charges payable by each of them, respectively, as determined by the Board of Managers, as aforesaid, and shall furnish copies of each budget on which such charges are based, to all Unit Owners and to their mortgagees, if so required.

Notwithstanding anything contained in these By-Laws, the Board of Managers shall be obligated to include in the Common Charges a Common Expense known as a Major Capital Improvement Replacement Reserve Fund which shall be equal to at least ten percent (10%) of the budgeted expenses of the Condominium for the First Year of Condominium operation commencing January 1, 2019, subject to Sponsor's right to obtain a reserve study that may justify the reduction of the requisite percentage. However, the inclusion of such Major Capital Replacement Reserve ("Reserve Contribution") as a Common Expense in any subsequent year shall be at the sole discretion of the Board of Managers. The Board of Managers reserves the right, in its sole discretion (including without limitation during the time that Sponsor controls the Board of Managers) to use the Reserve Contribution towards any capital expenditures it deems appropriate. However, the Reserve Contribution can only be used for the repair and replacement of the Common Elements.

For such period as Sponsor retains control of the Board of Managers, neither the Major Capital Improvement Reserve Fund nor the Condominium's working capital fund shall be used to reduce estimated Common Charges.

The Condominium Board shall advise all Unit Owners in writing promptly after same are determined of the amount of Common Charges payable by each of them and, not later than ten (10) days next preceding the date upon which the first installment of newly determined Common Charges is due, shall furnish copies of the budget (in a reasonably itemized form) upon which such Common Charges are based to all Unit Owners and to their respective holders of Unit Mortgages.

The Condominium Board may, at its sole discretion, from time to time increase or decrease the amount of Common Charges allocated to the Units and payable by the Unit Owners and may modify its prior determination of the Common 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.

The Sponsor or Sponsor-designee shall be responsible for the Common Charges assessed against a Unit owned by it from the date of the First Unit Closing until such Unit is sold to a bona fide purchaser. Until title to all Units has been conveyed, the Sponsor or its designee as owner of any Unsold Units, may decide that all Unit Owners will, at Sponsor's or Sponsor's designee's sole option and discretion, pay in lieu of payment of each Unit's Common Charges, provided that such "in lieu" payments are less than the Common Charges then due, an amount which equals each Unit's proportionate share (based upon each Unit's Percentage Common Interest) of the total cost necessary to operate the Condominium with the services to be provided under the Offering Plan. In the event that Sponsor or its designee as the owner of all Unsold Units elects to have all Unit Owners make in lieu payments, Sponsor or its designee shall (i) file an amendment to the Offering Plan prior to the First Unit Closing indicating that the collection of Common Charges will not commence with the beginning of Condominium operations and the anticipated length of such delay period; (ii) file an amendment to the Offering Plan disclosing the expiration of the delay period at least thirty (30) days prior to such expiration; (iii) during any such delay period timely pay all expenses of the Condominium out of the aggregate in lieu payments, including, but not limited to, insurance premiums; (iv) pay from Sponsor's funds any reserve fund payments required by Sponsor's lenders; and (v) remain obligated to update the budget for the Condominium, as provided in the governing regulations. Additionally, Sponsor represents that upon commencement of the collection of Common Charges, and during the period that Sponsor controls the Board of Managers, there will not be an assessment for any item set forth in the approved Budget of the Condominium. During a period of delay in commencement of collection of Common Charges, any expenses that are the responsibility of individual Unit Owners, including but not limited to payment of electric bills and real estate taxes, shall continue to be the sole responsibility of such individual Unit Owners.

Section 2. Insurance. The Board of Managers shall be required to obtain and maintain the following insurance: (a) an all-risk property policy insuring the Building containing the Units (including all of the Units and the fixtures initially installed therein by the Sponsor or by prior construction and any other property usual to the servicing and general occupancy, but not including any improvements and betterments installed by Unit Owners or any furniture, furnishings, or other personal property supplied or installed by Unit Owners), together with all service machinery and equipment contained therein and covering the interests of the Condominium, the Board of Managers and all Unit Owners and their mortgagees as their interests may appear, in an amount to be determined by the Board of Managers but in no event to be less than the greater of the agreed upon replacement cost of the Building, including the above noted items but exclusive of footings and foundations and without deduction for depreciation. No co-insurance shall be permitted. Each of said policies shall contain a Condominium Property Endorsement and a New York standard mortgagee clause in favor of each mortgagee of a Unit which shall provide that the loss, if any, thereunder shall be payable to such mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Board of Managers and the Insurance Trustee, if any, as herein provided; (b) workers' compensation and employers' liability insurance, if the Condominium has employees; (c) a fidelity bond or commercial crime policy in sufficient amounts, to fully protect the interest of the Condominium, shall be carried on each member of the Board of Managers, officers of the Condominium, the Condominium's Managing Agent and managers who may be responsible for handling funds of the Condominium; (d) disability benefits insurance if the Condominium has employees; (e) directors' and officers' liability coverage insuring each member of the Board of Managers while acting in his or her official capacity as a member of the Board; and (f) such other insurance as the Board of Managers may determine. All policies of physical damage insurance shall provide that adjustment of loss shall be made by the Board of Managers on behalf of the Condominium (with the approval of the Insurance Trustee, if any, if more than \$100,000.00), and that the total proceeds thereof, if \$100,000.00 or less, shall be payable to the Board of Managers on behalf of the Condominium, and if more than \$100,000.00 shall be payable to the Insurance Trustee, if any.

The insurance policies obtained by the Board of Managers shall provide that each Unit Owner shall be a named insured for property coverage, and an additional insured for liability coverage, as respects the Common Elements, including the sidewalks directly adjacent to the Building, and the Units, except that such policies will not cover the negligence of a Unit Owner arising from occurrences within his or her own Unit or a Limited Common Element appurtenant thereto (such as a private garden or terrace).

All first-party property policies shall contain waivers of subrogation, 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 mortgagees of Units. The standard mortgagee loss payable clause shall be attached to the property policies. Copies of such policies, certificates of insurance, or such other reasonably satisfactory evidence of coverage, as well as evidence of all renewals thereof, together with proof of payment of premiums, shall be delivered

to all mortgagees of Units at least five (5) days prior to expiration of the then current policies if so requested in writing by them.

In the event that the damage resulting from a fire or other casualty loss shall (a) render one (1) or more Units wholly or partially unusable for the purposes permitted herein and in the Declaration or (b) destroy the means of access to one (1) or more Units, the installments of Common Charges otherwise payable by the owner of any Unit so affected thereby shall proportionately abate until such Unit shall again be rendered usable for such purposes and/or until the means of access thereto shall be restored, as the case may be. Notwithstanding the foregoing, however, if such casualty loss shall be caused by the act, the omission to act, or the negligence of the owner of a Unit so affected thereby, by a family member or permitted guest of such Unit Owner, or by a tenant or other occupant of such Unit, such installments of Common Charges shall abate only to the extent of any proceeds of rent insurance actually collected by the Board of Managers with respect to such Unit.

The Board of Managers shall also be required to obtain and maintain, to the extent obtainable, commercial general liability insurance in such limits as the Board of Managers may from time to time determine, covering each member of the Board of Managers while acting in his or her official capacity as a member of the Board for third-party claims occurring in the Common Elements, including the sidewalks directly adjacent to the Building, or the Units, except that such policy will not cover the negligence of a Unit Owner arising from occurrences within his or her own Unit or a Limited Common Element appurtenant thereto. Such insurance shall also include the operations of the Condominium's Managing Agent, and will also include each Unit Owner as additional insured but only with regard to such third-party claims.

Until the first meeting of the Board of Managers elected by the Unit Owners the general liability insurance will be in a limit of at least \$25,000,000.00 per occurrence and in the aggregate. Limits will be provided by using a combination of primary and excess policies.

Unit Owners shall be required to maintain a minimum of \$1,000,000.00 per occurrence in liability limits and fully insure their own contents as well as their own improvements and betterments in their respective Units for full replacement cost, provided that the liability of the carriers issuing such property insurance obtained by the Board of Managers shall not be affected or diminished by reason of the required or any additional insurance carried by any Unit Owner. Any such policies purchased and maintained by Unit Owners shall contain waivers of subrogation 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 mortgagees of Units. The standard mortgagee loss payable clause shall be attached to the property policies.

The insurance policy for the Condominium obtained by the Board of Managers should require the insurer to notify in writing the Board of Managers (or insurance trustee) and each first mortgage holder named in the mortgage clause at least thirty (30) days before it cancels or substantially changes the Condominium's coverage.

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

Section 3. Repair or Reconstruction After Fire or Other Casualty. In the event of damage to or destruction of the Building containing the Units as a result of fire or other casualty, unless seventy-five percent (75%) or more of the Building containing the Units is destroyed or substantially damaged and Unit Owners, including Sponsor and/or Sponsor's designees as Holders of Unsold Units, whose percentage of Common Interest totals seventy-five (75%) in the aggregate of the total Common Interest do duly and promptly resolve not to proceed with repair or restoration, the Board of Managers shall arrange for the prompt repair and restoration of the Building containing the Units (including any damaged Units, and any kitchen and bathroom fixtures and floor coverings initially installed therein by the Sponsor, but not including any wall, ceiling or floor decorations or coverings or other furniture, furnishings, fixtures or equipment installed in the Units by the Unit Owners), and the Board of Managers or the Insurance Trustee, if any, as the case may be, shall disburse the proceeds of all insurance policies in appropriate progress payments for distribution to the contractors engaged in such repairs and restoration. If applicable, the vote of Sponsor and/or Sponsor's designees as the Holders of Unsold Units will be subject to the approval of any holder of a mortgage encumbering said Unsold Units. If the cost of such repair and restoration is in excess of the insurance proceeds, the Board of Managers shall levy a Special Assessment against all Unit Owners, for the amount of such deficiency in proportion to their respective Common Interests and all proceeds of such Special Assessment shall become part of the trust funds to be disbursed by the Insurance Trustee, if any, or the Board of Managers, as the case may be. Notwithstanding anything contained herein, any restoration or repair of the Condominium made in accordance with the terms of this Section shall be substantially in accordance with the specifications set forth in the Offering Plan, as amended, unless the Board of Managers obtains the approval of the holders of first mortgages on the Units to which at least fifty-one percent (51%) of the votes of Units subject to mortgages held by such Eligible Holders are allocated.

If seventy-five percent (75%) or more of the Building containing the Units is destroyed or substantially damaged and Unit Owners whose percentage of Common Interest totals seventy-five percent (75%) in the aggregate of the total Common Interest do not duly and promptly resolve to proceed with repair or restoration, the Property shall be subject to an action for partition at the suit of any Unit Owner or lienor, as if owned in common, in which event the net proceeds of sale, together with the net proceeds of insurance policies (or if there shall have been a repair or restoration pursuant to the first paragraph of this Section 3, and the amount of insurance proceeds shall have exceeded the cost of such repair or restoration, then the excess of such insurance proceeds) shall be divided by the Board of Managers or the Insurance Trustee, if any, as the case may be, among all the Unit Owners in proportion to their respective Common Interest, after first payment out of the share of each Unit Owner the amount of any unpaid liens on his Unit, in the order of the priority of such liens.

Whenever in this Section the words “promptly repair” are used it shall mean repairs are to begin not more than sixty (60) days from the date the Insurance Trustee notified the Board of Managers and the Unit Owner or Unit Owners that it shall hold proceeds of insurance funds sufficient to pay the estimated costs of such work; or not more than ninety (90) days after Insurance Trustee notified said Board of Managers and Unit Owner or Owners that such funds are insufficient to pay said estimated costs and advising them of the amount of the required completion bond, if necessary. If there is no Insurance Trustee then the aforementioned sixty (60) and ninety (90) day periods shall be from the date of notification by an insurance adjustor retained by the Board of Managers. Wherever the words, “promptly resolve” are used it shall also mean not more than sixty (60) days from the date of receipt of said insurance funds.

Section 4. Payment of Common Charges. All Unit Owners shall be obligated to pay the Common Charges, including Assessments, assessed by the Board of Managers pursuant to the provisions of Section 1 of this Article VI at such time or times as the Board of Managers shall determine.

No Unit Owner shall be liable for the payment of any part of the Common Charges, including Assessments, assessed against his Unit subsequent to a sale, transfer or other conveyance by him (made in accordance with the provisions of Section 1 of Article VIII of these By-Laws) of such Unit, together with the Appurtenant Interests, as defined in Section 1 of Article VIII hereof. In addition, any Unit Owner may, subject to the terms and conditions specified in these By-Laws, provided that his Unit is free and clear of liens and encumbrances, other than permissible mortgages and the statutory lien for unpaid Common Charges, convey his Unit, together with the “Appurtenant Interests” to the Board of Managers, or its designee, corporate or otherwise, on behalf of all other Unit Owners, and in such event be exempt from Common Charges thereafter assessed. A purchaser of a Unit shall be liable for the payment of Common Charges, including Assessments, assessed and unpaid against such Unit prior to the acquisition by him of such Unit, except that a mortgagee or other purchaser of a Unit at a foreclosure sale of such Unit shall not be liable for and such Unit shall not be subject to a lien for the payment of Common Charges, including Assessments, assessed prior to the foreclosure sale.

Section 5. Collection of Common Charges and Assessments. The Board of Managers shall assess Common Charges against the Unit Owners from time to time at least annually and shall take prompt action to collect any Common Charge due from any Unit Owner which remains unpaid for more than thirty (30) days from the due date for payment thereof. The Board of Managers shall also take prompt action to collect any Assessment due from any Unit Owner which remains unpaid for more than thirty (30) days from the due date thereof. Common Charges shall be paid by the fifth day of the month in which they are due or they shall be deemed to be late. Storage Room License Fees, if applicable, shall be deemed Assessments on Unit Owners who are Storage Room Licensees. For avoidance of doubt, as to any unsold Storage Room Licenses, Sponsor will not be required to pay Storage Room License Fees.

Pursuant to Real Property Law Section 339-kk, the Board of Managers has the right to collect rents directly from a “Non-Occupying Owner’s rental tenant” (“Tenant”), if a Non-

Occupying Unit Owner is not current on his or her Common Charges, Assessments or late fees, hereinafter ("Charges"). In order to collect rents directly from the Tenant, the Non-Occupying Unit Owner must fail to make the payment of Charges within sixty (60) days of the earliest expiration of any grace period. Prior to collecting the rents the Board shall provide written notice to the Tenant and the Non-Occupying Unit Owner providing that, commencing immediately and until such time as all payments for all Charges are made current, all rental payments are to be made directly to the Condominium at the address provided in the notice. Once all charges are current the Board shall then within three (3) business days, provide notice to the Tenant and Unit Owner of such payment and that thereafter all future rental payments should be made to the Non-Occupying Unit Owner. Should a Unit Owner wish to contest the Board's claim to rental payments he or she shall be entitled to present his or her supporting facts at the next scheduled Board meeting (which must be held within thirty (30) days of Board receiving notice of contest). The Board shall have the option to forgo collecting rents directly from the Tenant so long as a majority of the Board has been elected by and from among the Occupying Unit Owners.

Section 6. Default in Payment of Common Charges or Assessments. In the event of default by any Unit Owner in paying to the Board of Managers the Common Charges or any Assessment as determined by the Board of Managers, such Unit Owner shall be obligated to pay interest at the highest legal rate on such Common Charges or Assessments from the due date thereof, together with all expenses, including late fees charged by the Board of Managers and attorneys' fees incurred by the Board of Managers in any proceeding brought to collect such unpaid Common Charges or Assessments. The Board of Managers shall have the right and duty to attempt to recover such Common Charges or Assessments, together with interest thereon, and the expenses of the proceeding, including attorneys' fees, in an action to recover the same brought against such Unit Owner, or by foreclosure of the lien on such Unit granted by Section 339-z of the Real Property Law of the State of New York, in the manner provided in Section 339aa thereof. A Unit Owner defaulting in payment of Common Charges or Assessments shall not be permitted to vote at any regular or special meeting of Unit Owners, and at the sole and absolute discretion of the Board of Managers, may be restricted from using the Building's common amenities such as the fitness center, game room, library, common kitchen, and bicycle storage room.

Further, Sponsor will cause the Board of Managers to file a lien as provided for in RPL §339-aa on Units in which Sponsor is more than thirty (30) days in arrears of Common Charges while it is in control of the Board of Managers.

Section 7. Foreclosure of Liens for Unpaid Common Charges. In any action brought by the Board of Managers to foreclose a lien on a Unit because of unpaid Common Charges, the Unit Owner shall be required to pay a reasonable rental for the use of his Unit and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. The Board of Managers, acting on behalf of all Unit Owners, shall have power to purchase such Unit at the foreclosure sale and to acquire, hold, lease, mortgage (but not to vote the votes appurtenant to), convey or otherwise deal with the same. A suit to recover a money judgment for unpaid

Common Charges shall be maintainable without foreclosing or waiving the lien securing the same.

Section 8. Statement of Common Charges and Assessments. The Board of Managers, managing agent or manager shall promptly provide any Unit Owner so requesting the same in writing, with a written statement of all unpaid Common Charges, including Assessments, due from such Unit Owner.

Section 9. Abatement and Enjoinment of Violations by Unit Owners. The violation of any rule or regulation adopted by the Board of Managers, or the breach of any By-Law contained herein, or the breach of any provision of the Declaration, shall give the Board of Managers the right, in addition to any other right set forth in these By-Laws: (a) upon reasonable notice to the Unit Owner, to enter the Unit in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof (provided, however, that no prior notice shall be required in the event the Board of Managers shall determine that action is immediately necessary for the preservation or safety of the Property of the Condominium or for the safety of residents of the Condominium or other persons or required to avoid the suspension of any necessary service to the Condominium); or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach; and (c) in any event charge the Unit Owner with the cost of reasonable legal and other fees and costs incurred in enjoining, abating or remedying such violation.

Section 10. Maintenance and Repairs.

- a. All maintenance of and repairs to any Unit, ordinary or extraordinary, and to the doors (except the painting of the exterior side of the Unit's entrance door), windows (except the painting of the exterior side of windows), electrical (except Common Elements), plumbing (except Common Elements) and heating and/or hot water fixtures and air conditioning units, together with any and all related ductwork and piping attached thereto, inside or outside the Unit(s) or belonging to the Unit Owner(s) and only servicing such Unit(s), shall be at the individual Unit Owner's sole cost and expense or at the sole cost and expense of the individual Unit Owners of the affected Units on an equal basis, excepting as otherwise specifically provided herein. Additionally, the replacement of heating and/or hot water fixtures and air-conditioning units, together with any and all related ductwork and piping attached thereto, outside or inside the Unit(s) or belonging to the Unit Owners(s) and only servicing the Unit(s), shall be at the Unit Owner's sole cost and expense or at the sole cost and expense of the Unit Owners of the affected Units on an equal basis, excepting as otherwise specifically provided herein.

Further, the individual Unit Owner shall be responsible for the cost of any permits required in connection with the operation of their individual heating, air-conditioning, elevator, pool or other mechanical equipment.

- b. All maintenance, repairs and replacements to the General Common Elements as defined in the Declaration, and the painting and decorating of the exterior side of Unit entrance doors and Unit windows shall be made by the Board of Managers and be charged to all the Unit Owners as a Common Expense, excepting to the extent that the same are necessitated by the negligence, misuse or neglect of a Unit Owner, in which case such expense shall be charged to such Unit Owner.
- c. Maintenance, repair and replacements in or to the Limited Common Elements as defined in the Declaration will be performed (i) by the Board of Managers as a Common Expense, if such Limited Common Element is a Limited Common Element for the exclusive use of all of the Unit Owners and whether or not it involves structural or extraordinary maintenance, repairs or replacements (including, but not limited to, the repair of any leaks, in the roofs of the Building or elsewhere, that are not caused by the acts or omissions of a Unit Owner, having direct and exclusive access thereto), or (ii) by the individual Unit Owner having direct and exclusive access thereto and use thereof at his or their sole cost and expense, if involving nonstructural, ordinary maintenance, repairs or replacements, or (iii) by the Board of Managers at the sole cost and expense of the individual Unit Owner, having exclusive use of such Limited Common Element if involving structural repairs or replacements, or (iv), at the election of the Board of Managers, by the Board of Managers or the individual Unit Owner, but at the sole cost of such Unit Owner, where such maintenance, repair or replacements result from the Unit Owner's negligence, misuse or neglect. With respect to any hose bibs provided at the private terraces and private garden, the applicable Unit Owners with exclusive access thereto shall be responsible for the repair and maintenance of such hose bibs, including but not limited to winterization.
- d. Promptly upon obtaining knowledge thereof, each Unit Owner shall report in writing delivered by mail to the Board of Managers or to the Managing Agent any defect or need for repairs for which the Board of Managers is responsible pursuant to the terms hereof. All painting, decorating, maintenance, repairs and replacements performed hereunder or otherwise, whether by or at the behest of a Unit Owner or the Condominium Board, shall be performed in such a manner as shall (i) comply with all applicable law and building codes; (ii) shall not unreasonably disturb or interfere

with any Unit Owners or tenants and occupants of any Units; and (iii) shall not affect the structural integrity of the Building.

- e. Each Unit and all portions of the Common Elements shall be kept in first-class condition, order and repair (and free of snow, ice and accumulation of water with respect to any yard or courtyard, terrace, roof, or other part of the Property exposed to the elements) by the Unit Owner or the Board of Managers, whichever is responsible for the maintenance thereof as set forth herein (the cost of debris and snow removal from the sidewalks in front of the of the Building shall be a Common Expense and shall only be the responsibility of the Board of Managers; the Board of Managers shall promptly make or perform, or cause to be made or performed, all maintenance work (including, without limitation, painting, repairs and replacements) that is necessary in connection therewith. Notwithstanding anything herein to the contrary, the maintenance, repair and/or replacement of all sidewalks, plantings and/or shrubbery, including the planters in which they are contained, in front of or at the sides of the Building shall be a Common Expense. In addition, the public areas of the Building and those areas exposed to public view shall be kept in good appearance, in conformity with the dignity and character of the Building, by (i) the Board of Managers, with respect to such parts of the Building required to be maintained by it, and (ii) each Unit Owner, with respect to the interior and exterior surfaces of private terraces, windows and shades, venetian or other blinds, drapes, curtains or other window decorations in or appurtenant to his Unit.

Section 11. Restrictions on Use of Units. In order to provide for congenial occupancy of the Property and for the protection of the values of the Units, the use of the Property shall be restricted to and shall be in accordance with the following provisions:

- a. The Residential Units shall be used for private residences only, except that a Unit Owner may use his Residential Unit for any home occupation use permitted under applicable zoning law and ordinances, building code or other rules and regulations of governmental authorities having jurisdiction. Any Residential Unit may also be used as a professional office by a resident thereof provided such professional use does not violate zoning law, regulations or ordinance and provided further, that the prior consent of the Board of Managers to such professional use is obtained. Further, certain Units have a library that may be used as a legal bedroom, if desired. Specifically, the Maisonette Unit and Unit 7A each have three bedrooms in addition to a library that may be used as a fourth bedroom; Unit 5/6C and 7/8B each have four bedrooms in addition to a library that may be used a fifth bedroom. Each aforementioned library has a window providing legal light and air and is a livable room under the Building

Code, and, provided such library complies with all other applicable law, may be used for sleeping purposes. For this reason, the aforementioned libraries are counted as bedrooms in the bedroom count shown on Schedule B to the Declaration. Additionally, certain Units have a foyer, gallery, pantry, utility room, refuse room, and/or private storage area. Any of the aforementioned rooms is not intended for sleeping purposes, which use is not permitted under, and could result in a violation issued pursuant to, the Building Code.

The great room located at the Garden Level of the Maisonette Unit may be used for sleeping or dining purposes, as it receives sufficient legal light and air for such use. However, no other portions of the Garden Level of the Maisonette Unit may be used for sleeping or dining purposes, which use is not permitted under, and could result in a violation issued pursuant to, the Building Code.

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 the foregoing.

Any Storage Room which is licensed by a Residential Unit Owner may be used for any lawful use which is accessory to the residential use of the Unit, including, but not limited to, the storage of personal effects of the Residential Unit Owner, provided that no stored article or material that shall pose a threat to the health or safety of the Unit Owners or other occupants or tenants of the Building or shall otherwise create a nuisance shall be permitted to be brought into or stored in said Storage Room by

any Residential Unit Owner. In no event may a Storage Room be used for sleeping or dining purposes, which use is not permitted under, and could result in a violation issued pursuant to, the Building Code.

Notwithstanding anything herein to the contrary, (i) any Rules and Regulations pertaining to the use of a Storage Room will not be applicable to a Storage Room held or rented by Sponsor or Sponsor-designee; and (ii) notwithstanding the foregoing, the Sponsor or its designee may, without the permission of the Board of Managers, retain ownership of one or more Units for use as models, sales and/or production offices in connection with the sale or rental of the Units.

Further, as more fully set forth in Section 13 of this Article VI, the Unit Owner of the Maisonette Unit shall have the right, at his or her sole cost and expense, to install a door between the Maisonette Unit and Storage Room #9, and upon connecting such spaces, shall have the right to use Storage Room #9 as if it were an extension of the Maisonette Unit.

- b. The Common Elements shall be used only for the furnishing of the services and facilities for which they are reasonably suited and which are incident to the use and occupancy of Units. In addition, no furniture, doormats, packages, or objects of any kind shall be placed in the lobbies, public halls, public stairways, the elevators or any other part of the Common Elements (except for those areas designated as storage areas, if any) without the prior written consent of the Board of Managers. The lobbies, public halls, public stairways and elevators shall be used only for normal passage through them.
- c. No nuisances shall be allowed on the Property nor shall any use or practice be allowed which is a source of annoyance to its residents or which interferes with the peaceful possession or proper use of the Property by its residents.
- d. No immoral, improper, offensive, or unlawful use shall be made of the Property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies, including the Landmarks Preservation Commission, if applicable, having jurisdiction thereof shall be observed. Violations of laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereof, relating to any portion of the Property, shall be eliminated, by and at the sole expense of the Unit Owners, or the Board of Managers, whichever shall have the obligation to maintain or repair such portion of the Property.
- e. Nothing shall be done in any Unit or in, on, or to the Common Elements that will impair the structural integrity of the Property or that will

structurally change the Building, except as is otherwise provided in the Declaration or in these By-Laws. In no event shall interior partitions contributing to the support of any Unit or the Common Elements be altered or removed.

- f. No portion of a Unit or other Limited Common Elements appurtenant thereto (other than the entire Unit, including the Limited Common Elements appurtenant thereto) may be rented.

The terms of sub-paragraph (b) of this Section 11 shall not apply to Sponsor or its designee for so long as there are any Unsold Units. So long as Sponsor owns any Unit, Sponsor or its designee shall have the right, without charge or limitation, to: (i) erect and maintain signs of any size or content determined by Sponsor or such designee, on or about any portion of the Common Elements chosen by Sponsor or such designee, including, without limitation, on the exterior walls of the Building or adjacent to any entrance thereof; (ii) have its employees, contractors, subcontractors and sales agents present on the Property; and (iii) do all things necessary or appropriate, including the use of the Common Elements, to sell, lease, manage, or operate Unsold Units, to complete any work or repairs to the Building expressly undertaken by Sponsor and to comply with Sponsor's obligations under the Offering Plan.

Section 12. Additions, Alterations or Improvements by Board of Managers. Subject to the provisions of Section 3 of Article II of these By-Laws, whenever in the judgment of the Board of Managers the Common Elements shall require additions, alterations or improvements (but not maintenance) costing in excess of \$10,000.00, and the making of such additions, alterations or improvements shall have been approved by a majority of the Unit Owners, the Board of Managers shall proceed with such additions, alterations or improvements and shall assess all Unit Owners for the cost thereof as a Common Charge. Any additions, alterations or improvements costing \$10,000.00 or less may be made by the Board of Managers without approval of the Unit Owners and the cost thereof shall constitute part of the Common Expenses.

Section 13. Additions, Alterations or Improvements by Unit Owners. Except as provided below, no Unit Owner, with the exception of Sponsor or its designee as to Unsold Units, shall make any structural or non-structural addition, alteration or improvement in or to his Unit without prior written approval thereto of the Board of Managers. The Board of Managers shall have the obligation to answer in writing any written request by a Unit Owner for approval of a proposed structural or non-structural addition, alteration or improvement in such Unit Owner's Unit, within thirty (30) days after such request, and failure to do so within the stipulated time shall constitute a consent by the Board of Managers to the proposed addition, alteration or improvement. Any application to any department of the City of New York or to any other governmental authority for a permit to make an addition, alteration or improvement in or to any Unit shall be signed by the Board of Managers only, without however, incurring any liability on

the part of the Board of Managers or any of them to any contractor, subcontractor or materialman on account of such addition, alteration or improvement, or to any person having any claim for injury to person or damage to property arising therefrom.

In the event the Board of Managers grants its consent, either affirmatively or by its inaction, to any structural or non-structural addition, alteration or improvement to be made by a Unit Owner, the consent shall provide that any such work shall be at the Unit Owner's sole cost and expense, that work shall be done in accordance with all governmental or quasi-governmental laws, rules, regulations, codes and ordinances, that all work shall be done by reputable contractors with adequate liability, property damage and workers' compensation insurance (certificate for which shall be delivered to the Board of Managers prior to the commencement of construction), that any additions, alterations or improvements, shall be maintained in their entirety by said Unit Owner who shall also be responsible for any repairs, including structural repairs, to such area in any event, and to the Unit and any Common Elements where such repairs become necessary due to additional stresses caused by the alteration, addition or improvement, or due to improper design or construction of the alteration, addition or improvement, and such approval shall further provide that the Unit Owner shall reimburse the Board of Managers any out-of-pocket expenses incurred by the Board of Managers in connection with the granting of such approval and in connection with any services provided to such alteration, addition or improvement; such expenses may include, but shall not be limited to, any fees of an attorney and/or fees of an architect consulted in connection with any request by a Unit Owner for approval of such work.

The provisions of this Section 13 which require the consent of the Board of Managers in connection with a structural or non-structural addition, alteration or improvement shall not apply to Units owned by the Sponsor or its designee. Neither the Sponsor nor its designee shall need such consent. All other provisions of this Section 13 shall apply to all Units.

For example, with respect to any structural or non-structural addition, alteration or improvement to a Sponsor-owned Unit, such work shall be at the sole cost and expense of the Sponsor and/or its designee, and be done in accordance with all governmental or quasi-governmental laws, rules, regulations, codes and ordinances. All work must be done by reputable contractors with adequate liability, property damage and workmen's compensation insurances (certificates for which shall be delivered to the Board of Managers prior to the commencement of construction). Any such additions, alterations or improvements, shall be maintained in their entirety by said Sponsor or its designee, who shall also be responsible for any repairs, including structural repairs, to such area in any event, and to the Unit and any Common Elements where such repairs become necessary, due to additional stresses caused by any alteration, addition or improvement, or due to improper design or construction of any alteration, addition or improvement. Additionally, the Sponsor and/or its designee shall reimburse the Board of Managers for any out-of-pocket expenses incurred by the Board of Managers in connection with any services provided to such alteration, addition or improvement.

Notwithstanding anything to the contrary contained in this Section 13, however, Sponsor, any Sponsor-designee, or any partner of any entity affiliated directly or indirectly with Sponsor shall have the right, pursuant to the terms of Paragraph 17 of the Declaration, without the approval of the Board of Managers and without paying any cost or charge to the Board of Managers to (i) make any alterations, additions, improvements, or repairs in or to any Units owned by any of them whether structural or non-structural, interior or exterior, ordinary or extraordinary, and (ii) subdivide, combine and change the boundary walls of Units owned by any of them.

If at the time a Unit Owner seeks to perform alterations to his or her own Unit, a Permanent Certificate of Occupancy is not issued for the Building, the Unit Owner, prior to commencing any alteration, must obtain the consent of the Sponsor or its designee, which consent shall be at the sole and absolute discretion of Sponsor or its designee. The Sponsor or its designee may refuse to permit a Unit Owner to perform alterations in a Unit until such time as the Building has been completed and a Permanent Certificate of Occupancy has been obtained therefor. In furtherance thereof, a Unit Owner, who has been granted the consent by the Sponsor or its designee, to perform alterations shall indemnify Sponsor or its designee for any cost, expense, claim or liability incurred or suffered by Sponsor or its designee as a result of any violation of Law or delay in obtaining a Temporary or Permanent Certificate of Occupancy. In the event the alterations performed by a Unit Owner do adversely affect the issuance or validity of the Certificate of Occupancy, then upon the written request of Sponsor or its designee, the Unit Owner shall, at such Unit Owner's sole cost and expense, either (a) halt pending alteration work, restore the Unit to its original condition, and close out any pending jobs as to the Unit or (b) expedite pending alteration work and promptly bring the same to a state of completion that is sufficient to cause DOB to sign off on any pending jobs as to the Unit. If such Unit Owner fails to commence diligently and continuously, restoring or completing the Unit within fifteen (15) days of receipt of the written request, then the Sponsor or its designee, as the case may be, requesting such restoration or completion shall be entitled to enter and restore or complete the Unit at the sole expense of the Unit Owner and to exercise any other remedies provided in these By-Laws.

As shown on the Floor Plans, the Garden Level of the Maisonette Unit is adjacent to Storage Room #9. Notwithstanding anything to the contrary in the Declaration or these By-Laws, the Unit Owner of the Maisonette Unit shall have the right, at his or her sole cost and expense, to install a door between the Maisonette Unit and Storage Room #9, and upon connecting such spaces, shall have the right to use Storage Room #9 as if it were an extension of the Maisonette Unit, provided that such use complies with the Building Code, Zoning Resolution, and other applicable law, as well as with the Rules and Regulations of the Condominium as they apply to the Residential Units. However, Storage Room #9, notwithstanding whether it is connected to the Maisonette Unit, is not intended for sleeping or dining purposes, which use is not permitted under, and could result in a violation issued pursuant to, the Building Code. Though the connection of the Maisonette Unit and Storage Room #9 shall not require the consent of the Board of Managers, the Unit Owner of the Maisonette Unit shall be responsible for complying with all reasonable conditions the Board of Managers shall require when it grants consent to

alterations done by other Unit Owners; e.g., that all work shall be done by reputable contractors with adequate liability, property damage and workers' compensation insurance (certificate for which shall be delivered to the Board of Managers prior to the commencement of construction) and that the work shall be done in accordance with all governmental or quasi-governmental laws, rules, regulations, codes and ordinances.

Section 14. Use of Common Elements and Facilities. A Unit Owner shall not place or cause to be placed in the public halls and stairways or other common areas or common facilities, any furniture, packages or objects of any kind. The lobbies, public halls and stairways or other common areas shall be used for no purpose other than for normal transit through them. The Sponsor and any Sponsor-designee shall have the right to use the Common Elements, without charge, for the purposes set forth in Section 11 of this Article VI and in conjunction with the Sponsor's or a Sponsor-designee's exercise of the rights retained by Sponsor in the Condominium Declaration.

The Owner of a Unit or Owner or Owners of any two (2) or more Units, which Unit or Units is/are the only Unit(s) serviced or benefitted by any General or Limited Common Element adjacent or appurtenant to such Unit(s) (for example, the portion at the end of any hallway that is directly adjacent to any such Unit(s) located on opposite sides of such hallway) and not affecting access or service (including, without limitation, heating, ventilating and air-conditioning) to any other Unit or to any other portion of the Common Elements, shall, with the consent of the Board of Managers (which consent will not be unreasonably withheld or delayed and shall not be required if the Unit Owner or Owners is/are Sponsor or Sponsor's designee), have the right to use such General or Limited Common Elements exclusively, as if it were a part of such Unit(s) (including the right, in the example of a portion of a hallway, to enclose such portion), and no amendment to the Declaration or reallocation of Common Interests will be made by reason thereof. In such an event, however, such Owner or Owners shall, at his or their sole cost and expense, both (i) operate, maintain and repair such General or Limited Common Element for so long as such Owner or Owners exercise such exclusive right of use and (ii) restore such General or Limited Common Element to its original condition, reasonable wear and tear excepted, after such Owner or Owners cease to exercise such exclusive right of use.

Further, the Board of Managers shall have the authority to promulgate additional rules regarding use of and access to the Storage Rooms and the procedures for assigning the Storage Room License. As part of the sale of his Unit, or with regard to the sale of a Storage Room License to another Residential Unit Owner, a Residential Unit Owner may transfer the Storage Room License to the Board of Managers which shall be authorized to reissue such Storage Room License to the new Residential Unit Owner or another Residential Unit Owner for such consideration as required by such sale.

Any Residential Unit Owner assigned a Storage Room in the Building will be required to sign a Storage Room License governing the use of the Storage Room. The Storage Room License may only be assigned to a Residential Unit Owner either (i) simultaneously with such Unit Owner's acquisition of a Residential Unit, or (ii) the transfer of a Storage Room from one

Residential Unit Owner to another Residential Unit Owner. In the event a Residential Unit Owner elects to terminate a Storage Room License and does not transfer same to another Residential Unit Owner, the rights to the Storage Room in question will devolve to the Board of Managers which shall have the right to issue a new Storage Room License to another Residential Unit Owner in its sole discretion. Residential Unit Owners can only lease their respective Storage Rooms to other Residential Unit Owners in the Building after obtaining the written consent of the Board of Managers thereto. The Storage Rooms are located on the cellar level of the Building and the Board cannot make any representation that the Storage Rooms will remain dry or will not experience any water infiltration and neither the Sponsor nor the Board will be responsible for any damage to items placed in the Storage Rooms. Residential Unit Owners who place items in the Storage Rooms do so at their own risk and Unit Owners are advised to consult with their insurance brokers regarding appropriate coverage for such stored items. Residential Unit Owners must comply with applicable Law regarding the Storage Rooms, which may be subject to periodic inspection by the Board of Managers and any City of New York and other governmental agencies having jurisdiction thereover.

With regard to a Storage Room held by the Sponsor or a Sponsor-designee, the assignment or rental of a Storage Room held by Sponsor or a Sponsor-designee does not require the simultaneous ownership by such licensee of a Residential Unit. Further, regarding Storage Room held or rented by Sponsor and/or a Sponsor-designee, Sponsor and/or a Sponsor designee may assign and/or rent its Storage Room to residents or non-residents in its sole discretion without charge and without the consent of the Board of Managers of the Condominium. However, a Storage Room License will only be sold by Sponsor or a Sponsor-designee to a Residential Unit Owner.

Section 15. Right of Access. A Unit Owner shall grant a right of access to his Unit and any Limited Common Elements appurtenant thereto and, if applicable, to his Storage Room, to Sponsor (for so long as Sponsor owns at least one (1) Unsold Unit), the Board of Managers, the Managing Agent, and their servicemen, consultants, repairmen and/or any other party authorized by the same, for the purpose of making inspections or for the purpose of correcting any condition originating in his Unit or any Limited Common Elements appurtenant thereto and, if applicable, his Storage Room, and threatening another Unit, Storage Room and/or another Common Element, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other Common Elements in his Unit or elsewhere in the Building, provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the Unit Owner. In case of an emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not. In the event of the exercise of the right of access provided in this Section 15, any costs for repairs shall be borne in accordance with the provisions of Section 10 of this Article VI.

Section 16. Rules of Conduct. Rules and regulations concerning the use of the Units and the Common Elements may be promulgated and amended by the Board of Managers. A majority vote of Unit Owners at a meeting may overrule the Board. Copies of such rules and regulations shall be furnished by the Board of Managers to each Unit Owner prior to the time when the same

shall become effective. Initial rules and regulations, which shall be effective until amended by the Board of Managers, are annexed hereto and made a part hereof as Schedule A. Notwithstanding this provision, for as long as Sponsor or its designee remains the Owner of one (1) or more Units or the Licensee of one (1) or more Storage Rooms, the Rules and Regulations of the Condominium may not be amended or modified in any way so as to adversely affect Sponsor or its designee without Sponsor's or its designee's prior written consent.

Section 17. Water Charges and Sewer Rents. Water shall be supplied to all of the Units and the Common Elements on the basis of one (1) or more meters or submeters for the Building or pursuant to a frontage charge. Any water and sewer bills received by a Unit Owner shall immediately be rendered to the Board of Managers for payment. In no event shall the Board of Managers be responsible for loss of service to any Unit, interest or penalties, due to a delay in paying such bills resulting from a Unit Owner not tendering a bill. Any interest or penalties due for such late payments will be an additional assessment to be paid by the Unit Owner who failed to timely tender any bill. In the event of a proposed sale of a Unit by the Owner thereof, the Board of Managers, on request of the selling Unit Owner, shall sign and deliver to the purchaser of such Unit or to the purchaser's title insurance company, a letter agreeing to pay all charges for water and sewer rents affecting the Unit as of the date of closing of title to such Unit promptly after such charges shall have been billed.

Section 18. Electricity and Gas. Electricity shall be supplied by the public utility company serving the area directly to each Unit through separate meters or submeters. Each Unit Owner shall be required to pay the bills for electricity consumed or used in his Unit to the public utility.

The electricity serving the Common Elements shall be metered by one (1) or more meters or submeters, and the Board of Managers shall pay the bills for such consumption as a Common Expense.

Gas consumption for the Building, including gas consumption for hot water in all the Units and Common Elements, gas consumption for cooking and all the fireplaces in the Building, and gas consumed in the Common Elements, including but not limited to heating of the common corridors, shall be collectively metered by one (1) or more meters or submeters and the Board of Managers shall pay, as a Common Expense, the bills for such consumption.

Section 19. Review of Real Estate Tax Assessments. It shall be the responsibility of the individual Unit Owners, at their sole cost and expense, to review the real estate tax assessments of their Units and, if they so desire, to take any steps necessary to review and/or challenge such assessments. Notwithstanding the foregoing, if proceedings are pending for the reduction of real estate taxes on the land and building for the tax year in which the First Unit Closing occurs, the Condominium will continue such proceedings with the attorney previously employed by the Sponsor. Sponsor shall have the sole right to negotiate and settle all claims in connection with said proceedings. The cost of such proceedings, including legal fees, and (in the event taxes are reduced) any refund shall be apportioned between the Sponsor and the respective Unit Owners

according to the ownership of the Property during respective portions of the tax year. Any refund attributed to a Unit, and all apportioned expenses incurred in connection with obtaining of such refund, shall belong to and be incurred by the Unit Owner receiving said refund. Any refund covering a period prior to the First Unit Closing and all expenses incurred in connection with the obtaining such refund, shall belong to and be incurred by the Sponsor alone.

Section 20. **Vault Charges.** All license fees and all periodic taxes and charges ("Vault Charges") for street vaults located in the Common Elements of the Building, if any, or other protrusions beyond the lot lines of the Building shall be paid by the Board of Managers as a Common Expense.

ARTICLE VII

MORTGAGES

Section 1. **Notice to Board of Managers.** A Unit Owner who mortgages his Unit shall notify the Board of Managers of the name and address of his mortgagee and shall file a conformed copy of the note and mortgage with the Board of Managers; the Board of Managers shall maintain such information in a book entitled "Mortgages of Units."

Section 2. **Notice of Unpaid Common Charges.** The Board of Managers shall promptly notify any mortgagee of a Unit of such Unit Owner's default, including non-payment of Common Charges, in the obligations of such Unit Owner under the Declaration, By-Laws, Rules and Regulations, as the same are amended from time to time, or in any order of the Board of Managers issued with respect thereto.

Section 3. **Notice of Default.** The Board of Managers, when giving notice to a Unit Owner of a default in paying Common Charges or other default, shall send a copy of such notice to each holder of a mortgage covering such Unit whose name and address has heretofore been furnished to the Board of Managers.

Section 4. **Examination of Books.** Each Unit Owner and each mortgagee of a Unit shall be permitted to examine the books of account of the Condominium at reasonable times, on reasonable notice to the manager, managing agent or Board of Managers on business days.

Section 5. **Notice of Changes to Units and/or Common Elements.** The Board of Managers shall promptly notify any mortgagee of a Unit of any proposed amendment to the Condominium Offering Plan, Declaration and/or By-Laws effecting a change in (i) the size or location of any Unit or the exclusive easement rights, if any, appertaining thereto; (ii) any change in the percentage of Common Interest of a Unit or Common Charges payable by a Unit Owner to the Condominium; (iii) any change in the number of votes each Unit Owner shall be entitled to cast at a meeting of Unit Owners; and (iv) any change to the restrictions on use of the Units or Common Elements.

Section 6. Notice of Termination of the Condominium. The Board of Managers shall promptly notify any mortgagee of a Unit of any proposed termination of the Condominium.

Section 7. Notice of Condemnation or Casualty. The Board of Managers shall promptly notify any mortgagee of a Unit of any taking in condemnation or by eminent domain or any casualty loss of a material portion of the Common Elements or a portion of any Unit on which there is a first mortgage.

Section 8. Notice of Insurance. The Board of Managers shall promptly notify any mortgagee of a Unit of any lapse, cancellation or material modification of any insurance policy maintained by the Condominium.

Whenever under the provisions of the Declaration or of these By-Laws, notice is required to be given to a mortgagee, there shall be implied mortgagee approval when a mortgagee fails to respond after 60 days written notice provided notice was delivered by certified or registered mail with a return receipt requested.

ARTICLE VIII

SALES, LEASES AND MORTGAGES OF UNITS

Section 1. Sales and Leases. No Unit Owner other than the Sponsor or a Sponsor-designee may sell or lease his Unit, Storage Room, or any interest therein except by complying with the provisions below. Sponsor or a Sponsor-designee need not comply with such provisions. Sponsor or a Sponsor-designee shall have the right, without the payment of any fees or charges to the Board of Managers or the Managing Agent, to sell its Unit(s) and/or Storage Room(s) or lease its Unit(s) and/or Storage Room(s) without the Board of Managers having any right of first refusal to purchase or lease such Unit and/or Storage Room, and all sale and/or rental proceeds shall belong solely to such Sponsor or Sponsor-designee, as the case may be. However, any deed or lease made by a Sponsor or a Sponsor-designee with respect to a Unit as grantor or lessor, in the Building, shall provide that acceptance thereof by the grantee or lessee shall constitute an assumption of the provisions of the Declaration, the By-Laws and the Rules and Regulations, as same may be amended from time to time.

With regard to a Storage Room License, the following restrictions apply. A Storage Room License may only be assigned to another Residential Unit Owner or simultaneously by such Unit Owner to a purchaser of the Residential Unit. In the event a Residential Unit Owner elects to terminate a License and does not transfer same to another Residential Unit Owner, the rights to the Storage Room License in question will devolve to the Board of Managers which will have the right to issue a new Storage Room License to another Residential Unit Owner in its sole discretion. Residential Unit Owners can only rent their respective Storage Rooms to other Residential Unit Owners in the Building after obtaining the written consent of the Board of Managers thereto which consent shall not be unreasonably withheld and/or delayed. With regard to Storage Rooms held or rented by Sponsor and/or a Sponsor-designee, Sponsor and/or a Sponsor designee may assign and/or rent its Storage Rooms to residents or non-residents in its

sole discretion without charge and without the consent of the Board of Managers of the Condominium. However, a Storage Bin License will only be sold by Sponsor or a Sponsor-designee to a Residential Unit Owner.

Except as provided immediately above, any Unit Owner who receives a bona fide offer for the sale of his Unit together with: (i) the undivided interest of the Common Elements and any Limited Common Elements appurtenant thereto; (ii) the interest of such Unit Owner in any Units theretofore acquired by the Board of Managers, or its designee, on behalf of all Unit Owners, or the proceeds of the sale or lease thereof, if any; (iii) the interest of such Unit Owner in any other assets of the Condominium, as defined in the Declaration, (hereinafter collectively called the "Appurtenant Interests"); or a bona fide offer for a lease of his Unit; (hereinafter called an "Outside Offer"), which he intends to accept, shall give notice by certified or registered mail to the Board of Managers of such offer and of such intention, the name and address of the proposed purchaser or lessee, the terms of the proposed transaction and such other information as the Board of Managers may reasonably require, and shall offer to sell such Unit, together with the Appurtenant Interests, or to lease such Unit, to the Board of Managers, or its designee, corporate or otherwise, on behalf of the Owners of all other Units, on the same terms and conditions as contained in such Outside Offer. The giving of such notice shall constitute a warranty and representation by the Unit Owner who has received such offer, to the Board of Managers on behalf of the other Unit Owners, that such Unit Owner believes the Outside Offer to be bona fide in all respects. Within twenty (20) days after receipt of such notice, the Board of Managers may elect, by notice given within five (5) days after making such election, and in any event, within said twenty (20) day period, to such Unit Owner, by certified or registered mail, to purchase such Unit, together with the Appurtenant Interests, or to lease such Unit, as the case may be (or to cause the same to be purchased or leased by its designee, corporate or otherwise), on behalf of all other Unit Owners, on the same terms and conditions as contained in the Outside Offer and as stated in the notice from the offering Unit Owner.

In the event the Board of Managers shall elect to purchase such Unit, together with the Appurtenant Interests, or to lease such Unit, or to cause the same to be purchased or leased by its designee, corporate or otherwise, title shall close or a lease shall be signed at the office of the attorneys for the Condominium in accordance with the terms of such offer but in no event less than forty-five (45) days after the giving of notice by the Board of Managers of its election to accept such offer. At the closing, the Unit Owner, if such Unit, together with the Appurtenant Interests, is to be sold, shall convey the same to the Board of Managers, or to its designee, on behalf of all other Unit Owners, by deed in the form required by Section 339-o of the Real Property Law of the State of New York, with all transfer stamps affixed, and shall pay all other taxes arising out of such sale. In the event such Unit is to be leased, the offering Unit Owner shall sign and deliver to the Board of Managers, or to its designee, a lease between the offering Unit Owner, as landlord, and the Board of Managers, or its designee, as tenant, covering such Unit, for the rental and term contained in such Outside Offer.

In the event the Board of Managers or its designee fail to notify the offering Unit Owner of its decision to accept such offer within twenty (20) days after receipt of notice as aforesaid or

notify the offering Unit Owner within said period of its decision not accept such offer, the offering Unit Owner shall be free to contract to sell such Unit, together with the Appurtenant Interests, or to lease such Unit, as the case may be, within thirty (30) days after the expiration of the twenty (20) day period in which the Board of Managers or its designee might have accepted such offer, to the Outside Offeror, on the terms and conditions set forth in the notice from the offering Unit Owner to the Board of Managers of such Outside Offer. Any such deed to any Outside Offeror shall provide that acceptance thereof by the grantee shall constitute an assumption of the provisions of the Declaration, the By-Laws and the Rules and Regulations, as the same may be amended from time to time. Any such lease 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 of Managers, and that the tenant shall not sublet the demised premises, or any part thereof, without the prior consent in writing of the Board of Managers, and that the Board of Managers 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 default by the tenant in the performance of such lease. Except as hereinbefore set forth, the form of any such lease for Units shall be the then current form of lease recommended by Julius Blumberg, Inc., or The Real Estate Board of New York, Inc., with such modifications as shall be approved in writing by the Board of Managers. In the event the offering Unit Owner shall not, within such thirty (30) day period, contract to sell such Unit together with the Appurtenant Interests, or to lease such Unit, as the case may be, to the Outside Offeror on the terms and conditions contained in the Outside Offer, or if the Unit Owner shall so contract to sell or lease his Unit within such thirty (30) day period, but such sale or lease shall not be consummated pursuant to the terms of such contract, then should such offering Unit Owner thereafter elect to sell such Unit, together with the Appurtenant Interests, or to lease such Unit, as the case may be, to the same or another Outside Offeror on the same or other terms and conditions, the offering Unit Owner shall be required to again comply with all of the terms and provisions of this Section 1 of this Article VIII.

A Unit Owner who acquired his Unit from Sponsor ("Sponsor Sale") is prohibited from (a) listing the Unit for sale with any broker or placing or authorizing any listing in any broker's listing system or other listing service or from otherwise advertising or otherwise, offering, promoting or publicizing the availability of the Unit for sale for twelve (12) months after Closing, without Sponsor's prior written consent, which consent may be withheld, conditioned, or delayed in Sponsor's sole and absolute discretion; or (b) entering into a contract or other agreement for the sale of the Unit or reselling the Unit prior to the first anniversary of the Closing of the Sponsor Sale ("Resale"), except to such Residential Unit Owner's family member(s), or a trust for the benefit of such family member(s) or to an entity or individual that owns more than fifty percent (50%) of the legal and beneficial interest of such Unit Owner or to an entity with respect to which such Unit Owner (individual or otherwise) owns more than fifty percent (50%) of the legal and beneficial interest thereof, or to a permitted mortgagee or its nominee, who has acquired title to any Unit at a foreclosure sale of its permitted mortgage or by deed in lieu thereof delivered in a bona fide transaction. The foregoing restriction shall not apply from and after the date that Sponsor has conveyed title to all of the Units. For purposes of this clause, "family member(s)" shall mean the spouse, domestic partner, children, stepchildren,

grandchildren, siblings, stepsiblings, aunts, uncles, nieces, nephews, parents, stepparents, parents-in-law and grandparents of a Unit Owner. Leasing of the Unit is permitted after closing in accordance with and subject to the provisions set forth in these By-Laws.

Prior to the Closing of title to a Unit, a Purchaser is prohibited from listing the Unit for sale with any broker or placing or authorizing any listing in any broker's listing system or other listing service or from advertising or otherwise offering, promoting or publicizing the availability of the Unit for sale, without Sponsor's prior written consent, which consent may be withheld, conditioned, or delayed in Sponsor's sole and absolute discretion. Any such action by Purchaser will be deemed a material default under the Purchase Agreement, and Sponsor may, at its option, cancel the Purchase Agreement and retain, as liquidated damages, the entire Down Payment made by the Purchaser, together with any interest earned thereon.

Any purported sale or lease of a Unit and/or any purported assignment or transfer of a Storage Room License in violation of this section shall be voidable at the election of the Board of Managers.

Section 2. Consent of Unit Owners to Purchase or Lease of Units by Board of Managers. The Board of Managers shall not exercise any option hereinabove set forth to purchase or lease any Unit without the prior approval of a majority of the Unit Owners.

Section 3. No Severance of Ownership. No Unit Owner shall sign any deed, mortgage, or other instrument conveying or mortgaging title to his Unit without including therein the Appurtenant Interests, it being the intention hereof to prevent any severance of such combined ownership. Any such deed, mortgage, or other instrument purporting to affect one (1) 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 Interests of any Unit may be sold, transferred or otherwise disposed of, except as part of a sale, transfer or other disposition of the Unit to which such interest or interests are appurtenant, or as part of a sale, transfer or other disposition of such part of the Appurtenant Interests of all Units.

Section 4. Release by Board of Managers of Right of First Refusal. The right of first refusal contained in Section 1 of this Article VIII may be released or waived by the Board of Managers, in which event the Unit, together with the Appurtenant Interests, may be sold, conveyed, or leased, free and clear of the provisions of such section.

Section 5. Certificate of Termination of Right of First Refusal. A certificate, signed and acknowledged by the Secretary of the Condominium, stating that the provisions of Section 1 of this Article VIII have been met by a Unit Owner, or have been duly waived by the Board of Managers and the rights of the Board of Managers thereunder have terminated, shall be conclusive upon the Board of Managers in favor of all persons who rely thereon in good faith. Such certificates shall be furnished to any Unit Owner who has in fact complied with the provisions of Section 1 of this Article VIII or in respect to whom the provisions of such section have been waived, upon request.

Section 6. Financing of Purchase of Units by Board of Managers. Acquisition or lease of Units by the Board of Managers, or its designee, on behalf of all Unit Owners, may be made from the working capital and Common Charges in the possession of the Board of Managers, or, if such funds are insufficient, the Board of Managers may levy a Special Assessment against each Unit Owner, other than the offering Unit Owner, in proportion to his ownership in the Common Elements, as a Common Charge, which Assessment shall be enforceable in the same manner as provided in Sections 6 and 7 of Article VI, or, the Board of Managers, in its discretion, may borrow money to finance the acquisition or lease of such Unit, provided, however, that no financing may be secured by an encumbrance or hypothecation of any property other than the Unit, together with the Appurtenant Interests, so to be acquired by the Board of Managers. Notwithstanding the above, no Assessment may be levied under this Section 6 against any mortgagee who has acquired title to a Unit, whether by foreclosure or deed in lieu thereof.

Section 7. Exceptions. The provisions of Section 1 of this Article VIII shall not apply with respect to the right of first refusal pertaining to any sale or conveyance or lease by a Unit Owner of his Unit, together with the Appurtenant Interests, to his spouse or to any of his children or to his parent or parents or to his brothers or sisters, or any one (1) or more of them, or to any Unit owned by the Sponsor or a Sponsor-designee, or to the acquisition or sale of any Unit, together with the Appurtenant Interests, by a mortgagee herein authorized who shall acquire title to such Unit by foreclosure or by deed in lieu of foreclosure. However, the provisions of this section shall apply with respect to any purchaser of a Unit from a mortgagee.

Section 8. Gifts and Devises, etc. Any Unit Owner shall be free to convey or transfer his Unit by gift or to devise his Unit by will, or to pass the same by intestacy, without restriction.

Section 9. Waiver of Right of Partition with Respect to Such Units as are Acquired by the Board of Managers or its Designee, on Behalf of All Unit Owners as Tenants in Common. In the event that a Unit shall be acquired by the Board of Managers, or 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 Unit.

Section 10. Payment of Common Charges and Assessments. No Unit Owner shall be permitted to convey, mortgage, pledge, hypothecate, sell or lease his Unit unless and until he shall have paid in full to the Board of Managers all unpaid Common Charges and Assessments theretofore assessed by the Board of Managers against his Unit and until he shall have satisfied all unpaid liens against such Unit, except permitted mortgages.

Section 11. Mortgage of Units. No Residential Unit Owner shall mortgage his Unit, except by a first and/or second mortgage made to a bank, trust, trust company, insurance company, federal savings and loan association, pension fund or other institutional lender or a purchase money mortgage made to the Sponsor, Sponsor-designee, or to the seller of the Unit. Any such mortgage shall be substantially in the form on file with the Board of Managers, except for such changes or additions as may be required in order to permit the particular institutional lender to make the mortgage loan, or to the extent permitted by the Board of Managers. A

mortgage encumbering a Residential Unit may be made to a reputable private lender, other than a lender as above described, provided the same is approved in writing by either the Sponsor, prior to the Sponsor's relinquishing control of the Board of Managers, or the Board of Managers, subsequent to the release of control by the Sponsor. Such approval shall be in the sole and absolute discretion of Sponsor or the Board of Managers as the case may be. Prior to or simultaneously with the closing of any mortgage, the Unit Owner must satisfy all arrearages for unpaid Common Charges or Assessments and discharge any liens therefor. The Sponsor and/or its designee may encumber its Unit or Units with a mortgage or mortgages without being subject to the aforementioned restrictions.

Section 12. Fees and Charges. The Board of Managers shall have the right to require the Residential Unit Owner who is selling or is a prospective lessor to pay a fee to the Board of Managers and/or the Managing Agent to cover reasonable legal and other expenses of the Board of Managers and the Managing Agent in connection with the sale or lease of a Residential Unit pursuant to the provisions of this Article VIII except such charges and fees shall not apply to a sale or lease of any Unit by Sponsor, any Sponsor-designee or any partner of any entity affiliated directly or indirectly with Sponsor. Any other fees in connection with the sale or lease of a Residential Unit may only be enacted by action of Unit Owners, except any such fee shall not apply to a sale or lease of any Unit by Sponsor, any Sponsor-designee or any partner of any entity affiliated directly or indirectly with Sponsor.

ARTICLE IX

CERTAIN REMEDIES

Section 1. **Self Help.** If any Unit Owner shall violate or breach any of the provisions of the Condominium Documents on his part to be observed or performed, including, without limitation, any breach of his obligation to paint, decorate, maintain, repair, or replace his Unit or its appurtenant Limited Common Elements pursuant to the terms of Article VI hereof, and shall fail to cure such violation or breach within five (5) days after receipt of written notice of the same from the Board of Managers, the Managing Agent, or any manager (or, with respect to any violation or breach of the same not reasonably susceptible to cure within such period, to commence such cure within such five (5) day period and, thereafter, to prosecute such cure with due diligence to completion), the Board of Managers shall have the right to enter such Unit Owner's Unit and/or its appurtenant Limited Common Elements and summarily to abate, remove, or cure such violation or breach without thereby being deemed guilty or liable in any manner of trespass. In addition, in the event that the Board of Managers shall determine that the abatement, removal, or cure of any such violation or breach is immediately necessary for the preservation or safety of the Building or for the safety of the occupants of the Building or other individuals or is required to avoid the suspension of any necessary service in the Building, the Board of Managers may take such action immediately, without prior notice and without allowing the said Unit Owner any period of time within which to cure or to commence to cure such violation or breach.

Section 2. **Abatement and Enjoinment.**

a. In the event that any Unit Owner shall violate or breach any of the provisions of the Condominium Documents on his part to be observed or performed, the Board of Managers shall have the right to enjoin, abate, or remedy the continuance or repetition of any such violation or breach by appropriate proceedings brought either at law or in equity.

b. The violation or breach of any of the terms of the Condominium Documents with respect to any of the rights, easements, privileges, or licenses granted to Sponsor or its designee shall give to Sponsor or such designee the right to enjoin, abate, or remedy the continuation or repetition of any such violation or breach by appropriate proceedings brought either at law or in equity.

Section 3. Remedies Cumulative. The remedies specifically granted to the Board of Managers or to the Sponsor or its designee in this Article IX or elsewhere in the Condominium Documents shall be cumulative, shall be in addition to all other remedies obtainable at law or in equity and may be exercised at one (1) time or at different times, concurrently or in any order, in the sole discretion of the Board of Managers or Sponsor or such designee, as the case may be. Further, the exercise of any remedy shall not operate as a waiver, or preclude the exercise, of any other remedy.

Section 4. Costs and Expenses. All sums of money expended, and all costs and expenses incurred, including, but not limited to, reasonable attorneys' fees, by (i) the Board of Managers in connection with the abatement, enjoinder, removal, or cure of any violation, breach, or default committed by a Unit Owner pursuant to the terms of Section 1 or paragraph (a) of Section 2 hereof or (ii) Sponsor in connection with any abatement, enjoinder, or remedy of any violation or breach of the Condominium Documents pursuant to the terms of paragraph (b) of Section 2 hereof, shall be immediately payable by such Unit Owner to the Board of Managers in the event set forth in subparagraph (i) hereof or by the offering party (i.e., the Board of Managers or the Unit Owner) to Sponsor, in the event set forth in subparagraph (ii) hereof, which amount shall, in either event, bear interest (to be computed from the date expended) at the rate of two percent (2%) per month, but in no event in excess of the maximum rate chargeable to such Unit Owner pursuant to Law. All sums payable by a Unit Owner to the Board of Managers pursuant to the terms of this Section 4 shall, for all purposes hereunder, constitute Common Charges payable by such Unit Owner.

ARTICLE X

CONDEMNATION

Section 1. Condemnation. In the event of a taking in condemnation or by eminent domain of part or all of the Common Elements, the award made for such taking shall be payable to the Board of Managers, if such award amounts to \$100,000.00 or less, and to the Insurance Trustee, if any, if such award amounts to more than \$100,000.00. If seventy-five percent (75%) or more of the Unit Owners duly and promptly approve the repair and restoration of such Common Elements, the Board of Managers or the Insurance Trustee, if any, as the case may be, shall arrange for the repair and restoration of such Common Elements, and the Board of Managers or the Insurance Trustee, if any, as the case may be, shall disburse the proceeds of such award to the contractors engaged in such repair and restoration in appropriate progress payments. In the event that seventy-five percent (75%) or more of the Unit Owners, including Sponsor and/or Sponsor's designees as the Holders of Unsold Units, do not duly and promptly approve the repair and restoration of such Common Element, the Board of Managers shall disburse the net proceeds of such award in the same manner as they are required to distribute insurance proceeds where there is no repair or restoration of the damage, as provided in Section 3 of Article VI of these By-Laws. If applicable, the vote of Sponsor and/or Sponsor's designees as the Holders of Unsold Units will be subject to the approval of any holder of a mortgage encumbering said Unsold Units. As used in this Section, the words "promptly approve" shall

mean not more than sixty (60) days from the date of such taking. Notwithstanding anything contained herein, any restoration or repair of the Condominium made in accordance with the terms of this Section shall be substantially in accordance with the specifications set forth in the Offering Plan, as amended, unless the Board of Managers obtains the approval of the holders of first mortgages on the Units to which at least fifty-one percent (51%) of the votes of Units subject to mortgages held by such Eligible Holders are allocated.

If a portion of any Unit shall be taken in condemnation or by eminent domain and the Condominium shall not be terminated, the Common Interest appurtenant to such Unit shall be adjusted in the proportion that the total floor area of such Unit and its appurtenant Limited Common Elements after such taking bears to the total floor area of such Unit and its appurtenant Limited Common Elements prior to such taking. The Board of Managers shall promptly prepare and record an amendment to the Declaration reflecting the new Common Interest appurtenant to such Unit, which amendment shall be signed by the owner of such Unit together with the holders of record of any liens thereon (or, in lieu of signing by such Unit Owner and lienors, the same may sign a consent to such amendment in recordable form). Following the taking of a portion of a Unit and the recording of the aforementioned amendment to the Declaration, the votes appurtenant to such Unit shall be based upon the new Common Interest of such Unit, and, in the event of a taking of an entire Unit, the right to vote appurtenant to such Unit shall wholly terminate. In either event, the Common Interests of the other or remaining Units shall be adjusted accordingly and reflected in an amendment to the Declaration duly signed and acknowledged by the Board of Managers and the owners of, together with the holders of record of all liens upon, all of the other or remaining Units.

ARTICLE XI

RECORDS

Section 1. **Records and Audits.** The Board of Managers or the managing agent shall keep detailed records of the actions of the Board of Managers and the managing agent, minutes of the meetings of the Board of Managers, minutes of the meetings of the Unit Owners, and financial records and books of account of the Condominium, including a chronological listing of receipts and expenditures, as well as a separate account for each Unit which, among other things, shall contain the amount of each assessment of Common Charges against such Unit, the date when due, the amounts paid thereon, and the balance remaining unpaid. In addition, it is the obligation of the Board of Managers of the Condominium to give to all Unit Owners annually, the following:

- (a) The financial statement of the Condominium prepared by a certified public accountant or, public accountant by March 15th of each calendar year for the prior fiscal year;
- (b) Prior notice of the annual Unit Owner's meeting;

- (c) A copy of the proposed annual budget, if any, of the Condominium, within fifteen (15) days prior to the date set for adoption thereof by the Board of Managers.

ARTICLE XII

MISCELLANEOUS

Section 1. **Invalidity.** The invalidity of any part of these By-Laws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these By-Laws.

Section 2. **Captions.** The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these By-Laws, or the intent of any provision thereof.

Section 3. **Gender.** The use of the masculine gender in these By-Laws shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural, whenever the context so requires.

Section 4. **Waiver.** No restriction, condition, obligation, or provision contained in these By-Laws, shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

Section 5. **Insurance Trustee.** The Insurance Trustee, if selected, shall be a bank, trust company or savings and loan association in the State of New York, designated by the Board of Managers (with the approval of each of the holders of ten (10) or more Unit first mortgages). In the event that the Insurance Trustee shall resign, the new Insurance Trustee shall also be a bank, trust company or savings and loan association in the State of New York, designated by the Board of Managers (with the approval of each of the holders of six (6) or more Unit first mortgages). Notwithstanding anything in this Section 5 or elsewhere in the By-Laws to the contrary, Deutsche Bank New York Branch, as agent for its lenders, shall be designated by the Board of Managers as the Insurance Trustee for as long as any of the Unsold Units are encumbered by the lender's loans with Sponsor. The Board of Managers shall pay the fees and disbursements of any Insurance Trustee and such fees and disbursements shall constitute a Common Expense of the Condominium.

Section 6. **Definition of "Mortgagee".** As used in these By-Laws, the term "mortgagee" or "holder of a first mortgage" shall include the holder of any construction loan mortgage which shall be a lien on a unit.

Section 7. **"Lot-Line Windows".**

(a) There are Lot-Line Windows on portions of the north façade of the Building (collectively, "Lot-Line Windows"). Specifically, the following Units have Lot-Line Windows:

<u>Unit</u>	<u>Location</u>
7A	Master Bathroom
8A	Master Bathroom
9A	Master Bathroom
10A	Master Bathroom
11A	Master Bathroom
12A	Master Bathroom
14A	Master Bathroom
PH15	Master Bedroom
PH16	Master Bedroom
PH17	Breakfast Room
PHA	Master Bathroom on PHA Lower Level, Great Room on PHA Upper Level

All Lot-Line Windows shall be constructed in full compliance with all applicable building codes and other regulations, shall be sprinkler protected as required by DOB, and all Units will meet the light and ventilation requirements for residential occupancy without taking the Lot-Line Windows into account. In the unlikely event that the owner of the adjacent property opposite the applicable lot line, located at 44 East End Avenue, expands or reconstructs the same such that it adjoins the Building directly in front of a Lot-Line Window, such affected Lot-Line Window will need to be sealed, and the view from such window will be blocked or otherwise obstructed. The Lot-Line Windows do not provide the legal light and air required for residential occupancy. In any circumstance, all Residential Units containing a Lot-Line Window have other windows located at the south and/or east façades that, under the existing Building Code, will satisfy any such applicable light and air requirements. The Lot-Line Windows provide supplementary light and air only, and the sealing of any or all of the Lot-Line Windows will not affect the validity of the certificate of occupancy.

(b) In the event that any or all of the Lot-Line Windows must be sealed, it is customary for the adjacent property owner whose construction caused the necessity of sealing, to bear the responsibility of the cost and expense of the same. Should this not be the case, all construction to enclose the windows shall be performed by the Sponsor, at its sole cost and expense, during the time period that Sponsor controls the Board of Managers of the Condominium, or after such control period, by the Board of Managers of the Condominium, as a Common Expense of all Unit Owners.

(c) The Sponsor, if applicable, or the Board of Managers, their agents, contractors and employees, will have the right to enter any Unit(s) necessary to effect the enclosure of such affected Lot-Line Windows, should same be necessary. The Unit side of the enclosure will be finished with the same material originally used therein, if available, or if not available, then with such other finish material as will nearly as possible resemble such original material. Notwithstanding anything to the contrary herein, decoration of the affected area on the Unit side of the enclosure, will be the responsibility of the affected Unit Owner, at his or her sole cost and expense.

ARTICLE XIII

AMENDMENTS TO THE BY-LAWS

Section 1. **Amendment to By-Laws.** These By-Laws may be modified or amended by the vote of sixty-seven percent (67%) in number and in Common Interest of all Unit Owners at a meeting of Unit Owners duly held for such purpose. However, for as long as Sponsor or its designee remains the Owner of one (1) or more Units, these By-Laws, including the Rules and Regulations of the Condominium attached hereto, may not be amended or modified in any way so as to adversely affect Sponsor or its designee, in the sole discretion of Sponsor or its designee, as the case may be, without the prior written consent of Sponsor or its designee. Additionally, the By-Laws, including the Rules and Regulations of the Condominium may not be amended or modified in any way so as to adversely affect the lien of any mortgage without the prior written consent of the mortgagee.

Notwithstanding anything contained herein, Sponsor hereby reserves itself and its designee(s) the right to amend these By-Laws at any time without the requirements of a vote and without the approval or consent of the Board of Managers, any Unit Owners or mortgagees of any Unit Owners for the sole purpose of conforming the By-Laws to the requirements of applicable state and local condominium laws and/or the legal requirements of the Department of Housing and Urban Development of the United States of America ("HUD"), including, but not limited to, HUD Revised Legal Policy which is attached as appendix 24 of the HUD Handbook 4265.1, as same may be amended from time to time, or any other governmental authority or agency to qualify the Condominium for any applicable Unit financing, including, but not limited to, financing of the Federal Housing Authority of the United States of America ("FHA") and/or Fannie Mae financing.

ARTICLE XIV

CONFLICTS

Section 1. **Conflicts.** These By-Laws are set forth to comply with the requirements of Article 9-B of the Real Property Law of the State of New York. In case any of these By-Laws conflict with the provisions of said statute or of the Declaration, the provisions of said statute or of the Declaration, as the case may be, shall control.

ARTICLE XV

ARBITRATION

Section 1. **Procedure.** Any matter required or permitted to be determined by arbitration pursuant to the terms of the Condominium Documents shall be submitted for resolution by a single arbitrator in a proceeding held in the City of New York in accordance with the then existing rules of the American Arbitration Association or any successor organization thereto. Such arbitration shall be required to be submitted as expedited arbitration. In the event that the

American Arbitration Association shall not then be in existence and has no successor organization, any such arbitration shall be held in the City of New York before one arbitrator appointed, upon the application of any party, by any Justice of the highest court of appellate jurisdiction then located in the City of New York. The decision of the arbitrator so chosen shall be given within ten (10) days after his selection or appointment. Any arbitrator appointed or selected in connection with any arbitration to be conducted hereunder shall be a member of a law firm having at least five (5) members whose principal office is located in the City of New York.

Section 2. **Variation by Agreement.** The parties to any dispute required or permitted to be resolved by arbitration pursuant to the terms of the Condominium Documents may, by written agreement, vary any of the terms of Section 1 hereof with respect to the arbitration of such dispute or may agree to resolve their dispute in any manner, including, without limitation, the manner set forth in Section 3031 of the New York Civil Practice Law and Rules and known as "New York Simplified Procedure for Court Determination of Disputes".

Section 3. **Binding Effect.** The decision in any arbitration conducted pursuant to the terms of Sections 1 and 2 hereof shall be binding upon all of the parties thereto and may be entered in any court of appropriate jurisdiction.

Section 4. **Costs and Expenses.** The fees, costs and expenses of the arbitrator shall be borne equally by the disputants. Each disputant shall also bear the fees and expenses of his counsel and expert witnesses.

Section 5. **Sponsor's and Sponsor-designee's Option Not to Arbitrate.** Notwithstanding anything herein to the contrary, Sponsor, and/or its designee, shall not be obligated to arbitrate any matter arising under its ownership or sale of Units in the Building. The decision to arbitrate any such matter will be in the sole discretion of Sponsor or its designee. In the event that Sponsor or Sponsor's designee elects not to arbitrate, Sponsor or Sponsor's designee shall have all remedies available to it at equity and law.

SCHEDULE A

ADDENDUM TO THE BY-LAWS OF THE CONDOMINIUM OF THE PREMISES KNOWN AS 40 EAST END AVENUE CONDOMINIUM 40 EAST END AVENUE NEW YORK, NEW YORK 10028

RULES AND REGULATIONS

1. The Residential Units may be used only for private residential use, except that a Residential Unit Owner may use his Unit for any home occupation use permitted under applicable zoning law and ordinances, building code or other rules and regulations of governmental authorities having jurisdiction. Such Residential Units may also be used as professional offices by a resident thereof provided such professional use does not violate any zoning law and ordinances and provided further, that the prior written consent of the Board of Managers to such professional use is obtained. In the event that any Residential Unit shall be used for home occupation or professional purposes in conformity with the Declaration and the By-Laws, no patients, clients, or other invitees shall be permitted to wait in any public hallway. No illuminated or other sign may be used in connection with the aforementioned use, excepting only a professional sign, non-illuminated, not larger than the size permitted by the Board of Managers. Further, certain Units have a library that may be used as a legal bedroom, if desired. Specifically, the Maisonette Unit and Unit 7A each have three bedrooms in addition to a library that may be used as a fourth bedroom; Unit 5/6C and 7/8B each have four bedrooms in addition to a library that may be used a fifth bedroom. Each aforementioned library has a window providing legal light and air and is a livable room under the Building Code, and, provided such library complies with all other applicable law, may be used for sleeping purposes. For this reason, the aforementioned libraries are counted as bedrooms in the bedroom count shown on Schedule B to the Declaration. Additionally, certain Units have a foyer, gallery, pantry, utility room, refuse room, and/or private storage area. Any of the aforementioned rooms is not intended for sleeping purposes, which use is not permitted under, and could result in a violation issued pursuant to, the Building Code.

The great room located at the Garden Level of the Maisonette Unit may be used for sleeping or dining purposes, as it receives sufficient legal light and air for such use. However, no other portions of the Garden Level of the Maisonette Unit may be used for sleeping or dining purposes, which use is not permitted under, and could result in a violation issued pursuant to, the Building Code.

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 the foregoing.

Any Storage Room which is licensed by a Residential Unit Owner may be used for any lawful use which is accessory to the residential use of the Unit, including, but not limited to, the storage of personal effects of the Residential Unit Owner, provided that no stored article or material that shall pose a threat to the health or safety of the Unit Owners or other occupants or tenants of the Building or shall otherwise create a nuisance shall be permitted to be brought into or stored in said Storage Room by any Residential Unit Owner. In no event may a Storage Room be used for sleeping or dining purposes, which use is not permitted under, and could result in a violation issued pursuant to, the Building Code.

Notwithstanding anything herein to the contrary, (i) any Rules and Regulations pertaining to the use of a Storage Room will not be applicable to a Storage Room held or rented by Sponsor or Sponsor-designee; and (ii) notwithstanding the foregoing, the Sponsor or its designee may, without the permission of the Board of Managers, retain ownership of one or more Units for use as models, sales and/or production offices in connection with the sale or rental of the Units.

As shown on the Floor Plans, the Garden Level of the Maisonette Unit is adjacent to Storage Room #9. Notwithstanding anything to the contrary in the Declaration or By-Laws, including these Rules and Regulations, the Unit Owner of the Maisonette Unit shall have the right, at his or her sole cost and expense, to install a door between the Maisonette Unit and Storage Room #9, and upon connecting such spaces, shall have the right to use Storage Room #9 as if it were an extension of the Maisonette Unit, provided that such use complies with the Building Code, Zoning Resolution, and other applicable law, as well as with these Rules and Regulations as they apply to the Residential Units. However, Storage Room #9, notwithstanding whether it is connected to the Maisonette Unit, is not intended for sleeping or dining purposes, which use is not permitted under, and could result in a violation issued pursuant to, the Building Code. Though the connection of the Maisonette Unit and Storage Room #9 shall not require the consent of the Board of Managers, the Unit Owner of the Maisonette Unit shall be responsible for complying with all reasonable conditions the Board of Managers shall require when it grants consent to alterations done by other Unit Owners; e.g., that all work shall be done by reputable contractors with adequate liability, property damage and workers' compensation insurance (certificate for which shall be delivered to the Board of Managers prior to the commencement of

construction) and that the work shall be done in accordance with all governmental or quasi-governmental laws, rules, regulations, codes and ordinances.

2. Except as set forth above and herein, no industry, business, trade, occupation or profession of any kind, commercial, religious, educational or otherwise, designed for profit, altruism, or otherwise, shall be conducted, maintained or permitted in any part of the Residential Units or Common Elements nor shall any "For Sale", "For Rent" or "For Lease" signs or other window displays or advertising be maintained or permitted in any Residential Unit therein or adjoining Common Elements, nor shall any Residential Unit be rented for transient, hotel or motel purposes. The right is reserved by the Sponsor, its designee and the Board of Managers, or its agent, to place "For Sale", "For Rent" or "For Lease" or similar signs on any unsold and/or unoccupied Units, and the right is hereby given to any mortgagee, who may become the owner of any Unit, to place such signs on any Unit owned by such mortgagee, but in no event will any such sign be larger than one (1) foot by two (2) feet. Additionally, the right is reserved by Sponsor and its designee to maintain and staff one (1) or more vacant and unsold Units in the Building as a sales office and/or model Unit(s). Sponsor and its designee shall have the right to place "For Sale," "For Rent" or "For Lease" signs or similar signs on or in the vicinity of the Building or any portion of the Common Elements without regard to size. Sponsor or its designee shall be responsible for installing and removing such signs.

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

4. Unless expressly authorized by the Board of Managers in each instance, not less than eighty percent (80%) of the floor area of each Residential Unit (excepting only kitchens, pantries, bathrooms, closets and foyers) must be covered with rugs, carpeting, or equally effective noise-reducing material.

5. Legally compliant window stops will be provided by Sponsor in all operable windows in the Residential Units. All Unit Owners must maintain the window stops in all such windows and shall not remove them unless permitted by applicable law and in any event, without the consent of the Board of Managers. With respect to child safety compliance, a Unit Owner must notify the Board of Managers in writing when a child or children under the age of eleven (11) years lives or resides (even temporarily) in the Unit. No window guards or stops, except as required by law, or other window decorations shall be used in or about any Residential Unit, except such as shall have been approved in writing by the Board of Managers or the Managing Agent, which approval shall not be unreasonably withheld or delayed. In no event, however, shall any exterior glass surfaces of any windows at the Property be colored or painted, and no colored or neon lights shall emanate therefrom. Any shades in a Residential Unit must either be white in color or otherwise have a neutral backing in order to ensure a clean and consistent street-side appearance for the Building.

6. No exterior shades, window guards or stops, awnings, ventilators, fans or air-conditioning devices or units shall be used or installed in or about any Unit, unless otherwise required by law, without the prior written approval of the Board of Managers, which approval may be granted or refused in the sole discretion of the Board of Managers, unless such installation is required by law, nor shall anything be projected out of any window of any Unit without similar approval. In connection with the individual Unit, each Unit Owner shall be responsible for compliance with all applicable laws relating to the requirement of installing window guards or stops in the Unit.

7. No exterior of any Residential Unit, including the windows or doors thereof, or any private terrace or private garden appurtenant thereto, or any other portions of the Common Elements, including but not limited to the railing and slab component of the Juliette Balconies, shall be painted or decorated by any Unit Owner in any manner, without prior written consent of the Board of Managers or except as provided in the By-Laws.

8. Plantings on any private terrace or private garden shall be contained in boxes of wood, lined with metal or other materials impervious to dampness and standing on drainage tiles or other supports that raise such boxes above the private terrace or private garden surface in order to allow proper drainage therefrom; suitable weep holes shall be provided in the boxes to draw off water. Additionally, such boxes shall be pulled back as to not make contact with the Building or with any walls demising such private terrace or private garden. It shall be the responsibility of the Residential Unit Owner to maintain the containers and supports in good condition, and the drainage tiles and weep holes in operating condition. There shall be no blockage of drainage on any private terrace or private garden by a Residential Unit Owner. Such Residential Unit Owner shall pay the cost of any repairs rendered necessary, or damage caused, by such plantings. The size of such plantings shall be subject to the consent of the Board of Managers, which shall not be unreasonably withheld, conditioned, or delayed.

9. Unit Owners whose Units have a private terrace or private garden appurtenant thereto shall maintain, at their sole cost and expense, any plantings thereon in reasonably good health and appearance. However, such Unit Owners may remove or replace any plantings provided by Sponsor on such private terrace or private garden, subject to the consent of the Board of Managers with respect to size as provided hereinabove.

10. With respect to the portion of the sidewalk in front of the Maisonette Unit, the planters thereon, including the plantings located in such planters (the "Maisonette-Adjacent Planters"), are a General Common Element to be maintained by the Board of Managers as a Common Expense. Notwithstanding anything to the contrary herein, should the Unit Owner of the Maisonette Unit prefer plantings in the Maisonette-Adjacent Planters that are different from those planted and maintained by the Board of Managers, such Unit Owner shall have the right to select different plantings, which selection shall be subject to the consent of the Board of Managers, which shall not be unreasonably withheld, conditioned, or delayed ("New Plantings"), which New Plantings shall be purchased by such Unit Owner and planted or caused to be planted

by such Unit Owner at its sole cost and expense. Upon being planted, the New Plantings shall be a General Common Element to be maintained by the Board of Managers as a Common Expense

11. No personal articles (including, but not limited to, garbage cans, bottles or mats) and no furniture, artwork, equipment or doormats shall be placed or stored in entrances, hallways, stairways, or other Common Elements which are not limited to the exclusive use of a specific Residential Unit Owner. No Residential Unit Owner shall change or alter in any way the design, layout, color scheme or furnishings in entrances, hallways, stairways or other Common Elements, which are not limited to the exclusive use of a specific Residential Unit Owner. Notwithstanding the foregoing, a Residential Unit Owner has the right to change the lock on the door to his Unit or to add an additional lock, provided that such lock conforms in color with the other lock or locks and a copy of the new key is provided to the Board of Managers.

12. No Residential Unit Owner shall make, cause, or permit any unusual, disturbing, or objectionable noises or odors to be produced upon or to emanate from his Unit or its appurtenant Limited Common Elements or permit anything to be done therein that will interfere with the rights, comforts, or conveniences of the other Unit Owners. No Residential Unit Owner shall play upon or suffer to be played upon any musical instrument, or shall operate or permit to be operated a phonograph, radio, stereo, television set, or other loudspeaker in such Residential Unit Owner's Unit between midnight 12:00 A.M. and the following 8:00 A.M., if the same shall disturb or annoy other occupants of the Building, and in no event shall any Residential Unit Owner practice or suffer to be practiced either vocal or instrumental music between the hours of 10:00 P.M. and the following 9:00 A.M. No construction, repair work, or other installation involving noise shall be conducted in any Residential Unit except on weekdays (not including legal holidays) and only between the hours of 8:00 A.M. and 5:00 P.M., unless such construction or repair work is necessitated by an emergency.

13. Each Unit Owner shall keep his Unit in a good state of preservation and cleanliness and shall not sweep or throw or permit to be swept or thrown therefrom, or from the doors or windows of a Unit, or any private terrace, any dirt or other substances. No clothes, sheets, blankets, or other articles of any kind shall be hung or shaken from any doors, windows, or open private terraces, or placed upon the window sills of the Building.

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

15. All garbage and refuse from the Building shall be deposited with care either in the compactor refuse chutes located at individual floors of the Building or in plastic bags or other suitable receptacles intended for such purpose only at such times and in such manner as the Board of Managers may direct. Each Unit Owner shall comply with all requirements of law and regulations of the Board of Managers regarding recycling of trash. All Unit Owners shall separate their trash into "recyclable" and "nonrecyclable" materials. The Board of Managers 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 Owner for the disposal of designated recyclable materials and the locations where designated recyclable materials shall be deposited. With respect to the Penthouse Units with private refuse rooms, such Unit Owners shall coordinate with the Building staff regarding pick-up of recyclables. The Board of Managers may also establish other regulations regarding recycling of trash. Any costs incurred by the Board of Managers in the enforcement against the Unit Owner of recycling requirements imposed by law or by the Board of Managers, including (but not limited to) legal fees and fines or penalties imposed on the Board of Managers by any governmental agency shall be payable by the Unit Owner as additional Common Charges.

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

17. Except for Units owned by Sponsor and/or a Sponsor designee, no pets other than dogs, cats, caged birds, or fish (which do not cause a nuisance, health hazard, or unsanitary condition) shall be permitted, raised, bred, kept, or harbored in the Units unless, in each instance, the same shall have been expressly permitted in writing by the Board of Managers or the Managing Agent. Any such consent, if given, shall be revocable at any time by the Board of Managers or the Managing Agent in their sole discretion. In no event shall any pet be permitted in any public portions of the Building, unless carried, caged, or on a leash. No pigeons or other birds or animals shall be fed from the window sills, terraces, or other public portions of the Building, or on the sidewalk or street adjacent to the Building. The individual Unit Owners who keep an animal in their Unit shall each (a) indemnify the Board of Managers and hold it harmless against any loss or liability of any kind or character whatsoever arising from or as a result of the Unit Owner having any animal in their Unit; and (b) abide by any and all Rules and Regulations adopted by the Board of Managers with respect thereto, including without limitation, the number of such pets permitted. All Unit Owners shall be responsible for immediately cleaning up any droppings from their pets.

18. Except as provided in the Declaration and By-Laws of the Condominium, no radio or television aerial or satellite dish shall be attached to or hung from the exterior of the Building without written approval of the Board of Managers. The Board of Managers, upon the request of any Unit Owner, shall allow the installation of any hook-up necessary to provide cable television service to the Units.

19. All radio, television, or other electrical equipment of any kind or nature installed or used in each Unit shall fully comply with all rules, regulations, requirements, or recommendations of the New York Board of Fire Underwriters and the public authorities having jurisdiction, and the Unit Owner alone shall be liable for any damage or injury caused by any radio, television, or other electrical equipment.

20. The agents of the Board of Managers, and any contractor or workman authorized by them, may enter any Unit at any reasonable hour of the day for any purpose permitted under the terms of the Declaration, By-Laws, or Rules and Regulations of the Condominium.
21. No Unit Owner or any visitor, guest, patient, employee or any client of a Unit Owner shall be allowed in any heating, electrical or mechanical equipment area without the express permission of the Board of Managers.
22. All damage to the Building or Common Elements caused by the moving or carrying of any article therein shall be paid by the Unit Owner responsible for the presence of such article.
23. No Unit Owner shall interfere in any manner with any portion of the lighting apparatus which is part of the Common Elements and not part of the Unit Owner's Unit.
24. No Unit Owner shall use or permit to be brought into the Building any inflammable oils or fluids such as gasoline, kerosene, naphtha, benzine, or other explosives or articles deemed extra hazardous to life, limb, or property without in each case obtaining the written consent of the Board of Managers.
25. Except as provided above, the Unit Owner shall not be allowed to put his name on any entry to the Building or entrance to any Unit, except in the proper places approved by the Board of Managers for such purposes.
26. Any damage to the Building or equipment caused by Unit Owners, Unit Owner's family members, their guests, visitors, clients, patients or employees shall be repaired at the expense of the said Unit Owner.
27. Complaints regarding the management of the Building and grounds or regarding the actions of other Unit Owners shall be made in writing to the Board of Managers.
28. No Unit shall be used or be occupied in such manner as to obstruct or interfere with the enjoyment of occupants or owners of adjoining Units; nor shall any nuisance or immoral or illegal activity be committed or permitted to occur in or about any Unit or upon any part of the Common Elements.
29. Certain parts of the Common Elements are intended for use for the purpose of affording pedestrian movement within the Condominium and of providing access to the Units. No part of the Common Elements shall be obstructed as to interfere with its use for the purposes hereinabove recited; nor shall any part of the Common Elements be used for general storage purposes, except maintenance storage; nor shall anything be done thereon in any manner which shall increase the rate of hazard and liability insurance covering said area and improvements situated thereon.
30. Except as otherwise provided for in the Condominium Declaration and/or By-Laws, the sidewalks, entrances, passages, public halls, corridors and stairways of or appurtenant to the

Building shall not be obstructed or used for any purpose other than ingress to and egress from the Units. No vehicle belonging to a Unit Owner, to a family member of a Unit Owner, or to a guest, tenant, subtenant, licensee, invitee, employee, or agent of a Unit Owner shall be parked in such a manner as to impede or prevent ready access to any entrance to, or exit from, the Building by another vehicle.

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

32. There shall be no playing or lounging in the entrances, passages, public halls, corridors, stairways of the Building, except in recreational areas or other areas designated as such in the Declaration or by the Board of Managers.

32. The Condominium Board or the Managing Agent may, from time to time, curtail or relocate any portion of the General Common Elements devoted to storage, recreation, or service purposes in the Building.

34. Nothing shall be done or kept in any Residential Unit or in the Common Elements that will increase the rate of insurance of the Building, or the contents thereof, without the prior written consent of the Board of Managers. No Unit Owner shall permit anything to be done or kept in his Unit or in the Common Elements that will result in the cancellation of insurance on the Building, or the contents thereof, or that would be in violation of any law.

35. The agents of the Board of Managers or the Managing Agent, and any contractor or workman authorized by the Board of Managers or the Managing Agent, may enter any room or Unit at any reasonable hour of the day, on at least one (1) day's prior notice to the Unit Owner, for the purpose of inspecting such Unit for the presence of any vermin, insects, or other pests and for the purpose of taking such measures as may be necessary to control or exterminate any such vermin, insects, or other pests; however, such entry, inspection and extermination shall be done in a reasonable manner so as not to unreasonably interfere with the use of such Unit for its permitted purposes.

36. The Board of Managers or the Managing Agent shall retain a pass-key to each Residential Unit and Storage Room. No Residential Unit Owner shall change any lock on any door leading into his Residential Unit without the prior written consent of the Board of Managers. As a condition to obtaining such consent, the Residential Unit Owner must provide the Board of Managers with a key to such changed lock for their use. If a Residential Unit Owner fails to provide the Board of Managers with all keys necessary to gain entrance to such Unit Owner's Unit promptly after such Unit Owner moves into his Unit, then Sponsor shall be automatically released from any obligation it may have for correcting defects in or making repairs to such Unit. If Sponsor or the Board of Managers must gain access to a Residential Unit

for emergency purposes and a Residential Unit Owner has not furnished a key to the Board of Managers as provided in this paragraph, then the affected Residential Unit Owner shall be liable and responsible for any damage to the Common Elements or such Residential Unit caused by Sponsor or the Board of Managers in gaining access to such Unit. Furthermore, if the Residential Unit Owner is not personally present to open and permit an entry to his Residential Unit at any time when an entry therein is necessary or permissible under these Rules and Regulations or under the By-Laws, and has not furnished a key to the Board of Managers or the Managing Agent, then the Board of Managers or Managing Agent or their agents (but, except in an emergency, only when specifically authorized by an officer of the Condominium or an officer of the Managing Agent) may forcibly enter such Unit without liability for damages or trespass by reason thereof (if, during such entry, reasonable care is given to such Residential Unit Owner's property).

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

38. No Unit Owner or other occupant of the Building shall use any employee of the Condominium or of the Managing Agent or any contractor of the Sponsor for private business or send any employee of the Condominium or of the Managing Agent or any contractor of the Sponsor out of the Building on any private business without the written consent of the Condominium Board or, if applicable, of the Sponsor, except as a real estate broker for the sale or lease of a Unit.

39. The use of (i) the residential Storage Rooms located at the cellar level of the Building; (ii) the bicycle storage room located at the cellar level; (iii) the lounge located at floor 1; (iv) the fitness center, game room, library, and common kitchen located at floor 2; (v) the lobby and mail room located at floor 1; and (vi) the driveway providing ingress to and egress from East 81st Street, by any of the Residential Unit Owners shall be subject to any and all restrictions and/or regulations established by the Board of Managers in its sole discretion. Further, the Board of Managers reserves the right, in its sole discretion, to establish usage fees for certain Building amenities, including, but not limited to, the bicycle storage room (which, with an approximate capacity of fifteen (15) bicycles, is anticipated to be available for use on a first-come-first-served basis); however, such usage fees shall be based upon the cost of maintenance and operation of the applicable areas.

40. The use of the fitness center located at floor 2 of the Building, including any and all exercise and/or fitness equipment located therein, shall also be at the sole discretion of the Board of Managers and shall also be subject to all and any guidelines established by the Board of Managers relating thereto. Such guidelines may include, but are not limited to, any medical

waiver or consent that a Unit Owner must sign prior to the use of any exercise and/or fitness equipment.

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

42. Unit Owners will faithfully observe the following procedures with respect to the use of the compactor: (1) wrap dust, floor and powdered waste in compact packages before depositing the same; (b) thoroughly drain and wrap in paper all garbage before depositing the same; (c) refrain from forcing large bundles into the chute; (d) crush into tight bundles all loose papers before placing the same in the hopper door; (e) deposit all bundles of waste into the hopper; and (f) refrain from depositing waste of an explosive nature therein.

43. Except as permitted under the Declaration and By-Laws, Unit Owners, their families, guests, servants, employees, agents, visitors or licensees shall not at any time or for any reason whatsoever enter upon or attempt to enter upon the main roofs of the Building.

44. No person may carry or smoke any kind of lighted pipe, cigar, cigarette, tobacco, or any other lighted smoking apparatus, equipment or product, including but not limited to electronic cigarettes, in any area of the Building, whether indoor or outdoor, at any time. For clarification of doubt, smoking shall be prohibited in all common areas of the Building as well as in all Units and Limited Common Elements appurtenant thereto, including any private terrace and/or garden. This paragraph shall be deemed to be incorporated into the Purchase Agreement for each Unit.

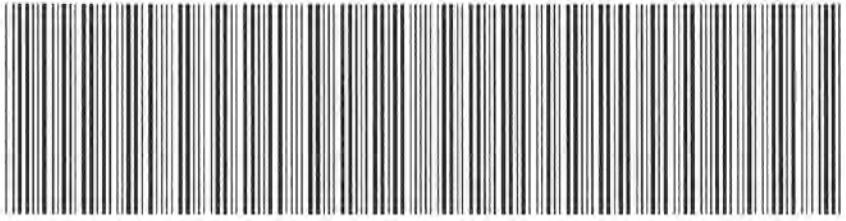
45. It is currently anticipated that the Residential Units will be delivered with natural materials (including, but not limited to, wood flooring, wood paneling, molding, and/or marble or stone surfaces, where applicable) in certain rooms, which may require special finishing and maintenance procedures in order to preserve the appearance and quality of the natural materials, and therefore, all natural materials must be maintained in accordance with the recommendations of the manufacturer thereof. Purchasers are referred to the "Description of Property and Specifications" located in Part II of the Offering Plan for details on Unit finishes. Purchasers should also note that, as natural material finishes are often cut from different sources, there may likely be variations in the tone and color of such finishes. In addition, while a Unit Owner is occupying the Residential Unit, the Unit should be environmentally controlled, as seasonally appropriate, for humidity, and the Unit's temperature should be maintained in the range of sixty-six (66) to seventy-nine (79) degrees Fahrenheit. While a Residential Unit is unoccupied, the Unit should be environmentally controlled, as seasonally appropriate, for humidity, and the temperature should be maintained in the range of sixty (60) to eighty (80) degrees Fahrenheit. The cost of any damage resulting from a failure to abide by the provisions of this paragraph by a Residential Unit Owner or their respective family members, guests, domestic employees, agents, visitors or licensees shall be borne solely by such Residential Unit Owner.

The Rules and Regulations govern the use of the Units and Common Elements and may be amended from time to time by the Board of Managers. However, no amendment of the Rules and Regulations shall be applicable to any Unsold Unit unless agreed to by Sponsor or a Sponsor-designee, as the case may be.

**COPY OF RECORDED ZONING LOT DEVELOPMENT AND EASEMENT
AGREEMENT AND DECLARATION OF ZONING LOT RESTRICTIONS**

**NYC DEPARTMENT OF FINANCE
OFFICE OF THE CITY REGISTER**

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RECORDING AND ENDORSEMENT COVER PAGE
PAGE 1 OF 30
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Document Date: 06-30-2015
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Document Type: AGREEMENT
Document Page Count: 29
PRESENTER:

MADISON TITLE AGENCY, LLC
(PICK-UP-SDS) AS AGENT FOR STEWART TITLE
1125 OCEAN AVENUE
LAKEWOOD, NJ 08701
212-808-9400
BAILAB@MADISONTITLE.COM

RETURN TO:

HERRICK, FEINSTEIN LLP
ATTN: MITCHELL A. KORBAY
2 PARK AVENUE, 23RD FLOOR
NEW YORK, NY 10016
mmtny-102142-01 (ck)(bw)

Borough
Block Lot
**PROPERTY DATA
Unit Address**
MANHATTAN 1578 31 Entire Lot
554 EAST 82ND STREET
Property Type: OTHER
CROSS REFERENCE DATA
CRFN _____ or DocumentID _____ or _____ Year _____ Reel _____ Page _____ or File Number _____
PARTIES
PARTY 1:

554 E 82ND ASSOCIATES LLC
12 WATER STREET
WHITE PLAINS, NY 10601

PARTY 2:

40 EAST END AVE. ASSOCIATES LLC
C/O LIGHTSTONE GROUP, 1985 CEDAR BRIDGE
AVENUE
LAKEWOOD, NJ 08701

FEES AND TAXES
Mortgage :
Mortgage Amount: \$ 0.00
Taxable Mortgage Amount: \$ 0.00
Exemption:
TAXES: County (Basic): \$ 0.00
City (Additional): \$ 0.00
Spec (Additional): \$ 0.00
TASF: \$ 0.00
MTA: \$ 0.00
NYCTA: \$ 0.00
Additional MRT: \$ 0.00
TOTAL: \$ 0.00
Recording Fee: \$ 182.00
Affidavit Fee: \$ 0.00
Filing Fee:
\$ 100.00
NYC Real Property Transfer Tax:
\$ 32,812.50
NYS Real Estate Transfer Tax:
\$ 5,000.00

**RECORDED OR FILED IN THE OFFICE
OF THE CITY REGISTER OF THE
CITY OF NEW YORK**
Recorded/Filed 07-20-2015 10:08
City Register File No.(CRFN):
2015000248949
City Register Official Signature

ZONING LOT DEVELOPMENT AND EASEMENT AGREEMENT

**RECORD AND RETURN TO:
HERRICK, FEINSTEIN LLP
2 PARK AVENUE, 23RD FLOOR
NEW YORK, NY 10016
ATTENTION: MITCHELL A. KORBAY**

ZONING LOT DEVELOPMENT AND EASEMENT AGREEMENT

THIS ZONING LOT DEVELOPMENT AND EASEMENT AGREEMENT (this "Agreement"), made as of the 30th day of June, 2015, by and between **554 E 82ND ASSOCIATES LLC**, a New York limited liability company, having an address at c/o Michael Paul Enterprises, LLC, 12 Water Street, Suite 204, White Plains, NY 10604 (referred to herein as "Owner"), and **40 EAST END AVE. ASSOCIATES LLC**, a Delaware limited liability company, having an address at 1985 Cedar Bridge Avenue, Suite 1, Lakewood, NJ 08701 Attention: Joseph E. Teichman (referred to herein as "Developer"; Owner and Developer are sometimes herein referred to as the "Party" or "Parties," as applicable).

WITNESSETH:

WHEREAS, Owner is the fee owner of that certain land, and buildings and improvements thereon, located in the Borough of Manhattan, City, County and State of New York, known as Lot 31 in Block 1578 on the Tax Map of the City of New York, County of New York, and as and by the street address 554 East 82nd Street, New York, New York, and more particularly described in **Exhibit "A"** annexed hereto and made a part hereof (the "Owner Land"; the building located thereon is herein referred to as the "Owner Building"; and the Owner Land and the Owner Building are herein collectively referred to as the "Owner Parcel");

WHEREAS, Developer is the fee owner of certain land, with the buildings and improvements thereon, located in the Borough of Manhattan, City, County and State of New York, known as Lot 23 in Block 1578 on the Tax Map of the City of New York, County of New York, and as and by the street address 40-42 East End Avenue (also known as 539 East 81st Street), New York, New York, and more particularly described on **Exhibit "B"** annexed hereto and made a part hereof (the "Developer Land"; the building and improvements thereon are herein referred to as the "Existing Developer Building");

WHEREAS, Developer intends to construct one or more new buildings, in one or more phases, and construct other improvements associated with such new buildings, together with any additions thereto or future alterations thereto or replacements, repairs or rebuilding thereof not prohibited by the provisions of this Agreement (collectively referred to as the "New Building"; and the Developer Land and the New Building are herein collectively referred to as the "Developer Parcel");

WHEREAS, based solely on the floor area survey prepared, signed and sealed by John J. Vida of True North Surveyors, P.C. on May 14, 2015, (the "Survey"), as certified by Randolph Gerner, AIA of Gerner Kronick & Valcarcel, Architects D.P.C., the Developer's architect on May 14, 2015 ("Architect Certification"), a copy of which is attached hereto as **Exhibit "C"**, the Owner has available "floor area", as defined in the Zoning Resolution (as hereinafter defined), that will not be utilized by the Owner Building, so that Excess Development Rights (as hereinafter defined) are or may be

available for transfer to and utilization on the Developer Parcel and any Additional Parcel (as hereinafter defined);

WHEREAS, it is contemplated that the New Building will contain more floor area than is now available for use on the Developer Parcel, as if it were its own zoning lot (as hereinafter defined), pursuant to the Zoning Resolution, and the Parties hereto therefore desire to utilize the procedure available pursuant to the Zoning Resolution for the Combined Zoning Lot (as hereinafter defined) so as to make available the Excess Development Rights for utilization in connection with the construction and maintenance of the New Building;

WHEREAS, the Parties hereto shall execute a Declaration of Zoning Lot Restrictions, of even date and contemporaneously herewith (the "Declaration") in accordance with certain provisions set forth in the definition of the term "zoning lot" in Section 12-10 of the Zoning Resolution in order to confirm a single zoning lot of the Owner Parcel and the Developer Parcel (such zoning lot, as the same may be enlarged or subdivided in accordance with the Declaration and the terms of this Agreement, is herein referred to as the "Combined Zoning Lot"; and the Declaration and this Agreement are herein together referred to as the "Zoning Documents");

WHEREAS, all "parties in interest" (as defined in the Zoning Resolution) to the Combined Zoning Lot as shown on the Zoning Lot Certification of Stewart Title Insurance Company, annexed hereto as **Exhibit "D,"** have joined in the Declaration or have waived or have previously waived their right to do so and have either executed this Agreement, or subordinated or previously subordinated their interest in the Combined Zoning Lot thereto; and

WHEREAS, the Parties hereto wish to set forth certain agreements with respect to their rights and obligations in and to the Combined Zoning Lot and other matters.

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby conclusively acknowledged, the Parties hereto hereby covenant and agree as follows:

1. Certain Definitions. As used herein:

- (a) "Additional Development Rights" shall mean (i) any additional Development Rights that may become available to the Developer Parcel or the Combined Zoning Lot (either by expansion of the Combined Zoning Lot by Developer adding Additional Parcels (as defined below), or by special permit, variance, or by any other discretionary procedure or discretionary transfer sought by Developer, at Developer's sole cost and expense, in accordance with and pursuant to the provisions of the Zoning Resolution, including, without limitation, Sections 23-90 and 74-79 et seq., (each such discretionary approval referred to herein as "Discretionary Approval")), and (ii) the right of Developer to include the lot area of

the Owner Parcel in any application to any Agency for purposes of calculating the maximum number of Additional Development Rights Developer is allowed to utilize pursuant to the Zoning Resolution and set forth hereunder. Notwithstanding anything to the contrary, Owner shall retain all rights in and to the Utilized Development Rights (as hereinafter defined).

(b) "Additional Parcel Agreement" shall mean a zoning lot development agreement with the owner of an Additional Parcel that incorporates the Additional Parcel into the Combined Zoning Lot.

(c) "Additional Parcel(s)" shall mean an adjacent property to the Combined Zoning Lot that is incorporated into the Combined Zoning Lot through an Additional Parcel Agreement in accordance with the Zoning Resolution.

(d) "Agency(ies)" shall mean the United States, the State of New York, the City of New York, and/or any political subdivision of any of them, and/or any agency, department, commission, board or instrumentality of any of them; including any Community Board, the New York City Planning Commission, the New York City Board of Standards and Appeals, the New York Landmarks Preservation Commission, the New York City Council and the New York City Department of Buildings, the Department of City Planning of the City of New York, the New York City Department of Housing Preservation and Development, the Borough President's Office, any other municipal agencies, court or department, or any department, court or agency of the State of New York or the United States of America or any successor entity to any of the foregoing.

(e) "Bonus Floor Area" shall mean any floor area that may be or become available for inclusion in a building constructed on a zoning lot either (i) through the provision of a bonusable amenity or public benefit, either on or off the Combined Zoning Lot in accordance with the applicable provisions of the Zoning Resolution, or (ii) on an as-of-right basis or by Discretionary Approval.

(f) "Datum Level" shall mean the datum level established by the North American Vertical Datum (NAVD) of 1988.

(g) "Development Rights" shall mean the rights, as determined in accordance with the Zoning Resolution, that are appurtenant to a zoning lot, to develop the zoning lot by erecting or adding thereon a structure or structures with (i) a total floor area determined by multiplying the area of the zoning lot by the maximum base floor area ratio established for the zoning district or districts in which the zoning lot is located; and (ii) the bulk, density and other rights required or permitted under the Zoning Resolution associated therewith.

(h) "Developer Development Rights" shall mean (i) the Excess Development Rights, (ii) the Development Rights appurtenant to the Developer Parcel as of the date hereof, considered as if it were a separate zoning lot, (iii) any Bonus Floor Area appurtenant to the Combined Zoning Lot (iv) all Additional Development Rights

acquired by the Developer Parcel in accordance with the terms of this Agreement, and (v) any Upzoning rights to which the Developer Parcel is entitled pursuant to the provisions of Section 4(d) hereof.

(i) "DOB" shall mean the New York City Department of Buildings or any successor to its jurisdiction.

(j) "Excess Development Rights" shall mean a portion of the Development Rights belonging or appurtenant to the Owner Parcel, in excess of the Utilized Development Rights (as hereinafter defined) on the date hereof. Based solely on the Survey and Architect's Certification, as attached hereto in Exhibit C, the Excess Development Rights comprise SEVEN THOUSAND ONE HUNDRED THIRTY (7,130) square feet of Development Rights for use on the Developer Parcel.

(k) "Owner Adverse Effect" shall mean any event or occurrence that (i) creates or increases any non-compliance or non-conformance on the Owner Parcel; (ii) modifies the Owner's rights and remedies under this Agreement or the Zoning Documents; (iii) creates an encroachment onto the Owner Parcel; (iv) diminishes Owner's rights to utilize the Utilized Development Rights on the Owner Parcel in accordance with this Agreement and without the express written consent of the Owner; or (v) has a material adverse effect on Owner's ability to use the Owner Parcel for multi-family residential use, as permitted by the Zoning Resolution on the date hereof.

(l) "Parcel" shall mean the Owner Parcel and the Developer Parcel collectively and, as of the date of this Agreement, shall have the same meaning as the Combined Zoning Lot.

(m) "Rebuilding" shall mean any construction, addition, reconstruction, replacement, repair, alteration or rebuilding of the Owner Building, Existing Developer Building or the New Building, as the case may be, whether following a casualty or otherwise, which may have the effect of changing the floor area constituting such improvements.

(n) "Utilized Development Rights" shall mean a total of NINE THOUSAND FIVE HUNDRED TWENTY-EIGHT (9,528) square feet of Development Rights, based solely on the Survey, attached hereto as Exhibit C and intended to represent the total amount of floor area of the improvements constituting Owner Building as existing on the date of this Agreement.

(o) "Violation" shall mean any violation of the Zoning Resolution or any building code, fire code, or other law, ordinance or regulation that (i) prevents or materially delays (x) the issuance or maintenance of a temporary or final certificate of occupancy for any building located on the Combined Zoning Lot, or (y) the issuance or maintenance of a building permit or any other permits or approvals required by law to build or alter or Rebuild on any parcel that is part of the Combined Zoning Lot, or (ii) creates a new, or increases the degree of an existing,

non-compliance or non-conformance, by any building or other structure located on the Combined Zoning Lot, under the Zoning Resolution; except that the addition of an Additional Parcel to the Combined Zoning Lot, on its own, shall not be a Violation to the extent that there are existing conditions that create a new non-compliance or non-conformance merely by the merging of zoning lots.

(p) "Zoning Resolution" shall mean the Zoning Resolution of the City of New York, as in effect as of the date hereof and as amended or restated from time to time hereafter.

(q) Undefined terms used in this Agreement which are defined in the Zoning Resolution – such as, without limitation, the terms "bulk," "dwelling unit," "height," "floor area," "floor area ratio," "lot area," "lot coverage," "party in interest," and "zoning lot" – shall be defined and construed as those terms are defined in and construed pursuant to Section 12-10 of the Zoning Resolution.

2. Grant of Excess Development Rights

(a) Owner hereby grants, transfers and conveys to the Developer in perpetuity the Excess Development Rights for utilization on the Developer Parcel and/or on any Additional Parcels brought into the Combined Zoning Lot by the Developer (other than the Owner Parcel and specifically excluding the Utilized Development Rights).

(b) Owner is retaining, for its benefit, the Utilized Development Rights, subject to the provisions of this Agreement, and neither the Developer nor any person or entity claiming by, under or through the Developer shall have any right, title or interest thereto.

3. Development Limitations.

(a) Owner covenants and agrees that no Rebuilding of the Owner Building shall be undertaken that:

- i. creates a Violation, if and to the extent the Violation adversely affects the Developer, the Developer Parcel, the Existing Developer Building and/or the New Building; or
- ii. utilizes any of the Developer Development Rights, as the same may be increased or decreased by a validly enacted amendment to the Zoning Resolution or by Discretionary Approval, provided, that any such Discretionary Approval shall only be permitted to the extent, (i) that it does not adversely affect the Developer's ability to maintain the Existing Developer Building or the New Building, (ii) that it is not applied for until after the New Building has received its final certificate of occupancy from the DOB, and (iii) and that it does not have any effect, adverse or

otherwise, on the Developer's Development Rights or the use and enjoyment of the Developer Parcel.

(b) The Developer covenants and agrees that no construction or Rebuilding of the Existing Developer Building or the New Building shall be undertaken that:

- i. creates an Owner Adverse Effect, including that any such Discretionary Approval shall not adversely affect Owner's ability to maintain the Owner Building for the uses therein, including without limitation as a condominium, and as permitted pursuant to the provisions of this Agreement; or
- ii. emits noise, smoke or fumes from the Existing Developer Building or New Building, which adversely affects the Owner Parcel and/or Owner Building in violation of the law; provided, however, that Developer shall exercise commercially reasonable efforts to minimize any such adverse effect on the Owner Parcel during the Rebuilding of the Existing Developer Building or the New Building.

(c) Notwithstanding anything to the contrary contained in Section 3(a) or Section 3(d) hereof, Owner covenants and agrees that, in the event any applicable law, rule, regulation or ordinance hereafter limits or restricts the Rebuilding of the Owner Building in a manner more restrictive than that provided in Section 3(a), any such Rebuilding of such Owner Building shall be accomplished in compliance with such limitation or restriction, subject to Owner's rights to obtain a Discretionary Approval; provided that any such Discretionary Approval shall only be permitted to the extent that such Discretionary Approval complies with Section 3(a)(ii) and the provisions of this Agreement.

(d) Notwithstanding anything to the contrary contained in Section 3(b) or Section 3(c) hereof, the Developer covenants and agrees that, in the event any applicable law, rule, regulation or ordinance hereafter limits or restricts the Rebuilding of the New Building in a manner more restrictive than that provided in Section 3(b), any such Rebuilding shall be accomplished in compliance with such limitation or restriction, subject to the Developer's right to obtain a Discretionary Approval; provided that any such Discretionary Approval shall only be permitted to the extent that such Discretionary Approval complies with Section 3(b)(i) and the provisions of this Agreement.

(e) The Parties acknowledge that the owners of Additional Parcels, whether now a part of, or which may hereafter be merged into, the Combined Zoning Lot, may have reserved or retained certain Development Rights appurtenant to their properties, and the Parties covenant and agree not to (i) utilize, or attempt to utilize, in the Owner Parcel or the Developer Parcel, as the case may be, all or any portion of any such reserved or retained Development Rights, or (ii) make any application to DOB to incorporate all or any portion of any such Development Rights into the Owner Parcel or the Developer Parcel, as the case may be, except pursuant to an

Additional Parcel Agreement; provided however, that no portion of any Additional Parcel Agreement shall create additional responsibilities or obligations for or upon the Owner Parcel or otherwise create an Owner Adverse Effect.

4. Damage and Destruction Following Downzoning; Upzoning.

(a) If, following a validly enacted amendment of the Zoning Resolution reducing the Development Rights appurtenant to the Combined Zoning Lot (a "Downzoning"), the Owner Building (but not the Existing Developer Building or New Building) suffers a casualty to the extent that it cannot be rebuilt as it is presently contemplated to exist as of the date hereof in accordance with the applicable provisions of the Zoning Resolution, then, subject to the provisions of Sections 2 and 3 hereof and irrespective of whether construction of or additions to the Existing Developer Building or the New Building have commenced or the Existing Developer Building or the New Building has been fully constructed or completed, the amount of Rebuilding on the Owner Parcel shall be limited by such Downzoning to an amount which allows the Developer Parcel the full benefit, and no reduction, of the Developer Development Rights as provided in this Agreement.

(b) If, following a Downzoning, the Existing Developer Building or the New Building (but not the Owner Building) suffers a casualty to the extent that it cannot be rebuilt as it exists or is presently contemplated to exist as of the date hereof in accordance with the applicable provisions of the Zoning Resolution, then, subject to the provisions of Section 2 and Section 3 hereof, the total amount of Rebuilding on the Developer Parcel shall be limited by such Downzoning to an amount which allows the Owner Parcel the full benefit, and no reduction, of the Utilized Development Rights, as provided in this Agreement.

(c) If, following a Downzoning, the Owner Building and the Existing Developer Building or the New Building simultaneously suffer a casualty to the extent that no Building can be rebuilt as it presently exists or is contemplated to exist as of the date hereof in accordance with the applicable provisions of the Zoning Resolution, then, subject to the provisions of Section 2 and Section 3 hereof, the Developer's Development Rights (excluding any Additional Development Rights acquired by the Developer Parcel, except to the extent such Downzoning reduces that amount of Additional Development Rights, subject to the Developer's rights thereto pursuant to an Additional Parcel Agreement), and the Utilized Development Rights, each shall be reduced by the same percentage such Downzoning reduces the amount of Development Rights appurtenant to the Combined Zoning Lot. The Developer may incorporate all of the Developer Development Rights, as the same are so reduced, into a Rebuilding of the New Building and Owner may incorporate all of the Utilized Development Rights, as the same are so reduced, into a Rebuilding of the Owner Building, in all cases subject to the other provisions of this Agreement.

(d) The Owner and Developer agree that following an enactment of an amendment of the Zoning Resolution increasing the Development Rights appurtenant to the Combined Zoning Lot (an "Upzoning"), the Developer Parcel shall be entitled to all the Development Rights available to the Combined Zoning Lot as a result of such Upzoning as of the date of such amendment (and including any portion attributable to any Additional Parcel brought into the Combined Zoning Lot by the Developer and pursuant to Additional Parcel Agreement), subject to the terms of this Agreement.

5. Representations. The Parties each represent and warrant to, and covenant with, each other that (a) it is seized of its respective Parcel fee simple (other than the interests, if any, of purchasers under the Plan, as hereinafter defined), it has the right to enter into the Zoning Documents and is the only party in interest with respect to its Parcel that has not waived and/or subordinated its right to execute the Zoning Documents, (b) it has not previously sold, leased, transferred, or encumbered the Development Rights associated with its Parcel (other than to the purchasers under the Plan), (c) it will execute or procure any further assurances reasonably required to enter into the Zoning Documents, provided that such further assurances create or impose no obligation or liability beyond that created or imposed by the terms of this Agreement, (d) the execution, delivery and performance of this Agreement does not violate the provisions of any mortgage or any other agreement or instrument to which it is a party or by which it is bound, (e) any consideration received by it will be received subject to the provisions of Section 13 of the Lien Law, to the extent the parties are subject to Section 13 of the Lien Law, and (f) it is not a "foreign person" as defined in section 1445(b)(3) of the Internal Revenue Code and the regulations issued thereunder. Notwithstanding anything herein to the contrary, Developer acknowledges that Owner is the sponsor of an offering plan with respect to the Owner Parcel (as the same may have been or may hereafter be amended from time to time, the "Plan"), pursuant to which the Owner has established or shall establish a plan for condominium ownership (the "Condominium") of the Owner Parcel, and that Owner has the unrestricted right and authority to continue to offer residential units in the Owner Parcel for sale pursuant to the terms of the Plan, so long as each purchaser takes subject to the Zoning Documents.

6. Utilization of Development Rights; Cooperation.

(a) Owner agrees to reasonably cooperate, at Developer's sole cost and expense, with Developer in connection with Developer's development of the Developer Parcel and the incorporation of the Developer Development Rights into the New Building or Rebuilding of the Existing Developer Building or New Building, all in accordance with the terms hereof, including, without limitation, the prosecution of all non-discretionary applications, licenses, approvals, amendments, certificates of occupancy or other certificates, rulings and/or permits, as well as the applications seeking any Discretionary Approvals or amendments thereto (all of the foregoing, collectively "Approvals") of any Agency reasonably requested by Developer relating to the development of the Developer Parcel and/or the incorporation in the New Building of the Developer Development Rights, any application by Developer to increase or decrease the size of the Combined Zoning

Lot, and/or any application by Developer to transfer any Development Rights to any other parcel of land, subject to the provisions of this Agreement; provided, however, that no such application for Approvals, if granted shall create or impose upon Owner any Owner Adverse Effect in any manner whatsoever not otherwise expressly provided for hereunder, with the understanding and acknowledgement that such Approvals may change the size of the Combined Zoning Lot, or subject the Combined Zoning Lot to the authority of an Agency, neither of which shall not be deemed an Owner Adverse Effect. Developer, at Developer's sole cost and expense, shall have the right at any time to make application in its own name, unless otherwise required, to any Agency for such Approvals, as shall be deemed necessary or appropriate by Developer (i) as a condition to, or to implement the transfer of, or the utilization by Developer of Developer Development Rights, including a building permit or permits for the construction of the New Building allowing utilization of the Developer Development Rights, and/or (ii) in connection with any Rebuilding, reconfiguration or other changes to the New Building, and/or (iii) in connection with the development of the Developer Parcel and the New Building, and/or (iv) the transfer of any Developer Development Rights to any other parcel of land (all of the foregoing, collectively, the "Developer Approvals"). Developer shall provide Owner with a full, current and accurate copy of any such application for Approvals and Developer Approvals. Provided that Developer shall have complied with its obligations to Owner pursuant to the terms of this Agreement, Owner agrees, at Developer's sole cost and expense, to reasonably cooperate with Developer in connection with the filing and prosecution of reasonable applications for the Developer Approvals by giving all necessary consents in connection with the filing and prosecution of applications for the Developer Approvals, if requested, and promptly (and in any event within twenty (20) days of receipt) to execute such appropriate documents and applications (including, without limitation, a Plan Work Approval Application (Form PW1 and Form PW1A - Schedule A, all as promulgated by the DOB from time to time) and to furnish such information within the possession or control of Owner, in each case, as may be reasonably requested by Developer for pursuing and obtaining any such Developer Approvals. In the event that Owner shall not have executed and delivered, within thirty (30) days after receipt thereof (and such other documents as may be reasonably requested), the execution of the requested documents in connection with the Developer Approvals herein referred to, then Developer shall have the right to execute such consents, documents or instruments for, on behalf of, and as attorney-in-fact for Owner; provided same are in accordance with the terms and conditions of this Agreement. In furtherance of the foregoing, Owner hereby irrevocably appoints Developer as its true and lawful attorney-in-fact, coupled with an interest to execute the appropriate documents and applications in connection with any Developer Approval sought by Developer as referred to herein and in accordance with this Agreement. Developer shall reimburse Owner for any reasonable out-of-pocket expenses incurred by Owner in connection therewith, within the twenty (20) days of written demand, the payment of which shall be made a condition precedent to Developer's delivery of such documents or information.

(b) Developer agrees, if required by the DOB, to cause the certificate of occupancy for the Owner Building or other records of the DOB to be amended so as to indicate the existence of the Combined Zoning Lot (and for no other purpose), at Developer's sole cost and expense, including, without limitation, preparing the application therefore and paying any permit or application fees imposed in connection with such application. Owner agrees that it will not (i) change the existing use of Owner Building to any use other than what is permitted by the Zoning Resolution; (ii) permit to exist any condition (including any violation of law) or use the Owner Parcel in any way which shall, or may reasonably be expected to, prevent Developer from obtaining a permanent certificate of occupancy for the New Building, or (iii) create an Owner Adverse Effect. Notwithstanding anything herein to the contrary, Owner shall have the right to continue to use the Owner Parcel for the purposes permitted under their respective certificates of occupancy, if any, and if no certificates of occupancy exist, for the current use or any other lawful use.

(c) Developer agrees that it will not permit to exist any condition, including a Violation, or use the Developer Parcel in any way which shall, or may reasonably be expected to, prevent Owner from obtaining a permanent certificate of occupancy for the Owner Building.

(d) Provided that Developer is not in default hereunder or under the Zoning Documents, Owner agrees not to appear in opposition to Developer in any action or hearing brought, sought or defended by Developer before any Agencies arising out of or in connection with any Developer Approvals relating to the New Building or the Combined Zoning Lot and/or the incorporation of any Additional Development Rights or any other reasonable application for or proceeding with respect to an Approval that affects or may affect the ability of Developer to construct the New Building or the Existing Developer Building or effect any Rebuilding thereof and/or to incorporate any Additional Development Rights into the New Building, the Existing Developer Building or other improvements on the Combined Zoning Lot, provided that without limiting Owner's rights or remedies otherwise available in the event of default by Developer hereunder or under the Zoning Documents, Owner may oppose any action which is inconsistent with the Zoning Documents.

(e) Developer agrees to reasonably cooperate, at Owner's sole cost and expense, with Owner in connection with Owner's Rebuilding of the Owner Building or the redevelopment of the Owner Parcel, including, without limitation, the filing and prosecution of all Approvals of any Agency reasonably requested by Owner relating to the Rebuilding of the Owner Building or the redevelopment of the Owner Parcel and/or the incorporation in the Rebuilding of the Owner Building or redevelopment of the Owner Building the Utilized Development Rights, subject to the provisions of this Agreement. Owner shall have the right at any time to make application in its own name, unless otherwise required, to any governmental authority for such Approvals, as shall be deemed necessary or appropriate by Owner (i) as a condition to, or the utilization by Owner of the Utilized Development Rights, including a building permit or permits for the Rebuilding of the Owner Building or

redevelopment of the Owner Parcel, and/or (ii) in connection with any Rebuilding, reconfiguration or other changes to the Owner Building, including, without limitation, any change of use or operation, and/or (iii) in connection with the development or redevelopment of the Owner Parcel (all of the foregoing, collectively, the "Owner Approvals"). Developer agrees, at Owner's sole cost and expense, to reasonably cooperate with Owner in connection with the filing and prosecution of reasonable applications for the Owner Approvals, that do not adversely effect the Developer Parcel, by giving all necessary consents in connection with the filing and prosecution of applications for the Owner Approvals, if requested, and promptly (and in any event within twenty (20) days of receipt) to execute such appropriate documents and applications (including, without limitation, a Plan Work Approval Application (Form PW1 and Form PW1A - Schedule A, all as promulgated by the DOB from time to time) and to furnish such information within the possession or control of Developer, in each case, as may be reasonably requested by Owner for pursuing and obtaining any such Owner Approvals. Owner shall reimburse Developer for any reasonable out-of-pocket expenses incurred by Developer in connection therewith, within twenty (20) days of written demand, the payment of which shall be made a condition precedent to Developer's delivery of such documents or information.

(f) Provided that Owner is not in default with the Zoning Documents, Developer agrees not to appear in opposition to Owner in any action or hearing brought, sought or defended by Owner before any Agencies arising out of or in connection with any Owner Approval relating to the Rebuilding of the Owner Building or redevelopment of the Owner Parcel and/or the incorporation of any Utilized Development Rights or any other reasonable application for or proceeding with respect to an Owner Approval that affects or may affect the ability of Owner to Rebuild or redevelop the Owner Building and/or to incorporate any Utilized Development Rights into the Owner Building, provided that without limiting Developer's rights or remedies otherwise available in the event of default by Owner under the Zoning Documents, Developer may oppose any action which is inconsistent with the Declaration, this Agreement or the Zoning Documents.

(g) Except as otherwise expressly provided herein, nothing contained in the Zoning Documents, or in any other document or instrument executed or intended to be executed between Developer and Owner in connection with this Agreement, shall be construed to restrict the operation of the Developer Parcel or the Owner Parcel, in any manner as permitted thereon by law.

7. Floor Area Notice. Notice is hereby given that this Agreement restricts the Owner Parcel, and benefits the Developer Parcel, by (i) reducing (subject to the terms of this Agreement and based solely on the Survey and Architect's Certification) the Development Rights that are appurtenant to the Owner Parcel by SEVEN THOUSAND ONE HUNDRED THIRTY (7,130) square feet of floor area, as such are the Excess Development Rights that may be utilized by the Developer pursuant to this Agreement, and (ii) allowing the Developer Parcel the exclusive right to and benefit of the Excess Development Rights attributable to the Owner Parcel. The Parties hereto further

acknowledge and agree that, unless otherwise expressly provided for herein, nothing in this Agreement grants to any Party the right or easement of access upon or over the land of any other Party, or the right to perform any Rebuilding upon the land of the other Party.

8. Separate Building Plans. The Parties hereto agree that all construction plans and specifications for, and applications for a certificate of occupancy or any building, alteration, demolition or other permits for any building on the Developer Parcel and the Owner Parcel shall be separate and independent from each other and shall be filed with DOB so as to obtain separate "new building" and "alteration" numbers, as appropriate, so long as permitted by applicable law. Each Party shall furnish to the other Party copies of all zoning plans, including zoning calculations, submitted to the DOB no later than ten (10) days after the submission of same to DOB in connection with any Approval.

9. Separate Tax Lots. The Parties acknowledge that the Parcels are separate tax lots and that the separate interests of each of them require that the Owner Parcel and the Developer Parcel and any other parcels now or hereafter merged into the Combined Zoning Lot be treated for real property tax purposes as separate and independent tax lots. The Parties shall take such actions, with respect to their Parcel, as may be reasonably required to maintain the Parcels which comprise the Combined Zoning Lot as separate and independent tax lots. No Party shall object to, or otherwise oppose, the Parcels' being treated as separate tax lots, and no Party shall be precluded from contesting tax assessments on its own Parcel. At the sole cost of the requesting Party, the Parties each agree to cooperate with the other in connection with any application, filings or proceedings relating to the assessed valuation of any of the Parcels which may be filed or instituted by the owner of such Parcel in furtherance of the foregoing.

10. Violations.

(a) In the event that at any time hereafter there exists any Violation with respect to the Owner Parcel that adversely affects the Developer Parcel, including but not limited to, prohibiting or delaying Developer's application for Approvals or receipt of Approvals (each, a "Developer Adverse Violation"), the Owner shall commence to cure such Developer Adverse Violation within thirty (30) days after receiving notice of the same from Developer, and diligently prosecute to completion, the cure, removal and discharge of any Developer Adverse Violation. In the event that the Owner does not commence such cure and proceed diligently and continuously with such cure as required by the immediately preceding sentence, Developer shall have the right to cure such Developer Adverse Violation at the reasonable expense and for the account of Owner (and if necessary, in the name of the Owner), and the Owner will execute and deliver such documents as may be required in connection therewith, it being agreed that a Developer shall have a license to have access to the Owner Parcel for the purpose of effecting such cure; provided, however, that Developer covenants and agrees that such access and cure (i) shall only occur after written notice to the Owner in accordance with the Notice provisions in Section 21 (except in the event of an emergency), (ii) except in the event of an emergency as reasonably determined by Developer, shall only occur at reasonable times, (iii) shall not unreasonably interfere with the Owner's use and

occupancy of the Owner Building, and (iv) shall take all reasonable measures to protect and preserve Owner's real and personal property on the Owner Parcel; and provided, further, that during the period of such access and cure, that Developer shall procure and maintain liability insurance, naming the Owner (and any mortgagee of the Owner Parcel of which the Developer has notice) as an additional insured, in the form and in the amounts customarily carried in connection with work of the type necessary to cure the Developer Adverse Violation and provide a copy of the certificate of insurance to the Owner. The Owner shall execute and deliver, within seven (7) days after demand therefor, the paperwork required to cure a Developer Adverse Violation. In the event that Owner shall not have executed and delivered, within seven (7) days after receipt thereof, the paperwork herein referred to, then Developer shall have the right to execute such consents, documents or instruments for, on behalf of, and as attorney-in-fact for Owner; provided same are in accordance with the terms and conditions of this Agreement. In furtherance of the foregoing, Owner hereby irrevocably appoints Developer as its true and lawful attorney-in-fact, coupled with an interest, to execute the paperwork to cure such Developer Adverse Violations referred to herein. In addition, the Developer may, at its option, maintain any action permitted at law or in equity or by statute against Owner with respect to such Developer Adverse Violation, including, without limitation, an action for injunctive relief to compel the Owner to cure such Developer Adverse Violation and/or a suit for damages arising from the failure by Owner to cure such Developer Adverse Violation.

(b) If the Developer is compelled or elects to expend any sum of money or do any acts which require the payment of money by reason of complying with, remedying or curing a Developer Adverse Violation on the Owner Parcel, as provided in this Section 10, the Owner shall, upon written demand with line item invoices attached, promptly reimburse Developer for all such sums.

(c) Developer hereby agrees to indemnify and hold Owner harmless from and against any and all claims, suits, judgments, actions, penalties, liabilities, costs, expenses and reasonable legal fees (including attorney's fees, disbursements and courts costs) suffered or paid directly or indirectly by Owner in any action or proceeding between Owner and Developer (except for any action or proceeding in which Developer prevails) or Owner and any third party to the extent arising out of or in connection with Developer's entrance upon the Owner Parcel to cure a Developer Adverse Violation.

(d) In the event that at any time hereafter there exists any Violation with respect to the Developer Parcel that adversely affects the Owner Parcel, including but not limited to prohibiting or substantially delaying Owner's application for Approvals or receipt of Approvals (each, an "Owner Adverse Violation") the Developer shall commence cure of such Owner Adverse Violation within thirty (30) days after receiving notice of the same from Owner, and diligently prosecute to completion, the cure, removal and discharge of any Owner Adverse Violation. In the event that the Developer does not commence such cure and proceed diligently and continuously with such cure as required by the immediately preceding sentence,

Owner shall have the right to cure such Owner Adverse Violation at the expense and for the account of Developer (and if necessary, in the name of the Developer), and the Developer will execute and deliver such documents as may be required in connection therewith. However, Owner shall not be permitted to enter onto the Developer Parcel. In addition, Owner may, at its option, maintain any action permitted at law or in equity or by statute against Developer with respect to such Owner Adverse Violation, including without limitation, an action for injunctive relief to compel Developer to cure such Owner Adverse Violation.

(e) If the Owner is compelled or elects to expend any sum of money or do any acts which require the payment of money by reason of complying with, remedying or curing an Owner Adverse Violation on the Developer Parcel, as provided in this Section 10, the Developer shall, upon written demand with line-item invoices attached, promptly reimburse Owner for all such sums.

(f) Owner hereby agrees to indemnify and hold Developer harmless from and against any and all claims, suits, judgments, actions, penalties, liabilities, costs, expenses and reasonable legal fees (including attorney's fees, disbursements and courts costs) suffered or paid directly or indirectly by Developer in any action or proceeding between Owner and Developer (except for any action or proceeding in which Owner prevails) or Developer and any third party to the extent arising out of or in connection with Owner's entrance upon the Developer Parcel to cure an Owner Adverse Violation.

(g) In the event of any litigation commenced by a Party against another Party to cure a Violation in accordance with the provisions hereof, the prevailing Party shall be entitled to payment of its reasonable attorneys' fees and costs by the other Party.

11. Zoning Lot Subdivision. The Developer shall have the right to subdivide, for zoning purposes, the Developer Parcel or the Combined Zoning Lot to the extent permitted by the Zoning Resolution, provided that such subdivision shall be subject to this Agreement and shall not create an Owner Adverse Effect. The Developer shall not apply for any such subdivision without first providing to Owner: (i) a copy of the application, (ii) the opinion or certification of an architect licensed in New York State, familiar with New York City zoning requirements, addressed and certified to Owner, stating the zoning consequences of the subdivision and concluding that the subdivision will not create an Owner Adverse Effect, and (iii) all related documents necessary or reasonably requested by Owner. Subject to the foregoing, the Owner shall cooperate reasonably with the Developer in connection with any such subdivision, and, if requested, shall execute such documents, consents or applications as may be reasonably requested by the Developer in connection therewith, provided the Developer shall pay any reasonable out-of-pocket fees and expenses incurred by Owner (including, but not limited to, reasonable attorneys' and other professionals' fees and expenses) in connection therewith. Provided that Developer shall have complied with its obligations under this Section, all present and future "parties in interest" to the Combined Zoning Lot, including the Owner, are hereby deemed to have (i) consented to, and waived objection to subdividing the Combined Zoning Lot into two or

more separate zoning lots, (ii) consented to or waived their respective right to declare that the Combined Zoning Lot is to be treated as two or more separate zoning lots for the purpose and in accordance with the provisions of the Zoning Resolution, and (iii) consented to or waived their right to execute, now or in the future, and subordinated their right to, any declaration of zoning lot subdivision or any other form or instrument effectuating such subdivision.

12. Additional Parcels; Additional Development Rights.

(a) All present and future "parties in interest" to the Combined Zoning Lot, including the Owner, are or will be deemed to have (i) consented to, and waived objection to enlarging the Combined Zoning Lot covered by the Declaration to include one or more Additional Parcels to be brought into the Combined Zoning Lot by Developer pursuant to an Additional Parcel Agreement, (ii) consented to or waived their respective right to declare that the Combined Zoning Lot and any Additional Parcels are to be treated as one zoning lot for the purpose and in accordance with the provisions of the Zoning Resolution, (iii) consented to or waived their right to execute, now or in the future, and subordinated their right to, the Declaration and any and all declarations of zoning lot restrictions, Additional Parcel Agreements and any and all modifications, amendments, additions, replacements, restatements or consolidations (each individually, an "Amendment", and collectively, "Amendments") thereof that relate to the Combined Zoning Lot and any Additional Parcels, provided that, such Amendments shall not include an Amendment of this Agreement without the written agreement of both Owner and Developer, for which, all parties in interest other than the Owner are hereby consenting to or waiving their right to execute, and subordinating their rights to any such Amendment, (iv) consented to and waived objection to the transfer of any Additional Development Rights to the Developer Parcel and/or the Combined Zoning Lot, and (v) consented to, waived objection to, waived their right to execute, if any, and subordinated their respective interest to, any transfer of Development Rights to or from the Developer Parcel and/or the Combined Zoning Lot, and notice of restrictions or similar documents required by the Zoning Resolution, including, without limitation, Sections 34-223, 35-35, and 23-90 et seq. in connection with the transfer of any Additional Development Rights in accordance with the terms hereof; such consent, subordination and waiver shall be effective whether or not such parties sign such consent, subordination and waiver or the documents to which such consent, subordination and waiver apply; provided that all of same are consistent with this Agreement and do not create an Owner Adverse Effect.

(b) Notwithstanding the foregoing, if requested by the Developer, Owner shall, within fifteen (15) business days after such request, execute, acknowledge and deliver or execute a waiver of a declaration of zoning lot restrictions or transfer of Development Rights pursuant to an Additional Parcel Agreement and notice of restrictions or similar document, and shall execute, acknowledge and deliver, or cause the execution, acknowledgement and delivery of, such other instruments as may reasonably be required, for the purposes of such enlargement of the Combined Zoning Lot and/or the transfer of any Additional Development Rights, provided that

there is no Owner Adverse Effect associated with such instruments, and subject to the terms of this Agreement, and provided that Developer shall reimburse the Owner and each present and future party in interest to the Owner Parcel, all reasonable out-of-pocket expenses (including, without limitation, any reasonable legal fees) incurred by the non-requesting Party in connection with the non-requesting Party's review of such documents or consents.

(c) Developer agrees that if, after the date of this Agreement, it enlarges the Combined Zoning Lot to include one or more Additional Parcels as permitted by this Agreement, the Developer shall enter into an Additional Parcel Agreement with the owner of such Additional Parcel (the "Additional Parcel Owner") that includes the following provisions: (i) neither the Developer nor the Additional Parcel Owner shall create an Owner Adverse Effect; (ii) cure provisions in the event of a Violation that are not less protective of the Owner than the provisions contained in this Agreement; and (iii) provisions substantially similar to the provisions of Sections 4(a) through 4(c) hereof relating to construction in the event of damage and destruction following a Downzoning.

13. Intentionally Omitted.

14. Third Party Beneficiaries. Except as otherwise expressly provided in this Agreement, no covenant or agreement contained herein shall inure to the benefit of any party, including, without limitation, any occupant of the Owner Parcel or the Developer Parcel, other than the Owner and the Developer, any Party In Interest, unit owners in the Condominium, all of their respective heirs, distributees, successors and assigns, the Condominium Board (as hereinafter defined) (such purchasers of the condominium units and the Condominium Board, and their respective successors and assigns, hereinafter the "Condominium Beneficiaries"). The Parties hereto further acknowledge and agree that nothing herein contained grants to any Party the right or easement of access upon or over the land of any other Party, or the right to perform any construction upon the land of any other Party, except as specifically provided herein or in any separate agreement that may be entered into by or among any of the Parties hereto.

15. Binding Effect. All of the grants, interests, easements, covenants, agreements and conditions contained in this Agreement:

(a) shall run with the lands and buildings affected;

(b) shall inure to the benefit of and be binding upon every party having any right, title or interest therein or any part thereof and the heirs, distributees, successors and assigns of any such party, the Condominium Beneficiaries, and any mortgagee of such party which may become a "mortgagee-in-possession", a purchaser who acquires title to the Parcel through a foreclosure proceeding or a "deed in lieu of foreclosure" or their respective heirs, distributees, successors and assigns;

(c) shall, to the extent rights hereunder are assigned to the holder of any mortgage encumbering any of the properties affected by this Agreement or any interest therein, or a Condominium Beneficiary, be enforceable by any such assignee or Condominium Beneficiary as provided under any such mortgage or documents ancillary thereto or the Plan; and

(d) shall bind any third party who shall acquire any interest whatsoever in the Parcel, whether from a party hereto or its heirs, legal representatives, successors or assigns, and such third party's interest shall be subordinate to the provisions of this Agreement as if such third party had been a signatory to this Agreement.

16. Effect of Breach. No breach by any party to this Agreement or any of the Zoning Documents shall have any effect on the treatment of the Combined Zoning Lot as one zoning lot for purposes of the Zoning Resolution, and the Combined Zoning Lot shall be treated as one zoning lot.

17. Breach Shall Not Defeat Mortgage. A breach of any of the terms, conditions, covenants, or restrictions of this Agreement or any of the Zoning Documents shall not defeat or render invalid the lien of any mortgage made for value which encumbers a Parcel, but such terms, conditions, covenants or restrictions shall be binding upon and effective against any person who becomes an owner of either Parcel by acquiring title thereto or any portion thereof by foreclosure, trustee's sale or otherwise.

18. Further Assurances. The Parties each agree to execute, acknowledge and deliver such further instruments, and take such other or further actions as may be reasonably required in order to carry out and effectuate the intent and purpose of any of the Zoning Documents, or to confirm or perfect any right to be created or transferred hereunder, all at the sole cost and expense of the Party requesting such further assurances.

19. Remedies. In the event of any breach or threatened breach of this Agreement by any Party hereto, the other Party shall have the right to any remedy available at law or in equity, including but not limited to injunctive relief and specific performance.

20. Limitation of Liability. Notwithstanding anything to the contrary contained herein, each Party hereto shall look only to the other Party's then estate in the Parcel, as the case may be, including insurance proceeds received therefor, for the satisfaction of their respective remedies, and no other property or assets of the other Party or its principals, officers, directors, trustees, members and partners disclosed or undisclosed, shall be subject to levy, execution or other enforcement procedure for the satisfaction of the first Party's remedies hereunder.

21. Notices. Except as may be otherwise expressly provided in this Agreement, any bills, statements, notices, demands, requests, approvals, consents or other communications given or required to be given under or in connection with this Agreement ("Notices") shall be effective only if (a) in writing, (b) (i) sent by United States registered or certified mail, return receipt requested, postage prepaid; or (ii) delivered by hand; or (iii) by electronic

mail if sent prior to 5:00pm; or (iv) sent by nationally recognized overnight courier services, and (c) addressed as follows:

To Owner:	554 E 82 ND ASSOCIATES LLC c/o Michael Paul Enterprises LLC 12 Water Street, Suite 204 White Plains, NY 10601 Attention: Michael D'Alessio Telephone: (914)625-1994 E-Mail: mp@michaelpaulenterprises.com
with a copy to:	Golenbock Eiseman Assor Bell & Peskoe LLP 437 Madison Avenue New York, NY 10022 Attention: Jonathan S. Hacker Telephone: (212)907-7392 E-Mail: JHacker@golenbock.com
To the Developer:	40 East End Ave. Associates LLC 1985 Cedar Bridge Avenue, Suite 1 Lakewood, NJ 08701 Attention: Joseph E. Teichman Telephone: (732) 987-8678 E-Mail: jteichman@lightstonegroup.com
with a copy to:	Herrick, Feinstein LLP 2 Park Avenue, 23 rd Floor New York, NY 10016 Attention: Mitchell A. Korbey Telephone: (212)592-1483 E-Mail: MKorbey@Herrick.com

Each Notice shall be deemed to have been rendered or given (i) on the date delivered, if delivered by hand, (ii) on the next business day, if sent by nationally recognized overnight courier for next day delivery, or (iii) on the date which is three (3) business days after mailing, if mailed as provided in this Section 21. Either Party may at any time change the address for Notices to such Party by giving a Notice as provided in this Section. A Notice may be given by either Party or such Party's attorney. Any notice given to Owner at the address shown above in accordance with this Section 21 shall be deemed effective as to each and every individual comprising owner pursuant to Section 34 hereof.

22. Mortgagee Notice. All notices, demands, consents, approvals, requests or other communications which may be given by any party (the "Notifying Party") pursuant to, under or by virtue of this Agreement shall, in the event a Parcel is encumbered by a

mortgage (a "Mortgage"), also be sent to the holder of such Mortgage (the "Mortgagee"), provided the Notifying Party has been previously given notice that such Parcel is encumbered by a Mortgage and the address for notices to such Mortgagee is given. All notices under this Section 22 shall be given in the same manner as provided in Section 21 hereof. In the event that any Notice shall be given by a Notifying Party of a Violation, a Mortgagee of the Parcel, shall have the same rights to remedy or cure such Violation as the Notifying Party. Such remedy or cure performed by a Mortgagee shall be performed in accordance with the provisions of Section 10 hereof for Violations.

23. No Oral Agreements; Integration. Except as stated in this Agreement and the exhibits and schedules annexed hereto, this Agreement contains all the promises, agreements, conditions, inducements and understandings between the Parties relative to the matters stated herein and therein, and there are no promises, agreements, conditions, understandings, inducements, warranties or representations, expressed or implied, between the Parties other than as set forth herein and therein.

24. Modifications and Amendments. This Agreement constitutes the entire agreement between the Parties pertaining to the subject matter hereof and supersedes all prior agreements and understandings of the parties in connection herewith, other than with respect to any agreement between the parties hereto either (i) executed and delivered simultaneously with this Agreement, and/or (ii) which, implicitly or explicitly, by its terms survives the execution of this Agreement and/or the closing thereof. This Agreement may not be modified, amended or terminated except by an instrument in writing signed by the parties hereto, except that any party in interest to any other parcels merged with the Combined Zoning Lot in accordance with the Declaration or an Amendment thereto, shall be deemed to be bound by the provisions of this Agreement upon the execution of a document to that effect between the Developer and such Party only; provided, however, in the event the Owner Parcel or the Developer Parcel or any other parcel merged with the Combined Zoning Lot is encumbered by a mortgage, and the mortgagee thereunder reasonably requests a modification or amendment to this Agreement which does not increase the obligations or decrease the rights of the Parties hereunder, the Parties agree to amend or modify this Agreement accordingly.

25. Estoppel Certificates. Whenever requested by a Party, the other Party shall within twenty (20) days thereafter furnish to the requesting party a written certificate setting forth: (i) whether this Agreement is in full force and effect; (ii) the extent to which this Agreement has been assigned by such other party or modified or amended by any instrument, whether or not of record (and if it has, then stating the nature thereof); (iii) whether the other Party has served any written notice of default under this Agreement, which default remains uncured; (iv) that the certificate may be relied upon by the requesting Party, its lenders and any prospective purchaser from such party of such Party's Parcel(s); and (v) that, to the best of its knowledge, there exists no state of facts which, with the giving of notice, the passage of time, or both, would constitute a default by the requesting Party under this Agreement. Such certificate shall act as a waiver of any claim by the Party furnishing such certificate to the extent such claim is based upon facts which are actually known to the party providing the certificate and contrary to those asserted in

the certificate but only to the extent the claim is asserted against a bona fide lienor or purchaser for value without knowledge of facts contrary to those contained in the certificate and who has acted in reasonable reliance upon the certificate. Such certificate shall in no event subject the Party furnishing it to any liability whatsoever (except for fraud), notwithstanding the negligent or inadvertent failure of such party to disclose correct or relevant information.

26. Recording. This Agreement shall be recorded in the Office of the City Register for New York County at the sole cost of the Developer.

27. Governing Law; Jurisdiction.

(a) This Agreement shall be governed by, and construed in all respects in accordance with, the internal laws of the State of New York (without giving effect to New York's principles of conflicts of law).

(b) Each Party hereby irrevocably submits to the exclusive jurisdiction of any New York State or Federal court sitting in the Borough of Manhattan, City of New York over any suit, action or proceeding commenced by or on behalf of any party hereto arising out of, or relating to, this Agreement. To the extent permitted by applicable law, the Owner and the Developer hereby waive trial by jury in any action or proceeding, and with respect to any claim asserted in any such action or proceeding, brought by either of the parties against the other on any matter whatsoever arising out of or in any way connected with this Agreement, the relationship of each Owner and Developer, any claim of injury or damage, or any emergency or other statutory remedy with respect thereto.

28. Waiver of Non-Performance. Any failure by a Party hereto (collectively and/or individually referred to herein as the "non-waiving party") to insist upon the strict performance by the other Party hereto of any of the provisions of this Agreement shall not be deemed a waiver of any of the provisions hereof, and the non-waiving party, notwithstanding such failure, shall have the right thereafter to insist upon the strict performance by the other Party of any and all of the provisions of this Agreement to be performed by such other Party.

29. Pronouns, etc. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural as the identity of the person or persons may require. The terms "herein," "hereof," or "hereunder" or similar terms used in this Agreement refer to this entire Agreement and not to the particular provision in which the term is used unless a contrary intent is expressly set forth.

30. Counterparts. This Agreement may be executed in one or more counterparts, each of which when so executed and delivered shall be deemed an original, but all of which taken together shall be construed as and shall constitute but one and the same agreement.

31. Severability. If any term of this Agreement or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other

than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law, with the parties hereto covenanting nonetheless to negotiate in good faith, in order to agree upon the terms of a mutually satisfactory provision to be substituted for the term or provision which is void or unenforceable.

32. Captions; Headings. The captions, paragraph headings, titles and sections of this Agreement are inserted for convenience only and shall not in any way affect the meaning or construction of any provision of this Agreement.

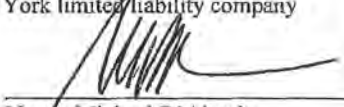
33. Exhibits and Schedules. Each of the exhibits and schedules referred to herein and attached hereto is incorporated herein by this reference.

34. Condominium. If a condominium declaration ("Condominium Declaration") for the Owner Parcel and/or Developer Parcel under Article 9-B of the Real Property Law of the State of New York (the "Condominium Law"), is filed with the Office of the City Register in and for New York County, the Owner Parcel and/or Developer Parcel, as the case may be, shall hereinafter be deemed to have "become a Condominium" and from and after said date of filing as such term is understood in the Condominium Law, (a) the Condominium Declaration (as same may be amended, modified, or restated) shall be subject to the provisions of this Agreement (as same may be amended, modified or restated with the express written consent of Owner), and (b) any reference to Owner and/or Developer, as the case may be, shall be deemed to be the condominium board of managers (the "Condominium Board") of the condominium association created in connection with the filing of the Condominium Declaration and any provision herein then applicable to the Owner and/or Developer, as the case may be, may only be enforced by or against the Condominium Board on behalf of all unit owners, and not by or against any owner of any condominium unit described in this Condominium Declaration (as the same may be amended, modified or restated).

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as of the day and year first above written.

OWNER:

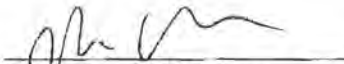
554 E 82ND ASSOCIATES LLC,
a New York limited liability company

By: 

Name: Michael D'Alessio
Title: Manager

DEVELOPER:

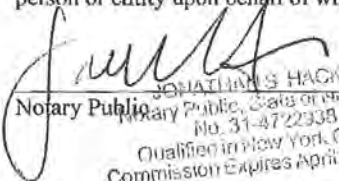
40 EAST END AVE. ASSOCIATES LLC,
a Delaware limited liability company

By: 

Name: Joseph E. Teichman
Title: Non-Member Manager

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

On the 30th day of June in the year 2015 before me, the undersigned, personally appeared MICHAEL D'ALESSIO, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person or entity upon behalf of which the individual(s) acted, executed the instrument.


 JONATHAN S. HACKER
 Notary Public, State of New York
 No. 31-872233B
 Qualified in New York County
 Commission Expires April 30, 2016

~~STATE OF NEW YORK~~)
)ss.:
~~COUNTY OF NEW YORK~~)

On the 29th day of June in the year 2015 before me, the undersigned, personally appeared JOSEPH E. TEICHMAN, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person or entity upon behalf of which the individual(s) acted, executed the instrument.


 Notary Public

MIRIAM ELLINSON
 Notary Public, State of New Jersey
 My Commission Expires
 December 09, 2015

EXHIBIT "A"

Legal Description – Owner Land

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

BEGINNING at a point on the southerly side of 82nd Street, distant 85 feet 4 inches westerly from the corner formed by the intersection of the southerly side of 82nd Street with the westerly side of East End Avenue; and

RUNNING THENCE southerly on a line parallel with said westerly side of East End Avenue, 22 feet;

THENCE easterly on a line parallel with the said northerly side of 82nd Street, 2 feet;

THENCE southerly on a line again parallel with said westerly side of East End Avenue, 16 feet, 6 inches;

THENCE westerly on a line again parallel with said southerly side of 82nd Street, 2 feet;

THENCE southerly on a line parallel with said westerly side of East End Avenue, 37 feet, 8 inches;

THENCE westerly on a line again parallel with the said southerly side of 82nd Street, 12 feet, 8 inches;

THENCE southerly on a line parallel with the westerly side of East End Avenue, 26 feet;

THENCE westerly on a line again parallel with the said southerly side of 82nd Street, 13 feet, 4 inches;

THENCE northerly on a line again parallel with said westerly side of East End Avenue, 102 feet, 2 inches to said southerly side of 82nd Street;

THENCE easterly along the same 26 feet to the point or place of BEGINNING.

EXHIBIT "B"**Legal Description – Developer Land**

All that certain plot, place or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the Borough of Manhattan, County of New York, State of New York, bounded and described as follows:

BEGINNING at a corner formed by the intersection of the northerly side of East 81st Street, with the westerly side of East End Avenue;

RUNNING THENCE westerly along said northerly side of East 81st Street, 123 feet;

THENCE northerly parallel with the westerly side of East End Avenue, 102 feet 2 inches to the center of the block;

THENCE easterly along said center of the block 25 feet;

THENCE southerly again parallel with the westerly side of East End Avenue, 51 feet;

THENCE easterly parallel with the northerly side of East 81st Street, 98 feet to the westerly side of East End Avenue;

THENCE southerly along said westerly side of East End Avenue 51 feet 2 inches to the corner aforesaid at the point or place of BEGINNING.

NOTE: Being District , Section , Block(s) 1578, Lot(s) 23, Tax Map of the Borough of Manhattan, County of New York.

NOTE: Lot and Block shown for informational purposes only.

Issued by:

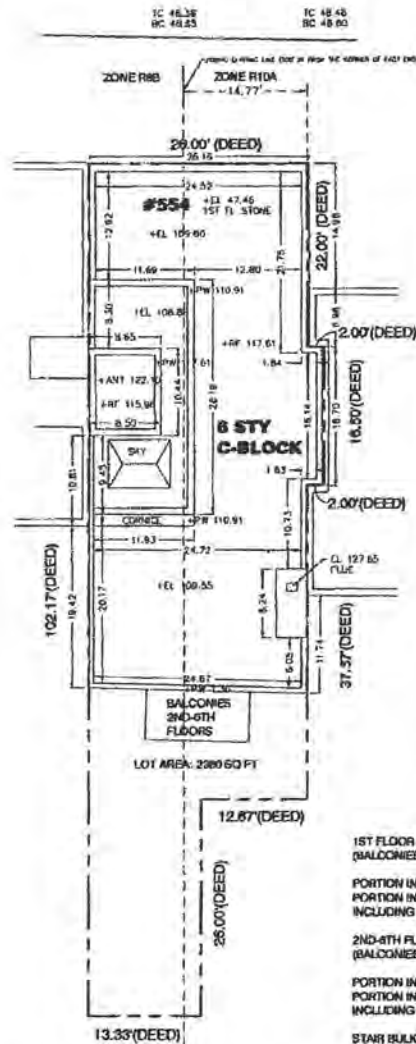
Madison Title Agency, LLC
1125 Ocean Avenue, Lakewood, NJ 08701
Telephone: 212-808-9400 Fax: 212-808-9420
Title Number: MTANY-102142-01

EXHIBIT "C"

Air Rights Survey

[See Attached.]

E 82 STREET



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 following about
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 have it situation is the story and the world

[illegible]

WEEK	DATE	TIME	LOCATION	ATTENDANCE	REMARKS
1	10/10/1981	10:00 AM	Room 101	15	Good attendance
2	10/17/1981	10:00 AM	Room 101	12	Some students absent
3	10/24/1981	10:00 AM	Room 101	18	Excellent participation
4	10/31/1981	10:00 AM	Room 101	14	Good progress
5	11/07/1981	10:00 AM	Room 101	16	Most students present
6	11/14/1981	10:00 AM	Room 101	13	Some students absent
7	11/21/1981	10:00 AM	Room 101	17	Good attendance
8	11/28/1981	10:00 AM	Room 101	15	Most students present
9	12/05/1981	10:00 AM	Room 101	14	Good attendance
10	12/12/1981	10:00 AM	Room 101	16	Most students present
11	12/19/1981	10:00 AM	Room 101	15	Good attendance
12	12/26/1981	10:00 AM	Room 101	14	Good attendance
13	01/02/1982	10:00 AM	Room 101	15	Good attendance
14	01/09/1982	10:00 AM	Room 101	16	Good attendance
15	01/16/1982	10:00 AM	Room 101	15	Good attendance
16	01/23/1982	10:00 AM	Room 101	14	Good attendance
17	01/30/1982	10:00 AM	Room 101	15	Good attendance
18	02/06/1982	10:00 AM	Room 101	16	Good attendance
19	02/13/1982	10:00 AM	Room 101	15	Good attendance
20	02/20/1982	10:00 AM	Room 101	14	Good attendance
21	02/27/1982	10:00 AM	Room 101	15	Good attendance
22	03/06/1982	10:00 AM	Room 101	16	Good attendance
23	03/13/1982	10:00 AM	Room 101	15	Good attendance
24	03/20/1982	10:00 AM	Room 101	14	Good attendance
25	03/27/1982	10:00 AM	Room 101	15	Good attendance
26	04/03/1982	10:00 AM	Room 101	16	Good attendance
27	04/10/1982	10:00 AM	Room 101	15	Good attendance
28	04/17/1982	10:00 AM	Room 101	14	Good attendance
29	04/24/1982	10:00 AM	Room 101	15	Good attendance
30	05/01/1982	10:00 AM	Room 101	16	Good attendance
31	05/08/1982	10:00 AM	Room 101	15	Good attendance
32	05/15/1982	10:00 AM	Room 101	14	Good attendance
33	05/22/1982	10:00 AM	Room 101	15	Good attendance
34	05/29/1982	10:00 AM	Room 101	16	Good attendance
35	06/05/1982	10:00 AM	Room 101	15	Good attendance
36	06/12/1982	10:00 AM	Room 101	14	Good attendance
37	06/19/1982	10:00 AM	Room 101	15	Good attendance
38	06/26/1982	10:00 AM	Room 101	16	Good attendance
39	07/03/1982	10:00 AM	Room 101	15	Good attendance
40	07/10/1982	10:00 AM	Room 101	14	Good attendance
41	07/17/1982	10:00 AM	Room 101	15	Good attendance
42	07/24/1982	10:00 AM	Room 101	16	Good attendance
43	07/31/1982	10:00 AM	Room 101	15	Good attendance
44	08/07/1982	10:00 AM	Room 101	14	Good attendance
45	08/14/1982	10:00 AM	Room 101	15	Good attendance
46	08/21/1982	10:00 AM	Room 101	16	Good attendance
47	08/28/1982	10:00 AM	Room 101	15	Good attendance
48	09/04/1982	10:00 AM	Room 101	14	Good attendance
49	09/11/1982	10:00 AM	Room 101	15	Good attendance
50	09/18/1982	10:00 AM	Room 101	16	Good attendance
51	09/25/1982	10:00 AM	Room 101	15	Good attendance
52	10/02/1982	10:00 AM	Room 101	14	Good attendance
53	10/09/1982	10:00 AM	Room 101	15	Good attendance
54	10/16/1982	10:00 AM	Room 101	16	Good attendance
55	10/23/1982	10:00 AM	Room 101	15	Good attendance
56	10/30/1982	10:00 AM	Room 101	14	Good attendance
57	11/06/1982	10:00 AM	Room 101	15	Good attendance
58	11/13/1982	10:00 AM			

AIR RIGHTS SURVEY

THE BOROUGH OF MANHATTAN

CITY OF NEW YORK
COUNTY OF NEW YORK

354 E. MAIN STREET
ST. GEORGE, UTAH

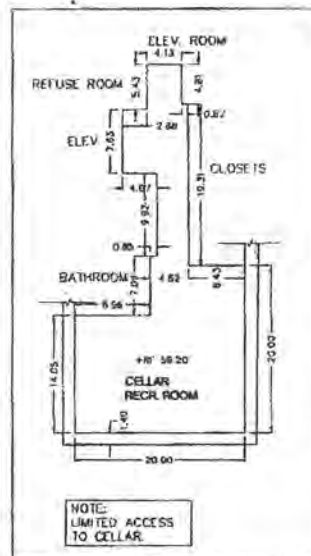
Calculations for Excess Development Rights:

Total Lot Area of Parcel **2,360 SF**

Lot Area	1,203 SF
Floor Area Ratio (FAR)	10
Allowable Zoning Floor Area	12,030 SF
Existing Zoning Floor Area	5,649 SF
Excess Development Rights	6,381 SF

R8B Portion	
Lot Area	1,157 SF
Floor Area Ratio (FAR)	4
Allowable Zoning Floor Area	4,628 SF
Existing Zoning Floor Area	3,879 SF
Excess Development Rights	749 SF

Total Excess Floor Area
6,381 + 749 = 7,130 SF



NOTE:
LIMITED ACCESS
TO CELLAR

1ST FLOOR RESIDENTIAL
(BALCONIES EXCLUDED):

PORTION IN ZONE R10A: 605.48 SQ.FT. PER FLOOR
PORTION IN ZONE R8B: 538.22 SQ.FT. PER FLOOR
INCLUDING DEDUCTIONS TAKEN FROM PLANS PROVIDED BY CLIENT.

2ND-6TH FLOORS RESIDENTIAL:
(BALCONIES EXCLUDED):

PORTION IN ZONE R1D: 948.8 SQ.FT. PER FLOOR
PORTION IN ZONE R1B: 668.2 SQ.FT. PER FLOOR
INCLUDING DEDUCTIONS TAKEN FROM PLANS PROVIDED BY CLIENT.

STAIR BULKHEAD:
PORTION IN ZONE R10A: 34 SQ. FT.
PORTION IN ZONE R08B: 316 SQ. FT.

ELEVATOR ROOM 60 SQ. FT.



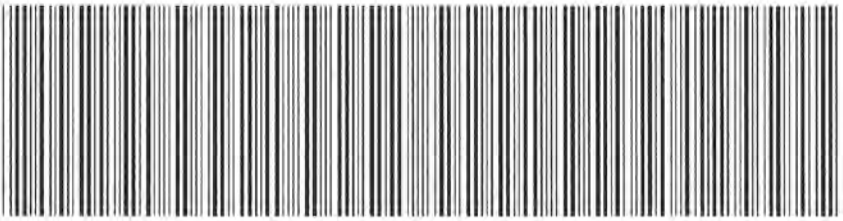
EXHIBIT "D"

Parties In Interest Certification

[See Attached.]

**NYC DEPARTMENT OF FINANCE
OFFICE OF THE CITY REGISTER**

This page is part of the instrument. The City Register will rely on the information provided by you on this page for purposes of indexing this instrument. The information on this page will control for indexing purposes in the event of any conflict with the rest of the document.


2015070600037006001E9CAA
RECORDING AND ENDORSEMENT COVER PAGE
PAGE 1 OF 7
Document ID: 2015070600037006
Document Date: 06-30-2015
Preparation Date: 07-08-2015
Document Type: SUNDRY MISCELLANEOUS
Document Page Count: 6
PRESENTER:

MADISON TITLE AGENCY, LLC
(PICK-UP-SDS) AS AGENT FOR STEWART TITLE
1125 OCEAN AVENUE
LAKEWOOD, NJ 08701
212-808-9400
BAILAB@MADISONTITLE.COM

RETURN TO:

HERRICK, FEINSTEIN LLP
ATTN: MITCHELL A. KORBAY
2 PARK AVENUE, 23RD FLOOR
NEW YORK, NY 10016
mmtny-102142-01 (ck)(bw)

Borough	Block	Lot	Unit	Address
MANHATTAN	1578	31	Entire Lot	554 EAST 82ND STREET
Property Type: OTHER				
Borough	Block	Lot	Unit	Address
MANHATTAN	1578	23	Entire Lot	40 EAST END AVENUE
Property Type: APARTMENT BUILDING				

CROSS REFERENCE DATA

CRFN _____ or DocumentID _____ or _____ Year _____ Reel _____ Page _____ or File Number _____

PARTIES
PARTY 1:

40 EAST END AVE. ASSOCIATES LLC
C/O THE LIGHTSTONE GROUP, 1985 CEDAR BRIDGE
AVENUE, SUITE 1
LAKEWOOD, NY 07801

PARTY 2:

554 E 82ND ASSOCIATES LLC
C/O MICHAEL PAUL ENTERPRISES, LLC, 12 WATER
STREET, SUITE 204
WHITE PLAINS, NY 10601

FEES AND TAXES

Mortgage :		Filing Fee:	
Mortgage Amount:	\$ 0.00		\$ 0.00
Taxable Mortgage Amount:	\$ 0.00	NYC Real Property Transfer Tax:	
Exemption:			\$ 0.00
TAXES: County (Basic):	\$ 0.00	NYS Real Estate Transfer Tax:	
City (Additional):	\$ 0.00		\$ 0.00
Spec (Additional):	\$ 0.00		
TASF:	\$ 0.00		
MTA:	\$ 0.00		
NYCTA:	\$ 0.00		
Additional MRT:	\$ 0.00		
TOTAL:	\$ 0.00		
Recording Fee:	\$ 70.00		
Affidavit Fee:	\$ 0.00		


**RECORDED OR FILED IN THE OFFICE
OF THE CITY REGISTER OF THE
CITY OF NEW YORK**

Recorded/Filed 07-20-2015 10:08
City Register File No.(CRFN):
2015000248954

Annette McMill

City Register Official Signature

DECLARATION OF ZONING LOT RESTRICTIONS

Declaration (this "Declaration"), made as of this 30th day of June, 2015, by **40 EAST END AVE. ASSOCIATES LLC**, a Delaware limited liability company, having an address at c/o The Lightstone Group, 1985 Cedar Bridge Avenue, Suite 1, Lakewood, New Jersey 07801 ("**Purchaser**"), and **554 E 82ND ASSOCIATES LLC**, a New York limited liability company, having an address at c/o Michael Paul Enterprises, LLC, 12 Water Street, Suite 204, White Plains, NY 10601 ("**Seller**"; Purchaser and Seller, collectively, the "**Declarants**").

1. Purchaser is the owner of certain land, with the buildings and improvements thereon, in the City of New York, Borough of Manhattan, generally known by the street address 40-42 East End Avenue (also known as 539 East 81st Street), designated as Lot 23 in Block 1578 on the Tax Map of the City of New York, County of New York which is more particularly described on Exhibit A annexed hereto and made a part hereof (said land being herein called the "**Purchaser Parcel**");

2. Seller is the owner of certain land, with the buildings and improvements thereon, in the City of New York, Borough of Manhattan, generally known by the street address 554 East 82nd Street, designated as Lot 31 in Block 1578 on the Tax Map of the City of New York, County of New York which is more particularly described on Exhibit B annexed hereto and made a part hereof (said land being herein called the "**Seller Parcel**");

3. Seller and Purchaser constitute all of the "Parties In Interest" (excepting those parties waiving their respective rights to join herein) as defined in paragraph (f)(4) of the definition of a "zoning lot" in Section 12-10 of the Zoning Resolution of the City of New York, effective December 15, 1961, as amended from time to time (the "**Zoning Resolution**"), with respect to the Purchaser Parcel and the Seller Parcel (collectively, the "**Property**"), and do hereby declare that the Purchaser Parcel and the Seller Parcel are to be treated as one zoning lot for the purposes of and in accordance with the provisions of the aforementioned Zoning Resolution.

4. The Seller Parcel and the Purchaser Parcel, being contiguous for more than ten (10) linear feet and located within a single block, are to be treated as one zoning lot for the purposes of and in accordance with the Zoning Resolution.

5. This Declaration shall run with the land affected hereby and shall inure to the benefit of and be binding upon the heirs, successors and assigns of the parties hereto, and every party having any right, title or interest therein or any part thereof.

6. No breach by any party to this Declaration, or any agreement ancillary hereto, shall have any effect on the treatment of the Property as one zoning lot for purposes of the Zoning Resolution, and the Property shall be treated as one zoning lot unless such zoning lot is subdivided in accordance with the provisions of the Zoning Resolution.

7. Declarants each agree to execute, acknowledge and deliver, within ten (10) days after written notice from each other, such further instruments, and take such other or further actions, as may be reasonably required in order to carry out and effectuate the intent and purpose of this Declaration, or to confirm or perfect any right to be created or transferred hereunder, all at no

cost or expense to the non-requesting party.

8. Reference is hereby made to the Zoning Lot Development and Easement Agreement between the Declarants dated as of the date hereof (the "ZLDA") and intended to be recorded simultaneously herewith, which sets forth certain rights and obligations of the parties with respect to the lands affected hereby. The Declarants acknowledge that the ZLDA provides that Purchaser may determine to enlarge the combined zoning lot to add one or more additional parcels of land and Seller hereby consents to such enlargement and waives its rights to join in any documents (including, without limitation, any amendment, modification or restatement of this Declaration) with respect to such enlargement by Developer.

9. This Declaration shall be recorded in the Conveyances Section of the Office of the City Register for New York County in accordance with the provisions of Section 12-10 of the Zoning Resolution.

10. This Declaration may be executed in counterparts, but all counterparts shall constitute but one and the same document.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, each of the Declarants has caused its respective duly authorized representative to execute and deliver this instrument as of the date first set forth above.

554 E 82ND ASSOCIATES LLC

By: _____
 Name: Michael D'Alessio
 Title: Manager

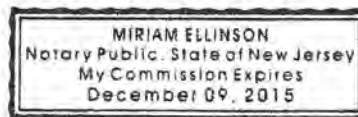
40 EAST END AVE. ASSOCIATES LLC

By: 
 Name: Joseph E. Teichman
 Title: Non-Member Manager

State of New York Jersey)
)
 County of New York Ocean) SS.:

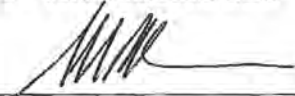
On the 24th day of June, in the year 2015 before me, the undersigned, personally appeared Joseph E. Teichman, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.


 Notary Public



IN WITNESS WHEREOF, each of the Declarants has caused its respective duly authorized representative to execute and deliver this instrument as of the date first set forth above.

554 E 82ND ASSOCIATES LLC

By: 

Name: Michael D'Alessio

Title: Manager

40 EAST END AVE. ASSOCIATES LLC

By: _____

Name: Joseph E. Teichman

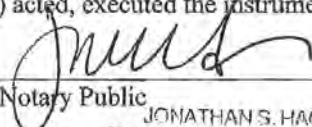
Title: Non-Member Manager

State of New York)

County of New York)

ss.:

On the 28th day of June, in the year 2015 before me, the undersigned, personally appeared Michael D'Alessio, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.


Notary Public

JONATHAN S. HACKER
Notary Public, State of New York
No. 31-4722938
Qualified in New York County
Commission Expires April 30, 2016

EXHIBIT ADescription of Purchaser Parcel

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, State of New York, bounded and described as follows:

BEGINNING at a corner formed by the intersection of the northerly side of East 81st Street, with the westerly side of East End Avenue;

RUNNING THENCE westerly along said northerly side of East 81st Street, 123 feet;

THENCE northerly parallel with the westerly side of East End Avenue, 102 feet 2 inches to the center of the block;

THENCE easterly along said center of the block 25 feet;

THENCE southerly again parallel with the westerly side of East End Avenue, 51 feet;

THENCE easterly parallel with the northerly side of East 81st Street, 98 feet to the westerly side of East End Avenue;

THENCE southerly along said westerly side of East End Avenue 51 feet 2 inches to the corner aforesaid at the point or place of BEGINNING.

NOTE: Being District , Section , Block(s) 1578, Lot(s) 23, Tax Map of the Borough of Manhattan, County of New York.

NOTE: Lot and Block shown for informational purposes only.

EXHIBIT BDescription of Seller Parcel

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

BEGINNING at a point on the southerly side of 82nd Street, distant 85 feet 4 inches westerly from the corner formed by the intersection of the southerly side of 82nd Street with the westerly side of East End Avenue; and

RUNNING THENCE southerly on a line parallel with said westerly side of East End Avenue, 22 feet;

THENCE easterly on a line parallel with the said northerly side of 82nd Street, 2 feet;

THENCE southerly on a line again parallel with said westerly side of East End Avenue, 16 feet, 6 inches;

THENCE westerly on a line again parallel with said southerly side of 82nd Street, 2 feet;

THENCE southerly on a line parallel with said westerly side of East End Avenue, 37 feet, 8 inches;

THENCE westerly on a line again parallel with the said southerly side of 82nd Street, 12 feet, 8 inches;

THENCE southerly on a line parallel with the westerly side of East End Avenue, 26 feet;

THENCE westerly on a line again parallel with the said southerly side of 82nd Street, 13 feet, 4 inches;

THENCE northerly on a line again parallel with said westerly side of East End Avenue, 102 feet, 2 inches to said southerly side of 82nd Street;

THENCE easterly along the same 26 feet to the point or place of BEGINNING.

THE CITY OF NEW YORK
DEPARTMENT OF HOUSING PRESERVATION AND DEVELOPMENT
OFFICE OF DEVELOPMENT
Inclusionary Housing Program
100 Gold Street
New York, NY 10038

COMPLETION NOTICE - CERTIFICATE OF FLOOR AREA COMPENSATION TRANSFER - R10

DATE OF ISSUANCE OF THIS COMPLETION NOTICE	November 14, 2017	DATE OF EXECUTION OF REGULATORY AGREEMENT	June 30, 2015
SITE OF AFFORDABLE UNITS	321-323 East 60th Street	DATE OF (TEMPORARY) C OF C FOR AFFORDABLE HOUSING	October 26, 2017
BLOCK(S)	1435	LOT(S)	15
		CD #	8
BENEFIT TRANSFEROR	321 East 60th Street LLC	BENEFIT TRANSFEREE	40 East End Ave. Associates LLC
BENEFIT TRANSFEROR'S ADDRESS	40 Fulton Street, 12th Floor, New York, NY 10038	BENEFIT TRANSFEREE'S ADDRESS	c/o The Lightstone Group, 1985 Cedar Bridge Avenue, Lakewood, NJ 08701
AFFORDABLE HOUSING FLOOR AREA BONUS RATIO	3.5	AFFORDABLE HOUSING FLOOR AREA	3,669.15 Square Feet
		ADDRESS OF COMPENSATED DEVELOPMENT	40 East End Avenue, New York, NY (Block 1576, Lot 23)

Whereas, Affordable Housing has been constructed, rehabilitated, or preserved at the above-referenced address in accordance with the Inclusionary Housing Program Guidelines and Section 23-90, inclusive, of the New York City Zoning Resolution. This construction, rehabilitation, or preservation of Affordable Housing entitles the Benefit Transferor to assign Floor Area Compensation generated by the above-referenced amount of Affordable Housing Floor Area to the Benefit Transferee to be utilized by the Compensated Development in accordance with the New York City Zoning Resolution.

This Completion Notice may be conveyed or sold only by the Benefit Transferor named above, and only to the Benefit Transferee named above. This Completion Notice cannot be used to transfer benefits to any person or entity other than the Benefit Transferee named above. The transfer of this Completion Notice to the Benefit Transferee is accomplished by both the Benefit Transferor and Benefit Transferee endorsing and notarizing this Completion Notice in the place indicated below. If no Benefit Transferee is named or if this Completion Notice is not transferred in accordance with the above procedure, then the Benefit Transferor shall remain the owner of record of the above-referenced Affordable Housing Floor Area if and until such time as Benefit Transferor directs HPD, at its sole discretion, to re-issue this Completion Notice to another entity.

Unused Completion Notices or Completion Notices without a specified address for a Compensated Development must be returned to HPD for voiding and re-issuance.

BENEFIT TRANSFEROR:

321 East 60th Street

By: 

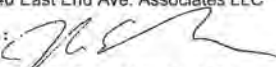
Sworn to me before this

17th day of November 20 17

PANAGIOTIS DIMITRIOS BOBORIS
Notary Public, State of New York
Registration #02BO6312717
Qualified in Nassau County
Commission Expires October 6, 20 21

BENEFIT TRANSFEREE:

40 East End Ave. Associates LLC

By: 

Sworn to me before this

17 day of November 20 17

Notary Public
JULIA GRANACKI
Notary Public, State of New York
No. 01GR6239984
Qualified in New York County
My Commission Expires July 16, 2019

Inclusionary Housing
Program Seal


Louise Carroll
Associate Commissioner
Housing Incentives

6/11/17
11/14/17

PRE-SETTLEMENT ORIENTATION CHECKLIST

Purchasers: _____

Sponsor's Representative 1st Walk _____ 2nd Walk _____

Condominium Unit Number: _____

Construction Manager _____

Address: 40 East End Avenue, New York, NY

Project Manager's Review _____ Date _____

This Pre-settlement Orientation Checklist will document any and all defects, omissions and adjustments that Seller will correct for the above stated unit. Please initial next to every item that is accepted and, if not accepted, place a circle in the initial space and note the deficiencies next to that item in the Description column. If an item does not specifically apply to your home, please mark "N/A" in the initial column. Only items noted on first inspection will be completed prior to your settlement.

	1W Date: _____ 2W Date: _____ Start Time: _____ Start Time: _____ Completion Time: _____ Completion Time: _____	Buyer Initial or Circle
	DESCRIPTION	
1. Entrance Foyer		
A. Apartment Entry Door		
B. Closet and shelving		
C. Trim		
D. Walls and Ceilings		
E. Electrical (fixtures, outlets, etc.)		
F. Flooring		
G. Electrical Panel		
H. Sprinklers		
2. Kitchen		
A. Trim		
B. Walls and Ceilings		
C. Electrical (fixtures, outlets, etc.)		
D. Cabinets and hardware and pantry		
E. Countertops and Backsplash		
F. Flooring		
G. Sink / Faucet / Valves		
H. Refrigerator and Freezer		
I. Dishwasher		
J. Warming Drawer		
K. Oven		
L. Cooktop		
M. Microwave		
N. Garbage disposal		
O. Wine Fridge		
P. Ventilation Hood		
Q. HVAC register (where applicable)		
R. Sprinklers		
S. Windows and glass		

***NOTE:** Items such as minor defects, scratches and chips are considered commercially acceptable and only major cosmetic defects should be noted on this list.

PRE-SETTLEMENT ORIENTATION CHECKLIST

Purchasers: _____

Sponsor's Representative 1st Walk _____ 2nd Walk _____

Condominium Unit Number: _____

Construction Manager _____

3. Living Room		
A. Trim		
B. Walls and ceilings		
C. Electrical (fixtures, outlets, etc.)		
D. Windows and glass		
E. Heat Pump		
F. Flooring		
G. Sprinklers		
4. Master Bedroom		
A. Doors & Hardware		
B. Trim		
C. Walls and ceilings		
D. Closet and shelving		
E. Electrical (fixtures, outlets, etc.)		
F. Windows and glass		
G. Heat Pump		
H. Flooring		
I. Sprinklers		
5. Master Bath		
A. Door & Hardware		
B. Trim		
C. Walls and Ceiling		
D. Tile		
E. Plumbing Fixtures and valves		
F. Exhaust Register		
G. Electrical (fixtures, outlets, etc.)		
H. Accessories (towel bar, hook, etc.)		
I. Mirror		
J. Shower Door		
K. Vanity / Top		
L. Sinks		
M. Sprinklers		
N. Windows and glass		

*NOTE: Items such as minor defects, scratches and chips are considered commercially acceptable and only major cosmetic defects should be noted on this list.

PRE-SETTLEMENT ORIENTATION CHECKLIST

Purchasers: _____

Sponsor's Representative 1st Walk _____ 2nd Walk _____

Condominium Unit Number: _____

Construction Manager _____

6. Bedroom # 2		
A. Doors & Hardware		
B. Trim		
C. Walls and ceilings		
D. Closet and shelving		
E. Electrical (fixtures, outlets, etc.)		
F. Windows and glass		
G. Heat Pump		
H. Flooring		
I. Sprinklers		
7. Bathroom #2		
A. Door & Hardware		
B. Trim		
C. Walls and Ceiling		
D. Tile		
E. Plumbing Fixtures and valves		
F. Exhaust Register		
G. Electrical (fixtures, outlets, etc.)		
H. Accessories (towel bar, hook, etc.)		
I. Sprinklers		
J. Shower Rod		
K. Medicine Cabinet		
L. Vanity / Top		
M. Sinks		
N. Windows and glass		
8. Bedroom # 3		
A. Doors & Hardware		
B. Trim		
C. Walls and ceilings		
D. Closet and shelving		
E. Electrical (fixtures, outlets, etc.)		
F. Windows and glass		
G. Heat Pump		
H. Flooring		
I. Sprinklers		

*NOTE: Items such as minor defects, scratches and chips are considered commercially acceptable and only major cosmetic defects should be noted on this list.

PRE-SETTLEMENT ORIENTATION CHECKLIST

Purchasers: _____

Sponsor's Representative 1st Walk _____ 2nd Walk _____

Condominium Unit Number: _____

Construction Manager _____

9. Bathroom # 3		
A. Door & Hardware		
B. Trim		
C. Walls and Ceiling		
D. Tile		
E. Plumbing Fixtures and valves		
F. Exhaust Register		
G. Electrical (fixtures, outlets, etc.)		
H. Accessories (towel bars, hooks, etc.)		
I. Sprinklers		
J. Shower Rod		
K. Medicine Cabinet		
L. Vanity / Top		
M. Sinks		
N. Windows and Glass		
8. Bedroom # 4		
A. Doors & Hardware		
B. Trim		
C. Walls and ceilings		
D. Closet and shelving		
E. Electrical (fixtures, outlets, etc.)		
F. Windows and glass		
G. Heat Pump		
H. Flooring		
I. Sprinklers		
9. Bathroom # 4		
A. Door & Hardware		
B. Trim		
C. Walls and Ceiling		
D. Tile		
E. Plumbing Fixtures and valves		
F. Exhaust Register		
G. Electrical (fixtures, outlets, etc.)		
H. Accessories (towel bar, hook, etc.)		
I. Sprinklers		
J. Shower Rod		
K. Medicine Cabinet		
L. Vanity / Top		
M. Sinks		
N. Windows and glass		

*NOTE: Items such as minor defects, scratches and chips are considered commercially acceptable and only major cosmetic defects should be noted on this list.

PRE-SETTLEMENT ORIENTATION CHECKLIST

Purchasers: _____

Sponsor's Representative 1st Walk _____ 2nd Walk _____

Condominium Unit Number: _____

Construction Manager _____

9. Laundry Closet		
A. Door & Hardware		
B. Walls and Ceiling		
C. Electrical (fixtures, outlets, etc.)		
D. Washer / Dryer Hookups		
10. Balcony / Terrace		
A. Door		
B. Flooring		
C. Electrical (fixtures, outlets, etc.)		
D. Railings / Barrier		
11. Powder Room		
A. Door & Hardware		
B. Trim		
C. Walls and Ceiling		
D. Tile		
E. Plumbing Fixtures		
F. Exhaust Register		
G. Electrical (fixtures, outlets, etc.)		
H. Accessories (towel holder, etc.)		
I. Mirror		
K. Vanity / Top		

***NOTE:** Items such as minor defects, scratches and chips are considered commercially acceptable and only major cosmetic defects should be noted on this list.

PRE-SETTLEMENT ORIENTATION CHECKLIST

Purchasers: _____

Sponsor's Representative 1st Walk _____ 2nd Walk _____

Condominium Unit Number: _____

Construction Manager _____

12. Warranties and Manuals		
A. Refrigerator		
B. Microwave		
C. Dishwasher		
D. Oven		
E. Cooktop		
F. Garbage Disposal		
G. Washer & Dryer		
H. Ventilation Hood		
I. Thermostat		
J. Baseboard Heater		
K. Intercom System		
L. Bathroom floor radiant heat		
M. Other :		
13. Demonstration and Operation		
NOTE: Sellers representative has demonstrated the operation of the following initialed items below.		
A. Refrigerator		
B. Microwave		
C. Dishwasher		
D. Oven		
E. Cooktop		
F. Garbage Disposal		
G. Shower & Tub Controls		
H. Washer & Dryer		
I. Heat Pump (Heat and A/C)		
J. Smoke / CO detectors		
K. Electrical Panel		
L. Shutoffs for Sink, Toilet and Washer		
M. Intercom System		
N. Bathroom floor radiant heat		
14. Welcome Packet Binder (Review Only)		
15. Condition of home		
Home has been properly cleaned		

*NOTE: Items such as minor defects, scratches and chips are considered commercially acceptable and only major cosmetic defects should be noted on this list.

PRE-SETTLEMENT ORIENTATION CHECKLIST

Purchasers: _____

Sponsor's Representative 1st Walk _____ 2nd Walk _____

Condominium Unit Number: _____

Construction Manager _____

FIRST WALK

It is important that you, the Purchaser have taken the time to carefully review these checklist items so that every effort can be made to complete these items prior to settlement. The purpose of the second walk is to only verify the completion of the items noted on the first walk and not to re-walk the home.

Purchasers' Signatures

DATE _____

**SECOND WALK
COMPLETION CERTIFICATION**

Aside from the provisions of the purchase agreement, Sponsor is not aware of any oral or written promise or representation that may have been made to you by a representative of the Sponsor to induce you to buy your home or concerning your home and the equipment in it. However, if any promises or representations other than those noted on the Pre-Settlement Orientation and Inspection form were made to you, please describe them in the space below continuing on the rear of this page if additional space is required. If none, write "none" below.

To confirm your understanding of and agreement with the above, please initial and sign the acknowledgment below.

This to acknowledge that:
 (Purchasers to initial)

_____ The home is in satisfactory completed condition (with the above exceptions).

_____ Home has been satisfactorily cleaned at time of walk-through.

_____ Other than as contained in the provisions of the purchase agreement, no promise or representations or commitments have been made regarding the home.

_____ Purchaser acknowledges that to prevent pilferage, certain items such as medicine cabinet doors, shower heads, toilet seats, kitchen cabinets, vanity knobs, etc. will be installed just prior to the date Purchaser moves into the Building. Purchaser agrees to sign off each item requiring adjustment, or repairs, if any, as they are completed.

_____ Purchaser acknowledges that in the event the Purchaser performs work in the home of any kind affecting any of the areas or items listed above after the Closing, Sponsor will be relieved of any and all obligations related to the items listed herein.

_____ Purchaser acknowledges that each home contains natural materials (such as stone and wood) and such products have natural variation which is inherent in the material.

_____ (I) (We) received the Home Care and Service Guide and care and maintenance instructions have been sufficiently explained.

Purchasers' Signatures

DATE _____

*NOTE: Items such as minor defects, scratches and chips are considered commercially acceptable and only major cosmetic defects should be noted on this list.

**CERTIFICATION BY SPONSOR AND PRINCIPALS
PURSUANT TO SEC. 20.4(b)
OF THE REGULATIONS ISSUED
PURSUANT TO GENERAL BUSINESS LAW,
ARTICLE 23-A, AS AMENDED**

New York State Department of Law
28 Liberty Street, 21st Floor
New York, New York 10005
Attn: Real Estate Finance Bureau

Re: 40 East End Avenue Condominium
Premises: 40 East End Avenue
New York, NY 10028

The undersigned certify as follows:

We are the Sponsor and the principal of Sponsor of the condominium offering plan (the "Offering Plan") for the captioned property.

We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Department of Law in Part 20 and such other laws and regulations as may be applicable.

We have read the entire Offering Plan. We have investigated the facts set forth in the Offering Plan and the underlying facts. We have exercised due diligence to form a basis for this certification. We jointly and severally certify that the Offering Plan does, and that documents submitted hereafter by us which amend or supplement the Offering Plan will:

- (i) set forth the detailed terms of the transaction and be complete, current and accurate;
- (ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;
- (iii) not omit any material fact;
- (iv) not contain any untrue statement of a material fact;

New York State Department of Law
 Attn: Real Estate Finance Bureau
 Page 2

(v) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;

(vi) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) not contain any representation or statement which is false, where we: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth, or (d) did not have knowledge concerning the representations or statement made.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

SPONSOR

40 EAST END AVE ASSOCIATES LLC

By: _____

Name: David Lichtenstein

Title: Authorized Signatory

Sworn to before me this

16th day of May, 2018

Notary Public

JOY M. DeVITA
NOTARY PUBLIC OF NEW JERSEY
 My Commission Expires 2/5/2023

Sworn to before me this

10th day of May, 2018

Notary Public

JOY M. DeVITA
NOTARY PUBLIC OF NEW JERSEY
 My Commission Expires 2/5/2023

PRINCIPAL OF SPONSOR

David Lichtenstein

**CERTIFICATION OF SPONSOR'S
ARCHITECT PURSUANT TO SEC 20.4(c) OF PART 20
OF THE REGULATIONS ISSUED PURSUANT
TO GENERAL BUSINESS LAW, ARTICLE 23-A, AS AMENDED**

New York State Department of Law
28 Liberty Street, 21st Floor
New York, New York 10005
Attn.: Real Estate Finance Bureau

Re: 40 East End Avenue Condominium
40 East End Avenue
New York, New York 10028

The Sponsor of the Offering Plan to convert the captioned Property to condominium ownership retained our firm, Gerner Kronick + Valcarcel, Architects, DPC ("GKV"), to prepare a report describing the construction of the Property (the "Report"). On APRIL 30, 2018, we visually inspected the property, and we subsequently examined the building plans and specifications that were prepared by GKV on April 20, 2016 approved by the Department of Building of the City of New York on June 10, 2016, and prepared the Report dated MAY 25, 2018, a copy of which is intended to be incorporated into the Offering Plan so that prospective purchasers may rely on the Report. We are registered architects in the State of New York.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Attorney General in Part 20 insofar as they are applicable to this Report.

We have read the entire Report and investigated the facts set forth in the Report and the facts underlying it with due diligence in order to form a basis for this certification. This certification is made for the benefit of all persons to whom this offer is made. We certify that the Report:

- (i) sets forth in narrative form the description and/or physical condition of the entire Property as it will exist upon completion of construction provided that construction is in accordance with the plans and specifications that we examined;
- (ii) in our professional opinion affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the description and/or physical condition of the Property as it will exist upon completion of construction in accordance with the plans and specifications that we examined;
- (iii) does not omit any material fact;

New York State Department of Law
 Attn: Real Estate Finance Bureau
 Page 2

- (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 representations or statement made.

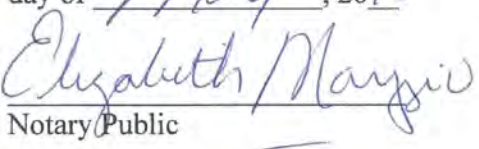
We further certify that we are not owned or controlled by and have no beneficial interest in the Sponsor and that our compensation for preparing the Report is not contingent on the conversion of the Property to a condominium or on the profitability or price of the offering. This statement is not intended as a guarantee or warranty of the physical condition of the Property.

Gerner Kronick + Valcarcel, Architects, DPC

By: 

Randolph Gerner, Principal

Sworn to before me this 25th
 day of May, 2018


 Notary Public

ELIZABETH MARUGGIO
 Notary Public, State of New York
 No. 01MA4853432
 Qualified in New York County
 Commission Expires 2/22/19





**CERTIFICATION BY EXPERT
ON ADEQUACY OF BUDGET
PURSUANT TO SECTION 20.4(d)
OF THE REGULATIONS ISSUED PURSUANT
TO GENERAL BUSINESS LAW ARTICLE 23A, AS AMENDED**

New York State Department of Law
28 Liberty Street, 21st Floor
New York, New York 10005
Attn: Real Estate Finance Bureau

**Re: 40 East End Avenue Condominium
40 East End Avenue
New York, NY 10028**

The Sponsor of the condominium offering plan (the "Offering Plan") for the captioned property retained our firm, Douglas Elliman Property Management, to review Schedules B and B-1 (the "Schedules"), containing projections of income and expenses for the first year of condominium operation.

Douglas Elliman Property Management is involved in the management of a significant number of cooperatives, condominiums and rental properties in the greater New York metropolitan area consisting of approximately 300 properties containing approximately 45,000 residential units. Douglas Elliman Property Management and its predecessors have been engaged in the management of cooperatives, condominiums and rental properties for more than 20 years.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Attorney General in Part 20 insofar as they are applicable to the Schedules.

We have reviewed the Schedules and investigated the facts set forth in the Schedules and the facts underlying them with due diligence in order to form a basis for this certification. We also have relied on our experience in managing residential buildings.

We certify that the projections in the Schedules appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses for the projected first year of condominium operation.



We certify that the Schedules:

- (i) set forth in detail the projected income and expenses for the first year of condominium operation;
- (ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of condominium operation;
- (iii) do not omit any material fact;
- (iv) do not contain any untrue statement of a material fact;
- (v) do not contain any fraud, deception, concealment or suppression;
- (vi) do not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- (vii) do not contain any representation or statement which is false, where we: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth, or (d) did not have knowledge concerning the representations or statement made.

We further certify that we are not owned or controlled by the Sponsor. We understand that a copy of this certification is intended to be incorporated into the Offering Plan. This statement is not intended as a guarantee or warranty of the income and expenses for the 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.

Douglas Elliman Property Management

By: _____

Name: Eli S. Garber

Title: Vice President

Sworn to before me this 4th
day of May, 2018.

Notary Public

JAMES HERBE
NOTARY PUBLIC, State of New York
No. 62-4522660
Qualified in Suffolk County
Commission Expires November 30, 20 18