CONDOMINIUM OFFERING PLAN

500 WEST 25TH STREET CONDOMINIUM

500 WEST 25TH STREET
NEW YORK, NEW YORK 10001

Eight (8) Residential Units	$ 57,930,000
One (1) Commercial Unit	(Not Offered)
Total Amount of Offering	$ 57,930,000

SPONSOR:

500 W25th Owner LLC
c/o GDS Development LLC
12-16 Vestry Street, 7th Floor
New York, New York 10013

SELLING AGENT:

Compass Real Estate LLC
90 Fifth Avenue, 3rd Floor
New York, New York 10011

Date of first offering under this Plan is _____, 2018
This Plan may not be used after _____, 2019 unless extended by an amendment hereto.

THIS OFFERING PLAN IS SPONSOR'S ENTIRE OFFER TO SELL THESE CONDOMINIUM UNITS. NEW YORK LAW REQUIRES SPONSOR TO DISCLOSE ALL MATERIAL INFORMATION IN THIS 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 OR ANY OTHER GOVERNMENTAL AGENCY DOES NOT MEAN THAT THE DEPARTMENT OR ANY OTHER GOVERNMENTAL AGENCY HAS APPROVED THIS OFFERING.

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

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

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SPECIAL RISKS

1. Sponsor Working Capital Fund. Sponsor has elected to contribute an additional working capital fund to the Condominium in the aggregate amount of $600,000.00 (the "Sponsor Working Capital Fund"), to be contributed to the Condominium as described herein. The Sponsor Working Capital Fund is in addition to the Working Capital Fund that will be raised from contributions of Purchasers described in Special Risk 14 below.

(a) Partial Abatement of Common Charges.

Sponsor intends that the Sponsor Working Capital Fund be used to abate a portion of the Common Charges payable by the Unit Owners (inclusive of Units owned by Sponsor for so long as Sponsor owns the same) during each of the first five (5) years of Condominium Operation. In no event shall the Commercial Unit Owner be entitled to apply any portion of the Sponsor Working Capital Fund to reduce the Common Charges payable by the Commercial Unit Owner.

To abate a portion of the Common Charges that would otherwise be payable by the Residential Unit Owners during the First Year of Condominium Operation, or, if the collection of Common Charges is deferred as provided herein, the first twelve month period during which the Board is collecting Common Charges from the Unit Owners, Sponsor will contribute to the Sponsor Working Capital Fund the sum of $120,000 for each of the first five (5) years of Condominium Operations (each a "Scheduled Common Charge Contribution" and, collectively, the "Scheduled Common Charge Contributions"). Each Scheduled Common Charge Contribution shall reduce, in part, the Common Charges that would otherwise be payable by each of the Residential Unit Owners (inclusive of Units owned by Sponsor) more particularly set forth on Schedule A-1 herein.

As stated above, the Scheduled Common Charge Contribution to be applied to the Common Charges will remain the same for each of the first five (5) years each year. Common Charges will increase each year by a concomitant amount representing the reduced amount of the Scheduled Common Charge Contribution for each of the first five (5) years. Accordingly, Residential Unit Owners will be responsible for any increases in Common Charges adopted by the Board of Managers by reason of increases in the operating expenses of the Condominium, which occur in the ordinary course. In the event that Sponsor elects to defer the imposition of Common Charges, any such deferral *will not reduce* Sponsor's obligation to fund the Scheduled Common Charge Contribution, as provided herein. The Scheduled Common Charge Contribution for the First Year will be applied to reduce the Common Charges payable commencing in the first month during which Common Charges are collected.

(b) Funding of the Scheduled Common Charge Contribution.

The Sponsor Working Capital Fund Contribution will be funded for the periods during which Sponsor continues to own Residential Units by Sponsor (i) making contributions to the Sponsor Working Capital Fund attributable to Units sold pursuant to this Plan at the closing of

each Residential Unit using the sales proceeds received from such Purchaser and (ii) once Common Charges become due and payable, by Sponsor paying the entire amount of the Common Charges, as if there were no Sponsor Working Capital Fund, for each of the Residential Units that it owns, as if there were no Scheduled Common Charge Contribution (unless Sponsor has previously contributed the entire Scheduled Common Charge Contribution for such operating year). Accordingly, for Units that are conveyed subsequent to the month in which Common Charges initially become due and payable (as discussed below), at such Unit Closing, from the closing proceeds, Sponsor shall deposit an amount equal to the Scheduled Common Charge Contribution that is attributable to the subject Unit for the remaining portion of the First Year of Condominium Operation, or, if Sponsor has not previously contributed the entire Scheduled Common Charge Contribution for such operating year, any subsequent year through operating year five. For example, if the Sponsor Working Capital Fund Contribution for the subject Residential Unit for the First Year of Condominium Operation is $20,000 and Purchaser closes three (3) months after the commencement of the imposition of Common Charges, at such closing, Sponsor will deposit the sum of $15,000 into the segregated account set up for the Sponsor Working Capital Fund. The balance of the Sponsor Working Capital Fund Contribution for the subject Unit, *i.e.* $5,000 attributable to the three (3) month period during which Sponsor owned the subject Unit having been received by the Condominium by Sponsor's payment of the entire amount of the Common Charges for the three (3) months of the operating year which elapsed prior to the Closing of such Unit.

Furthermore, notwithstanding any custom to the contrary, at each such Unit Closing where Sponsor has paid the Common Charge for the months prior to the month in which the Closing occurs, the Common Charges shall be adjusted based upon the reduced Common Charges payable by Purchasers, after application of the Scheduled Common Charge Contribution, as set forth on Schedule A-1 herein.

All amounts paid by Sponsor on account of the Sponsor Working Capital Fund Contribution will be deposited in a segregated account in the name of the Condominium entitled the "Special Working Capital Account". Until all Residential Units are sold or Sponsor elects to deposit the balance of the Scheduled Common Charge Contribution, Sponsor will pay entire amount of the Common Charges for the Units owned by Sponsor in the amounts set forth on Schedule A or any increased amount adopted by the Board of Managers in subsequent operating years, without the application of the Scheduled Common Charge Contribution. The Board of Managers shall use the funds deposited in the Special Working Capital Account so that the Purchasers will receive an abatement of their Common Charges in the amounts set forth in Schedule A-1 herein.

(c) Deferral in the Collection of Common Charges.

Sponsor is reserving the right to delay the collection of Common Charges, or a portion thereof, for a period to be determined by Sponsor, in Sponsor's reasonable discretion. During any such period of delay (a "Common Charge Abatement Period"), Sponsor will timely pay all expenses of the Condominium, including, but not limited to, insurance premiums and any replacement reserve payments required by lenders. Such expenses shall not include expenses that are the responsibility of individual Unit Owners such as real estate taxes, utility charges, cable

charges, etc. At such time when the collection of Common Charges commences, there shall be no assessment for any line item in the budget for the Condominium contained herein. Regardless of the delay in collection of Common Charges, Sponsor shall remain obligated to amend the budget for the Condominium as required by law and the applicable regulations. In the event that Sponsor elects to defer the collection of Common Charges or a portion thereof, Sponsor shall disclose such fact in the closing notice or statement to Purchasers. Thereafter, Sponsor shall also disclose such fact in the post-closing amendment to the Offering Plan to inform subsequent Purchasers that a Common Charge Abatement Period has occurred. Any such amendment shall also disclose the duration and/or the anticipated duration of any such Common Charge Abatement Period. In addition, those Purchasers who close on their Units subsequent to the expiration of the Common Charge Abatement Period shall not receive any credit of other reduction in the Common Charges payable by them. Prior to the expiration of the Common Charge Abatement Period, Sponsor will send written notice to all Unit Owners of the expiration thereof at least thirty (30) days prior to the commencement of collection of Common Charges. Thereafter, Sponsor will disclose the date on which the Common Charge Abatement Period expired in the next substantive amendment to the Offering Plan. See Section entitled "Rights and Obligations of Sponsor".

(d) Deferral Does Not Impact Sponsor Working Capital Fund Contributions.

Any deferral of the payment of Common Charges otherwise permitted pursuant to this Plan shall not reduce the amounts payable by Sponsor for the Sponsor Working Capital Fund, as set forth herein. ***Purchasers should note that the Scheduled Common Charge Contribution will be applied to reduce the Common Charges following the commencement of the imposition of Common Charges subsequent to the First Unit Closing. Accordingly, Purchasers who close following the commencement of the imposition of Common Charges will not receive the full value of the Scheduled Common Charge Contribution attributable to their Unit in the amount set forth in Schedule A-1.***

(e) Second through Fifth Years of Condominium Operation

For years subsequent to the First Year of Condominium Operation, Sponsor shall contribute the entire amount of the Sponsor Working Capital Fund Contribution for the Residential Units which have then been sold for such year on a date not later than 30 days prior to the anniversary of the First Unit Closing. For Units that remain unsold, unless Sponsor has previously funded the entire amount of the Scheduled Common Charge Contribution for the subject operating year, Sponsor will continue to pay the entire amount of the Common Charges, as if there were no Sponsor Working Capital Fund. In any event, Sponsor will contribute the balance of the Sponsor Working Capital Fund, if any, from closing proceeds received from the sale of the last Unit, but in no event later than the fifth anniversary of the First Unit Closing.

(f) Amendment to the Plan

Sponsor shall file an amendment to the Plan no later than 45 days after the First Unit Closing, or the date on which Common Charges become payable by Purchasers, whichever is first to occur, and within 45 days of the anniversary of the First Unit Closing, to disclose Sponsor's contributions to the Sponsor Working Capital Fund, until all such amounts have been contributed as set forth herein. In the event that any amendment discloses that Sponsor has not

made the required contribution to the Sponsor Working Capital Fund, Purchasers who have not yet closed pursuant to their Purchase Agreements shall be entitled to a right of rescission within fifteen (15) days of the Presentation Date of any such amendment.

(g) Contributions to the Sponsor Working Capital Fund.

Pursuant to the Declaration and the By-Laws, contributions to the Sponsor Working Capital Fund shall be deemed as Common Charges due and owing from Sponsor. Accordingly, in the event that any amounts are not paid by Sponsor as required herein, the Condominium Board shall be entitled to file a Common Charge Lien pursuant to Section 339-z of the RPL with respect to the same.

No bond or other security is being provided to secure Sponsor's contributions to the Sponsor Working Capital Fund. However, Sponsor represents and warrants that Sponsor has the financial resources to fund all contributions to the Sponsor Working Capital Fund.

For so long as Sponsor owns a Residential Unit, the Board of Managers may not use the Sponsor Working Capital Fund for any purpose other than abating a portion of the Common Charges payable by the Residential Unit Owners in the amounts set forth in Schedule A-1. Once Sponsor no longer owns any of the Residential Units, the Board may use the Sponsor Working Capital Fund in accordance with the By-Laws. Accordingly, at such time when the Sponsor no longer owns a Residential Unit in the Condominium, the Board may determine to use the Sponsor Working Capital Fund for purposes other than reduction of Common Charges as set forth ***herein. See Schedule A, Schedule A-1, Schedule B, Footnotes to Schedule B and A-1 and the Section entitled "Working Capital Fund".***

2. Contract Deposit. At the time a Purchase Agreement is executed, a Purchaser is required to make a Contract Deposit in an amount equal to ten (10%) percent of the purchase price (the "Initial Contract Deposit"). Within fifteen (15) days following the Presentation Date of the amendment declaring the Plan effective, Purchaser shall make an additional deposit in an amount equal to five percent (5%) of the Purchase Price (the "Additional Contract Deposit" and together with the Initial Contract Deposit, collectively the "Contract Deposit"). ***In the event Purchaser is in default pursuant to the Purchase Agreement, Sponsor may retain the entire Contract Deposit, in the amount of fifteen percent (15%) of the Purchase Price, as liquidated damages. See Section entitled "Procedure to Purchase".***

3. Time is of the Essence. The form of Purchase Agreement requires Purchasers to close on 30 days prior written notice given by Sponsor. In the event that a Purchaser defaults under his or her Purchase Agreement by failing to close as stated in Sponsor's notice, Sponsor may send Purchaser a written notice requiring Purchaser to cure such Purchaser's default by requiring Purchaser to close no less than 30 days following the date such notice is deemed received under the terms of the Purchase Agreement declaring "time of the essence" with regard to the obligations of the Purchaser to close. "Time of the Essence" means that Purchaser shall be required to perform its obligations under the Purchase Agreement on or before the date set forth in Sponsor's default notice setting the Closing. If Purchaser does not close on or before the date set forth in Sponsor's "time of the essence" notice, Sponsor may, at its option, either (i) cancel such Purchase Agreement and retain, as liquidated damages, the Contract Deposit made by the

Purchaser, together with interest earned thereon, if any, or (ii) bring an action against such Purchaser for specific performance, in which event Purchaser could be compelled to complete the transaction. ***See the form of Purchase Agreement in Part II hereof and the Section entitled "Procedure to Purchase" for further discussion.***

Additionally, if a Purchaser fails for any reason to close title to his or her Unit on the originally scheduled Closing Date and Sponsor elects not to cancel the Purchaser's Purchase Agreement as a result of the same, (a) the apportionments to be made at the Closing will be made as of midnight of the day preceding the originally scheduled Closing Date, and (b) Purchaser will be required to pay to Sponsor an amount equal to 0.04 percent of the entire purchase price of his or her Unit for each day that the Closing is adjourned. ***See Section entitled "Procedure to Purchase" for further discussion.***

4. No Outside Closing Date for Sponsor. Purchasers should note that even if the first closing occurs on or before April 1, 2019 (or such other date projected as the date of commencement of the operation at the time the purchase agreement was entered into) or within the twelve 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 of 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 full 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 Section entitled

5. No Financing Contingency. The Purchase Agreement in the form set forth as Exhibit A in Part II of the Plan is not contingent upon Purchaser obtaining financing nor does this Plan contain any provision requiring Sponsor to provide or aid Purchaser in obtaining financing for the purchase of a Unit. Accordingly, a Purchaser who is unable to tender the balance due at Closing will be in default of his or her Purchase Agreement, entitling Sponsor to retain such Purchaser's down payment and all accrued interest thereon. Sponsor does not make any representation as to the terms or availability of mortgage financing. Prospective Purchasers who need to obtain mortgage financing to complete their purchase of a Unit are advised to consult with a lending institution and/or a mortgage broker prior to executing a Purchase Agreement. ***See Section entitled "Procedure to Purchase" and the Purchase Agreement set forth in Part II of the Plan for further information.***

6. No Rescission/Liquidated Damages. The Purchase Agreement between Sponsor and a Purchaser, the form of which is set forth as Exhibit A in Part II of the Plan, in respect of the purchase of a Unit requires any such Purchaser to make a Contract Deposit. The Contract Deposit, and all other amounts paid by Purchaser to Sponsor pursuant to the Purchase Agreement and/or the Plan in connection with the purchase of a Unit, shall be such Purchaser's own funds (and not a third party's). In the event a Purchaser defaults in such Purchaser's obligations pursuant to the Purchase Agreement to purchase (by closing title in accordance with the terms of the Plan and the Purchase Agreement) after payment of the Contract Deposit, the Contract

Deposit paid or such portion thereof as may have been tendered by Purchaser (together with any interest accrued thereon) may be retained by Sponsor (subject to the terms of the Plan), as liquidated damages, it being acknowledged and agreed by Sponsor and each Purchaser that it would be impractical and/or extremely difficult to fix or establish the actual damage sustained by Sponsor as a result of such a default by a prospective Purchaser, and that the Contract Deposit (including interest accrued thereon) shall constitute and be deemed to be the reasonable and agreed upon liquidated damages of Sponsor in respect of the possible loss of a timely closing, the possible fluctuation of values, additional carrying costs of the Unit and other expenses that may be incurred, including, without limitation, attorney's fees, and shall be paid by Purchaser to and retained by Sponsor as Sponsor's sole and exclusive remedy. In such case, Purchaser shall have no further liability to Sponsor in respect of the Purchase Agreement (except for those matters expressly specified therein or herein to survive the termination thereof); however, such Purchaser shall not have any right whatsoever to the return of all or any portion of its Contract Deposit (or any interest thereon). The retention of the Contract Deposit (including all interest accrued thereon) as liquidated damages is not intended to be a forfeiture or penalty, but is intended to constitute liquidated damages to Sponsor. Purchasers are advised that notwithstanding the foregoing, including, without limitation, Sponsor not having the right of specific performance, nothing herein shall be deemed to grant Purchaser any right of rescission and/or any right to the return of all or any portion of a Contract Deposit except as expressly set forth in the Plan. Notwithstanding anything to the contrary herein contained, in the event that Purchasers are granted a right to rescind their Purchase Agreements pursuant to applicable law and regulations, Purchasers shall, in such instance, be entitled to the return of their Contract Deposit. In the event that Escrow Agent does not return a Purchaser's Contract Deposit, Purchaser may commence an action in a court of competent jurisdiction to obtain a determination in a dispute regarding a Contract Deposit. ***See Section entitled "Procedure to Purchase", "Terms of Sale" and "Escrow Trust Fund Requirements" in Part I of the Plan for further discussion.***

7. Minimum Sales Required. Pursuant to existing law and regulation, Sponsor may declare the Plan effective by selling a minimum of fifteen (15%) percent of the Residential Units offered herein, *i.e.*, two (2) of the Units. Even if the Plan is declared effective based upon the sale of fifteen (15%) percent of the Units, it is still possible that it will be permissible for Sponsor to convert the Building with fewer than the minimum number of Units, if Purchasers counted toward effectiveness do not ultimately purchase their Unit. Notwithstanding the foregoing, in the event that *all* of the Purchasers used for purposes of declaring the Plan effective rescind their Purchase Agreements, Sponsor will be required to re-declare the Plan effective, notwithstanding the fact that the Declaration may have been recorded. Purchasers should note that, in the current real estate market, banks and other lenders are imposing various restrictions in connection with loans secured by condominium units. Such restrictions include requiring that a certain percentage of the apartments in a building or a group of buildings be sold before the lender will consider making a loan. The minimum such percentage of sold units required to obtain a loan will likely be greater than fifteen percent (15%) for purposes of obtaining a mortgage loan.

Thus, it may be possible for a purchaser to experience difficulty obtaining a loan in a building or a group of buildings where the sponsor or holder of unsold units has not sold a substantial percentage of the units in the building or group of buildings, which in some cases, may be as high as 70 percent. Moreover, some lenders will not provide financing in a building or

group of buildings in which an investor, other than the original sponsor, has an ownership interest of ten percent (10%) or more.

Accordingly, if the Plan is declared effective based upon the sale of fifteen (15%) percent of the Units, certain lenders may decline to make mortgage loans until additional Units are sold, in which case, a Purchaser may have difficulty obtaining a mortgage loan. Purchasers should also note that lenders may still impose minimum sales requirements before granting a loan well after the First Unit Closing. Therefore, it may be difficult for a Purchaser to resell a Unit if prospective buyers are unable to obtain a loan due to such minimum sales requirements.

Purchasers should be aware that even if a loan commitment is obtained, its term may be fixed and it may expire before the closing date without the payment by Purchaser of additional fees. In the event that a Purchase Agreement is contingent on financing, and Purchaser's mortgage commitment lapses or expires prior to the closing, and Purchaser has made a good faith effort to extend the commitment, Sponsor must grant Purchaser a right of rescission and a reasonable period of time to exercise such right. ***See Section entitled "Effective Date" for further details.***

8. No Assurance, Bond or Other Security of Performance of Sponsor Obligations. The assets and borrowing capacity of Sponsor are sufficient to meet the obligations of Sponsor hereunder. Such obligations include the costs of construction, payment of Common Charges, and real estate taxes on account of the Unsold Units, as well as the costs of obtaining a permanent certificate of occupancy. No bond or other form of security has been posted by Sponsor to guarantee its performance of its obligations hereunder, and therefore, there is no assurance of Sponsor's obligations hereunder. The ability of Sponsor to perform its obligations hereunder will partly depend upon its financial condition at the time it is called upon to perform the same. No representation may be made that it will be financially able to perform any or all of such obligations. ***See the Section entitled "Rights and Obligations of Sponsor" for further details.***

9. Control of Condominium Board. Sponsor will control the Condominium Board until the earlier of: (i) the Closing of title with purchasers under the Plan to Units having more than 75 percent of the aggregate Common Interests appertaining to all Units, or (ii) five (5) years after the First Closing (the "Initial Control Period").

During the period that Sponsor controls the Condominium Board, Sponsor will have control of maintenance and services to be provided to Unit Owners and will determine the Common Charges to be paid by all Unit Owners. Sponsor may exercise veto power over expenses for a period ending not more than five (5) years after the First Unit Closing or whenever the unsold units constitute less than 25 percent of the Common Interest. ***See Section entitled "Control by Sponsor" for further details.*** After the Initial Control Period, Sponsor, as owner of Unsold Units, shall have the right to designate one member of the Condominium Board for so long as Sponsor owns at least one Unsold Residential Unit.

Sponsor will continue to have a voice in governance due to its right to designate a specified minority of the Board Members for so long as Sponsor owns one or more Unsold Units. Moreover, Sponsor and any other non-resident Unit Owners will at all times have the same rights as resident Unit Owners to vote on issues that require the approval or consent of Unit Owners,

e.g. (such as the exercise of the Condominium Board's Right of First Refusal to purchase or lease a Unit or to borrow money in excess of $250,000 in any Budget Year, subject to increase in accordance with the Consumer Price Index. ***See Sections entitled "Rights and Obligations of Sponsor" and "Rights and Obligations of the Condominium/Summary of the By-Laws."***

10. Sponsor's Veto Powers. Sponsor may exercise veto power over some actions of the Condominium Board until such time when Sponsor owns Units with an aggregate Common Interest in the Common Elements constituting less than 25 percent of the Common Elements of the Condominium, but in no event later than five (5) years after the First Closing. The Condominium Board may not take any of the following actions without Sponsor's prior written consent: (a) make any addition, alteration or improvement to the Common Elements or to any Unit, unless the same are required to comply with applicable laws or regulations, or (b) assess any Common Charges or Special Assessments for the creation of, addition to, or replacement of, all or part of a working capital, reserve, contingency or surplus fund, or (c) increase or decrease the number, or change the kind of, employees initially employed for the Condominium, or (d) enter into any service or maintenance contract for work or otherwise provide services in excess of those initially contracted for the Condominium, except required to reflect normal annual increases in operating services, or (e) borrow money on behalf of the Condominium, or (f) exercise a right of first refusal to lease or purchase a Unit; provided, however, that Sponsor's written consent is not necessary to perform any function or take any action described in clauses (a) through (f) above, if, and only if, the performance of such function or the carrying out of such an action is necessary (and no other alternative is available) to enable the Condominium Board to comply with applicable laws or regulations, matters that are required to ensure the health and safety of occupants of the Building, remedy any notice of violation or remedy any work order of the Condominium's insurer. ***See Section entitled "Control by Sponsor" for further details.***

11. Transfer Taxes. Purchasers shall be obligated to pay the New York City Real Property Transfer Tax and New York State Real Property Transfer Tax (Deed Stamps) which by law are the primary obligation of the seller. The New York City Real Property Transfer Tax (the "City Transfer Tax") is payable at the rate of 1.0 percent for Units where the purchase price is less than $500,000.00 and 1.425 percent of the purchase price in instances where the purchase price is greater than $500,000.00. The New York State Real Estate Transfer Tax (the "State Transfer Tax") is payable at the rate of 0.4 percent regardless of the amount of the purchase price. However, in instances where the transfer taxes which are statutory liability of a seller are paid by a purchaser, the City and State add the amount of such taxes to the purchase price for purposes of determining the taxes payable. Accordingly, in instances where the purchase price is less than $500,000.00, the effective rate of the City Transfer Tax is 1.014 percent, where the purchase price is greater than $500,000.00, the effective rate of the City Transfer Tax is 1.451 percent. As of the date hereof, the effective rate of the State Transfer Tax will be 0.406 percent for all transactions contemplated herein. In addition, Purchasers who purchase Units having a purchase price of $1,000,000.00 or more will be liable for payment of the New York State Special Additional Transfer Tax, commonly referred to as the "Mansion Tax", which is the responsibility of purchasers pursuant to applicable law. ***See Section entitled "Unit Closing Costs and Adjustments" for additional information.***

12. Purchasers Responsible for Fees Due to Sponsor's Attorneys. Pursuant to the Purchase Agreement, Purchasers shall be liable for amounts due to Sponsor's attorneys in accordance with the following schedule, all of which fees will be cumulative to the extent applicable to any individual closing: For each Unit, the sum of $3,750, plus the sum of $350 for the preparation of ACRIS Documents payable to Sponsor's Counsel to reimburse Sponsor for a portion of its legal fees incurred in connection with the closing of title of the Purchaser's Unit. If Purchaser obtains financing and the lender is unwilling to close at the offices of Sponsor's Counsel, or if the Purchaser otherwise requests the Closing to occur other than at the office of Sponsor's Counsel (or such other place as Sponsor may designate in its closing notice), the closing may be held elsewhere in New York City, provided that an additional travel fee is paid to Sponsor's Counsel equal to: (a) $1,000 if the closing is held elsewhere in Manhattan; and (b) $1,500 if the closing is held in a borough other than Manhattan. In addition: (i) if the closing is adjourned through no fault of Sponsor, the Purchaser will be required to pay to Sponsor's Counsel an additional fee of $750 for each adjournment to help defray the cost of preparing for and coordinating the new closing; (ii) if Sponsor, in its sole discretion, consents to a Purchaser's request for an assignment of the Agreement, or for the addition, deletion or substitution of names on the Agreement, a fee of $1,200, payable in advance, for preparation of an assignment agreement; and (iii) if Purchaser obtains mortgage financing, then Purchaser shall pay Sponsor's Counsel an additional fee of $750 to defray the additional costs associated therewith. Purchaser may be required to pay more than one fee pursuant to the preceding provisions of this paragraph with respect to a single Unit. Other additional charges may apply. At Sponsor's option (in its sole discretion), any one or more of the foregoing fees to be paid to Sponsor's Counsel shall be paid by Purchaser prior to closing upon notice to Purchaser. ***See Section entitled "Unit Closing Costs and Adjustments.***

13. Sponsor's Obligation to Sell Units. Sponsor shall not be required to offer all Units for sale at all times and, subject to the provisions hereof, may withhold all or certain Units from the market as and when Sponsor may elect. In the event that Sponsor elects to withhold certain Units from sale, Sponsor shall amend the Plan to disclose the same. In connection therewith, Sponsor may place one or more signs or other promotional materials on the exterior walls of the Building or in front of the Building or elsewhere on the Common Elements of such size, nature and content as Sponsor shall determine for the purpose of advertising or displaying the availability of any Unsold Unit for sale or lease, without restriction and without being subject to any charge or fee thereof. In no event shall Sponsor enter into a lease agreement for any Unit (other than the Commercial Unit, or a Use and Occupancy Agreement executed in connection with a Purchase agreement, prior to the occurrence of the First Unit Closing. ***See Sections entitled "Terms of Sale" and "Rights and Obligations of Sponsor" for further details.***

Sponsor will endeavor in good faith to sell, but nevertheless reserves the unconditional right to rent or lease, rather than sell, the Residential Units offered hereunder, provided however, Sponsor shall not lease any Residential Unit prior to the First Unit Closing. As a result, Purchaser may be acquiring a Residential Unit that has been previously occupied, but unless otherwise specifically agreed to in writing by Sponsor and such Purchaser, such Residential Unit will be delivered at closing free and clear of all leases and tenancies. In addition, there is no commitment to sell more than the fifteen percent (15%) of the Residential Units

necessary to declare the Plan effective. Accordingly, owner-occupants may never gain effective control and management of the Condominium.

Prospective Purchasers should also be aware that they potentially may be living with transient tenants in the Residential Units for an indefinite period. Transient tenants will receive the same Building services and use of the Building's facilities as owner occupants. However, they have no investment in their Units and, therefore, do not share the same economic interests as resident Unit Owners in the maintenance and care of the Building's facilities and amenities. Prospective purchasers should also be aware that Sponsor and any other non-resident Unit Owners may be at odds with resident Unit Owners on expenditures for items like lobby and hallway decorations and capital improvements. ***See Sections entitled "Introduction" and "Rights and Obligations of Sponsor" in Part I of the Plan for further discussion.***

14. Contract Deposit Held in Escrow. All Contract Deposits will be held in escrow by Sponsor's counsel, Phillips Nizer LLP, having an office at 485 Lexington Avenue, New York, N.Y. 10017, pursuant to the escrow provisions contained in the Purchase Agreement set forth as Exhibit A in Part II of the Plan. Such Contract Deposits shall be maintained in a separate interest-bearing account at Sterling National Bank ("Sterling"), 489 Fifth Avenue, New York, New York. Contract Deposits in excess of $250,000 are not insured by the Federal Deposit Insurance Corporation ("FDIC"). Contract Deposits will not earn interest when the same are in the non-interest bearing IOLA account prior to being moved to an individual subaccount. While the Contract Deposit is in the non-interest bearing checking account it may not be federally insured even if the Deposit does not exceed $250,000 by reason of the fact that the aggregate funds on deposit in the IOLA Account exceed $250,000. Under present law, notwithstanding the aggregate balance of an IOLA account, the FDIC insurance coverage for IOLA accounts is $250,000 per depositor. Purchasers hold note that FDIC insurance is limited to $250,000 per depositor per institution, meaning in the event that a Purchaser has other funds on deposit at Sterling, the aggregate FDIC insurance proceeds payable to such Purchaser will be $250,000 on all accounts maintained at Sterling. The foregoing limitation will apply whether the Contract Deposit is in the non-interest bearing IOLA account or an interest-bearing sub-account. Accordingly, to the extent that any Contract Deposit exceeds $250,000, the portion of the Contract Deposit in excess of $250,000 will not be insured and to the extent that any Purchaser has other funds on deposit at Sterling, the portion of such Purchaser's deposits, including the Contract Deposit in excess of $250,000, in the aggregate, will not be insured. Neither Sponsor nor the Escrow Agent shall be liable for the loss of the Contract Deposit in the event that Sterling National Bank becomes insolvent. Although Sponsor does not intend to undertake performing custom work or so-called "extras", in the event that Sponsor shall agree to perform any extras, Sponsor may require the additional cost therefor to be paid in advance which payment shall initially be deposited in the Escrow Account. Such payment or contract deposit for extras may be disbursed to Sponsor upon Sponsor's written request provided that Sponsor certifies in such written request that it will use the funds so disbursed to perform the extras. A Purchaser who is entitled to rescission will not be entitled to the refund of any portion of the monies advanced to Sponsor for extras to the extent such funds were expended or advanced for deposits on labor or materials. Within ten (10) days after the return of the Contract Deposit and any advances for "extras," that were not spent by Sponsor, Sponsor shall provide documentation for all amounts for "extras" that were expended. ***See Section entitled "Escrow and Trust Fund Requirements" for further details.*** In the event

that Sponsor abandons the Plan, a Purchaser who has advanced funds for "extras" will be entitled, in addition to the return of such Purchaser's Contract Deposit, to a refund of all monies advanced by Purchaser for "extras." ***See Section entitled "Procedure to Purchase."***

15. First Unit Closing. Based upon the current schedule, Sponsor presently contemplates that, unless delayed by weather, casualty, labor difficulties (including work stoppages and strikes), late delivery and/or the inability to obtain on a timely basis or otherwise, materials or equipment, governmental restrictions, acts of god or other events beyond its reasonable control, construction of the Building will be sufficiently completed to permit closing of title to the Residential Units to begin on or about April 1, 2019. Sponsor projects that the Building will be substantially completed by such date. Prospective Purchasers should note, however, that the Units will be completed at different times over a period that may begin prior to and/or extend significantly beyond such date. Sponsor will have no liability to any Purchaser, nor will a Purchaser be entitled to any credit, offset or reduction in the purchase price for his or her Unit or otherwise be relieved from any obligations under the Agreement, in the event that the First Unit Closing occurs earlier or later than the targeted date or the time to complete or to close title to such Purchaser's Unit is accelerated, delayed or postponed by Sponsor. In the event that the First Unit Closing occurs on or about April 1, 2019, Sponsor has the right to schedule the closings of title to other Units significantly later than such date. Unless a Purchase Agreement contains an outside closing date, Sponsor is not obligated to schedule a closing within any specified time frame or to ensure that closing of title to a Unit will occur by any date certain. PROSPECTIVE PURCHASERS SHOULD THEREFORE CAREFULLY CONSIDER SUCH RISKS IN THEIR DETERMINATION AS TO WHETHER THEY PURCHASE A UNIT.

However, in the event that the First Unit Closing occurs before April 1, 2019, Sponsor may schedule the closings of other Units significantly later than such date. Unless a Purchaser's Purchase Agreement contains an outside closing date, Sponsor is not obligated to schedule such Purchaser's closing within any specified time period or to ensure that closing of title to such Purchaser's Unit will occur by any date certain. PROSPECTIVE PURCHASERS SHOULD THEREFORE CAREFULLY CONSIDER SUCH RISKS IN THEIR DETERMINATION AS TO WHETHER TO PURCHASE A UNIT.

In the event the actual or anticipated commencement date of the projected First Year of Condominium Operation is to be delayed by six (6) months or more, Sponsor will amend the Plan to include a revised budget with current projections and if such amended budget exceeds the projected budget set forth in Schedule B herein by 25 percent or more, Purchasers will be offered a right of rescission. Purchasers will also be offered a right of rescission if the actual date of closing of title to the first Unit; or also the projected date of closing of title to the first Unit occurs later than March 31, 2020, which is twelve (12) months after the projected date for the First Unit Closing. If the Plan is amended to provide for a later projected date for the First Unit Closing, Purchasers will be entitled to rescind their Purchase Agreements for a period of no less than fifteen (15) days of the Presentation Date of any amendment disclosing such delay, if the First Unit Closing is to occur more than twelve (12) months beyond the original date of the projected First Unit Closing. Any Purchasers electing rescission pursuant to such offer will have their Contract Deposit and any interest accrued thereon returned. Purchaser's rights as described in the preceding sentence are in lieu of any other rights or remedies which may be available

pursuant to any applicable law, regulation, statute or otherwise, all of which shall be deemed to have been waived by all Purchasers. As set forth in the Section of this Plan entitled "Effective Date", no closing of title to any Residential Unit will take place prior to the Plan being declared effective. ***See also Section entitled "Description of Property and Improvements" for further discussion.***

16. No Reserve Fund Contributed by Sponsor. The Building will be newly constructed. Accordingly, no reserve for capital work or repairs is being contributed by Sponsor. The budget for the First Year of Operation includes a replacement reserve of $37,056.00, which is intended to be used for capital replacements or repairs. Subject to the rights of Sponsor as provided herein, the Board of Managers may in the future elect to create a separate reserve fund for capital replacements or repairs through an increase in Common Charges or a Special Assessment. Amounts deposited in the "replacement reserve" or "reserve fund" may be used solely for capital expenditures. Since the Building is new, Sponsor does not anticipate that any capital expenditures will be required during the first five (5) years of Condominium operation. The "replacement reserve" or "reserve fund" will be available for use by the Board of Managers as such funds are deposited. For so long as Sponsor controls the Board of Managers, the "replacement reserve" or "reserve fund" may not be used to reduce Common Charges. Neither the Department of Law, nor any other government agency, has passed upon the adequacy of the "replacement reserve" or "reserve fund". Subject to the rights of Sponsor as provided herein, the Board of Managers may in the future elect to increase the replacement reserve or create a reserve fund by increasing the Common Charges or impose a special assessment. Certain of the rights reserved to Sponsor in this Plan may limit the ability of the Board of Managers to increase any replacement reserve or reserve fund. ***See Section entitled "Reserve Fund" for additional information.***

17. Working Capital Fund; Adjustments at Closing. At the initial closing of each Unit, a Purchaser will be required to make a one-time payment to the Condominium in an amount equal to two (2) months' Common Charges as a contribution to the Condominium's Working Capital Fund. Customary adjustments will be made between Sponsor and the Board of Managers as of the date of the First Unit Closing. Customary closing adjustments shall include prepaid insurance premiums and service contracts, water and sewer charges and payroll expenses. To the extent that such adjustments result in a net credit in favor of Sponsor, such credit shall be paid to Sponsor in twelve (12) consecutive monthly payments with interest at the rate of ten (10%) percent per annum from Common Charges collected from the Unit Owners or, at the option of Sponsor, Sponsor shall be entitled to a credit against the Common Charges due from Sponsor with respect to the Unsold Units, in the proportion that the percentage of the Common Interests appurtenant to the Units closed as of the First Unit Closing bears to the aggregate Common Interests. It is impossible to determine the amount of any net adjustment in favor of Sponsor. Accordingly, no provision for this has been made in the budget set forth in Schedule B for any such payment to Sponsor or credit in favor of Sponsor, because such amount is not anticipated to be substantial. If the net adjustment at closing is in favor of Sponsor, it may be necessary to increase the initial Common Charges payable by the Unit Owners for a limited period of time in order to reimburse Sponsor for any such prepaid adjustable items. In the event that, as of the First Unit Closing, the net adjustments are in favor of Sponsor, the Plan will be amended to disclose the aggregate amount of such adjustments and any concomitant increase in Common Charges required to pay

the same payable by all Unit Owners including Sponsor. ***See Sections entitled "Unit Closing Costs and Adjustments" and "Working Capital Fund and Adjustments" for further details.***

18. Real Estate Taxes. Each Unit will be taxed as a separate tax lot for real estate tax purposes, and no Unit Owner will be responsible for payment of, nor will the Unit be subject to, any lien arising from the non-payment of real estate taxes on other Units. Generally, Units may not be separately assessed until the tax year following the tax year in which the Declaration of Condominium is recorded. Until the Units are separately assessed and billed, each Unit Owner shall pay the *pro rata* share (in the proportion that Common Interest allocated to the Unit owned by such Unit Owner bears to the aggregate Common Interest of all Units) of all real estate taxes with respect to the Property to the Condominium Board as Common Charges. Article VI, Section 6.1.1 of the By-Laws authorizes the Board of Managers to collect the real estate taxes as a portion of the Common Charges until such time when the Units are individually assessed.

Sponsor has been advised by its tax counsel that the current practice of the New York City Department of Finance is to allocate the aggregate tax assessment for the entire Property existing as of the date of the recording of the Declaration among all Units. The real estate tax estimates for each Residential Unit were calculated on the assumption that the real estate taxes for each Unit for the first year of Condominium operation will be allocated in proportion to each Unit's percentage interest in the Common Elements appurtenant to each Unit bears to the aggregate Common Interest, which is the method to be used by the Board of Managers to determine the escrow amount to be paid by a Unit Owner prior to the time that the Units are separately assessed for real estate tax purposes. Notwithstanding the foregoing, pursuant to applicable requirements, the Department of Finance is permitted to allocate the real estate taxes among the Units (in the relative proportion that the Purchase Price of each Unit bears to the Purchase Price of all Units). Upon determination of individual tax lots and individual Residential Unit assessments, the New York City tax authorities may allocate the assessed valuation among the Residential Units in proportion to the purchase price of each Residential Unit relative to the purchase prices of all Residential Units rather than its percentage interest in the Common Elements, and, if so, Residential Units having the same percentage interest may pay different real estate taxes. Sponsor has been advised that as of the date hereof, the New York City Department of Finance has been allocating real estate taxes in condominiums on the basis of the allocation of the common elements. Sponsor anticipates, based upon the advice of its Real Estate Tax Counsel, that in arriving at the assessed valuation for each Residential Unit, the Residential Section will first be assessed as an entirety. This assessment for the entire residential portion of the Building will then be apportioned among the Residential Units. SPONSOR MAKES NO REPRESENTATION THAT THE ASSESSED VALUE OF THE PROPERTY, THE METHOD OF ALLOCATION, THE ESTIMATED ALLOCATIONS OR THE TAX RATE WILL BE AS SET FORTH ABOVE.

Prospective purchasers should note that increases in a property's assessed valuation resulting from changes in its market value (other than changes resulting from new construction or alteration of an existing improvement) are phased in over five (5) tax fiscal years in annual increments of twenty (20%) percent each. Any further increase in assessed valuation during such five-year period resulting from a still higher market value is similarly phased in over an additional five-year period from the date of such increase. The full increased assessed

valuation targeted to be in effect after the end of the five-year period is called the "actual" assessed valuation, and the amount of the incremental assessed valuation upon which taxes are actually computed for each fiscal tax year during such five-year period is called the "transitional" assessed valuation. ***See Section Entitled "Real Estate Taxes" and Real Estate Taxes Opinion Letter.***

19. Limited Warranty. The Housing Merchant Implied Warranty set forth in Section 777 of the New York General Business Law does not apply to this offering. The Building is being constructed pursuant to a construction management agreement with AVO Construction LLC (the "GC"), having an address at 65 Vestry Street, 7th Floor, New York, NY 10013. Sponsor's contract with the GC provides that the GC warrants against all construction defects for a period of one (1) year following the issuance of a temporary certificate of occupancy for each Unit. Accordingly, the warranty in favor of an individual Unit Owner may be for less than one (1) year from the date of that such Unit Owner acquires his or her Unit and no warranty will be available for Purchasers who close more than one (1) year after the issuance of the TCO for their respective Unit. In addition, Sponsor is purchasing a manufacturer's warranty for the roof materials which provide that such materials are guaranteed to be free of defects for ten (10) years. In addition, certain Building equipment will be subject to manufacturer's warranties. The warranty for the Common Elements of the Condominium, to the extent that the same do not constitute equipment or other materials that are covered by a manufacturer's warranty, will be for a term of one (1) year from the date that a temporary certificate of occupancy is issued for all Residential Units in the Building. Notwithstanding any of the limitations on warranties contained in this Plan, no such limitations shall relieve Sponsor of its obligation to construct the Building in accordance with the plans and specifications filed with the New York City Department of Buildings, as described in the Description of Property contained in Part II of the Plan, and all applicable laws and regulations. In addition, any conflicts between the warranties described above and the limitations contained herein, shall be resolved in favor of the description of warranties set forth above. At Closing, Sponsor shall assign the aforementioned warranties to the Board of Managers. Each Purchaser will receive, at Closing, the manufacturer's warranties for the appliances located in their Units. ***See Section entitled "Rights and Obligations of Sponsor" for further information.***

20. Interim Service Period. Prospective Purchasers are advised that until the later of: (i) six (6) months after the First Unit Closing; or (ii) the closing of title to and occupancy of at least five (5) of the Residential Units, some of the services and facilities described in the Plan may not be available including, but not limited to, the trash room located in the cellar of the Building. Such facilities and services will all be available on a date that is no later than six (6) months following the First Unit Closing or following the Closing of title to and occupancy of at least three (3) of the Residential Units, whichever is first to occur, and the same will be made available by Sponsor to the Purchasers of Residential Units even in the event that Sponsor elects to rent one or more of the Unsold Units (which may not occur before the First Unit Closing). The Common Charges payable by the Unit Owners reflect the costs to operate the Building when fully occupied. However, as stated in Special Risk 31(c) below, Sponsor may elect to waive all or a portion of the Common Charges prior to the date on which the Building is fully occupied may be reduced accordingly to reflect the corresponding diminished expenses of the Condominium. ***See "Description of Property and Improvements" in Part I of the Plan for further discussion.***

21. Additional Building Work. The construction of a building is a complex process which requires the coordination of numerous concurrent tasks, contractors and suppliers and the balancing of complex mechanical and architectural systems, all of which is subject to unanticipated delays and difficulties and necessarily involves noise, disruption, construction dust, debris and inconvenience. Thus, for a period of time following the First Unit Closing (through, including and beyond the closing of title to any particular Residential Unit), work should be expected to be undertaken and continue by or on behalf of: (i) Sponsor to complete the balance of the Building; and (ii) individual Residential Unit Owners within their Residential Units (to perform custom renovations, etc.), and the Commercial Unit Owner within the Commercial Unit. During the First Year of Operation, construction workers, related personnel of Sponsor and others will be at the Property from time to time performing work, making adjustments and performing various other tasks related to the completion of construction, fitting out of, and moving into, the Residential Units, the Commercial Unit and other portions of the Building which may compromise the security of the Building from time to time. Various systems, including but not limited to, the water supply, air-conditioning, heating, cooling, ventilating and elevator, may require more than a year after any particular Unit closing to complete and may be disrupted temporarily from time to time. The elevator may be taken out of service from time to time to facilitate renovation for at least a year following the First Unit Closing, and from time to time thereafter, as needed, in connection with renovation being performed in Residential Units by the Unit Owners thereof. Various other adjustments, to windows and elevator and other systems, may require twelve (12) months or more after the First Unit Closing to complete. Sponsor may not fully complete the decoration or finishing of the lobby, corridors, elevator finishes and other portions of the Building, including, but not limited to, installing light fixtures, or painting, until that particular floor is fully occupied by a Unit Owner or, if additional renovation within a Unit is anticipated, for some period thereafter. All of the foregoing work and conditions will create noisy and otherwise disruptive conditions in the Building during the period such work is being performed. In the event that any such work is required, such work shall take place only between the hours of 8:00 a.m. and 5:00 p.m. All debris removal shall be conducted only through the freight elevator. During any such work Sponsor will carry Builder's Risk or other liability insurance naming the Board of Managers, as agent for the Unit Owners, as an Additional Insured. To the extent that other Unit Owners are performing such work, the Board of Managers, which will likely be controlled by individuals appointed by Sponsor, will require that Unit Owners performing any work will: (i) work only during the work hours set forth above; (ii) comply with protocols related to removal of debris and the use of the elevator and (iii) carry adequate insurance naming, among others, the Board of Managers as agent for the Unit Owners, as additional insureds. Provided that Sponsor has used all proper safeguards and reasonable care in performing construction to other portions of the Building, Sponsor shall not be liable to repair damage to a Unit Owners' property while completing construction. Certain portions of the Common Elements may be completed before or after completion of any particular Purchaser's Unit. As a result, certain amenities and benefits anticipated to be available to Residential Unit Owners may not be available until such other portions of the Building are completed and fully operational.

At this time, Sponsor does not know whether any the work to be performed in the Building will be subject to the applicable requirements of the New York City Building Code to file a Tenant Protection Plan (in each instance, a "TPP"). In the event that any work to be

performed in the Building subsequent to the First Unit Closing requires the filing of a TPP, Sponsor undertakes to cause such TPP to be filed with and approved by the DOB and shall post the same at a location in the Building as required present to applicable Building Code requirements.

Sponsor shall have no liability whatsoever in the event these services are delayed, not made available, or discontinued or disrupted. Further, the Condominium Board and/or Sponsor may refuse to permit a Residential Unit Owner to perform alterations in a Residential Unit until such time as the Building has been completed and permanent certificate(s) of occupancy have been obtained therefor. Even where such alterations are permitted, the Board of Managers and/or Sponsor may impose conditions and deadlines upon the planning, performing and completion of such work. No assurance may be given with regard to the accuracy of any projected schedules or completion dates set forth herein or with respect to the duration of any interim service period or periods of potential disruption to the Residential Unit Owners and their tenants or occupants, all such dates and timetables, to the extent provided being only good faith estimates. In the event that the First Unit Closing is delayed twelve (12) months or more, Purchasers will receive a right of rescission and a reasonable period to exercise such right which period shall be no less than fifteen (15) days. See "***Introduction***" and the Section entitled "***Rights and Obligations of Sponsor***".

22. Prohibition against Advertising. Purchasers are prohibited from listing their Units for resale with any broker or otherwise advertising, promoting or publicizing the availability of their Units for sale prior to the closing of title thereto. ***See Section entitled "Terms of Sale" for further discussion and the Purchase Agreement in Part II of the Plan for further information.-***

23. Waiver of Diplomatic or Sovereign Immunity. Any Purchaser that is a foreign government, a resident representative of a foreign government or other person or entity otherwise entitled to the immunities from suit enjoyed by a foreign government *i.e.*, diplomatic or sovereign immunity ("Foreign Government Purchaser") shall be required to expressly and voluntarily waive such immunity and consent to any suit, action or proceeding arising out of or relating to the Purchase Agreement or the Condominium Documents being brought in any State or Federal suit, action or proceeding in the State of New York based on, arising out of or connected with the Purchase Agreement or the Condominium Documents. Any Foreign Government Purchaser shall designate and authorize a lawful agent to receive process for and on behalf of the Foreign Government Purchaser in any State or Federal suit, action or proceeding in the State of New York based on, arising out of or connected with the Purchase Agreement or the Condominium Documents. In addition, any Foreign Government Purchaser will be required at the time of closing of title to such Purchaser's Unit, to deposit with the Board an amount equal to two (2) years' estimated Common Charges. ***See Section entitled "Procedure to Purchase" for further discussion.***

24. Commercial Unit. (a) The Commercial Unit will include space located on the first floor and a portion of the cellar. Subject to the limitations described in the paragraph (b) below, the Commercial Unit may be used by the Commercial Unit Owner for any lawful purpose, provided however, in no event shall Sponsor amend the plans and specifications for the Building so as to facilitate the use of the Commercial Unit for any of the Prohibited Uses set forth in

subparagraph (b) below. In the event the Commercial Unit is offered for sale, the Plan will be amended accordingly. As of the date hereof, Sponsor has not yet entered into a lease agreement for the Commercial Unit. At such time when Sponsor or its affiliate enters into a lease agreement for the Commercial Unit, the Plan will be amended accordingly.

(b) The Declaration prohibits certain commercial uses including, but not limited to, a funeral parlor, an establishment for the repair, servicing or maintenance of motor vehicles, machinery or equipment, an amusement gallery, bowling alley, game room, swimming pool, pool hall, auditorium, funeral home, mortuary, video arcade, warehouse, storage facility, ice skating, roller skating, mini-car racetrack, massage parlor, a so called "off-track betting" operation, abortion clinic, any type of gym, any motel, hotel or tourist court; a restaurant, a drug or alcohol treatment center, a shelter for homeless persons, an AIDS treatment center, a facility housing or treating criminal or mentally disturbed persons, a massage parlor or sex club, for the sale or display of pornographic material, the sale of illegal drugs or marijuana; laundromat, dry cleaners or other type of clothes cleaning facility, other than a drop off dry cleaner; or a flea market.

(c) Sponsor shall not, during the Initial Control Period, exercise its voting rights to cause the Declaration and By-Laws to be amended to allow any or all of the foregoing prohibited uses. The use of the Commercial Unit may generate noise or other disturbances over which the Residential Unit Owners will have no control. The Commercial Unit may operate 24 hours per day, 365 days per year. The Commercial Unit Owner shall have the right to subdivide and combine portions of the Commercial Unit (if the same was previously divided), subject to the provisions of the Declaration and the By-Laws.

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

(e) In addition to the foregoing, the Commercial Unit Owner and its tenants shall have the right, without the approval of the Condominium Board, Managing Agent, other Unit Owners, or Mortgage Representatives, if any, and an easement, in all cases, subject to Law and the Condominium Documents:

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

(2) to amend the Certificate of Occupancy of the Building with respect to the use or number of Commercial Units, provided, however, the Declaration and By-Laws of the Condominium prohibit the Commercial Unit Owner from amending the Certificate of

Occupancy for the Building in any manner so as to specifically permit the prohibited uses set forth above;

(3) to erect, maintain, repair and replace one or more signs and lighting, of such size and content as such Commercial Unit Owner shall determine within the signage band located above the storefront windows, starting 9'-6" above the sidewalk and will end 12'-1" above sidewalk, below HVAC louver band with the signage mounted on the interior of the Commercial Unit, including, without limitation, any storefronts of such Commercial Unit, for the purposes of advertising (a) the sale or rental of all or any portion of the Commercial Unit or (b) the operation of any business for which such Commercial Unit is used. No signage shall be installed outside of signage band or Entrance canopies including any storefronts or windows of such Commercial Unit. Additional signage can be mounted on the Commercial Unit canopies, however such signage has to match the signage on top of residential canopy in size, materiality and finish, font and mounting type;

(4) subject only to Sponsor's prior written consent in each instance for so long as Sponsor continues to own an Unsold Unit, to (i) alter, modify, and/or restore the exterior facade and/or the windows of the Commercial Unit, including, without limitation, any storefronts, and (ii) create additional means of egress and ingress to such Commercial Unit (provided however that such additional means of ingress and egress shall in no event encroach on the Residential Common Elements); and

(5) to make all arrangements for the prompt repair and restoration of the Commercial Unit to the extent the Commercial Unit is damaged or destroyed by fire or other casualty.

(f) Schedule B and the Declaration provide that certain expenses are not allocated between the Commercial Unit and the Residential Units, in the aggregate, in accordance with the respective interest in the Common Elements of the Commercial Unit and the Residential Units. The allocation has been made based upon the anticipated and projected use of certain services or supplies. ***See Schedule B Footnotes for additional information.***

(g) The Condominium Board, at the request of Sponsor or the Commercial Unit Owner, will enter into recognition and non-disturbance agreement with any tenant with who Sponsor or the Commercial Unit Owner has entered into a lease for the Commercial Unit or any portion thereof. Under the terms of the recognition agreement, the tenant will acknowledge that its lease is subject and subordinate to the Declaration and the By-Laws. Such agreement will further provide that while the Condominium Board can foreclose its lien in the event of a default by the Commercial Unit Owner, if the tenant(s) pay, on a continuing basis, rent due under its lease to the Condominium Board, the Condominium Board will agree that the rights of the tenant under the lease(s) will not be disturbed in the event of a default by the Commercial Unit Owner. ***See Section entitled "Commercial Unit" in Part I of the Plan and Article 7 of the Declaration and Article 9 of the By-Laws of the Condominium, contained in Part II of the Plan.***

25. Special Allocation of Common Charges. As permitted by the New York Condominium Act, Section 339(m), the Condominium Declaration, the By-Laws and the budget

for the First Year of Condominium Operation provide that the Commercial Unit Owner will not be liable for its' *pro rata* portion of the expenses of the Condominium. Instead, the Commercial Unit Owner, in the aggregate, will pay 17.88 percent of the Common Charges. The allocation of the cost of services is predicated upon the non-use or disproportionately lower usage of such services by the owner of the Commercial Unit. The Commercial Unit Owner will not receive cooking gas and will have limited use of certain common areas of the Building. Budget for the First Year of Condominium Operation provides that the Commercial Unit Owner will pay a portion of the cost of cooking gas, in spite of the fact there is not currently cooking facilities in the Unit. In the event the Commercial Unit Owner elects not to install any equipment, *i.e.*, a range in a pantry kitchen or a clothes dryer, or in the alternative the Commercial Unit Owner installs separate service for the provision of cooking gas, the By-Laws provide that the Commercial Unit Owner may notify the Board of Managers and will not be liable for the cost of cooking gas. The lavatory facilities located in the Commercial Unit are supplied by the same water line that supplies the Residential Units and the Commercial Unit Owner have been allocated a portion of the water and sewer charges and hot water costs in accordance with its interest in the Common Elements. In the event that the Commercial Unit are used as a coffee shop, medical office or other use other than for lavatories or for a pantry kitchen, which creates a demand for additional water or additional hot water, the By-Laws require the Commercial Unit Owner to install a water heater to produce the hot water required for the Commercial Unit and to install a separate water meter and pay for the cost of such additional water usage. The Declaration gives the Board of Managers certain rights to conduct an audit regarding the usage of water and hot water in the Commercial Unit and the power to reallocate the portion of water charges allocated to one or both of the Commercial Unit Owner, or if such water is separately metered or the hot water is furnished from equipment other than the equipment that generates hot water for the Residential Units, the Commercial Unit Owner shall not be liable to pay for water or hot water in the Common Charges attributable to the Commercial Unit. ***See Schedule B and the accompanying footnotes for further information and Section 15.1 of the Declaration.***

26. No Limit on Number of Purchasers who Purchase for Investment Rather than for Occupancy. There is no limit on the number of Unit Owners who may purchase for investment rather than personal occupancy. Consequently, there always may be a substantial percentage of Unit Owners who are non-residents. 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 Sponsor. Persons who do not reside in the Condominium may have different objectives than resident. Purchasers for their own occupancy may never gain control of the Board of Managers pursuant to the terms of this Plan. ***See Section entitled "Introduction".***

27. Square Footage Exceeds Usable Area. Each Unit consists of the area measured horizontally from the exterior faces of exterior walls and from the center lines of walls separating one unit from another unit or Common Elements as indicated in the Condominium plans and from lot line at party walls separating one building from another and measured vertically from the top of the sub-floor to the underside of the floor construction above except that a Residential Unit shall not include the Common Elements contained therein. THIS MEANS THAT THE LISTED AREAS ARE LARGER THAN THE ACTUAL FLOOR AREA OF THE UNITS. The variations reflect the correction of errors in certain computations performed in connection with the preparation of the information to be included in the Plan. Sponsor has not done any work to

modify the configuration of the Units which would affect the square footage thereof subsequent to the date of the Plan. In any case, the Units are sold in accordance with the Plan, subject only to performance of work agreed to in writing upon the execution of a Purchase Agreement or a duly executed amendment thereto, or as otherwise specifically disclosed in the Plan. Prior to submitting the Declaration of Condominium to the City Surveyor's office for recording, Sponsor will revise the square footage of the Units so that the same conform to the square footage noted on the revised Schedule A. See "***Schedule A***" and "***Footnotes to Schedule A***".

28. Window Guard Requirements. It is the responsibility of each Residential Unit Owner to 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 Residential Unit. It is the responsibility of each Residential Unit Owner to ensure that all operable windows opening into the Residential Unit comply with all applicable laws relating to window guards and, if necessary, install, operate and maintain, at the Residential Unit Owner's expense, any additional equipment required by applicable law in effect from time to time. Sponsor makes no representation, warranty or assurance whether Residential Unit Owners will comply with the foregoing obligations. Please refer to Sections of the Plan entitled "***Rights and Obligations of Unit Owners***" and the "***Board of Managers***" in Part I of the Plan for further details.

29. Income Taxes Payable by the Condominium. Sponsor has been advised that the Condominium may not qualify as a homeowners association under Section 528 of the Internal Revenue Code. Assuming the Condominium does not qualify as a homeowners association, or if it does but chooses not to make the election to be a homeowners association, the present state of the law is uncertain as to the tax treatment of any income of the Condominium in excess of appropriate deductions and credits. As discussed in the "Counsel's Income Tax Opinion Letter" set forth in Part I of the Plan, the tax authorities may take the position that the Condominium is a separate taxable entity and that some or all of such income (including the non-membership, and possibly membership, income, less expenses related to such income) is subject to Federal corporate income tax, New York State Corporation Franchise Tax and New York City Corporate Franchise and/or Unincorporated Business Tax. Schedule B, Budget for the First Year of Condominium Operation, does not contemplate any substantial income which might be taxable and accordingly does not specifically budget any amounts for taxes for non-membership or membership income. Alternatively, it is possible that some or all of such income might be reportable as taxable income received by the Unit Owners. The tax treatment of the Condominium may be affected by certain United States Treasury Department regulations relating to entity classification. ***See the "Counsel's Income Tax Opinion Letter" and Section entitled "Income Tax - Deductions to Residential Owners and Tax Status of Condominium" in Part I of the Plan for further discussion.***

30. Certificate of Occupancy. No closing shall take place and no Unit will be sold until a temporary or permanent certificate of occupancy has been obtained for such Unit or the Building, respectively. In the event that a closing occurs subsequent to the issuance of a temporary certificate of occupancy (a "TCO"), but prior to the issuance of a permanent certificate of occupancy (a "PCO"), it will remain the obligation of the Sponsor to, obtain such PCO, at its sole cost and expense, and such PCO must be obtained within two (2) years from date of the First Unit Closing. ***See Section entitled "Rights and Obligations of Sponsor".***

Purchasers are advised that in New York City, newly constructed and recently renovated buildings are sometimes offered as condominium projects without a PCO covering the entire building but with only a 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 a TCO and a PCO are issued by the DOB. A TCO is intended to indicate that the property is safe for occupancy, but means that not all of the construction work and/or inspections have been performed, or that not all of the required documents have been submitted to the DOB. All TCOs have an expiration date which is generally 90 to 180 days after the date of issuance thereof. When a TCO expires and is not renewed, it may be difficult or impossible to purchase insurance, refinance, or sell units. In New York City, it is customary for sponsors to commence unit closings when a TCO is issued. Sponsor herein anticipates that closing will commence after the issuance of a TCO, but prior to the issuance of a PCO.

Sponsor and its principals will undertake the responsibility for extending each TCO received prior to expiration thereof and ultimately for obtaining a PCO for the entire building within two (2) years from the date of the issuance of the first TCO. However, Sponsor and its principals make no representation or guarantee that DOB will issue the PCO within such two-year period. Work performed by Unit Owners in their respective Units subsequent to Closing may prevent or delay the issuance of a PCO. Notwithstanding the foregoing, Sponsor and its principals are obligated to procure the PCO for the entire building, and shall exercise all commercially reasonable efforts to obtain the PCO within such two year period, provided, however, such Sponsor shall not be required to commence litigation, while keeping the TCO in force and effect at all times. Unit Owners and the Board of Managers shall be obligated to cooperate with and refrain from obstructing Sponsor from completing any Work required to obtain a PCO. Furthermore, because Sponsor and individual Unit Owners may be permitted to undertake renovations to individual units prior to the procurement of a PCO, such renovations may cause additional delays in the issuance thereof. Notwithstanding the foregoing, Sponsor and its principals are obligated to procure the PCO, however, in the event that the PCO is delayed for more than two (2) years because one or more Unit Owners (other than Sponsor) have performed work in their Unit(s) which work has not been signed off by the New York City Department of Buildings, Sponsor may, at Sponsor's option, forfeit the escrow deposited to secure the PCO to the Condominium Board, and thereafter, the Condominium Board shall be liable to secure the PCO.

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

31. Title. The Plan provides that Sponsor will convey marketable title to the Units to Purchasers. The Plan contains certain limitations, which provide that, subsequent to the date on which the Plan is declared effective, in the event there exists an exception to title that prevents Sponsor from conveying marketable title to the Units, Sponsor may abandon the Plan if such exception to title cannot be cured by payment of a liquidated sum, which shall not exceed 0.5 percent of the total purchase price payable for all Units offered for sale hereunder and Sponsor

shall not be required to commence litigation to resolve any such title objections that may prevent Sponsor from conveying marketable title to Units to Purchasers. ***See Section entitled "Terms of Sale".***

32. Certification of Sponsor's Principals Executed Solely for Martin Act Purposes. As required by the applicable regulations, Sponsor and principals of Sponsor have executed a certification of this Plan, which appears in Part II hereof. Consistent with a recent First Department decision, the principals of Sponsor expressly disclaim the existence of any private right of action for contract claims by individual Unit Owners (or the Condominium on their behalf) in connection with or arising solely by reason of such principals' execution of the Certification of Sponsor and Principals, absent liability pursuant to another statute or the successful assertion of a claim to "pierce the corporate veil." See Board of Managers of 184 Thompson Street Condominium v. 184 Thompson Street Owner LLC, et al., 106 A.D. 3rd 542 (1st Dept. May 16, 2013). ***See Section entitled "Rights and Obligations of Sponsor."***

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

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

(c) During the Sponsor Control Period, the Condominium Board shall have the right, in its sole discretion, to waive Unit Owner obligations to pay Common Charges, in whole or in part, from and after the First Closing for a period to be determined by the Condominium Board. During such delay, Sponsor will timely pay all of the expenses of the Condominium, based upon the line items set forth on Schedule B, including the contributions for "Contingency" and "Replacement Reserve". If the Condominium Board elects to waive payment of Common Charges, Sponsor shall disclose such waiver of Common Charges and the expected period of time of such waiver of Common Charges (the "Waiver Period") in the post-closing amendment to the

Plan. In the event the Condominium Board elects to extend the Waiver Period, Sponsor will amend the Plan to disclose the extended Waiver Period. In the event that the term of the Waiver Period has not already been disclosed, Sponsor shall additionally file an amendment to the Plan disclosing the expiration of the Waiver Period at least thirty (30) days prior to such expiration. Upon commencement of the collection of Common Charges from all Unit Owners, there will not be a Special Assessment for any expense set forth in the approved budget contained in the Plan for which Common Charges were not collected during the Waiver Period. The Condominium Board shall remain obligated to update the budget in accordance with the terms of the Plan. Sponsor will obtain certifications by unrelated budget experts for any budgets adopted by the Condominium Board for so long as Sponsor controls the Board. ***See Section entitled "Rights and Obligations of Unit Owners," subsection "Common Charges: Determination and Assessment" for details.***

(d) Sponsor reserves the right to make any changes in the proposed Condominium Documents and modifications to the Plans and Specifications as may be necessary in Sponsor's sole discretion to conform to applicable law and regulations or to expedite the sale of Units, or due to structural, architectural or mechanical considerations provided, however, that any such amendments, additions, or changes shall not materially and adversely affect a Unit Owner or Purchaser, increase any obligation of a Unit Owner or Purchaser to any adverse and material degree and any substitution of appliances, equipment or materials shall be of equal or better quality. Equal or better quality shall mean as recognized by industry standards for performance, efficiency, duration of useful life and/or classifications, as applicable. Any such material and adverse modification, addition or change will be reflected in a duly filed amendment to the Plan. There is a rebuttable presumption that an increase or decrease in the square footage of a Unit, as set forth in the Schedule A, by five (5%) percent or less is not a material and/or adverse change. ***See Sections of the Plan entitled "Changes in Prices and Units" for details.***

(e) No amendment, modification, addition or deletion of the terms of the Declaration, By-Laws or any Residential Rules and Regulations (other than those required by Law) shall be effective (i) against Sponsor unless Sponsor has given its prior written consent, which consent shall not be unreasonably withheld or delayed, or (ii) to adversely affect the Non-Residential Unit Owners unless the affected Non-Residential Unit Owner has given its prior written consent thereto. ***See the Section of the Plan entitled "Rights and Obligations of the Condominium Board/Summary of By-Laws" for details.***

34. Marketing Materials. In no event shall the presence of any furniture, furnishings, finishes, lighting fixtures, equipment or decorations, wall coverings, window treatments, carpeting, landscaping, plantings, green walls, water features and the like (collectively, the "Furnishings") in any portion of the Building or Residential Units set forth in any marketing materials and/or advertisements, and/or websites used in connection with the sales and marketing of the Residential Units imply or represent that any such Furnishings will be located within any portion of the Building or Residential Units. The presence of Furnishings in any photograph, rendering, or likeness contained in such marketing materials is for illustrative purposes only. In addition, marketing materials may use designations, labels or nomenclature to describe certain areas or rooms within Residential Units that differ from the designations utilized on the Floor Plans of the Residential Units set forth in Part II of the Plan, including, without limitation, closets,

hallways, dens/media rooms and powder rooms. In no event, however, shall any designations, labels or nomenclature used in marketing materials conflict with the legally permitted uses of such areas or rooms. The use of such designations, labels or nomenclature is for marketing purposes only and does not obligate Sponsor to deliver such areas or rooms designed or fitted out in the manner depicted or implied in the marketing materials. ***See "Description of Property" contained in Part II of the Plan.***

35. Terraces and Balconies. The Residential Unit Owner that owns Unit 2 will have a terrace appurtenant to its Unit, and the Residential Unit Owner that owns Unit PH will have a terrace located on the roof, accessible by a stair from Unit PH (each a "Terrace", and collectively the "Terraces"). The Residential Unit Owners of Units 3, 4, 5, 6, 7, and 8 will each have a balcony adjacent to their respective Unit (each a "Balcony" and more than one "Balconies"); Unit PH will have two Balconies, one on the ninth floor and one on the tenth floor.. Each Residential Unit Owner will be responsible for all maintenance and non-structural alterations of the Terrace and/or the Balcony appurtenant to its respective Unit, subject to (i) applicable laws and (ii) the Condominium Documents, including Rules and Regulations imposed by the Condominium Board from time to time regarding installations, plantings, furnishings, etc., which include a limitation providing that the maximum allowable load on Terraces and Balconies shall not exceed 50 lbs. per square foot. Each Residential Unit Owner is responsible for keeping the Terrace and/or Balcony appurtenant to its Unit free of snow, ice, and water accumulations to the extent that failure to so do will damage the Building or injure others. Repairs and replacements to structural elements of the Terraces or the Balconies will be done by the Condominium Board with all costs and expenses thereof charged to all Residential Unit Owners as a Common Expense. Any alterations to a Terrace or Balcony by the Residential Unit Owner to whose Unit such Terrace or Balcony is appurtenant are subject to the review and approval of the Condominium Board and must comply with any applicable terms and conditions as well as all Applicable Laws. Prospective purchasers are advised that the Terraces and Balconies may not be enclosed without the permission of the Condominium Board. ***See Section entitled "Introduction" subsection "Features of Condominium Ownership" for details.***

36. Mortgage Recording Tax Credit. If Purchaser obtains a mortgage loan, Purchaser will pay Sponsor a sum equal to the partial mortgage tax credit to which Purchaser may be entitled pursuant to Section 339-ee(2) of the Condominium Act, which sum will be paid as a reimbursement for the mortgage recording tax previously paid by Sponsor in connection with any then-existing mortgage(s). Alternatively, Sponsor may require that such Purchaser cause its lender to accept an assignment of a portion of any mortgage securing the Property Sponsor's lender in an amount up to such mortgage loan as determined by Sponsor. Upon such assignment, the portion of the mortgage loan assigned by Sponsor will be exempt from mortgage recording tax pursuant to Section 255 of the Real Property Tax Law. Sponsor alone will be entitled to the benefits of such exemption and Purchaser shall pay the amount equal to the mortgage recording tax saved as a result of such exemption directly to Sponsor. Purchaser shall also be obligated to pay any and all costs or fees in connection with such assignment, including legal fees for preparation of the assignment, recording and filing fees. ***See Section entitled "Closing Costs and Adjustments" for details.***

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

Purchasers should also note that that natural stone, including, but not limited to marble and granite, inherently has variations in color and veining, within a range, from samples and displays, and within installations, to the extent used, in floors, walls, counters, backsplashes, etc. Further, Unit Owners are advised that marble and stone are porous materials that can crack and scratch with use and should be professionally maintained and sealed regularly to protect their surfaces, preserve their beauty, and minimize staining and discoloration. ***See Section entitled "Rights and Obligations Unit Owners" and "Description of Property" for further details.***

38. FinCEN. Pursuant to a Geographic Targeting Order ("GTO"), dated August 22, 2017 and effective September 22, 2017, the Financial Crimes Enforcement Network (FinCEN), a bureau of the United States Department of the Treasury, will require title insurance companies to identify the beneficial owners, *i.e.* the natural persons who own the shares or interest in corporations and limited liability companies, respectively, which purchase luxury residential real properties located in the borough of Manhattan, having a purchase price of more than $3,000,000 in an "all cash transaction", *i.e.* transactions that do not include bank financing (each a "covered transaction"). In the event that a Purchaser acquires title to a Unit purchased pursuant to this Plan in a covered transaction and obtains title insurance in connection therewith, the title insurance company must report said transaction to FinCEN, by filing a FinCEN Form within 30 days of the closing of the Covered Transaction. The title insurance company must identify (1) the purchaser; (2) the purchaser's representative, if any; and (3) the beneficial owner, which is defined as each natural person who, directly or indirectly, owns 25 percent or more of the equity interests of the purchaser. The title insurance company must obtain and copy the driver's license, passport or other similar identification for each beneficial owner. The title insurance company must retain all records relating to the GTO for at least five (5) years and make such records available to FinCEN or any other law enforcement or regulatory agency upon request. In the event that a Purchaser elects to acquire title in a Unit offered for sale pursuant to this Plan in the name of a corporation

or a limited liability company, such transaction may be a covered transaction pursuant to the GTO. ***See Section entitled "Procedure to Purchase".***

39. Waiver of Right to Jury Trial. The Purchase Agreement which appears in Part II of the Offering Plan requires that Purchasers who enter into a Purchase Agreement for the Purchase of a Unit in the Condominium waive the right to a jury trial in the event contains a waiver of the right to a jury trial. Accordingly, in the event that there is a dispute between Sponsor and a Purchaser that results in an action being filed in a court of law, neither Sponsor nor Purchaser shall have the right to request a jury trial. ***See "Purchase Agreement" contained in Part II of the Plan.***

40. Sponsor's Construction Loan. The acquisition of the site and the construction of the Building have been financed by acquisition, building and project loans made by 500 West 25th Street Lender LLC, having an address at c/o Churchill Real Estate Holdings LLC, 250 Bowery, 2nd Floor, New York, New York 10012 ("Sponsor's Lender"). The aggregate amount of the loans extended to Sponsor by Sponsor's Lender for the construction of the Building is $26,600,000.00. Such loans are secured by an Acquisition Loan Mortgage, a Building Loan Mortgage, and a Project Loan Mortgage. In addition, there is a Mezzanine Loan, also made by Sponsor's Lender, secured by a pledge of the membership interests in the Sponsor entity (the Mezzanine Loan together with the Acquisition Loan, Building Loan and the Project Loan are collectively referred to as the "Sponsor Loans"). The loans extended by Sponsor's lender do not require Sponsor to sell Units in excess of the fifteen (15%) percent required pursuant to applicable regulations. Sponsor is current in its obligations pursuant to the Sponsor Loans.

41. Pets. Residential Unit Owners may keep pets in their Units, without the consent of the Board of Managers. However, the Board of Managers shall have the right to request that a Unit Owner remove any pet which causes a nuisance, health hazard or unsanitary condition. Each Unit Owner who keeps any type of pet in his or her Unit will be required to: (a) indemnify and hold harmless the Condominium, all Unit Owners and the Managing Agent from all claims and expenses resulting from acts of such pet; and (b) abide by any and all reasonable Rules and Regulations of the Condominium Board adopted with respect thereto. ***See the Section entitled "Rights and Obligations of Unit Owners".***

42. Tax Cuts and Jobs Act of 2017. On January 1, 2018, the Tax Cuts and Jobs Act of 2017 (the "2017 Tax Act") went into effect, which significantly changed the previously existing Internal Revenue Code, including the deductions related to home ownership.

Effective January 1, 2018, each Unit Owner who uses his or her Unit as a personal residence will be entitled to a deduction for mortgage interest for secured debt used to acquire, construct or substantially improve a principal residence in a maximum amount of up to $750,000 or in the case of married individuals filing separately, $375,000. For residences acquired subsequent to December 31, 2017, home owners are no longer permitted to deduct interest payable with respect to indebtedness that constitutes "Home Equity Indebtedness", unless such indebtedness was used to acquire or substantially improve a principal residence and when added to any mortgage, such indebtedness does not exceed $750,000.00 in the aggregate or $375,000.00 for married individuals, filing separately.

The deductibility of any real estate taxes paid by the Residential Unit Owners, who use their respective Residential Unit as a residence will be subject to the provisions of the Internal Revenue Code, as amended by the 2017 Tax Act, which currently provides that the aggregate amount of state and local taxes, inclusive of real estate taxes and income taxes paid to state and local tax authorities by such individuals, is subject to a limitation of $10,000 per person or $10,000 per married couple ($5,000 for married individuals filing separately).

Although the tax information disclosed in this Plan has been updated to reflect certain provisions of the 2017 Tax Act, the Internal Revenue Service has not yet promulgated regulations to reflect the 2017 Tax Act. Therefore, Purchasers are advised to consult with a tax advisor regarding whether the new law will affect the deductions available to Purchasers with respect to the ownership of a Residential Unit. Accordingly, Purchasers should not rely on any representations in this offering plan addressing taxes without first consulting a tax expert. ***See the Section entitled "Income Tax Deductions to Unit Owners and the Tax Status of the Condominium" and "Counsel's Income Tax Opinion Letter".***

43. Environmental Designation. Due to the previous uses of the site, the site has an "E-142" designation. Such designation requires the removal of underground fuel tanks, contaminated soil. It further requires that the Building be constructed with an alternate means of ventilation, and window wall sound attenuation. Such ventilation and sound attenuation have been incorporated into the plans for the new Building. ***See the "Description of Property" contained in Part II of the Plan.***

44. Flood Plain. The Property is located in an area identified by the Federal Emergency Management Agency and the Secretary of Housing and Urban Development as an area having special flood hazards (including, without limitation, those areas designated as Zone X. The site is located in an x-zone (shaded) flood area as per the 2013 FEMA Flood Map, which is not a Special Flood Hazard Area. The FEMA Flood Map was filed as part of the New Building Application with the NYC Department of Buildings (the "DOB") to demonstrate that the site is not in a Special Flood Hazard Area. The DOB approved the plans which confirmed that the Property is ***not located*** in a Special Flood Hazard Area and such plans for the construction of the Building were approved by the DOB. ***See the "Description of Property" contained in Part II of the Plan.***

INTRODUCTION

Nature of the Transaction

500 W25th Owner LLC (the "Sponsor"), hereby presents this offering plan (the "Plan") for the establishment of condominium ownership of the land (the "Land") together with the building being erected thereon known as and having a street address of 500 West 25th Street, New York, New York 10001 (the "Building", the "Land", and the appurtenances thereto are being referred to herein collectively as the "Property") pursuant to the terms of Article 9-B of the Real Property Law of the State of New York (the "Condominium Act"). The Property will be submitted to the provisions of the Condominium Act by recording of the Declaration by Sponsor in the City Register's Office. From and after the date of recording the Declaration, Sponsor will be the owner of the Units until each is sold or conveyed. The Condominium will comply with all statutes and regulations applicable to condominiums in the State of New York.

The property is designated as Block 696, Lot 38, on the Tax Map of the City of New York. Sponsor acquired title to the Property on October 12, 2016.

The Condominium will be known as the "500 West 25th Street Condominium" and is being referred to herein as the "Condominium." Sponsor has filed plans for the construction of a new Building. The Building will have ten (10) stories above ground plus a cellar located below ground. The Condominium will contain eight (8) residential units (the "Residential Units") and one (1) commercial unit (the "Commercial Unit"). Sponsor is offering the Residential Units for sale herein. All the Residential Units are presently vacant and it is Sponsor's intention to offer the same for sale vacant and not subject to any leases, tenancies or rights of occupancy. Prior to the acceptance date of the Plan, Sponsor has not entered into Purchase Agreements or accepted any deposits or advances of funds for the Residential Units hereof offered for sale herein.

The acquisition of the site and the construction of the Building have been financed by acquisition, building and project loans made by 500 West 25th Street Lender LLC, having an address at c/o Churchill Real Estate Holdings LLC, 250 Bowery, 2nd Floor, New York, New York 10012 ("Sponsor's Lender"). The aggregate amount of the loans extended to Sponsor by Sponsor's Lender for the construction of the Building is $26,600,000.00. Such loans are secured by an Acquisition Loan Mortgage, a Building Loan Mortgage, and a Project Loan Mortgage. In addition, there is a Mezzanine Loan, also made by Sponsor's Lender, secured by a pledge of the membership interests in the Sponsor entity (the Mezzanine Loan together with the Acquisition Loan, Building Loan and the Project Loan are collectively referred to as the "Sponsor Loans"). The loans extended by Sponsor's lender do not require Sponsor to sell Units in excess of the fifteen (15%) percent required pursuant to applicable regulations. Sponsor is current in its obligations pursuant to the Sponsor Loans.

The Condominium Offering Plan

The purpose of the Plan is to set forth in detail all material facts relating to the offering by Sponsor of the Units in the Condominium. The Plan contains all of the detailed terms of the transaction. Sponsor may from time to time amend the Plan by filing an amendment with the

New York State Department of Law (the "Department of Law") and serving such amendment on Purchasers and Unit Owners.

The Plan is presented in two (2) parts (contained in one volume), which together constitute the entire Plan. Part I sets forth a general description of the Plan and Part II contains the basic documents necessary to create the Condominium and to otherwise effectuate the provisions of the Plan. Also included in Part II is a detailed description of the Property and the floor plans for the Residential Units, discussed in the Plan, certifications of Sponsor and certain experts. Copies of the Plan, including all documents referred to herein and all Exhibits submitted to the Department of Law in connection with the filing of the Plan will be available for inspection by prospective purchasers and their attorneys without charge and for copying at a reasonable charge at the office of Sponsor and the Selling Agent. Such documents are also available for inspection without charge and for copying for a reasonable fee at the offices of the New York State Department of Law, Real Estate Financing Bureau, 28 Liberty Street, New York, NY 10005. All of these documents are important and should be carefully read by prospective purchasers. Prospective purchasers are also advised to consult with their own attorneys or other advisers before agreeing to purchase a Unit. The Plan may be borrowed upon payment of a $300.00 deposit, which amount will be fully refunded upon either (i) the prompt return of the Plan in good condition, ordinary wear and tear excepted, or (ii) the execution by the prospective purchaser of a Purchase Agreement subsequently accepted by Sponsor.

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

Offering of Units for Sale

Sponsor hereby offers eight (8) Residential Units for sale pursuant to this Plan. The prices for each of the Residential Units offered under the Plan are listed in the Section entitled Schedule A - Offering Prices and Related Information (Schedule A).

THESE PRICES HAVE BEEN SET BY SPONSOR AND ARE NOT SUBJECT TO APPROVAL BY THE DEPARTMENT OF LAW OR ANY OTHER GOVERNMENTAL AGENCY.

Sponsor reserves the right to offer the Units in such order of priority as it may determine, and to withhold one or more Units at Sponsor's sole discretion. In addition, Sponsor has the right to limit the number of Units sold to any Purchaser and to make bulk sales of Units. There will be no modifications or extras for any Unit unless set forth in the Purchase Agreement for such Unit

Features of Condominium Ownership

The ownership of a Unit is similar in many respects to the ownership of a private home. Each Unit Owner owns fee title to his or her Unit and is entitled to the exclusive possession thereof. He also owns, in common with the owners of all other Units, an undivided interest in (and right to use) the Common Elements. Each Unit Owner is obligated to comply with the Declaration, the By-Laws and the rules and other requirements of the Board of Managers promulgated pursuant thereto.

Primary responsibility for operating the Condominium rests with the Board of Managers which is elected by the Unit Owners. ***See Sections entitled "Board of Managers" and "Rights and Obligations of Condominium Board."***

Each Residential Unit Owner will be solely responsible for the cost of maintenance and interior repairs of his or her Unit, and for maintaining casualty insurance with respect to the personal property within his or her Unit and liability insurance with respect to occurrences in or about his or her Unit. A Unit Owner is required to pay monthly Common Charges, in accordance with Sections 339(i) and (m) of the Condominium Act, which Common Charges are assessed by the Board of Managers for the operation and maintenance of the Condominium. Each Unit Owner is obligated to comply with the Declaration, the By-Laws and the Rules and Regulations of the Condominium and other policies implemented by the Board of Managers, as may be permitted by the Declaration and the By-Laws.

Fire and liability insurance covering the Common Elements is included with other items as part of the Common Charges. ***See "Schedule B - Projected Budget for First Year of Condominium Operation" for more details.*** After the closing of title to a Unit, a Unit Owner will be solely responsible for maintaining casualty insurance with respect to the fixtures, equipment and personal property situated within his or her Unit, as well as liability insurance with respect to occurrences in or about the Unit. A summary of the By-Laws which shall govern the operation of the Condominium will be found in the section entitled "Rights and Obligations of Board of Managers; Summary of By-Laws." A complete set of the By-Laws are in Part II of this Plan.

Subject to certain conditions contained in the By-Laws, each Unit Owner may mortgage his or her Unit with such lender and in such amount as he chooses. However, Sponsor makes no representations about the availability of mortgage financing for any Unit. There are no limitations or restrictions upon the rights of Sponsor to mortgage Unsold Units. Each Unit is separate and is not subject to the lien of any mortgage placed by other Unit Owners on their respective Units.

A Unit Owner may decorate the interior of his or her Unit in any way he or she desires, subject to compliance with the By-Laws, the Rules and Regulations and applicable law, and will be solely responsible for the cost of maintenance and interior repairs to his or her Unit after Closing.

Each Unit will be taxed as a separate tax lot for real estate tax purposes, and a Unit Owner will not be responsible for the payment of, nor will his or her Unit be subjected to any lien arising from the non-payment of real estate taxes assessed against other Units. In the opinion of counsel to Sponsor, which opinion is set forth in full in Part II of the Plan, a Unit Owner who itemizes deductions may be eligible, under present law, to deduct from his or her income for income tax purposes, his or her real estate taxes and the interest paid on his or her mortgage, subject to certain exceptions and limitations discussed in the "Counsel's Income Tax Opinion Letter" set forth in the Section entitled, "Opinion of Counsel regarding Deductibility of Taxes". ***See also Section entitled "Income Tax Deductions to Unit Owners and Tax Status of the Condominium."*** Also, each Unit Owner will pay for all electricity which he or she utilizes within his or her own Unit for lighting, heating, hot water, air-conditioning and appliances, the charges for which will be billed directly to the Unit Owner by Con Edison.

With certain exceptions, any sale or lease of a Unit, will be subject to a right by the Condominium Board to acquire or lease such Unit or to produce a third party to acquire or lease such Unit on the same terms as were offered to the owner of such Unit. Sponsor and its successors may sell or lease any Unsold Unit, without any restriction or limitation. ***See Section entitled "Rights and Obligations of Unit Owners - Sales and Leases of Units."***

Generally, the cost of operating the Building will be borne entirely by the Unit Owners in proportion to their respective Common Interests. As more particularly set forth in the By-Laws, the Condominium Board will determine the amount of Common Expenses. On a monthly basis or at such other times as the Condominium Board determines, the Condominium Board will assess Unit Owners for Common Charges to meet Common Expenses. Typically, Common Charges will increase as cash requirements rise due to inflation and other factors. Such charges will be assessed against Unit Owners in proportion to their respective Common Interests in accordance with Sections 339-i and 339-m of the Condominium Act. The estimated Common Charges for each Unit offered hereunder for the first year of condominium operation are set forth in Schedule A.

Additionally, each Purchaser of a Unit will be required to make a contribution to the Working Capital Fund of the Condominium. Such contribution, to be made at the time of Closing of the Unit, shall be in an amount equal to two (2) months' Common Charges in effect at the time of closing for each Unit purchased. ***See Section entitled "Working Capital Fund and Apportionments."***

There are no limitations on who may purchase Units, provided however, all Purchasers must comply with all applicable Federal Laws. Under the New York Real Property Law, a condominium unit may be owned by an individual, a corporation, a partnership, an association, a trust or any other entity which is permitted to take title pursuant to New York law.

In the event that Sponsor elects to withhold certain Units from sale, Sponsor will amend the Offering Plan to disclose the same. Sponsor hereby reserves the right at any time and from time to time for any reason whatsoever, without the consent of any of the Condominium Board, any Unit Owner or mortgagee, to refuse to approve and execute (a) a Purchase Agreement for any Unit, and (b) a Purchase Agreement or Purchase Agreements, as the case may be, for more than one Unit to any one person or entity; provided, however, that, in either event, Sponsor shall not discriminate against any person because of his or her race, creed, color, sex, sexual orientation, disability, marital status, age, ancestry, national origin or other ground proscribed by law. No binding obligation will arise for the sale of a Unit unless and until a Purchase Agreement executed by both Purchaser and Sponsor has been exchanged and Sponsor has collected the funds constituting Purchaser's required contract deposit thereunder. ***See Section entitled "Procedure to Purchase" for more details.*** Sponsor will not accept an offer of purchase from an individual younger than eighteen (18) years of age or who is incompetent under law.

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 EXECUTING A PURCHASE AGREEMENT TO PURCHASE A CONDOMINIUM UNIT.

DEFINITIONS

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

"Additional Contract Deposit" shall mean the additional deposit in an amount equal to five (5%) percent of the Purchase Price payable on the fifteenth (15^{th}) day following the Presentation Date of the amendment declaring the Plan effective.

"Adverse Effects", or "adverse effects", as used in the Condominium Documents, shall mean, with respect to any action or proposed change and with respect to any Unit owner or Unit Owners, that such action or change could, if realized, (i) increase the Common Charges payable by such Unit Owner or Unit Owners, (ii) materially interfere with such Unit Owner's access to his or her Unit, (iii) obstruct or degrade the view from the windows of such Unit Owner's Unit, or (iv) otherwise materially diminish such Unit Owner's use and enjoyment of his or her Unit.

"Applicable Laws" shall mean any and all applicable laws and regulations promulgated by any governmental authority having jurisdiction over the Building or the Condominium.

"Balcony" or "Balconies" shall mean individually the balcony appurtenant to a Residential Unit and the balconies appurtenant to more than one Residential Unit, which will be designated in the Declaration as a Limited Common Element appurtenant to such Unit.

"Building" shall mean the building and improvements including above and below grade segments, and situated on the Land.

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

"By-Laws" shall mean the By-Laws governing the operation of the Condominium, which are set forth as Exhibit D to the Declaration, as the same may be amended from time to time pursuant to the terms thereof.

"Closing of Title" or "Closing" shall mean the date upon which, among other things, a Unit and its appurtenant Common Interest is conveyed to a Purchaser by the delivery by Sponsor to a Purchaser of a deed upon payment by a Purchaser to Sponsor of the balance of the purchase price for the Unit.

"Commercial Unit" shall mean the one (1) Unit designated in the Declaration as the Commercial Unit, as the same may be divided or combined in accordance with the Declaration and By-Laws.

"Commercial Unit Owner" shall mean an owner of the Commercial Unit, as the same may hereafter be subdivided.

"Common Charge Abatement Period" a period, that may be determined in the sole discretion of Sponsor, during which Sponsor agrees to abate all or a portion of the Common Charges that would otherwise be payable by the Unit Owners.

"Common Charges" shall mean the charges allocated and assessed by the Condominium Board to the Unit Owners, *pro rata,* in accordance with their respective Common Interests (except as otherwise provided in the Declaration or in the By-Laws or in the First Year's Budget) to meet the Common Expenses.

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

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

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

"Condominium" shall mean the "500 West 25th Street Condominium" which will be established pursuant to the terms of the Declaration and which will be governed pursuant to the terms of the By-Laws.

"Condominium Act" shall mean the New York Condominium Act, as amended from time to time, and presently found in the New York Real Property Law, Article 9-B.

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

"Contract Deposit" shall mean all deposits, down-payments, advances or payments made by Purchasers prior to the closing of each individual transaction, including without limitation.

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

"Department of Law" shall mean the New York State Department of Law.

"Effective Date" shall mean the date upon which Sponsor has declared the Plan effective pursuant to the provisions of the General Business Law.

"Facilities" shall mean all personal property and fixtures now or hereafter existing in, on, or under the Land or the Building and either existing for the common use of the Units or the Unit Owners or necessary or convenient for the existence, maintenance, or safety or the Property.

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

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

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

"First Year of Condominium Operation" or "First Year" shall mean the first year in which Building operates as a Condominium.

"Floor Plans" shall mean the floor plans of the Units certified by a professional engineer or licensed architect, filed in the Register's Office simultaneously with the recording of the Declaration, together with any supplemental floor plans thereto.

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

"Initial Contract Deposit" shall mean the initial deposit tendered by Purchaser at such time when Purchaser executes and submits a Purchase Agreement.

"Initial Control Period" shall mean the period ending on the earlier of: (i) the closing of title with purchasers under the Plan to Residential Units having at least 75 percent of the aggregate Common Interest appertaining to all Residential Units, or (ii) five (5) years after the First Closing.

"Land" shall mean the land located in the Borough of Manhattan on the Tax Map of The City of New York as Block 696, Lot 38, and more particularly described on Exhibit A to the Declaration.

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

"Managing Agent" shall mean the managing agent or manager of the Building at the time in question.

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

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

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

"Purchase Agreement" shall mean the agreement to purchase a Residential Unit pursuant to the Plan.

"Purchaser" shall mean a purchaser of a Residential Unit under a Purchase Agreement.

"Register's Offices" shall mean the New York County Office of the Register of The City of New York.

"Residential Common Interest" shall mean the interest in the Residential Limited Common Elements allocated to each Residential Unit.

"Residential Unit" shall mean any Unit designated as a Residential Unit in the Declaration, and all such Residential Units are, collectively, referred to as the "Residential Units" and intended to be used as residences.

"Residential Unit Owner" shall mean any owner of a Residential Unit, and all such owners are, collectively, referred to as "Residential Unit Owners".

"Rules and Regulations" shall mean the rules and regulations made in accordance with the By-Laws.

"Schedule A" shall mean the section of the Plan entitled Schedule A - Offering Prices and Related Information."

"Schedule A-1" shall mean the section of the Plan entitled "Schedule A-1 – Common Charges Payable for First Year of Condominium Operations after Application of Sponsor Working Capital Fund.

"Schedule B-1" shall mean the section of the Plan entitled "Schedule B-1 - Estimated Cost of Unit Operation for the First Year of Condominium Operation".

"Selling Agent" shall mean Compass Real Estate LLC, a real estate broker licensed in the State of New York, retained by Sponsor to procure purchasers of the Residential Units.

"Sponsor" shall mean 500 W25th Owner LLC.

"Terrace" of "Terraces" shall mean individually the terrace appurtenant to Unit 2 or Unit PH and collectively the terraces appurtenant to Units 2 and PH, which will be designated in the Declaration as a Limited Common Element appurtenant to such Residential Units.

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

"Unit Owner" shall mean any owner of a Unit. All such owners of Units are, collectively, referred to as "Unit Owners."

"Unsold Unit" shall mean those Residential Units not sold to a Purchaser under this Plan, including any Unit owned or retained, by way of lease or any other arrangement by which management and/or financial responsibility is retained, by Sponsor or its designee at the time in question, or a Unit that is acquired, individually or collectively, by a principal of Sponsor or a group of which Sponsor or one or more principals of Sponsor is a member.

DESCRIPTION OF PROPERTY AND IMPROVEMENTS

Location

The Condominium is located at 500 West 25th Street, on the southwest corner of 25th Street and Tenth Avenue in the Borough of Manhattan, City of New York. The Building is located on the tax lot presently known as Block 696, Lot 38. The site has an area of approximately 2,963 square feet.

Property and Improvements - General Description

The Condominium will be housed in a Building constructed on the Land. The Building will be composed of ten (10) stories above ground and a cellar. The Building will contain eight (8) Residential Units. There will also be one (1) Commercial Unit located on the ground floor and a portion of the cellar, excluding that portion of the ground floor where the entrance lobby for the Residential Units will be located. The Commercial Unit is not offered for sale pursuant to this Plan.

Detailed descriptions of the Residential Units are set forth in the Declaration and in the Description of Property contained in Part II of the Plan. The Building will be constructed in accordance with plans and specifications drawn by GF55 Architects, LLP. In addition, Rodkin Cardinale PC has been retained as the mechanical engineer to prepare the estimates contained in Schedules B and B-1 herein below.

Except as otherwise provided herein, each Residential Unit offered for sale by Sponsor is completely equipped and contains all major fixtures and appliances normally associated with a residential condominium unit. Each Unit will contain a refrigerator-freezer, range, microwave oven, dishwasher, and a clothes washer and dryer. Each Residential Unit will contain a ceiling mounted unit (each a "Heat Pump Unit") which will provide heat and air conditioning to the unit. The Heat Pump Unit will be controlled by the Residential Unit Owner and the cost of the

electricity required to operate such Heat Pump Unit will be the responsibility of each of the Residential Unit Owners, individually. The estimated cost of operation of the Heat Pump Units is set forth in Schedule B-1, Estimated Cost of Unit Operation during the First Year of Condominium Operation. Part II of this Plan contains a detailed, comprehensive description of the Property and outlines specifications more fully and specifically defining the Building, its construction, facilities and amenities. Purchasers are strongly advised to read the report in Part II of the Plan. ***See Section entitled "Description of Property and Building Condition".***

The construction of the Building, including the Residential Units and the Commercial Unit, will be completed substantially in accordance with the Plans and Specifications, and otherwise in accordance with the Zoning Resolution, the Building Code of The City of New York and all other applicable Legal Requirements. However, Sponsor reserves the right to amend or modify, in any way, the Plans and Specifications (including, without limitation, changing materials, appliances, equipment, fixtures and other construction details) and substitute in place of any materials, appliances, equipment and fixtures set forth in the Description of Property in Part II of the Plan, items of substantially equal or better quality. Moreover, Sponsor shall not be obligated to correct and shall have no liability or responsibility to any Purchaser for, and no Purchaser shall be entitled to any reduction in or credit against the purchase price of his or her Residential Unit or otherwise relieved from performing his or her obligations under the Agreement as a result of minor or immaterial inaccuracy or error in the floor plans or specifications for such Residential Unit as set forth in Part II of the Plan. Notwithstanding the foregoing, any material change shall be set forth in an amendment to the Plan, and no such amendments, modifications or substitutions may be made if the same would materially adversely affect any Purchaser who has delivered a Purchase Agreement which has been countersigned by Sponsor and returned to the Purchaser unless the same is dictated by construction conditions at the Property (such as coordination of Building systems, conflicts with structural members or elements, conforming with Legal Requirements, unforeseen events, etc.) and, in all cases, in good faith, reasonably necessary due to factors not within Sponsor's reasonable control, and where no practicable alternative (in the exercise of sound construction management practices exists), and in such event, Sponsor will, in the amendment disclosing such change and delivered to the Purchasers, offer any materially adversely affected Purchaser(s) the right, for at least fifteen (15) days, to rescind their Purchase Agreements and receive a refund of their Contract Deposit, together with all interest earned thereon. Any such changes that are not both material and adverse will not give rise to a right of rescission.

The location in the Building, and the size, layout and approximate square footages (within reasonable tolerances) of the Units are shown on the floor plans duplicated in Part II of the Plan. Such floor plans are subject to the rights of Sponsor or its successor-in-interest to combine two (2) or more Unsold Units, to add additional Units by subdividing Unsold Units or to change the number of rooms in, as well as the size, layout and square foot area of, any Unsold Units, as further described in Part I, in the Section entitled Procedure to Purchase, provided, however, that any material change shall be set forth in an amendment to the Plan, that no material adverse change will be made in the size (*i.e.*, decrease), configuration or layout of a Unit for which Purchase Agreement, which has been countersigned by Sponsor and returned to the Purchaser, unless the same is dictated by construction conditions at the Property (such as coordination of Building systems, conflicts with structural members or elements, conforming with Legal

Requirements, unforeseen events, etc. and, in all cases, in good faith, reasonably necessary due to factors not within Sponsor's reasonable control, and where no practicable alternative (in the exercise of sound construction management practices exists), and in such event, Sponsor will, in the amendment disclosing such change and delivered to the Purchasers, offer the materially adversely affected Purchaser(s) the right, for at least fifteen (15) days, to rescind their Purchase Agreements and receive a refund of their Contract Deposit, together with all interest earned thereon.

Sponsor will have no liability to any Purchaser, nor will any Purchaser be entitled to a credit, offset or reduction in the purchase price for his or her Unit or otherwise be relieved of any obligations under the Purchase Agreement, by virtue of an immaterial inaccuracy or error in the floor plans.

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

Based upon the current construction schedule, Sponsor presently contemplates that, unless delayed by weather, casualty, labor difficulties (including work stoppages and strikes), late delivery and/or the inability to obtain on a timely basis or otherwise, materials or equipment, governmental restrictions, acts of god or other events beyond its reasonable control, construction of the Building will be sufficiently completed to permit closings of title to Residential Units to begin on or about April 1, 2019. Prospective Purchasers should note, however, that the Residential Units will be completed at different times over a period that may begin prior to and/or extend significantly beyond such date. Sponsor will have no liability to any Purchaser, nor will a Purchaser be entitled to any credit, offset or reduction in the purchase price for his or her Residential Unit or otherwise be relieved from any obligations under the Agreement, in the event that the First Closing occurs earlier or later than the targeted date or the time to complete or to close title to such Purchaser's Residential Unit is accelerated, delayed or postponed by Sponsor, provided, however, that in the event the actual or anticipated commencement date of the projected First Year of Condominium Operation is to be delayed by six (6) months or more, Sponsor will amend the Plan to include a revised budget with current projections and if: (i) the amended budget exceeds the projected budget set forth herein by 25 percent or more; or (ii) the First Closing does not occur within twelve (12) months after April 1, 2019, the date set forth in Schedule B as the commencement date for the projected First Year of Condominium Operation, then in either case Sponsor will offer all Purchasers (other than Purchasers who are then in default beyond any applicable grace period under their Agreements, if the Plan has been declared effective) the right to rescind their Agreements within not less than fifteen (15) days after the Presentation Date of the amendment containing such revised budget or after such 12-month period, as the case may be, and any Purchasers electing rescission pursuant to such offer will have their Contract Deposit and any interest accrued thereon returned. Purchasers' rights as described in the preceding sentence

are in lieu of any other rights or remedies which may be available pursuant to any applicable law, regulation, statute or otherwise, all of which shall be deemed to have been waived by all Purchasers. Notwithstanding the forgoing, in no event shall any Purchaser be deemed to have waived any rights available to a Purchaser pursuant to Article 23-A of the General Business Law. As set forth in the Section of this Plan entitled "Effective Date" no closing of title to any Unit will take place prior to the Plan being declared effective.

Common Elements

As is set forth in more detail in the Declaration, the Common Elements consist of the Land, together with all easements, rights and privileges appurtenant thereto (except as otherwise expressly provided in the Declaration) and all parts of the Building other than the Units themselves, including, generally, the foundations, roofs and supports of the Building and all other parts of the Building and all apparatus, installations, systems, equipment and facilities therein for the common use of the Units and Unit Owners or which are necessary or convenient for the existence, maintenance or safety of the Property. The windows of the Building are common elements of the Condominium and will be maintained by the Board of Managers, provided however, any maintenance or replacements required due to the negligence of the Unit Owners will be the responsibility of such Unit Owners. The Common Elements are divided into the following separate categories: (i) the General Common Elements, which are, generally, those Common Elements which serve or benefit all of the Units or Unit Owners; and (ii) the Limited Common Elements, which are, generally, those Common Elements which serve or benefit exclusively certain Residential Units or Residential Unit Owners. The Common Elements cannot be divided or partitioned, except as provided in the New York Condominium Act. A Unit Owner's interest in the Common Elements shall not be separated from the Unit to which it is appurtenant. ***See Exhibit D in Part II of the Plan and Article 6 of the Declaration (Exhibit H in Part II of the Plan) for a detailed description of the Common Elements.***

General Common Elements

The General Common Elements consist of all Common Elements other than the Limited Common Elements, and include, among other things, the following: (i) the Land, together with all easements, rights and privileges appurtenant thereto (except as otherwise expressly provided in the Declaration); (ii) all foundations, foundation walls, roofs (except as otherwise expressly provided in the Declaration), footings, columns, girders, beams, supports, interior load-bearing walls, floor slabs and ceilings; (iii) all passages and corridors, mechanical and other utility rooms, all fire staircases, landings and stairs, areas and spaces located in the Building, which are not Limited Common Elements or included in any Unit; (iv) any ventilation supply system consisting of motors, ductwork, fans and controls and return piping, serving or benefiting any combination of the Residential Units; (v) all mechanical equipment and associated piping and controls and all utilities and mechanical and electrical transfers and equipment serving or benefiting any combination of the Residential Units; (vi) all electrical risers, feeders, lines and equipment, including incoming service, main switchgear and distribution panel boards, conduits, wires, meters, transformers and panel boards serving or benefiting any combination of the Residential Units and the Commercial Unit, excluding, however, all such items located within a Unit and serving only that Unit; (vii) all storm and sanitary sewer equipment and pipes (including vent

lines, ejectors, interceptors, filters and valves), excluding, however, all such items located within a Unit and serving only that Unit; (viii) all electric service rooms, gas and water meter rooms, Building storage rooms, telephone rooms and other service, mechanical and utility rooms serving or benefiting any combination of the Residential Units or the Commercial Unit; (ix) all other facilities of the Building (including shafts, pipes, wires, ducts, vents, flues, cables, conduits and lines) which serve or benefit or are necessary or convenient for the existence, maintenance, operation or safety of any combination of the Residential Units or the Commercial Unit; (x) all security monitors and equipment and other security facilities serving or benefiting any combination of the Residential Units or the Commercial Unit; (xi) the elevator servicing the Building, including the shafts, elevator equipment, elevator pit and entrances and appurtenant facilities; (xii) all security monitors and equipment and other security facilities serving or benefiting any combination of the Residential Units or the Commercial Unit; and (xiii) all other parts of the Property either existing for the common use of any combination of the Residential Units or the Commercial Unit, or their respective Unit Owners or that are necessary or convenient for the existence, maintenance, operation or safety of the Property. The Common Elements cannot be divided or partitioned, except as provided in the New York Condominium Act. A Unit Owner's interest in the Common Elements shall not be separated from the Unit to which it appertains. ***See Article 6 of the Declaration (Exhibit H in Part II of the Plan) for a detailed description of the Common Elements.***

The Residential Common Elements shall include the following: (i) the lobby and entrance area located on the ground floor and entered from West 25th Street; (ii) all passages, corridors, storage rooms, housekeeping areas, mechanical and other rooms, areas and spaces (including their respective floors, ceilings and enclosing walls) located in the Building; (iii) smoke detection alarm system, telephone system and cable television system; (iv) all Building storage rooms, telephone rooms and other service, mechanical and utility rooms; (v) all security monitors and equipment and other security facilities; (vi) all other systems, installations and facilities of the Building (including shafts, pipes, wires, ducts, vents, cables, conduits and lines); (vii) the condenser water system and related support structure including the cooling tower; (viii) hot water and condensed water systems; and (ix) all plumbing fixtures, equipment for distribution of cold water and equipment for distribution of hot water, including pumps, valves, pressure reducers, meters and water heaters, excluding, however, all such items located within a Unit and serving only that Unit.

Limited Common Elements

The Residential Unit Owner that owns Unit 2 will have exclusive use and enjoyment of the terrace appurtenant to its Unit, and the Residential Unit Owner that owns Unit PH will have exclusive use and enjoyment of the terrace located on the roof and accessible by a stair from its Unit (each such terrace a "Terrace", and collectively the "Terraces"). The Residential Unit Owners that own Units 3, 4, 5, 6, 7, 8 and PH will each have exclusive use of the Balcony adjacent to their respective Unit. Such Unit Owners shall have certain responsibilities to maintain the Limited Common Elements appurtenant to their respective Units as set forth in the By-Laws.

The Residential Unit Owners shall each have the exclusive use of the Terrace and/or the Balcony appurtenant to their respective Units, which will be designated as a Limited Common

Element of their respective Units, subject to the right of the Condominium Board to regulate its use in accordance with the By-Laws and the Rules and Regulations. Each Residential Unit Owner shall be responsible for all normal maintenance, repairs and replacements to such Terrace or Balcony, as the case may be. The Unit Owners who own Unit 2 and PH shall also be responsible for the repair and maintenance of the portion of the roof surface on which such Terrace is located (the "Terrace Area"), the repair of leaks on the Terrace Area, and the replacement of the roof surface on the Terrace Area when necessary. However, the costs and expenses of any structural repairs or repairs or replacements caused by the need for such structural repairs to that portion of the Terrace Area located below the roof surface shall be charged to the Residential Unit Owners as a Common Expense.

The Condominium Board shall have the right to require the Residential Unit Owners to remove plantings, roof surfaces and other installations which have been placed on a Terrace, if the Condominium Board determines, in its sole discretion, that such plantings or other installations may adversely affect the integrity of the roof or other portion of the Building or is otherwise unsafe. In addition, the Condominium Board shall have the right, in connection with any repair or maintenance work in the Building, to erect scaffolding temporarily on any Terrace or Balcony. In no event shall any Unit Owner be permitted to enclose or erect any structure on the Terrace or Balcony appurtenant to their respective Unit, without the consent of the Board. The Condominium Board may establish such other rules and regulations it deems necessary to protect the Common Elements and the Residential Units and to insure the integrity of the Building and the health of the occupants.

No construction of any kind may be undertaken or performed a Terrace or Balcony without the prior consent of the Condominium Board, which consent may be granted or withheld in the absolute discretion of such Condominium Board. Any such construction as may be approved by the Board shall be subject to compliance by the Unit Owner undertaking the same with all Legal Requirements, including, but not limited to, required permits from the New York City Department of Buildings and the obtaining variances, if any, that may be required in order for such construction to be performed. Purchasers of Units 2 or PH are advised that in the event that the Board should oppose an application for a variance, then such application may be denied. If the Unit Owner of either Unit 2 or PH is allowed by the Board to perform any type of construction on the Terrace appurtenant to such Unit, then the authorizing Board(s) shall have the authority to regulate or impose conditions with regard to any one or more of the following aspects of such approved construction: (a) time periods during which construction work may occur; (b) the manner in which construction debris shall be handled and removed from the Terrace where construction is occurring; (c) measures which must be taken to prevent any compromising of the security of the Units and the Building during construction; (d) measures which must be taken to prevent or minimize any interruption of Building services and/or amenities during construction; and (e) liability and other insurance that will be required of the Unit Owner and each of such Unit Owner's contractors in connection with any approved construction in, on or affecting a Terrace.

The Board, and its employees and agents, shall have an easement and unlimited access to the Terraces for the purpose of making inspections and repairs, though such inspections and repairs shall be scheduled at reasonable times and upon reasonable notice, unless the inspection or repair is required due to an emergency.

The Terraces and the Balconies may be used solely for passive recreational purposes. Applicable law and regulations currently prohibit barbecuing on the Balconies and there are restrictions regarding barbequing on Terraces which may apply.

Services and Facilities

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

Standard Facilities

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

(i) Elevator Service. The elevator will be automatically operated and will be in service, 24 hours per day, seven (7) days per week. Each Unit Owner will have an electronic key FOB for entrance to their Unit.

(ii) Communications Facilities and Intercom Service. Each Residential Unit will be equipped with an internal telephone system. This system will enable the occupants of each Residential Unit to communicate directly with entry vestibule located on the ground floor.

(iii) Mail. All incoming mail will be delivered by the United States Postal Service to locked mail boxes.

(iv) Maintenance Personnel. There will be one part-time non-resident superintendent who will be responsible to clean the common areas of the Building and to remove the garbage and materials to be recycled.

(v) Refuse Disposal. There will be recycling bins and a refuse chute located within each residential Unit. Each chute will be incorporated into the kitchen millwork and lead directly to an automatic compacting facility in the subcellar of the Building where refuse will be automatically compressed. As required by applicable code, each trash chute is sprinkled. Building staff will transfer the compressed refuse to the sidewalk as needed pending collection by the City of New York Department of Sanitation. Recycling bins in each Residential Unit will be emptied as necessary by the residents of the Building.

(vi) Security Procedures. All entrances to the Building will be monitored by a camera and/or electronic alarm systems. No representation or warranty is made and no assurance is given that the security systems and procedures of the Building will prevent personal injury or damage to or loss of personal property.

(vii) Cable Television Service. A cable television system is available for the use of the Unit Owners. Each Residential Unit will have cable connection in the living room and in each bedroom. The charges for primary connections and subsequently monthly fees related to the service will be determined by, and payable directly to the cable provided selected by the Unit Owner. Additional cable service (*e.g.*, Home Box Office or Showtime) may also be available from cable provider.

(viii) Internet Service. Each Residential Unit will contain a high speed internet connection.

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

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

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

Purchasers are advised that during the six (6) month period following the First Unit Closing and beyond, various systems including, but not limited to, water supply, air-conditioning, heating, cooling, ventilating and elevators, may be incomplete and may be disrupted temporarily and from time to time. ***See Special Risks entitled "Interim Service Period" and "Additional Building Work" above.***

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

LOCATION AND AREA INFORMATION

Location

The Property is situated at 500 West 25th Street, in the Borough of Manhattan, City of New York which is located on the southwest corner of 25th Street and Tenth Avenue. The Property is zoned C6-3. The zoning resolution of the City of New York permits a wide variety of uses in zone C6-3, including residential occupancy, hotels primarily for transient occupancy, together with a wide range of retail, office, amusement, service, custom manufacturing, and related uses normally found in a central business district or regional commercial centers. Sponsor is not aware of any planned development on the sites adjacent to the Land.

Surrounding Area

The Condominium is located in Chelsea which is one of Manhattan's most distinctive and lively neighborhoods. Chelsea is known for its many art galleries. The Building is also located in close proximity to the Meat Packing District. Nearby neighborhoods include the West Village, the Flatiron District, NoMad, Hell's Kitchen and the Garment District. To the south are Greenwich Village and SoHo, two internationally acclaimed districts, celebrated for extensive boutique shopping, eclectic restaurants, art galleries and neighborhood services. Greenwich Village is home to New York University.

Shopping, Commercial and Recreational Facilities

There is a wide variety of commercial establishments located in the vicinity of the Property including pharmacies, groceries, banks, restaurants and other stores.

Cinepolis Chelsea, a movie theater is located near the Property at 260 West 23rd Street. The Angelika Film Center which screens independent films is located at 18 West Houston Street. The Screening Room is located at 54 Varick Street and The Film Forum is located at 209 West Houston Street. Various off-Broadway theaters and cinemas are also common in the neighborhood. Cultural amenities abound throughout the vicinity of the Building.

There are a wide variety of parks and recreational facilities in the vicinity. The Highline, New York's elevated park, is located in close proximity to the Building and may be seen from each of the Units. The nearest entrances to the Highline are located at West 23rd Street, which entrance has elevator access, and at West 26th Street.

Schools

Numerous private schools, public schools and parochial schools are easily accessible from the Property. The public schools in the area include P.S. 11 at 320 West 21st Street. The New York City Lab School for collaborative studies, a middle school, is located at 333 West 17th Street. Landmark High School is located at 351 West 18th Street. The Lorge School, a school for students special needs, is located at 353 West 17th Street. Private schools in the area include Preschool of the Arts at Chelsea, located at 121 West 19th Street, Corlears School located at 324

West 15th Street and Avenues: The World School, located at 259 Tenth Avenue directly across West 25th Street.

Transportation

New York City is served by three major airports – LaGuardia Airport, Kennedy International Airport and Newark International Airport. Passenger railroad service is provided from Pennsylvania Station, located at Seventh Avenue and West 33rd Street and Grand Central Station, located at Lexington Avenue and 42nd Street. Transportation to and from the Building, and throughout New York City is available by taxi, limousine, and private automobile. Public transportation via subways and buses is also readily available. The Building is within walking distance of Pennsylvania Station as well as the A, C, E, 1, 2, 3, 5 and 7 subway lines. Bus service is also convenient to the Building. The M11, M12 and M23-SBS bus lines all pass within several blocks of the Building.

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 financed through real estate taxes paid by Unit Owners to The City of New York. The Property are located in the Tenth Police Precinct with the station located at 230 West 20th Street. Fire protection is provided from Fire Station No. 20 is located at 440 West 38th Street, approximately 0.64 miles from the Building]. Water is provided by the City of New York and charges for the Units will be metered and paid by Unit Owners as set forth in the Declaration.

Medical and Religious Facilities

The area is served by numerous hospitals and medical facilities located proximate to Property, including New York Downtown Hospital at 170 William Street, New York Eye and Ear Infirmary, 310 East 14th Street, Hospital for Joint Diseases, 301 East 17th Street; Mount Sinai Beth Israel Hospital, First Avenue at 16th Street and Bellevue Hospital at 462 First Avenue. There are houses of worship of most major denominations in the vicinity of the Building.

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

Schedule A
500 WEST 25th STREET CONDOMINIUM
BUDGET FOR THE FIRST YEAR OF CONDOMINIUM OPERATION
April 1, 2019 - March 31, 2020

Unit	Bdrms/Bths	Unit. Sq. Ftg.*	Limited Com. Elements; Exterior Sq. Ftg. **	Percentage of Common Interest	Percentage Interest - Resi. Common Elements	Purchase Price	Total Monthly Common Charges	Total Annual Common Charges	Real Estate Taxes Monthly	Real Estate Taxes Annually	Projected Total Monthly Charges	Projected Total Annual Charges
	(Note 1)	(Note2)	(Note 2)	(Note 3)	(Note 4)	(Note 5)	(Note 6)	(Note 6)	(Note 7)	(Note 7)	(Note 8)	(Note 8)
Commercial	N/A	2,664	0	17.88%		$ -	$ 4,715.15	$ 56,581.80	$ 7,304.73	$ 87,656.70	$ 12,019.87	$ 144,238.50
2	3/3	2,152	566	9.14%	11.13%	$ 5,695,000	$ 3,342.72	$ 40,112.59	$ 3,735.13	$ 44,821.62	$ 7,077.85	$ 84,934.20
3	3/3	2,152	210	8.79%	10.70%	$ 5,495,000	$ 3,213.00	$ 38,556.00	$ 3,590.19	$ 43,082.30	$ 6,803.19	$ 81,638.31
4	3/3	2,152	210	8.79%	10.70%	$ 5,595,000	$ 3,213.00	$ 38,556.00	$ 3,590.19	$ 43,082.30	$ 6,803.19	$ 81,638.31
5	3/3	2,152	210	8.79%	10.70%	$ 5,695,000	$ 3,213.00	$ 38,556.00	$ 3,590.19	$ 43,082.30	$ 6,803.19	$ 81,638.31
6	3/3	2,152	210	8.79%	10.70%	$ 5,950,000	$ 3,213.00	$ 38,556.00	$ 3,590.19	$ 43,082.30	$ 6,803.19	$ 81,638.31
7	3/3	2,152	210	8.79%	10.70%	$ 6,150,000	$ 3,213.00	$ 38,556.00	$ 3,590.19	$ 43,082.30	$ 6,803.19	$ 81,638.31
8	3/3	2,152	471	9.05%	11.02%	$ 6,400,000	$ 3,308.10	$ 39,697.21	$ 3,696.46	$ 44,357.47	$ 7,004.56	$ 84,054.68
PH	4/4.5	4,352	2651	19.99%	24.34%	$ 16,950,000	$ 7,308.87	$ 87,706.39	$ 8,166.89	$ 98,002.71	$ 15,475.76	$ 185,709.09
TOTAL		**22,080**	**4,738**	**100.00%**	**100.00%**	**$ 57,930,000**	**$ 34,739.83**	**$ 416,878.00**	**$ 40,854.17**	**$ 490,250.00**		

* No portion of any of the units contains any area that does not have required "Light and Air" so that the same constitutes habitable space pursuant to New York City Building Code. See Notes to Schedule A in Section that follows.

**Outdoor space consisting of the balconies appurtenant to is Residential Units 3, 4, 5, 6, 7, 8 and PH and the Terraces appurtenant to Residnetial Units 2 and PH are not habitable spaces pursuant to the New York City Building Code. Such spaces may not be legally used as a bedroom or living room and that doing so so may result in a building code violation being issued for the Building. See Notes to Schedule A in Section that follows.

NOTES TO SCHEDULE A

1. Prospective Purchasers should refer to the Floor Plans included in Part II of the Plan for the dimensions and layouts of Units.

2. Each Unit and the outdoor space adjacent thereto should be inspected to determine its actual dimensions, layout as a physical condition prior to executing a Purchase Agreement. The square foot area and dimensions of the Units listed in Schedule A or on the Floor Plans or in the Declaration may vary within reasonable construction tolerances. There is a rebuttable presumption that if the area of a Unit as set forth on Schedule A is decreased by five (5%) percent or less, such decrease is not material. None of the Residential Units contain any spaces designated as living space which do not comply with the light and air requirements of the New York City Zoning Resolution. The method of calculating the square footage of the Units does not accurately represent the interior space in the Unit and exaggerates the square footage of the Units. No such variation will affect a Purchaser's obligations under the Purchase Agreement or the Plan unless the net square foot area of the Unit as set forth on Schedule A determined in accordance with the methodology described herein is materially diminished (excluding interior partitions). Sponsor's sole obligation if the net square foot area of the Unit is diminished materially shall be to refund to Purchaser the Contract Deposit made under the Purchase Agreement.

3. The percentage interest of each Unit in the Common Elements, in accordance with the provisions of Section 339-i(1)(iv) of the Condominium Act, is based upon the approximate proportion that the floor area of the Unit at the date of the Declaration bears to the then aggregate floor area of all of the Units, but such proportion reflects the substantially exclusive advantages enjoyed by one or more but not all Units in a part or parts of the Common Elements. Each Residential Unit is also assigned an interest in the Residential Common Elements, which is based upon the approximate proportion that the floor area of each Residential Unit at the date of the Declaration bears to the then aggregate floor area of all of the Residential Units, but such proportion also reflects the substantially exclusive advantages enjoyed by one or more but not all of the Residential Units in that portion of the Building containing the Residential Units, including the facilities appurtenant thereto.

4. This reflects the percentage of each Residential Unit in the Residential Common Elements. The same also indicates the percentage of the Residential Common Expenses that will be the responsibility of each Residential Unit Owner. Pursuant to Section 339-m of the RPL, the portion of Common Charges paid by the Commercial Unit Owner is less than the Common Interest attributable to the Commercial Unit. The Condominium Declaration and the By-Laws provide that the Unit Owners which own the Commercial Unit will pay 17.88 percent of certain Common Expenses of the Condominium that will benefit the Commercial Unit Owner. The Common Charges payable by the Commercial Unit Owner reflect that the Commercial Unit will either not benefit from or use certain building services paid for by the Common Charges. For example, the Commercial Unit Owner will not have access to the lobby that serves as the entrance to the Residential Units and therefore, will not be required to share in the payroll expense for the lobby attendants. In addition, the Commercial Unit Owner is responsible to maintain the sidewalk in front of the Commercial Unit and will be responsible for the removal of its own refuse. Sponsor's Expert, Camelot Realty Group LLC, has certified that the portion of the Common Charges allocated to the Commercial Unit Owner fairly reflects the cost of services provided to the Commercial Unit.

5. The purchase prices and other terms of sale of Units may be negotiated by Sponsor and therefore may be changed. Accordingly, Purchasers may pay different purchase prices for similar

Units. The effect of this, as well as the right of Sponsor to change purchase prices, is more particularly discussed in the Section entitled "Changes in Prices and Units." In addition to the payment of the purchase price, each Purchaser will be responsible for the payment of certain closing costs and expenses at the time of Closing, as explained in the Section entitled "Unit Closing Costs and Adjustments." If Purchaser obtains a mortgage loan, Purchaser will be responsible for the payment of additional closing costs and expenses relating to such loan. There will be an apportionment of certain charges relating to the Unit at the time of the Closing of title. THESE PRICES HAVE BEEN SET BY SPONSOR AND ARE NOT SUBJECT TO REVIEW OR APPROVAL BY THE DEPARTMENT OF LAW OR ANY OTHER GOVERNMENT AGENCY.

6. The estimates contained in this Schedule A were computed by Sponsor's Condominium Budget Expert on the assumption that the first year of Condominium operation will be the year from April 1, 2019 through March 31, 2020, and are based on such Condominium Budget Experts estimate of the receipts and expenses of the Building for the projected year. The actual first year of operation of the Condominium may commence before or after April 1, 2019.

The estimated monthly Common Charges for each Unit are based on the Schedule B - First Year's Budget prepared by Sponsor's Condominium Budget Expert. The estimated Common Charges in this column reflect the Common Changes that would be payable in the event that the Sponsor had not elected to provide for a subsidy of the Common Charges for the first seven (7) years of Condominium Operation, as set forth in Footnote 7 below. In addition to these estimated payments, each Unit Owner will be responsible for real estate taxes on his or her Unit, mortgage payments due with respect to a loan or loans, if any, obtained to finance the purchase of his or her Unit, the cost of electricity and natural gas supplied to his or her Unit, the cost of any insurance which he may wish to obtain for his or her Unit (and which Sponsor strongly urges each Unit Owner to obtain) and the cost of interior repairs and decorations to his or her Unit.

7. The value of the Property for real estate tax purposes is determined annually by the Department of Finance of the City of New York. Under current New York State law, increases in a property's assessed valuation due to changes in its market value are to be phased in over five (5) years in equal annual increments of twenty (20%) percent increases in value that result from physical alterations and improvements rather than general market conditions, are not phased in. Any further increase in the assessed value during such five-year period resulting from a still higher market value is to be similarly phased in over an additional five-year period. The full increased assessed value targeted to be paid at the end of five (5) years is called the "actual assessed valuation." The "transitional assessed valuations" represents the aggregate of all increments being phased in for a given tax year, plus any "physical" increases. Real estate taxes for a given tax year are based upon the lower of either the actual or transitional assessed valuation. That lower figure is referred to as the "taxable assessed valuation."

No representation is made or warranty given as to whether or not there will be (i) a further increase in the assessed valuation of the Property during the five (5) year phase-in period, (ii) an increase in the tax rate, or (iii) a change in the method of determining the assessed fiscal year valuation, *i.e.*, for 2018/2019 and 2019/2020. Based upon the opinion of Tuchman Korngold Weiss Liebman and Lindemann, LLP, the estimated assessed valuation for 2018/2019 for the entire property is $800,000 and the assessed valuation for 2019/2020 is projected to be $3,700,000. The estimated post-construction taxes for the Residential Units, in the aggregate, are $490,250. There is no assurance that the New York City Department of Finance will allocate taxes among the Units in proportion to their respective Common Interest. Upon determination of individual tax lots and

individual Unit assessments, the New York City Department of Finance authorities may allocate taxes between the Units in proportion to each Unit's purchase price rather than its Common Interest, and, if so, Units having the same Common Interest may pay different real estate taxes. However, in the event that at time of closing the Units have not been separately assessed, the Condominium will be authorized to make payment of all real estate taxes on the Property and will assess and collect the amount thereof from all Unit Owners in proportion to the Common Interest allocated to each Unit.

There can be no assurance that the tax rate for the Residential Units will not exceed $13.25 per $100 of assessed value of the Property. Assessed valuations and property tax rates are subject to review and change by the taxing authorities.

Section 581 of the Real Property Tax Law provides that real property owned on a condominium basis shall be assessed for real estate tax purposes at a sum not exceeding the assessment which would be placed thereon if the property were not owned on a condominium basis. Section 339-y of the Condominium Act provides in part that each Unit and its Common Interest shall be separately assessed for tax purposes and that in no event shall the aggregate of the assessment of the Units plus their Common Interest exceed the total valuation of the Property were the property assessed as one parcel.

See Section entitled "Income Tax Deductions to Unit Owners and Tax Status of the Condominium" in Part I and the "Counsel's Income Tax Opinion Letter" in Part I for a discussion concerning the deductibility of real estate taxes paid with respect to a Unit. Inasmuch as the taxes for the Units will vary in future years, the amount of the tax deduction available to the Unit Owners on account of real estate taxes will likewise vary.

Once the Units are separately assessed by the New York City tax authorities, real estate taxes will be payable directly to the taxing authority on the following basis:

Annual Assessment Due Dates ($40,000 or less quarterly)	July 1, October 1, January 1 and April 1
More than $40,000	Semi-annually (July 1 and January 1)

8. These amounts represent the aggregate estimated carrying charges which include estimated Common Charges and estimated real estate taxes. The total carrying costs do not include costs for individual Unit Owner expenses such as maintenance and repairs of the interior of the Unit, insurance, electricity, and debt service on any financing arranged to purchase the Unit.

Schedule A1
500 WEST 25th STREET CONDOMINIUM
RESIDENTIAL COMMON CHARGES WITH SPONSOR WORKING CAPITAL FUND CONTRIBUTION
April 1, 2019 - March 31, 2020

Unit	Bdrms/Bths	Percentage of Common Interest	Percentage Interest - Residential Common Elements	Total Annual Common Charges	Annual Common Charges, Residential Only	Annual Residential Common Charges, after application of sponsor contribution	Monthly Residential Common Charges, after application of sponsor contribution	Real Estate Taxes Monthly	Real Estate Taxes Annually	Projected Total Monthly Charges after application of sponsor contribution	Projected Total Annual Charges after application of sponsor contribution
	(Note 1)	(Note 3)	(Note 4)	(Note 6)			(Note 6)	(Note 7)	(Note 7)	(Note 8)	(Note 8)
Commercial	N/A	17.88%		$ 56,581.80				$ 7,304.73	$ 87,656.70	$ 12,019.87	$ 144,238.50
2	3/3	9.14%	11.13%	$ 40,112.59	$ 40,112.59	$ 26,752.72	$ 2,229.39	$ 3,735.13	$ 44,821.62	$ 5,964.53	$ 71,574.33
3	3/3	8.79%	10.70%	$ 38,556.00	$ 38,556.00	$ 25,714.57	$ 2,142.88	$ 3,590.19	$ 43,082.30	$ 5,733.07	$ 68,796.87
4	3/3	8.79%	10.70%	$ 38,556.00	$ 38,556.00	$ 25,714.57	$ 2,142.88	$ 3,590.19	$ 43,082.30	$ 5,733.07	$ 68,796.87
5	3/3	8.79%	10.70%	$ 38,556.00	$ 38,556.00	$ 25,714.57	$ 2,142.88	$ 3,590.19	$ 43,082.30	$ 5,733.07	$ 68,796.87
6	3/3	8.79%	10.70%	$ 38,556.00	$ 38,556.00	$ 25,714.57	$ 2,142.88	$ 3,590.19	$ 43,082.30	$ 5,733.07	$ 68,796.87
7	3/3	8.79%	10.70%	$ 38,556.00	$ 38,556.00	$ 25,714.57	$ 2,142.88	$ 3,590.19	$ 43,082.30	$ 5,733.07	$ 68,796.87
8	3/3	9.05%	11.02%	$ 39,697.21	$ 39,697.21	$ 26,475.68	$ 2,206.31	$ 3,696.46	$ 44,357.47	$ 5,902.76	$ 70,833.16
PH	4/4.5	19.99%	24.34%	$ 87,706.39	$ 87,706.39	$ 58,494.96	$ 4,874.58	$ 8,166.89	$ 98,002.71	$ 13,041.47	$ 156,497.66
TOTAL		100.00%	100.00%	$ 416,878.00	$ 360,296.20	$ 240,296.20	$ 20,024.68	$ 40,854.17	$ 490,250.00	$ 65,594.00	$ 787,128.00

1. These amounts reflect the Common Charges for the First Year of Condominium Operation as set forth in the budget certified by the Sponsor's Budget Expert, without the application of the Sponsor Common Charge Contribution.

2. These amounts reflect the Common Charges that will be payable by the Residential Unit Owners during the First Year of Condominium Operation after the application of the Sponsor's Common Charge Contribution in the amount of $120,000, to be shared among the Residential Units *pro rata* based upon the Residential Common Interest. Any deferral of the payment of Common Charges otherwise permitted pursuant to this Plan shall not reduce the amounts payable by Sponsor for the Sponsor Working Capital Fund, as set forth herein. ***The Scheduled Common Charge Contribution will be applied to reduce the Common Charges following the imposition of Common Charges subsequent to the First Unit Closing. Purchasers who close subsequent to the imposition of Common Charges will not receive the full value of the Sponsor Common Charge Contribution attributable to their Unit set forth in this Schedule A-1.***

The Sponsor Common Charge Contribution will continue for each of the ***first five (5) years*** of Condominium Operation in the amount of $120,000 per annum, to be applied pro rata among the Residential Units based upon the Residential Common Interest. However, Common Charges are likely to increase in years two through five due to increases in the operating costs of the Condominium. ***Subsequent to year five, Sponsor will not make any Sponsor Common Charge Contribution.***

3. These amounts represent the aggregate estimated carrying charges which include estimated Common Charges, with the application of the Sponsor Common Charge Contribution, and the estimated real estate taxes. The total carrying costs do not include costs for individual Unit Owner expenses such as maintenance and repairs, insurance, electricity, and debt service on any mortgage on the Unit.

SCHEDULE B

500 WEST 25th CONDOMINIUM
BUDGET FOR THE FIRST YEAR OF CONDOMINIUM OPERATION

April 1, 2019 through March 31, 2020

Residential Common Charges (Note A).....$360,296.20

Commercial Unit Common Charges (Note B).....$56,581.80

INCOME

Common Charges Payable by Commercial Unit Owner	**$56,581.80**
Common Charges Payable Residential Unit Owners (Note C):	**$240,296.20**
Sponsor Common Charge Contribution (Note D):	**$120,000.00**
Total Projected Receipts:	**$416,878.00**

Expenses	17.88% Commercial Unit	82.12% Residential Unit	100% Total
Labor (Note 1)	$29,838.68	$137,044.32	$166,883.00
Heat, Hot Water, Make-Up Ventilation & Dryers (Note 2)	N/A	$44,719.00	$44,719.00
Cooking Gas (Note 3)	N/A	$3,540.00	$3,540.00
Electricity (Note 4)	N/A	$52,166.00	$52,166.00
Water & Sewer (Note 5)	$1,609.00	$7,390.00	$9,000.00
Repairs & Maintenance (Note 6)	$894.00	$4,106.00	$5,000.00
Service & Supplies (Note 7)	$6,651.36	$30,548.64	$37,200.00
Insurance (Note 8)	$4,121.34	$18,928.66	$23,050.00
Management Fees (Note 9)	$4,291.20	$19,708.00	$24,000.00
Accounting & Legal (Note 10)	$ 894.00	$4,106.00	$5,000.00
Replacement Reserve (Note 11)	$9,264.00	$30,430.39	$37,056.00
Contingency (Note 12)	$1,656.40	$7,607.00	$9,264.00
Total	**$56,586.80**	**$360,296.20**	**$416,879.00**

NOTES TO SCHEDULE B

500 West 25th Street Condominium
500 West 25th Street, New York New York

Estimated Budget for First Year of the Condominium projected to begin on or about April 1, 2019. The projected budget is based on the assumption that the first year of operation will be April 1, 2019 – March 31, 2020.

A. **Residential Common Charges**. This amount reflects the amount of Common Charges payable by the Residential Unit Owners, in the aggregate, with the application of the Scheduled Common Charge Contribution from the Sponsor Working Capital Fund during the First Year of Condominium Operation. In the event that the Sponsor would not have agreed to contribute the Sponsor Working Capital Fund, the Common Charges that would be payable by the Residential Unit Owners, in the aggregate, during the First Year of Condominium Operation are projected to be $360,296.20.

B. **Commercial Common Charges**: This amount reflects the amount Common Charges payable by the Commercial Unit Owner during the First Year of Condominium Operation. This amount represents the expenses that the Commercial Unit Owner is responsible to pay, which amounts are for expenses for costs or services which benefit the Commercial Unit, as described in Schedule B, in accordance with the percentage interest in the Common Elements assigned to the Commercial Unit. The Commercial Unit Owner is not entitled to benefit from the subsidy provided by the Sponsor Working Capital Fund described in Footnote D below. The Commercial Unit Owner will be responsible for its allocable portion of Common Charges commencing in the First Year of Condominium Operation. The Commercial Common Charges for the First Year of Condominium Operation is estimated to be $56,581.80.

C. **Common Charges**. This amount reflects the amount Common Charges payable by the Unit Owners, in the aggregate, after the application of the contribution from the Sponsor Working Capital Fund during the First year of Condominium Operation. In the event that the Sponsor would not have agreed to contribute the Sponsor Working Capital Fund, the Common Charges that would be payable by the Unit Owners, in the aggregate, during the First Year of Condominium Operation are projected to be $296,878.80.

The Unit Owners are each responsible for their proportionate share of the net operating expenses of the Condominium. The amount set forth above represents the total funds available to the Board of Managers for the payment of expenses for the First Year of Condominium Operation inclusive of Common Charges to be levied against and collected from the Unit Owners and other amounts available to the Board for the payment of expenses, specifically a portion of the proceeds of Sponsor Working Capital Fund, which will be subsidized the amounts that would otherwise by payable by the Unit Owners, in the aggregate. The Common Charges and the proceeds of the Sponsor Working Capital Fund will be utilized by the Board of Managers to finance the operating expenses of the Condominium. The actual first year of operation may commence earlier or later than the date projected herein. Each line item of the budget sets forth the basis upon which the expense for such item has been allocated.

D. Common Charge Contribution. The Common Charge Contribution is that portion of the Sponsor Working Capital Fund that is to be drawn to fund a portion of the Common Expenses payable by the Unit Owners during the first five (5) years of Condominium Operation, *i.e.* $120,000.00. For so long as Sponsor owns a Unit, the Board of Managers may not use the Sponsor Working Capital Fund for any purpose other than drawing the Common Charge Contribution to pay a portion of the operating expenses of the Condominium that would otherwise be payable by the Unit Owners. Once Sponsor no longer owns any of the Units, the Board may use the Sponsor Working Capital Fund as permitted by the Condominium By-Laws subject to any limitations of applicable law. See the Section entitled Working Capital Fund. Accordingly, after the application of the Common Charge Contribution, the Common Charges payable by the Residential Unit Owners, in the aggregate, during the first year of Condominium Operation will be $240,296.20. Purchasers should refer to Special Risk No. 1 for additional information.

EXPENSES

1. Labor $166,883

The building will be staffed with one (1) part-time non-resident superintendent/handyman working six (6) days per week. The superintendent/handyman is a part-time employee and will work as an independent contractor for the Condominium. The amount budgeted for the superintendent/handyman does not include the cost of health insurance or any other benefits as he will be employed as an independent contractor and will be given a 1099 form for tax purposes. The superintendent/handyman will work four (4) hours per day at a rate of $23.00 per hour.

The budget also includes full time and part time door attendants/concierges for a total of 112 hours per week. The concierge and doormen will be outsourced to Kent Services Inc., located at 150 West 28th Street, New York, NY and the Board of Managers will enter into a contract for a budgeted amount of $133,952.

The Commercial Unit is responsible for a portion of the Labor charges based upon the interest in the Common Elements appurtenant to its Unit.

Labor Cost	Description	Gross Wages
Superintendent/Handyman	$600.00 per week (x) 52 weeks	$ **31,200.00**
Worker's Compensation:	$6.35 per $100	
Superintendent		$ **1,651.00**

Disability:	$1.50 per month at $80 minimum annual premium	
Superintendent:		$ **80.00**
Sub Total Superintendent		**$32,931.00**
Concierge 112 hours		**$133,952.00**
Total Labor Costs:		**$166,883.00**

None of the building staff are members of or affiliated with a union. The projected cost of labor conforms to applicable minimum wage laws. As noted above, the Condominium will be responsible to pay Worker's Compensation and Disability for the superintendent and the porter. The Worker's Compensation and Disability are derived using the policy building operations rate of approximately $6.35 per $100 of payroll which includes 18.2% NY state assessments and 5% state taxes and fees.

2. Heat, Hot Water, Make-Up Ventilation & Dryers 44,719

The budgeted amount is based upon a letter from Rodkin Cardinale PC, located at 224 West 29th Street, New York, New York, Sponsor's consulting engineers, dated November 22, 2017 (the "Rodkin Cardinale Letter"). It is anticipated that the annual consumption of gas for heat for the Common Elements, hot water, make-up ventilation and dryers for the Residential Units will be approximately 25,053 therms at an average of $1.70 per therm for a total cost of $42,589. A five (5%) percent inflation factor has been added to the budget. The Commercial Unit will be separately metered.

3. Cooking Gas $3,540

The Residential Units will not be separately metered for gas to be used for cooking. Based on the Rodkin Cardinale Letter, it is estimated that the gas cost for cooking based on 1,983 therms of gas/year at $1.70 per therm, will be $3,372. A five (5%) inflation factor has been added. The Commercial Unit Owner will not share in this expense and any gas usage will be separately metered or sub metered.

4. Electricity $52,166

Electrical service will be individually metered to all Units with common metering for public areas and facilities. Con Edison will be the utility provider.

The electricity consumption for the first year of Condominium Operation for the Common Elements was based upon the Rodkin Cardinale Letter, at 186,306 kilowatt hours of electricity, at an average rate of $.28 per kilowatt hour of electricity resulting in an annual cost of $52,166. A

five (5%) percent inflation factor was included. The Commercial Unit will not share in this expense and will be separately metered.

5. Water and Sewer Charges $9,000

The building will have a single main water meter, which will measure actual water usage. Based on the Rodkin Cardinale Letter; it projects annual water costs at $3.81 per 100 cubic feet of water residential usage. Charges for waste and storm sewer services are billed at 159% of water charges. Each person will use approximately 40 gallons of water per day. The total annual water and sewage usage is 85,882 cubic feet per year. The annual water and sewer charges during the first year of condominium operation are estimated at $8,474 and a five (5%) percent inflation factor was included.

The Commercial Unit is responsible for a portion of the water and sewer charges based upon the interest in the Common Elements appurtenant to its Unit.

Water and sewer charges have climbed dramatically in the past few years; it is possible that water and sewer charges will also increase substantially in the future.

6. Repairs, Maintenance and Supplies $5,000.

Since the building will be newly constructed it has no operating history upon which to project future costs of repairs and maintenance. No major capital repairs are included in the First Year's Budget since all major construction and mechanical systems will be new. Future major capital repairs to the Common Elements will be borne by all Unit Owners.

The budgeted figure for this item includes the cost of normal maintenance and repairs to the Common Elements of the building that are the responsibility of the Condominium. Each Unit Owner will be responsible for the cost of the interior maintenance, repairs, decoration and painting of their respective Units, including the appliances, incremental heating/air-conditioning units and any Limited Residential Common Elements appurtenant thereto. Repairs and Maintenance have been allocated to all Units based upon each Unit's respective percentage of Common Interest.

The Commercial Unit will be responsible for their portion of the Repairs, Maintenance and Supplies including sidewalk cleaning and repairs.

7. Service and Supplies 37,200

The budgeted amount includes the cost of cleaning equipment and miscellaneous supplies for the Common Elements, as well as the anticipated cost of service contracts during the first year of Condominium operation.

All of the mechanical systems within the Building will be new, and some will be under a full-service maintenance contract for the first year of Condominium operation from the contractor who will install the system. No maintenance or service contracts have been entered into as of the date of the Plan. The budgeted amounts are based upon the experience of the Sponsor's budget

expert in operating similar buildings. While this Schedule B includes a reasonable allowance for possible increases in cost that may occur prior to and during the first year of Condominium operations, no warranty is made that the actual cost for these or other services will be in accordance with this projection.

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

Landscaping	$4,000.00
Window Cleaning	$6,000.00
Heating and Cooling	$7,500.00
Elevator	$9,500.00
Sprinkler System/Fire Protective Alarm System	$5,000.00
Central Station Monitoring	$1,200.00
Miscellaneous Supplies	$1,500.00
Building Link	$2,500.00

The Commercial Unit Owner is responsible for a portion of the service and supplies based upon the interest in the Common Elements appurtenant to its Unit.

8. Insurance $23,050

The following insurance is recommended for the building by BDI Insurance Agency, 1509 Voorhies Avenue, Brooklyn, NY, 11235 for the first year of condominium operation in their Schedule. Such letter also sets forth an estimate of the anticipated annual premiums that they recommend for the Property. The proposed premiums reflect those which are now currently available in the marketplace. This coverage will be in place at the time of the First Unit Closing:

Package Policy

Coverage	**Amount**	**Annual Premium**
Property (Inc. Boiler & Machinery & Maintenance):	$9,000,000	
General Liability:	$1,000,000 per occurrence $2,000.000 annual aggregate	$18,400
Umbrella	$5,000,000 per occurrence	$2,100
Directors and Officer's	$1,000,000 per occurrence $1,000.000 annual aggregate	$2,200
Crime	$50,000	$350
Premium:		**$23,050**

It is the opinion of the Insurance Broker that the fire insurance coverage budgeted in the offering plan is adequate to cover replacement cost with a special form including building ordinance coverage. The policy is written on an agreed basis which waives co-insurance. Insurance to cover loss of Common Charges in the amount of $50,000 is also included. In

addition, based on provisions contained in the offering plan, the sponsor may be required to obtain on behalf of the Condominium other types of insurance coverage, notably Fidelity (Crime) insurance and Directors & Officer's insurance which has been included. Should the Board hire any employees, coverage of Workers' Compensation and Employer's Liability as well as NY Disability coverage will also be required, we have provided the anticipated premium above.

The By-Laws require Unit Owners to obtain their own coverage, at their sole cost and expense, to cover such risks as fire and casualty losses to unit contents, replacements, addition, upgraded fixtures and improvements, and liability coverage for occurrences within the their Unit.

The Commercial Unit Owner is responsible for a portion of the insurance premium based upon the interest in the Common Elements appurtenant to the Commercial Unit.

9. Management Fees $24,000

As of the date of the First Unit Closing, the Condominium will enter into a management agreement with Camelot Property Management Services Corp, located at 3 West 30th Street, 5th Floor, New York, NY 10001. The annual fee for management services will be $24,000. This does not include filing fees, annual inspections or other fees for discretionary services rendered. For a full discussion of the terms and conditions of the Management Agreement, see the section of this Plan entitled "Management Agreement and Other Contractual Arrangements" provided by Camelot Property Management Services Corp, 3 West 30th Street, 5th Floor, New York, NY 10001.

The Commercial Unit Owner is responsible for a portion of the management fees based upon the interest in the Common Elements appurtenant to its Unit.

10. Legal and Audit Fees $5,000

All Unit Owners are entitled to receive annually from the Condominium, at the Condominium's expense, an annual financial statement, prepared by an independent certified public accountant, within four months after the end of each calendar year. The budget figure is based upon a fee of $2,000 for financial statements quoted by Anthony Abruzzo CPA, 248 Columbia TPK, Building 3Suite 310, Florham Park, NJ 07932 in letter dated November 14, 2017. This fee is also budgeted for the preparation of tax returns. Miscellaneous legal expenses of $3,000 are also included, but such allowance will not cover the cost of litigation or any significant legal work.

The Commercial Unit Owner is responsible for a portion of the legal and audit fees based upon the interest in the Common Elements appurtenant to its Unit.

11. Replacement Reserve $37,056

The amount of the budgeted Reserve Fund is based on 10% of the expenses. There will be no additional reserve fund provided by the Sponsor.

The Commercial Unit Owner is responsible for a portion of the contingency based upon the interest in the Common Elements appurtenant to its Unit.

12. Contingency $9,264

The contingency provides for possible Expenses not included in the projected budget or possible increases in one or more categories of operating expense beyond the projected amounts. This contingency shall be approximately 2.5% of the Expenses, but not including the Reserve Fund and the Working Capital Fund for projection purposes. If additional funds are required over and above these funds, it may be necessary to increase Common Charges or separately assess all Unit Owners. 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.

The Commercial Unit Owner is responsible for a portion of the contingency based upon the interest in the Common Elements appurtenant to its Unit.

NOTE: While Sponsor has attempted to make accurate estimates, such realities as inflation, changes in the economy and unforeseen factors are likely to cause differences in actual expenditures from the projections set forth herein.

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 the first, or subsequent, year of operation of the Property by the Board.

In the opinion of Camelot Property Management Services Corp, 37 West 26th Street, Fifth Floor, New York, NY 10001, the projected income is adequate to meet the estimated expenses for the first year of Condominium operation, assuming the first year will commence on or about April 1, 2019.

It is possible that the actual Income and Expenses for the First Year of Condominium Operation will vary from the amounts shown in the budget. Sponsor reserves the right to enter into services, maintenance, employment, concessionaire and other agreements that will be binding on the Board upon commencement of Condominium Operation. However, Sponsor may not enter into any binding service, maintenance, employment, concessionaire or other agreements that will materially increase the first year's projected Common Charges or that will be binding on the Board for a period of more than two (2) years from the commencement of Condominium Operation, unless disclosed in the Plan.

SPONSOR MAY NOT DECLARE THE PLAN EFFECTIVE IN THE EVENT OF ANY MATERIAL CHANGES IN THE BUDGET, WHICH MAY GIVE RISE TO A RIGHT TO RESCIND, UNTIL SUCH CHANGES TO THE BUDGET FOR THE FIRST YEAR OF CONDOMINIUM OPERATION ARE DISCLOSED IN AN AMENDMENT TO THE PLAN.

SPONSOR EXPECTS THE FIRST UNIT CLOSING TO OCCUR ON OR ABOUT APRIL 1, 2019. IF THE COMMENCEMENT OF CONDOMINIUM OPERATION IS DELAYED SIX (6) MONTHS OR MORE FROM SUCH DATE, THE PLAN WILL BE AMENDED TO INCLUDE A REVISED BUDGET CONTAINING CURRENT PROJECTIONS. IF SUCH PROJECTIONS EXCEED THE ORIGINAL PROJECTIONS BY 25 PERCENT OR MORE, PURCHASERS WILL BE OFFERED THE RIGHT OF RESCISSION. IN THE EVENT THAT A RIGHT OF RESCISSION IS OFFERED, THE SAME MUST BE EXERCISED THE SAME AS SET FORTH IN SUCH AMENDMENT, WHICH, IN NO EVENT, WILL BE LESS THAN WITHIN FIFTEEN (15) DAYS OF THE PRESENTATION DATE OF SUCH AMENDMENT. IN THE EVENT THAT ANY PURCHASER EXERCISES A RIGHT TO RESCIND, SPONSOR MUST CAUSE ESCROW AGENT TO PROMPTLY RETURN ANY DEPOSIT TO PURCHASERS WHO RESCIND WITHIN THE PERIOD SET FORTH IN THE AMENDMENT.

SCHEDULE B-1

The following are estimated energy and public utilities consumption costs to be paid for directly by the Unit Owners. The estimates set forth below were based upon the Rodkin Cardindale Letter.

ESTIMATED COST OF HEAT AND ELECTRICITY FOR INDIVIDUAL UNITS

Each Residential Unit will contain an individual Heat Pump Unit that will provide heat. The heating units will be gas-fired and the natural gas used for the operation thereof will be billed directly to the Unit Owner by the public utility. The projected cost of heating each of the Residential Units is set forth below.

Each Residential Unit will contain an air-cooled split pump system, which will provide heat and air conditioning to the Units. Set forth below is the projected cost to cool, provide lighting and operate appliances in each of the Residential Units.

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

Set forth below the projected monthly cost to heat, cool, provides lighting and operate appliances in each of the Residential Units:

The estimated energy costs for the Units are based upon construction complying with the New York State Energy Conservation Code. Costs may vary considerably depending upon actual usage personal habits. The figures set forth below are not intended to be a guarantee of the actual costs that will be incurred by any individual Unit Owner.

I. 2-Bedroom Unit – 2.5 Bathrooms, approx. 2235 sq. ft.

Lighting & General Appl.	21,375	kwhr. per year
Yearly Electric Charges:	$5,985	
Monthly Electric Charges:	$1,328	

II. Typical 3-Bedroom Unit, 3 Bathrooms, approx. 2152 sq. ft.

Total kwhr.:	21,860	kwhr. per year
Yearly Electric Charges:	$6,120	

CAMELOT
REALTY GROUP

3 West 30th Street, Fifth Floor, N.Y.N.Y 10001

Real Estate Financing Bureau
New York State Department of Law
120 Broadway
New York, New York

January 16, 2018

Re: 500 West 25th Street Condominium
500 West 25th Street
New York, New York

We have reviewed the allocation of Common Interest among the Condominium Units at the referenced property.

The allocation is based upon floor space, subject to the relative value to other space in the Condominium, the uniqueness of the unit, the availability of the common elements for exclusive or shared use, and the overall dimension of the particular unit pursuant to Section 339-i(1)(iv) of the New York Real Property Law.

In our opinion, the allocation of Common Interest among the Condominium Units is fair and reasonable.

This undersigned principal of this firm is a licensed real estate broker in the State of New York. We have projected budgets for proposed and existing condominium and cooperative properties in New York City for 10 years. We have acted as consultant, selling agent and/or managing agent for more than 40 properties.

We have no financial interest in the Sponsor, the condominium or any other party interested in this transaction or in the land building covered by the Plan. You have advised us of your intent to reproduce this letter in the Plan and we hereby consent to such use.

Very truly yours,

David A. Goldoff, President

PHILLIPS NIZER LLP

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600 Old Country Road
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February 7, 2018

Board of Managers Condominium
c/o Camelot Property Management Services Corp.
3 West 30th Street, 5th Floor
New York, NY 10022

Re: 500 West 25th Street Condominium
500 West 25th Street, New York, NY

Ladies and Gentlemen:

We have acted as special counsel for 500 W25th Owner LLC, a Delaware limited liability company ("Sponsor"), in connection with the preparation of the condominium offering plan, declaration of condominium and the by-laws for the referenced condominium. We have been asked to opine as to whether the allocation of the percentages of common interest allocated to the respective Units as set forth in Schedule A of the condominium plan is in conformance with the provisions of the Real Property Law, Article 9-B, Section 339-i(1)(iv). In such capacity, we have reviewed the provisions of Section 339-i(1)(iv) and the opinion of Camelot Property Management Services Corp.

Sponsor has used method (iv) set forth in Section 339-i(1), that is upon the floor space of the units, subject to the relative value to the other space in the Condominium, the availability of the common elements for exclusive or shared use, and the overall dimensions of the Units.

Solely in reliance upon the opinion letter prepared by Camelot Property Management Services Corp., it is our opinion that the allocation of the percentages of common interest allocated to each of the respective Units as set forth in Schedule A of the Plan is in compliance with the requirements of Section 339-i(1)(iv).

We assume no obligation to supplement this opinion if any applicable laws change after the date hereof or if we become aware of any facts that might change the opinions expressed herein after the date hereof. We do not express any opinion on any subject not expressly addressed herein. A copy of this letter may be included in the condominium offering plan.

Very truly yours,

PHILLIPS NIZER LLP

Phillips Nizer LLP

COMMERCIAL UNIT

The Commercial Unit Owner has rights and obligations which differ from those of the Residential Unit Owners. The differences in the rights and obligations of the Commercial Unit Owner and Residential Unit Owners will not have a material adverse impact upon the Condominium. Such rights and obligations are set forth in this section.

Subject to certain restrictions set forth in the Declaration and By-Laws, the Commercial Unit may be used for any lawful purpose, including, without limitation, for retail, a wine store, banking, commercial, office, municipal, school annex, and utility purposes. The Commercial Unit is not currently being offered for sale under pursuant to this Plan. In the event Sponsor elects to offer the Commercial Unit for sale, the Plan will be amended accordingly. As of the date hereof, no lease agreement has been entered into for the Commercial Unit. At such time when there is a lease agreement for the Commercial Unit, the Plan will be amended accordingly.

It is currently anticipated that the Commercial Unit will initially be used as retail space, but not as a restaurant or an establishment for the sale of prepared food (and ancillary uses), although no representation or warranty is made with respect to such initial or any subsequent uses of the Commercial Unit or with respect to who the owner or tenant(s) of the Commercial Unit may be at any time. Notwithstanding the foregoing, the Condominium Board will have no right to restrict or limit any of the uses of, or alterations in or to, the Commercial Unit (including the storefronts thereof) which are permitted by law and applicable zoning ordinances, except as otherwise set forth in the By-Laws and Declaration. The Declaration prohibits certain commercial uses including, but not limited to,

(a) the repair, servicing or maintenance of any vehicles, machinery or equipment or the operation of an "automobile repair shop" (in each case other than as may be incidental to the operation of a parking garage facility);

(b) funeral parlor;

(c) massage parlor or sex club or for the sale or display of pornographic or obscene material; or

(d) a drug or alcohol treatment center, a shelter for homeless persons, an AIDS treatment center, a facility housing or treating criminal or mentally disturbed persons,

(e) for any obscene or pornographic purpose or any other commercial sex establishment including the sale or viewing of any pornographic or obscene goods, wares, printed materials, videos, digital video discs, movies or other digital transmission;

(f) the sale of illegal drugs or marijuana (even if legalized), or any recreational drugs;

(g) an amusement gallery, bowling alley, game room, pool hall, auditorium, funeral home, mortuary, video arcade, warehouse, storage facility, ice skating, roller skating, mini-car racetrack, massage parlor, a so called "off -track betting" operation, abortion clinic, gym, any

motel, hotel or tourist court, any automobile or truck sales storage, service, fueling, washing or repair operation;

(h) laundromat, dry cleaner or other type of clothes cleaning facility, other than a drop off dry cleaner;

(i) a flea market; or

(j) a gym, fitness center, yoga studio, cycling studio or other fitness use.

Sponsor shall not, prior to the expiration of the Initial Control Period, use its votes to amend the Declaration so as to permit any of the foregoing prohibited uses. No income derived from any use of the Commercial Unit will constitute income to the Condominium Board or the Residential Unit Owners.

No unlawful use may be made of the Property or any portion thereof and all valid Legal Requirements relating to any portion of the Property shall be complied with at the sole cost and expense of the Commercial Unit Owner or the Condominium Board, whichever party has the obligation to maintain or repair such part of the Property, as set forth in the Declaration or the By-Laws.

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

In addition to the foregoing, the Commercial Unit Owner and its tenants shall have the right, without the approval of the Condominium Board, Managing Agent, other Unit Owners, or Mortgage Representatives, if any, and an easement, in all cases, subject to Law and the Condominium Documents:

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

(2) to amend the Certificate of Occupancy of the Building with respect to the use or number of Commercial Units, but only after Sponsor has procured a Certificate of Occupancy for the Residential Units, provided however, the Declaration and By-Laws prohibit the Commercial Unit Owner from amending the Certificate of Occupancy in a manner that would specifically permit any of the prohibited uses listed above;

(3) to erect, maintain, repair and replace one or more signs and lighting, of such size and content as such Commercial Unit Owner shall determine in the windows or

on the exterior of the Commercial Unit, including, without limitation, any storefronts of such Commercial Unit, for the purposes of advertising (a) the sale or rental of all or any portion of the Commercial Unit or (b) the identification of any business operating in the Commercial Unit, which signs may be located only on the designated signage band situated below the HVAC vents;

(4) subject only to Sponsor's prior written consent in each instance for so long as Sponsor continues to own an Unsold Unit, to (i) alter, modify, and/or restore the exterior facade and/or the windows of the Commercial Unit, including, without limitation, any storefronts, and (ii) create additional means of egress and ingress to such Commercial Unit (provided however that such additional means of ingress and egress shall in no event encroach on the Residential Common Elements); and

(5) to make all arrangements for the prompt repair and restoration of the Commercial Unit to the extent the Commercial Unit is damaged or destroyed by fire or other casualty.

The Commercial Unit Owner will be obligated to pay its respective share of the expenses that are incurred by the Condominium Board in furnishing services, and operating, maintaining and repairing Common Elements, but only to the extent the same are utilized by or benefit the Commercial Unit. Schedule B and the Declaration provide that certain expenses are not allocated between the Commercial Unit and the Residential Units, in the aggregate. The allocation has been made based upon the anticipated and projected use of certain services or supplies. *e.g.,* the Declaration requires and the budget reflects that cooking gas will be supplied only to the Residential Unit Owners. Accordingly, the Commercial Unit will be allocated 17.88 percent of certain expenses that are to be paid for by the Common Charges. Such expenses reflect those items that serve or benefit the Commercial Unit. Furthermore, in the event that the Commercial Unit Owner elects to submeter or obtain any service independent of the Condominium, the Commercial Unit Owner will no longer be liable for the *pro rata* cost of such budget line item, *e.g.* hot water if a separate hot water heater is installed. The By-Laws of the Condominium provides that the Condominium is to supply water and hot water for lavatory purpose only. In the event that one or more of the Commercial Unit is to be occupied by a tenant or Unit Owner who will require the use of water for other purposes *(i.e.* an establishment for the preparation of food, or a supplier of medical services, it will be the responsibility of the Commercial Unit Owner of the affected Unit, or its tenant to cause a separate meter to be installed and to pay for the cost of such additional water usage. ***See Schedule B Footnotes for additional information.***

It is the opinion of Camelot Realty Group LLC, as more fully set forth in its Certification contained in Part II, that the aforementioned Common Charges payable by the Commercial Unit Owner are sufficient to cover the expenses fairly attributable to the Commercial Unit. In the event that a dispute arises over the allocation of Common Charges between the Commercial Unit Owner and the Residential Unit Owners, the Declaration of Condominium will provide that any such disputes are to be resolved by arbitration.

After operation of the Condominium has commenced, it is anticipated that the Common Charges payable by the Commercial Unit Owner may be periodically adjusted, but not more

frequently than once each year, to reflect the proportion properly attributable to the then amount of usage by the Commercial Unit Owner. If the Board and the Commercial Unit Owner cannot agree on such adjustment, the dispute will be submitted to arbitration to the American Arbitration Association in the City and State of New York in accordance with the prevailing rules of the American Arbitration Association (Real Estate Industry Division), to be heard and adjudicated by one arbitrator to be mutually selected by the Condominium Board and the Commercial Unit Owner. The parties shall share equally the costs of the arbitration and each party shall be responsible for its own attorneys' fees. Article 12 of the By-Laws fully sets forth the terms of the arbitration provision.

To the extent permitted by law, and subject to certain restrictions set forth in the Declaration and By-Laws, the Commercial Unit Owner will have the right with regard to its Commercial Unit, without the vote or consent of the Board, or any other party, to mortgage or otherwise hypothecate its Unit, to decorate or make alterations, additions or improvements to its Unit (except that alterations, additions or improvements which would either in the course of performance or upon completion have a material adverse effect on the structural, mechanical electrical or plumbing elements of the Building or would increase insurance premiums or maintenance costs for any other Unit or the Common Elements shall be subject to the approval, not to be unreasonably withheld, of the Board), to change the size of its Unit by subdividing it into any desired number of condominium units (or by combining any units resulting from such subdivision), and to reapportion among the newly created condominium units resulting from any subdivision (or combination) their appurtenant Common Interests, provided that any such changes are in compliance with Article 9-B, Section 339 of the New York Condominium Act. As more particularly provided in Article 9 of the Declaration, the Commercial Unit Owner will have the right with regard to its Unit to amend the Declaration in order to reflect such changes, or to cause the Board to do so. If the Commercial Unit is subdivided, the owner of each Commercial Unit resulting from a subdivision or combination will have all of the rights with respect to any alterations or changes in its Commercial Unit (without the consent of the Board or other Unit Owners), set forth above in this paragraph, described as pertaining to the Commercial Unit Owner of the original Commercial Unit or the Commercial Unit in question.

The Condominium Board, at the request of Sponsor or the Commercial Unit Owner, will enter into a recognition and non-disturbance agreement with any tenant with which Sponsor or Commercial Unit Owner has entered into a lease for all or any portion of the Commercial Unit or any portion thereof. Under the terms of the recognition agreement, the tenant will acknowledge that the lease is subject and subordinate to the Declaration. Such agreement shall further provide that although the Condominium Board can foreclose its lien in the event of a default by the Commercial Unit Owner, if the tenants pay, on a continuing basis, rent due under the lease to the Condominium Board, the Condominium Board will agree that the rights of the tenants under the lease(s) will not be disturbed in the event of a default by the Commercial Unit Owner.

CHANGES IN PRICES AND UNITS

Purchase Prices for the Units offered hereby are negotiable and Sponsor reserves the right, at any time and from time to time before and after the recording of the Declaration, without giving prior notice (except as otherwise provided herein) and without the consent of the Condominium

Board, any Unit Owner or mortgagee, to change the price, including, without limitation, the manner of payment thereof and other terms of sale of any Unit, except that no such change with respect to any Unit for which a Purchase Agreement is then in effect may be made without the written consent of the Purchaser. No such change will be made other than pursuant to a duly filed amendment to the Plan filed in advance of any such change, except that Sponsor reserves the right to decrease purchase prices or modify other terms of sale including, without limitation, the closing date, the finishes in the Unit and to provide for an outside closing date, without filing an amendment to the Plan at any time during the offering period if such a decrease in the purchase price or modification of such other terms of sale does not constitute a general offering or an advertised price, but is rather the result of an individually negotiated transaction. Sponsor shall have no obligation to make such terms available to other Purchasers. If any such change is made, a Purchaser of a Unit affected thereby may pay more or less than other Purchasers under the Plan for similar Units, but this will not affect any prior or subsequent sale of Units which are not the subject of such change. No material adverse change will be made in the size of the Units or in the quality of the Common Elements, unless Purchasers affected by any such modifications consent to the same and in any event, the Plan will be amended to disclose such change. No change will be made in the size or number of Units and/or the respective percentages of Common Interest allocated thereto, except pursuant to a duly filed amendment to the Plan. Subsequent to the execution of a Purchase Agreement for a Unit, unless a Purchaser consents, no material change will be made in Unit size, layout or percentage Common Interest. Unless all Purchasers consent, no material change will be made in the size of the area and no material adverse change in the quality of the amenities to be designated as the Common Elements of the Condominium, and in any event, the Plan will be amended to disclose any such change.

Sponsor reserves the right to negotiate with each Purchaser the following terms and conditions, among others, of the Purchase Agreement: purchase price; the amount of the Deposit; financing and other contingencies; the availability of financing; the payment of Purchasers financing fees and other closing costs; the availability of Common Charge rebates, purchase price rebates and subsidies payable as a credit against the purchase price or on a periodic basis; extensions of time periods within which to perform obligations under the Purchase Agreement; the availability of Use and Occupancy Agreements and the amount of interim rent thereunder; and the application of interim rent or a portion thereof towards the purchase price.

Sponsor reserves the right from time to time to add and/or delete negotiable terms from the list set forth above for all or some Purchasers. No Purchaser will benefit from any terms and conditions negotiated with any other Purchaser, and a Purchasers failure to so benefit will not give rise to any right of rescission under a Purchase Agreement.

In order to meet the possible varying demand for number and type of Units, or to meet particular requirements of prospective purchasers, or for any other reason, Sponsor reserves the right (except to the extent prohibited by law) at any time and from time to time, before and after the recording of the Declaration, without giving prior notice and without the consent of the Condominium Board, any Unit Owner or mortgagee, to (a) change the layout of, or number of rooms in, any Unsold Unit, (b) change the size and/or number of Unsold Units by dividing one or more such Units into two or more separate Unsold Units, combining separate Unsold Units (including those resulting from such subdivision or otherwise) into one or more Unsold Units,

altering any boundary walls between one or more Unsold Units, or otherwise, including incorporating Common Elements (such as a portion of a hallway) which exclusively benefit an Unsold Unit into such Unsold Unit, and (c) if appropriate, reapportion among the Unsold Units affected by any such change, their aggregate Common Interests. In the event of any change pursuant to either (b) or (c) above, such change shall be disclosed in a duly filed amendment to the Plan. No such change, including any change in the Common Interest or in the amount or quality of Common Elements directly affecting or servicing a Unit, will be made with respect to any Unsold Unit for which a Purchase Agreement is then in effect and the Purchaser thereunder is not in default unless (i) the Purchaser consents to such change or (ii) such change is not a material change in the size, dimension, floor space or layout of such Unsold Unit.

Once the Declaration is recorded, no change may be made in the number of Units or number of rooms within a Unit, nor may the size of any Unit be changed by subdivision or combination or alteration of boundary walls as aforesaid or otherwise, nor may the Common Interest of any Unit be changed, unless, in each such event, the Declaration and Floor Plans and the Plan are amended with the reasonable consent of each Unit Owner whose Unit is directly affected by such change. Sponsor will have the right to amend or to cause the Condominium Board to amend the Declaration to reflect any such change and to file such amendment and any necessary plans and specifications in connection therewith.

It should be noted that as long as the layout and dimensions of a Unit conform substantially to the Floor Plans, a Purchaser will not be excused from purchasing his or her Unit and will not have any claim against Sponsor as a result of any immaterial change. No such variation will affect a Purchaser's obligations under the Purchase Agreement or the Plan unless the net square foot area of the Unit is diminished materially (excluding interior partitions). Sponsor's sole obligation if the net square foot area of the Unit is diminished materially shall be to refund to Purchaser the Contract Deposit made under the Purchase Agreement.

PROCEDURE TO PURCHASE

A prospective Purchaser desiring to purchase a Unit will be required to execute a Purchase Agreement in quadruplicate (four (4) original counterparts), which will be in the form set forth in Part II of the Plan.

Prospective Purchasers shall be given not less than three (3) business days to review the Plan and all amendments thereto prior to executing a Purchase Agreement. If a Purchaser has not received and read the Plan at least three (3) full days prior to executing a Purchase Agreement, a Purchaser shall have the right to rescind the Purchase Agreement within seven (7) days from the date of the Purchase Agreement. The Purchase Agreement sets forth in detail the terms of sale with respect to each Unit and should be read carefully by each prospective Purchaser. Prospective Purchasers should be aware that if any conflict exists between the Plan and the Purchase Agreement, the provisions of the Plan shall control. Although a Purchaser may obtain financing from a lending institution or any other source, Purchaser's obligation to purchase a Unit pursuant to the Purchase Agreement shall not be contingent on Purchaser obtaining financing for such purchase, unless otherwise agreed to by Sponsor.

Purchase Agreements will not be binding on Sponsor until approved and executed by it, and delivered by Sponsor to the prospective Purchaser. Sponsor will have 30 days after delivery by Purchaser of an executed Purchase Agreement and the Contract Deposit required thereby, within which to accept or reject such Purchase Agreement. Sponsor reserves the right to request thorough identification and financial information concerning any prospective Purchaser, subject to any limitations and requirements imposed by law.

If a Purchase Agreement is not accepted by Sponsor within the aforesaid 30 day period, the Purchase Agreement shall be deemed to have been rejected and cancelled and the Contract Deposit shall be returned to Purchaser within 30 days thereafter. Sponsor hereby reserves the right at any time and from time to time for any reason whatsoever, without prior notice or prior amendment to the Plan and without the consent of the Condominium Board, to refuse to approve and execute (a) a Purchase Agreement for any Unit, except as prohibited by law, and (b) a Purchase Agreement(s) for more than one Unit to any one person or entity.

The Purchase Agreement shall not contain, and shall in no event be modified to contain, a provision waiving the Purchaser's rights or abrogating Sponsor's obligations under the Plan or under Article 23-A of the General Business Law of the State of New York. At the time of execution of a Purchase Agreement, a Purchaser is required to make a Contract Deposit in an amount equal to ten (10%) percent of the purchase price (the "Initial Contract Deposit"). Thereafter within fifteen (15) days of the Presentation Date of the amendment declaring the Plan effective, Time Being of the Essence as to such Date, Purchaser shall remit an additional deposit in an amount equal to five (5%) percent of the Purchase Price to Escrow Agent (the "Additional Contract Deposit") and together with the Initial Contract Deposit collectively, the "Contract Deposit". All Contract Deposits must be made payable to the direct order of "Phillips Nizer LLP, Escrow Agent." All checks delivered in payment of the Contract Deposit shall be accepted by Sponsor 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. Within fifteen (15) days of the date of the fully executed Purchase Agreement is returned to Purchaser, Escrow Agent shall notify Purchaser that such funds have been deposited in the escrow account at the bank indicated in the Plan, which notice shall indicate the account number and the interest rate then in effect. If the Purchaser does not receive notice of such deposit within fifteen (15) business days after the tender of the deposit which shall be deemed the date of Purchaser's receipt of a fully-executed Purchase Agreement, he or she may cancel the purchase and rescind within 90 days thereafter. Rescission may not be afforded where proof satisfactory to the Attorney General is submitted establishing that the escrowed funds were timely deposited in accordance with these regulations and requisite notice was timely mailed to the Purchaser.

All Contract Deposits made pursuant to a Purchase Agreement are subject to the requirements of Sections 352(2)(b) - 352-h of the General Business Law of the State of New York. Pursuant to this law, Sponsor will cause all Contract Deposits and deposits for custom work, or "extras" if any, received by it directly or by its agents or employees to be promptly deposited and held in escrow in accordance with the procedures set forth in the Section of the Plan entitled "Escrow and Trust Fund Requirements."

The balance of the purchase price shall be payable simultaneously with the delivery of the deed to the Unit by an official bank check or an unendorsed certified check drawn on or issued by a New York bank or trust company which is a member of The New York Clearinghouse Association and shall be payable to the direct order of Sponsor, or otherwise if Sponsor should so notify Purchaser. The deed will be substantially in the form set forth in Part II of the Plan. Interest, if any, on Purchaser's Contract Deposit will be credited or paid to Purchaser at Closing.

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

It is anticipated that the First Unit Closing will occur on or about April 1, 2019. In the event that the date of the First Unit Closing is delayed twelve (12) months or more, the Plan will be amended and the Purchasers will be granted the right to rescind their Purchase Agreements for no less than fifteen (15) days from the Presentation Date of such amendment.

A Purchaser will receive no less than 30 days' prior written notice of the originally scheduled Closing Date. In the event that Sponsor adjourns the originally scheduled closing date, Sponsor shall give Purchaser no less than five (5) business days' notice of any adjourned closing date

In the event Purchaser fails to close on the designated date or in the event of any other default by Purchaser under his or her Purchase Agreement (*e.g.* the failure to tender the entire amount of the Contract Deposit *i.e.* fifteen (15%) percent of the Purchase Price), Sponsor shall give Purchaser written notice and a period of no less than thirty (30) days from the date that such notice is deemed received pursuant to the Purchase Agreement to cure such default. If Purchaser fails to cure such default within the time period set forth in Sponsor's notice to the Purchaser, Sponsor may, at its option, either (a) cancel such Purchase Agreement and retain the Contract Deposit made by Purchaser, together with any interest earned thereon, as liquidated damages, in which event all rights, obligations and liabilities of Sponsor and Purchaser shall wholly cease and terminate or (b) bring an action against Purchaser for specific performance.

If a Purchaser fails for any reason to close title to his or her Unit on the originally scheduled Closing Date (a) the closing apportionments described in the Section entitled "Unit Closing Costs and Adjustments" will be made as of midnight of the day preceding the originally scheduled Closing Date, regardless of when the actual Closing occurs, and (b) a 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 0.04 percent of the purchase price of his or her Unit for each day starting from (and including) the originally scheduled Closing Date to (and including) the day before the actual Closing Date.

Pursuant to a Geographic Targeting Order ("GTO"), dated August 22, 2017 and effective September 22, 2017, the Financial Crimes Enforcement Network (FinCEN), a bureau of the

United States Department of the Treasury, will require title insurance companies to identify the beneficial owners, i.e. the natural persons who own the shares or interest in corporations and limited liability companies, respectively, which purchase luxury residential real properties located in the borough of Manhattan, having a purchase price of more than $3,000,000 in an "all cash transaction", *i.e.* transactions that do not include bank financing (each a "covered transaction"). In the event that a Purchaser acquires title to a Unit purchased pursuant to this Plan in a covered transaction and obtains title insurance in connection therewith, the title insurance company must report said transaction to FinCEN within 30 days of the closing. The title insurance company must identify (1) the purchaser; (2) the purchaser's representative, if any; and (3) the beneficial owner, which is defined as each natural person who, directly or indirectly, owns 25 percent or more of the equity interests of the purchaser. The title insurance company must obtain and copy the driver's license, passport or other similar identification for each beneficial owner. The title insurance company must retain all records relating to the GTO for at least five (5) years and make such records available to FinCEN or any other law enforcement or regulatory agency upon request. In the event that a Purchaser elects to acquire title in a Unit offered for sale pursuant to this Plan in the name of a corporation or a limited liability company, such transaction may be a covered transaction pursuant to the GTO. ***See Section entitled "Procedure to Purchase".***

Prior to the closing of title to a Unit, the Purchase Agreement prohibits a Purchaser from listing the Unit for resale or rental with any broker or from advertising or otherwise offering, promoting or publicizing the availability of the Unit for sale or lease, without Sponsor's prior written consent.

If the Plan is withdrawn or abandoned, the Contract Deposit previously paid to and actually collected by Sponsor, shall be returned to Purchaser in accordance with the provisions herein set forth.

From the date of the Closing of each Unit, Purchaser will become obligated for the payment of Common Charges in proportion to the Purchaser's Common Interest, real estate taxes and assessments and all other expenses with respect to his or her Unit, whether or not he has taken possession of his or her Unit, and whether or not all work required to be performed by anyone in or to his or her Unit has been completed.

The risk of loss to any Unit by fire or other casualty until the Closing for such Unit is assumed by Sponsor (unless and until a Purchaser takes possession of such Unit, at which time the risk of loss, to the extent not covered by Sponsor's insurance, shall be assumed by Purchaser), but without any obligation or liability by Sponsor to repair or restore any Unit. In the event of a casualty, Sponsor will notify Purchasers within 60 days of the occurrence of the same, as to whether or not it will restore the Building and/or Unit, as may be applicable to the condition required pursuant to the Plan. In the event of damage or destruction of a Unit due to a fire or other casualty prior to the Closing, but subsequent to the signing of a Purchase Agreement, provided Sponsor elects (which election shall be in its sole discretion) to repair or restore the Unit, the Purchase Agreement shall continue in full force and effect, and, thereafter, Purchaser shall not have the right to reject title or receive credit against, or abatement in, the purchase price for the subject Unit. In such event Sponsor shall be entitled to a reasonable period of time within which to complete the repair or restoration, and any proceeds received from insurance or in

satisfaction of any claim or action in connection with such loss shall, subject to the rights of the Condominium Board and other Unit Owners, belong entirely to Sponsor. In the event of damage or destruction to any Unit by fire or other casualty prior to the Closing, but subsequent to the signing of a Purchase Agreement, if Sponsor notifies Purchaser that it does not elect (which election shall be in its sole discretion) to repair or restore the Unit or if the Unit Owners do not resolve to make such repair or restoration pursuant to the By-Laws, or the Declaration, specifically the Section entitled "Rights and Obligations of the Condominium Board/Summary of By-Laws"), the Purchase Agreement shall be deemed cancelled and of no further force or effect and Sponsor shall return Purchaser's Contract Deposit to Purchaser, whereupon the parties to the Purchase Agreement shall be released and discharged from all obligations and liability thereunder and under this Plan; provided, however, notwithstanding anything to the contrary herein, if Purchaser is then in default under the Purchase Agreement (beyond any applicable grace period), Sponsor shall retain all such sums as and for liquidated damages.

Sponsor or its successors-in-interest has reserved the right to use or occupy itself or to rent or lease to a tenant who is not a Purchaser (for such rent and term and on such other conditions as may be agreed to between such parties) any Unit not conveyed or with respect to which a Purchase Agreement is not then outstanding, provided however, neither Sponsor nor its successors shall enter into a lease for any Unit other than an Interim Use and Occupancy Agreement, until after the First Unit Closing. Accordingly, a Purchaser may be acquiring a Unit that has been previously occupied, but such Unit will be delivered at Closing free and clear of all leases, tenancies and rights of occupancy other than interim leases with such Purchaser or other leases or rights of occupancy of such Unit which Sponsor agreed to enter into at the request of the Purchaser of such Unit.

At Closing, each Unit will contain only those appliances, counter-tops, cabinets, sinks, vanities, heating, hardware and other fixtures, equipment and appliances, to be installed therein as set forth in this Plan. Each Unit is being sold unfurnished. All fixtures, equipment and appliances will be in working order at closing.

At the Closing, Purchasers will be required to execute and deliver a Power of Attorney in favor of the Board of Managers of the Condominium in the form set forth as Exhibit I in Part II of the Plan.

ESCROW AND TRUST FUND REQUIREMENTS

The Escrow Agent

PHILLIPS NIZER LLP, 485 Lexington Avenue, New York, NY 10017 ("Escrow Agent") shall serve as escrow agent for Sponsor and purchasers. Escrow Agent has designated the following attorneys to serve as signatories: Marc A. Landis, Andrew J. Tunick, Michael Galligan, Martin B. Wasser, Alan Behr, Brian R. Brodrick, and Mark M. Elliott. 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 principals of Sponsor or have any beneficial interest therein.

The Escrow Account

For the purpose of holding Contract Deposits or payments made by purchasers, the Escrow Agent has established an escrow account at Sterling National Bank at its branch located at 489 Fifth Avenue, New York, New York 10017 ("Bank"), a bank authorized to do business in the State of New York. The escrow account (the "Escrow Account") is entitled Phillips Nizer LLP Attorney Trust Account.

All Contract Deposits and deposits for custom work and upgrades, if any (collectively, "Deposits") will be placed initially in a non-interest bearing checking portion of the Escrow Account. Each purchaser is required to deliver to the Escrow Agent a completed and signed IRS Form W-9 (Request for Taxpayer Identification Number) or a Form W-8 (Certificate of Foreign Status). If a Contract Deposit is accompanied by a completed and signed Form W-9 or Form W-8, the Contract Deposit will thereafter be promptly transferred to an individual interest-bearing sub-account in the name of Purchaser. If a Purchaser does not deliver a Form W-9 or a Form W-8, the Contract Deposit will remain in the non-interest bearing checking portion of the Escrow Account, which is an IOLA account.

The Bank is covered by federal bank deposit insurance to a maximum of $250,000 per individual. If an individual makes a Contract Deposit in excess of $250,000 for the purchase of a unit, such Contract Deposit will not be federally insured in excess of $250,000; and (ii) while the Contract Deposit is in the non-interest bearing checking account it may not be federally insured even if the Contract Deposit does not exceed $250,000, although under present law, there are no limits on the FDIC insurance on the aggregate balance of IOLA accounts, provided, however, the limit on the insurance awarded to any individual remains subject to the $250,000 limit. Pursuant to regulations currently in effect, other amounts that a Purchaser may have on deposit at the Bank will be aggregated with the Contract Deposit for the purpose of the maximum insurance proceeds payable to a Purchaser by the FDIC.

All Deposits received from a Purchaser shall be in the form of checks, money orders, wire transfers, or other instruments and shall be made payable to or endorsed by the Purchaser to the order of Escrow Agent.

Any deposits made for upgrades, extras, or custom work shall be initially deposited into the Escrow Account, and released in accordance with the terms of the Purchase Agreement, as the same may be amended.

The interest rate for all Deposits made into the Escrow Account shall be the prevailing rate for such accounts, which is currently approximately 0.1%. Interest shall begin to accrue upon placing the Contract Deposit into the interest-bearing subaccount. All interest earned thereon shall be paid or credited to the Purchaser at closing. No fees of any kind may be deducted from the Escrow Account, and Sponsor shall bear all costs associated with the maintenance of the Escrow Account.

Notification to Purchaser

Within five (5) business days after the Purchase Agreement has been tendered to Escrow Agent along with the Initial Contract Deposit, the Escrow Agent shall sign the Purchase Agreement and place the Initial Contract Deposit into the Escrow Account. Within ten (10) business days of the placing the Initial Contract Deposit in the Escrow Account, Escrow Agent shall send written notice to Purchaser and Sponsor, confirming the Contract Deposit. The notice shall provide the account number and the initial interest rate to be earned on the Contract Deposit. Any deposits made for upgrades, extras, or custom work shall be initially deposited into the Escrow Account, and released in accordance to the terms of a written agreement between Purchaser and Sponsor.

The Escrow Agent is obligated to send notice to the Purchaser once the Initial Contract Deposit is placed in the Escrow Account. If the Purchaser does not receive notice of such deposit within fifteen (15) business days after tender of the Contract Deposit, he or she may cancel the Purchase Agreement within ninety (90) days after tender of the Purchase Agreement and Initial Contract Deposit to Escrow Agent. Complaints concerning the failure to honor such cancellation requests may be referred to the New York State Department of Law, Real Estate Finance Bureau, 28 Liberty Street, 15th Floor, New York, NY 10005. Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Initial Contract 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.

Release of Funds

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

Under no circumstances shall Sponsor seek or accept release of the Contract Deposit of a defaulting Purchaser until after consummation of the Plan, as evidenced by the acceptance of a post-closing amendment by the New York State Department of Law. Consummation of the Plan does not relieve the Sponsor of its obligations pursuant to GBL §§ 352-3(2-b) and 352-h.

The Escrow Agent shall release the Contract Deposit if so directed:

(a) pursuant to the terms and conditions set forth in the Purchase Agreement upon closing of title; 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 Contract Deposit pursuant to paragraphs (a) through (c) above, and the Escrow Agent receives a request by either party to release the Contract Deposit, then the Escrow Agent must give both the Purchaser and Sponsor prior written

notice of not fewer than thirty (30) business days before releasing the Contract Deposit. If the Escrow Agent has not received notice of objection to the release of the Contract Deposit prior to the expiration of the thirty (30) business day period, the Contract 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 Contract Deposit within said thirty (30) business day period, the Escrow Agent shall continue to hold the Contract 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 Contract Deposit contained in the Escrow Account with the clerk of the county where the Building is located and shall give written notice to both parties of such deposit.

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

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

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

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

All Deposits will be held in escrow in conformity with the disclosure contained in this Section of the Plan.

The Contract Deposit may be tendered by Purchaser to Sponsor or Selling Agent by either personal delivery, delivery by messenger or courier service or mailed by certified mail, return receipt requested, overnight courier or express mail service. The Contract Deposit shall be deemed tendered by Purchaser on the date it is actually received by Sponsor or Selling Agent, or Sponsor's attorneys.

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

If a Purchaser tenders a Contract Deposit without an executed Purchase Agreement, Sponsor shall have the right to reject the Contract Deposit and return it to Purchaser: (i) within five (5) business days after tender, if the Contract Deposit has not been deposited into escrow, and (ii) at any time, if the Contract Deposit has been deposited into escrow.

Waiver Void:

Any provision in the 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 Contract 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, Plan, or any amendment thereto.

INTERIM LEASES

Sponsor reserves the right, prior to the date of closing title thereto, to rent or lease any Unit for such rent and term and on such other conditions as may be agreed to between Sponsor and any Purchaser who has paid the Contract Deposit required by his or her Purchase Agreement, provided that no occupancy may commence until either a Temporary or Permanent Certificate of Occupancy has been obtained for such Unit. Any such lease shall be in the form that appears in Part II of the Plan (also known as a "Use and Occupancy Agreement" or "Interim Lease") given to a Purchaser will provide that an uncured default by the tenant (Purchaser) under the Purchase Agreement for the unit which is the subject of the lease will constitute a default under the lease entitling the landlord (Sponsor), at its sole option, to immediately terminate such lease in accordance with applicable law. In the event the lease is terminated by reason of an uncured default by the tenant (Purchaser) under a Purchase Agreement, the Interim Lease will terminate on a date set forth in a notice given by Sponsor to the interim lessee (the "Termination Date") no less than 30 days prior to the Termination Date. In addition, each Purchase Agreement will provide that an uncured default by the Purchaser under any Interim Lease with respect to the Unit which is the subject of a Purchase Agreement will constitute a default under the Purchase Agreement, entitling Sponsor, in its sole discretion, to terminate such Purchase Agreement and to exercise any remedies therein provided.

The risk of loss to the Unit shall pass to the Purchaser at such time when a Purchaser takes possession of the Unit pursuant to an Interim Lease. Accordingly, in the event of a fire or other casualty which occurs subsequent to a Purchaser taking possession of a Unit, such Purchaser will be responsible for the restoration thereof to the extent that the insurance carried by the Condominium does not cover such losses. Accordingly, any Purchaser entering into an Interim Lease will be required to carry the same insurance as Unit Owners are required to maintain as set forth in the By-Laws of the Condominium.

Purchasers entering into a Use and Occupancy Agreement for a Unit shall be required to pay the sum of $1,500 (subject to increase) to Sponsor's attorney for legal fees in connection therewith upon execution of the Use and Occupancy Agreement. All other charges or other fees due under a Use and Occupancy Agreement shall be adjusted as of the Closing to the Unit. Notwithstanding any of the foregoing, Sponsor shall be under no obligation to enter into any Use and Occupancy Agreement.

ASSIGNMENT OF PURCHASE AGREEMENTS

A Purchaser does not have the right to assign the Purchase Agreement without the prior written consent of Sponsor, which may be withheld in Seller's sole and absolute discretion. Any purported assignment by a Purchaser in violation of the Purchase Agreement will be voidable at the option of Sponsor. Sponsor's refusal to consent to an assignment will not entitle a Purchaser

to cancel the Purchase Agreement or give rise to any claim for damages against Sponsor. 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 the Purchaser shall be required to pay Sponsor's attorneys a fee of $1,200, in advance, for preparation of an assignment agreement.

EFFECTIVE DATE

The offering by Sponsor under the Plan is contingent upon the Plan being declared effective and the First Closing shall not occur until the Plan has been declared effective. The Plan may be declared effective, at Sponsor's option, at any time when *bona fide* purchasers, including investors, have executed Purchase Agreements with respect to not less than fifteen (15%) percent or, in this Plan, two (2) of the Residential Units offered pursuant to the Plan. The Plan must be declared effective at such time as Purchase Agreements have been executed and are in effect with respect to 80 percent or all of the Residential Units offered under the Plan. The Plan will be declared effective by notice sent to every Purchaser by personal service or by regular mail, certified mail or registered mail, or overnight courier, stating that the Plan is declared effective on a particular date, the percentage used to declare the Plan effective and a list of the Units being counted to meet the minimum percentage pursuant to the terms of the Plan to declare the Plan effective. Within five (5) days thereafter, Sponsor shall submit an amendment to the Department of Law confirming that the Plan was declared effective on a specified date. The First Unit Closing will not occur until the Plan is declared effective and the Department of Law has accepted for filing the amendment which declares the Plan effective. Sponsor will submit to the Department of Law, if requested to do so, copies of all Purchase Agreements (and any amendments or modifications thereto) within five (5) business days after such request is made.

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

The Plan may be withdrawn or abandoned by Sponsor for any reason whatsoever at any time prior to its being declared effective, in which event Purchasers will be notified by Sponsor in writing, by registered or certified mail.

Once the Plan has been declared effective, it may not thereafter be abandoned or withdrawn, except that, prior to the First Closing, the Plan may, at the option of Sponsor, be abandoned in the event of: (l) the existence of one or more title defects (including violations of record or work orders of a mortgagee or insurance carrier) affecting any one or more Units or the

Property that cannot be removed, cured or complied with prior to the date set for the First Closing, without litigation, or for less than 0.5 percent of the total offering amount in the aggregate, and which are not waived by the Purchasers thereof; a substantial damage to or destruction of the Building (or any portion thereof) by fire or other casualty that cannot be repaired prior to the date set for the First Closing for less than 0.5 percent of the total offering amount or, based upon the initial prices $288,625; or (2) a taking of a material portion of the Property in condemnation proceedings or by eminent domain. Excluded from the dollar amounts set forth in (1) and (2) above are attorneys' fees and title defects or determinations of any authority or regulatory association which exist on the Filing Date of the Plan and are either known to Sponsor or are a matter of public record.

In the event that all of the Purchasers who were used to declare the Plan effective rescind or terminate their Purchase Agreements prior to the date of the First Unit Closing, Sponsor must again declare the Plan effective even in the event that the Condominium Declaration has already been recorded.

Sponsor expects to obtain a temporary Certificate of Occupancy for the Units on or about March 15, 2019. Accordingly, Sponsor hopes to begin closing units on or about April 1, 2019. In the event that such date is delayed twelve (12) months or more, Sponsor will offer to Purchasers a right to rescind their Purchase Agreements of no less than fifteen (15) days from the Presentation Date of the amendment disclosing such delay.

In the event the Plan is withdrawn or abandoned, all Contract Deposits will be returned to Purchasers within 30 days following such withdrawal or abandonment. Upon the return or retention of a Contract Deposit, the Purchase Agreements will be null and void and Sponsor will have no further obligation or liability to Purchasers pursuant to the Plan or the Purchase Agreements. Sponsor shall promptly submit an amendment to the Department of Law confirming such abandonment or withdrawal and shall file a notice of abandonment on form RS-3 or such other form as the Department of Law may require and explain the reason for the abandonment and disposition of all Deposits received.

TERMS OF SALE

The Closing to each Unit shall be held at the offices of Sponsor's attorney, or at such other place as Sponsor may designate on not less than 30 days' prior written notice to Purchasers given in accordance with the Purchase Agreement. The Closing to each Unit shall take place only after or concurrently with the following events:

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

(b) the issuance of a temporary or permanent Certificate of Occupancy for the Building or the Unit being conveyed;

(c) the recording or filing of the Declaration, By-Laws, Floor Plans and engineers and tax authority certifications required by Section 339-p of the New York Condominium Act or other applicable law and such other documents as may be required by law;

(d) the release of the Unit and its appurtenant interest in the Common Elements from the lien of all mortgages, if any;

(e) the delivery to Purchaser of written notice of the time and place of the Closing to his or her Unit at least 30 days prior to the Closing Date specified therein, including a reasonable opportunity, upon written request of Purchaser, for Purchaser to examine his or her Unit and the Property, during normal business hours and in the company of Sponsor's agent, prior to Closing;

(f) the execution and delivery by Sponsor of a bargain and sale deed with covenants against grantor's acts (which deed shall be substantially in the form set forth in Part II of the Plan) conveying title to the Unit and its appurtenant Common Interest, free and clear of all liens, encumbrances and other title exceptions other than the Permitted Encumbrances;

(g) the execution and delivery by Purchaser of the Unit Owner Power of Attorney, the form of which is set forth in Part II of the Plan;

(h) if Purchaser has requested title insurance, the issuance to Purchaser (at Purchaser's sole expense) of a policy of title insurance in at least the amount of the purchase price of the Unit, insuring that (i) Purchaser has fee title to his or her Unit free and clear of all liens and encumbrances except for (1) Permitted Encumbrances and standard printed exceptions, (2) liens and encumbrances (other than Permitted Encumbrances) to which title of his or her Unit is subject, which have been expressly accepted by Purchaser, and (3) any mortgage and related security documents that Purchaser executes in connection with the financing of the purchase price of his or her Unit and (ii) the Condominium has been validly created pursuant to the Condominium Act; and

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

Prior to or at Closing, Sponsor shall cause the Unit to be released from the lien of the acquisition and construction loan mortgages, satisfy or bond any claims for mechanic's liens and satisfy or bond any judgments against Sponsor and Sponsor shall convey marketable title to the Units to Purchasers. Notwithstanding the foregoing, subsequent to the Plan being declared effective, Sponsor may abandon the Plan in the event that there is a defect in title, which may be cured only by payment of a liquidated sum in excess of 0.5 percent of the aggregate purchase price payable for all Units offered for sale hereunder (as the same may be changed from time to time, the "Total Amount of Offering"), based upon the prices then set forth in the Plan, as amended (said amount shall be used solely to determine the maximum sum that Sponsor may be required to expend before Sponsor may abandon the Plan after it has been declared effective), or if Sponsor is required to commence litigation to resolve any claim which would prevent the

conveyance of marketable title to Purchaser. The existence of mortgages, liens and encumbrances other than Permitted Encumbrances shall not be objections to title, provided bonds or properly executed instruments in form for recording necessary to satisfy or release Units from such impermissible liens or encumbrances are delivered at Closing and proper adjustments are made for the cost of recording or filing such instruments. Sponsor will bear the responsibility and cost of recording or filing such instruments.

The acceptance of a deed by a Purchaser shall be deemed an acknowledgment that Sponsor has performed and discharged every agreement and obligation on the part of Sponsor to be performed under the Plan except those (if any) which may be expressly stated in the Plan, in the Purchase Agreement, in 13 NYCRR, Part 20 (the regulations of the Attorney General of the State of New York governing the acceptance for filing of this Plan) and in General Business Law Section 352-e to survive delivery of the deed.

UNIT CLOSING COSTS AND ADJUSTMENTS

Closing Costs

The estimated closing costs and expenses to be borne by each Purchaser are set forth below. Recording charges, fees, title costs and taxes are based on rates in effect on the date of the Plan and are subject to change without notice.

(a) A contribution to the Working Capital Fund of the Condominium in an amount equal to two (2) months' Common Charges then applicable to each Unit being purchased.

(b) If Purchaser elects to obtain fee or mortgage title insurance, Purchaser will pay a premium which will vary depending upon the amount of insurance requested. Purchasers may select any title insurance company licensed to do business in the State of New York without incurring any additional fees to Sponsor or its attorneys. The premium for fee or mortgage title insurance based on the title insurance rate manual in effective on the date hereof is as follows:

Fee Title Insurance

$402.00 for the first $35,000.00 of coverage; plus from $7.00 to $4.59 for each $1,000.00 of additional fee insurance or fraction thereof depending on the amount of insurance.

Mortgage Title Insurance:

$344.00 for the first $35,000.00 of coverage; plus from $6.00 to $3.82 for each $1,000.00 of additional mortgage title insurance or fraction thereof depending on the amount of insurance.

(c) If a Purchaser elects to simultaneously obtain both fee title insurance and mortgage title insurance, the premium for the mortgage title insurance will be at a simultaneous rate.

The premium for fee title insurance issued simultaneously is computed as described in subparagraph (b) above. To the extent there are any savings of title premiums for fee or mortgage

insurance by virtue of a title company using a reissue or similar rate rather than the full rate for the purchase of such insurance (as a result of title premiums previously paid by or on behalf of Sponsor) the Purchaser shall be required to pay the amount of such savings directly to Sponsor as reimbursement for premiums previously paid by Sponsor in connection with Sponsor's acquisition of the Property. Purchasers may order title insurance from any title insurance company licensed to do business in the State of New York, selected by Purchaser or their attorneys without incurring additional fees from Sponsor or its attorneys.

(d) A fee for recording the Deed and Power of Attorney, being $32.00 for each instrument plus $5.00 per page and a service charge to the title company of approximately $10.00 and a fee of $100.00 for filing the New York City Real Property Transfer Tax return.

(e) New York State Real Estate Transfer Tax ("State Transfer Tax") currently equal to $2 per $500 of purchase price plus, if applicable, a Special Additional Tax of one (1%) percent where the purchase price equals $l million or more.

(f) New York City Real Property Transfer Tax ("RPT Tax") currently equal to one (1%) percent of the Purchase Price if the Purchase Price of the Unit is less than $500,000 and 1.425 percent of the Purchase Price if the Purchase Price of the Unit is $500,000 or more.

The City of New York, Department of Finance has taken the position that in instances in which the purchaser of property assumes the obligation for the State Transfer Tax and the RPT Tax, the amount of the tax that would otherwise be payable if the seller were to pay such taxes, as is required pursuant to applicable statute, will be treated as additional consideration for the transaction subject to tax. Consequently, the amount of the RPT Tax is computed as follows:

(ix) Multiply the purchase price by the RPT Tax rate to compute the City Tax on the amount of the purchase price;

(x) Multiply the purchase price by the NYS Tax rate to compute the NYS tax due on the on the amount of the purchase price;

(xi) Add the amounts obtained by the computations in steps (i) and (ii) to the Purchase Price (the number is hereinafter referred to as the "Grossed-Up Purchase Price".

(xii) Multiply the result of (iii) by the RPT Tax rate to determine the RPT Tax payable;

(xiii) Multiply the result of (iii) by NYS rate to determine the NYS Tax payable.

Example:

Purchase Price = $5,950,000.00

(1) $5,950,000.00 x 1.425 percent = $84,787.50

(2) 5,950,000.00 x 0.4 percent = $23,800.00

(3) Grossed-up Purchase Price is $5,950,000.00 + $87,787.50 + $23,800.00 = $6,058,587.50

(4) RPT Tax = $6,058,587.50 x 1.425 percent = $86,334.87

(5) NYS Tax = $$6,058,587.50 x 0.4 percent = $24,234.35

In addition, where a purchaser purchases two or more Units, the NYC RPT Tax rate, where the consideration if $500,000 or less will be 1.425 percent, while the tax rate where the consideration is in excess of $500,000 will be 2.625 percent.

Thus, the effective RPT tax rate is approximately 1.014 percent of the purchase price where the purchase price is $500,000 or less and 1.451 percent where the purchase price is $500,000 or more. A similar position has been taken by the New York State Department of Taxation and Finance and as a result the effective tax rate for the State Transfer Tax is $4.06 per thousand dollars of the purchase price for the Unit where the consideration is less than $500,000 and $4.076 per thousand dollars of the purchase price of the Unit where the consideration is $500,000 or more. However, payment by Purchaser of the Special Additional Tax is not considered additional consideration to Sponsor for purposes of the calculation of the State Transfer Tax.

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(g) If Purchaser obtains a mortgage loan, Purchaser will be responsible for the payment of the mortgage recording tax, mortgage recording fees, origination, appraisal and closing costs and other expenses in connection therewith (including legal fees) in amounts determined by governmental authorities and such lender. Currently, the mortgage recording tax for mortgages under $500,000 is 2.05 percent of the face amount of the mortgage and 2.175 percent of the face amount of the mortgage if the mortgage is $500,000 or more. Of the total tax due, the mortgagee pays an amount equal to 0.25 percent of the face amount of the mortgage. In addition, there is a $30 exemption for residential real property. No representation or warranty is made with respect to the amounts of such closing costs and expenses or the availability or cost of mortgage loans from any sources. As indicated above, a discounted rate may apply where fee and mortgage title insurance policies are issued simultaneously. In the event that Sponsor is entitled to a credit for the Mortgage Recording Tax paid by Sponsor in connection with its construction financing, at Closing, Sponsor will execute and deliver the requisite affidavit as required under

Section 339(e)2 of the New York Real Property Law and Section 252 of the New York State Tax Law. In such instances, Purchaser shall reimburse Sponsor to the extent of the mortgage tax credit received by reason of the delivery of such affidavit. Purchaser will be liable to pay the tax authorities any Mortgage Recording Tax payable in excess of the credit available. In addition, Sponsor may request that Sponsor's Lender sever or split the mortgage presently encumbering the Property and assign such severed mortgage to Purchaser's lender. In such event, Purchaser shall reimburse Sponsor for any credit against the mortgage recording tax received by reason of such mortgage assignment less any attorneys' fees charged by Purchaser's Lender by reason of such assignment. In no event shall the total amount paid to Sponsor and the tax authorities be in excess of the mortgage recording tax that would otherwise be payable by Purchaser.

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

(h) Fees payable to Sponsor's attorney in accordance with the following schedule, all of which fees will be cumulative to the extent applicable to any individual closing:

For each Unit, the sum of $3,750, plus the sum of $350 for the preparation of ACRIS Documents payable to Sponsor's Counsel to reimburse Sponsor for a portion of its legal fees incurred in connection with the closing of title of the Purchaser's Unit. If Purchaser obtains financing and the lender is unwilling to close at the offices of Sponsor's Counsel, or if the Purchaser otherwise requests the Closing to occur other than at the office of Sponsor's Counsel (or such other place as Sponsor may designate in its closing notice), the closing may be held elsewhere in New York City, provided that an additional travel fee is paid to Sponsor's Counsel equal to: (a) $1,000 if the closing is held elsewhere in Manhattan; and (b) $1,500 if the closing is held in a borough other than Manhattan. In addition: (i) if the closing is adjourned through no fault of Sponsor, the Purchaser will be required to pay to Sponsor's Counsel an additional fee of $750 for each adjournment to help defray the cost of preparing for and coordinating the new closing; (ii) if Sponsor, in its sole discretion, consents to a Purchaser's request for an assignment of the Agreement, or for the addition, deletion or substitution of names on the Agreement, a fee of $1,200, payable in advance, for preparation of an assignment agreement; and (iii) if Purchaser obtains mortgage financing, then Purchaser shall pay Sponsor's Counsel an additional fee of $750 to defray the additional costs associated therewith. Purchaser may be required to pay more than one fee pursuant to the preceding provisions of this paragraph with respect to a single Unit. Other additional charges may apply. At Sponsor's option (in its sole discretion), any one or more of the foregoing fees to be paid to Sponsor's Counsel shall be paid by Purchaser prior to closing upon notice to Purchaser.

Purchaser may pay more than one fee pursuant to (h) above with respect to a Unit. In addition to an attendance fee in connection with a completed Unit transfer, Sponsor's attorneys

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

All legal costs, fees and expenses of Sponsor's attorneys, other than those specifically set forth above, will be the sole responsibility of Sponsor.

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

A numerical example for the costs set forth in this section of the Offering Plan for a typical Unit with a purchase price of $5,950,000 and a mortgage of $2,000,000 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: approximately $24,280.00 plus the cost of searches and fees of approximately $663.00. Total projected Title Bill: $24,943.00;

2. Recording costs for deed and power of attorney: $350.00;

3. Mortgage Recording Tax: $42,475.00;

4. New York City Real Property Transfer Tax: $87,787.50;

5. New York State Real Estate Transfer Taxes (deed stamps): $23,800.00;

6. New York State Mansion Tax: $59,500.00;

7. Legal fee due to Sponsor's attorney: $3,750.00;

8. Fee for preparation of ACRIS Documents $350.00; and

9. Contribution to Working Capital Fund: $4,450.00.

The foregoing projections do not include other fees which cannot be estimated, as the same are outside of Sponsor's control including, but not limited to, purchaser's attorney's fee, lender's attorney's fee, and bank fees.

The total closing costs for a unit with a purchase price of $5,950,000.00 and a mortgage of $2,000,000.00 are estimated to be approximately $222,462.50.

Closing Adjustments

At Closing, adjustments will be made as of midnight of the day preceding the Closing Date between Sponsor and each Purchaser with respect to (a) real estate taxes and assessments, if any (including water charges and sewer rents, if separately assessed) on the basis of the period for

which assessed, (b) Common Charges for the month in which title closes, and (c) accrued rent and any other charges pursuant to an interim lease or use and occupancy agreement, if any, covering Purchaser's Unit. In the event the Units have not been separately assessed for real estate tax purposes prior to the First Closing, Sponsor shall place in a special escrow account with Sponsor's attorney an amount equal to the unpaid real estate taxes which will be payable with respect to the Property for the six (6) month period following the First Closing or until the Units are separately assessed, whichever is shorter, or Sponsor will pay the real estate taxes with respect to the Property from the special escrow account as and when such taxes become due and payable, and Sponsor will be reimbursed for such payments by the Condominium Board. In the event that Sponsor sets up an escrow for the real estate taxes as described above, the amount of such tax escrow will be disclosed in the post-closing amendment to the Plan. Section 6.1.1 of the By-Laws grants the Board the authority to assess each Unit Owner for its portion of the real estate taxes until the New York City Department of Finance issues individual tax bills for each of the Units. Until the Units are separately assessed and billed, each Unit Owner will pay his or her *pro rata* share (in the proportion that his or her Unit's Common Interest bears to the aggregate Common Interest of all Units) of all real estate taxes with respect to the Property to the Condominium Board. The Condominium Board will pay such taxes either to the Department of Finance of The City of New York or directly to Sponsor if Sponsor has already paid such real estate taxes. If any Unit Owner fails to pay his or her *pro rata* share as set forth above, the Condominium Board will have a lien on such Unit for non-payment thereof, as if such charges were Common Charges. ***See Section entitled "Rights and Obligations of Unit Owners-Common Charges: Collection and Lien for Non-Payment" for further discussion.*** At such time as a Unit is separately assessed and separately billed, its Unit Owner will pay such taxes directly to the taxing authority.

If a Purchaser fails for any reason to close title to his or her Unit on the originally scheduled Closing Date, (a) the closing apportionments described above will be made as of midnight of the day preceding the originally scheduled Closing Date, regardless of when the actual Closing 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 0.04 percent of the purchase price of his or her Unit for each day starting from (and including) the originally scheduled Closing Date to (and including) the day before the actual Closing Date, being an equal to an annual rate of 14.6 percent per annum.

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

RIGHTS AND OBLIGATIONS OF SPONSOR

Sponsor's Obligations with Respect to the Building

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

(a) Each Unit and the fixtures and personal property contained therein, are being sold and delivered as described in the Plan, subject to the issuance of a temporary Certificate of Occupancy for the Building, or the Unit which is the subject of the relevant Purchase Agreement. Each Unit is being sold unfurnished. Sponsor will maintain each Unit and the fixtures and personally contained therein, up to the time of the transfer of title to the Unit in question. The Purchaser of a Unit may inspect such Unit prior to the Closing Date.

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

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

(d) Sponsor will pay or cause to be paid all contractors, subcontractors and materialmen and all others involved in the construction and equipping of the Building in accordance with the New York Lien Law, for work performed and fixtures, material and equipment supplied or installed during construction thereof and will cause any and all mechanics' liens arising out of such construction and equipping, if any, to be discharged by bonding, or otherwise, promptly after the filing of any such liens.

(e) Sponsor is obligated to indemnify and defend the Unit Owners and the Board of Managers in any suits or proceedings arising out of Sponsor's acts or omissions

(f) Sponsor will deliver a set of "as-built plans" to the Condominium Board.

(g) In accordance with Section 339(p) of the Condominium Act, a registered architect or licensed professional engineer shall certify within reasonable tolerances that the Floor Plans are an accurate copy of portions of the plans of the Building as filed with and approved by the municipal or other governmental authority having jurisdiction over the issuance of permits for the construction of the Building.

(h) Sponsor will pay all Common Charges, real estate taxes and special assessments allocated to any Unsold Units in accordance with the provisions of the By-Laws. Sponsor will use income from other sources to pay such obligations. Sponsor represents and warrants that, as of the date hereof, it has the financial resources to meet such obligations as the same become due. No bond or other security will be posted by Sponsor with respect to this obligation.

(i) Sponsor will initially procure, on behalf of the Condominium Board, the insurance relating to the Condominium which is required to be maintained by the Condominium Board in accordance with the provisions of the By-Laws, the cost of which insurance has been reflected in the First Year's Budget. ***See Section entitled "Rights and Obligations of the Condominium Board/Summary of By-Laws".***

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

(k) Sponsor is obligated to deliver to the Condominium Board all books and records pertaining to the Building's operation in Sponsor's possession on the First Unit Closing.

(l) Sponsor may dissolve or liquidate at any time after the transfer of 20 percent or more of the total number of Units of the Condominium. Sponsor's obligations will be assumed by financially responsible persons or entities who will assume the status and all of the obligations of Sponsor (in each instance, a "Successor Sponsor") pursuant to the Offering Plan and applicable laws or regulations for those Units purchased by such Successor Sponsor. The obligations of Sponsor that will be assumed by a Successor Sponsor shall include, without limitation, Sponsor's obligation to defend and indemnify the Unit Owners and the Board of Managers in any suits or proceedings arising out of Sponsor's acts or omissions..

(m) Sponsor shall complete the construction of the Building in accordance with the building plans and specifications identified herein in the Description of the Property and Specifications contained in Part II of the Plan as Exhibit D. Notwithstanding the foregoing, Sponsor has the right to substitute materials or equipment or may make modification of the layout or design of the Units, provided however, Sponsor may not:

(i) substitute equipment of materials of a lesser quality or design; or

(ii) change the size, location of the units or common elements if such changes affect the percentage of common interests or adversely affect the value of any unit to which title has closed or for which a purchase agreement has been executed and is in force and effect unless all affected unit owners and contract vendees consent in writing to such change.

(n) The acquisition of the site and the construction of the Building have been financed by acquisition, building and project loans made by 500 West 25th Street Lender LLC, having an address at c/o Churchill Real Estate Holdings LLC, 250 Bowery, 2nd Floor, New York, New York 10012 ("Sponsor's Lender"). The aggregate amount of the loans extended to Sponsor by

Sponsor's Lender for the construction of the Building is $26,600,000.00. Such loans are secured by an Acquisition Loan Mortgage, a Building Loan Mortgage, and a Project Loan Mortgage. In addition, there is a Mezzanine Loan, also made by Sponsor's Lender, secured by a pledge of the membership interests in the Sponsor entity (the Mezzanine Loan together with the Acquisition Loan, Building Loan and the Project Loan are collectively referred to as the "Sponsor Loans"). The loans extended by Sponsor's lender do not require Sponsor to sell Units in excess of the fifteen (15%) percent required pursuant to applicable regulations. Sponsor is current in its obligations pursuant to the Sponsor Loans.

(o) If Sponsor fails to obtain a permanent Certificate of Occupancy for the Building prior to the First Closing, Sponsor will be obligated to hold and maintain all monies received pursuant to all Purchase Agreements (*See* "Procedure to Purchase") in the special trust account required by the General Business Law of the State of New York, Sections 352-e(2)(b) and 352(h), originally established for the purpose of holding such deposits, provided, however, that if an architect or engineer chosen by Sponsor certifies that a lesser amount than the amount held in the special trust account is reasonably necessary to complete the work needed to obtain a permanent Certificate of Occupancy, then the amount exceeding the sum so certified by Sponsor's architect or engineer shall be released from the special escrow account. Sponsor expects to obtain a permanent Certificate of Occupancy for the entire project within two (2) years subsequent to the First Closing or at such sooner time as the Temporary Certificate of Occupancy, as same may be renewed, replaced or extended, expires.

(p) Except as specifically provided pursuant to the warranties set forth herein, Sponsor has no obligation to repair Residential Units or the fixtures or personal property attached to or used in connection with the operation of Units, except as otherwise expressly provided in this Plan. All warranties, if any, in Sponsor's possession as of the First Closing which relate to the General Common Elements will be assigned to the Condominium Board at the First Closing.

(q) All representations contained in the Plan and all of Sponsor's obligations under the General Business Law of the State of New York Section 352-eeee, which are to be performed subsequent to the Closing, shall survive the delivery of the deed.

(r) Notwithstanding anything to the contrary contained in the Plan, Sponsor shall construct the Building in accordance with the filed plans and specifications in compliance with all applicable laws and regulations.

(s) Sponsor undertakes to remove any violations of record posted against the Property during construction, unless such violations were caused by the acts of a Purchaser.

Sponsor and its contractors, subcontractors, agents and employees will have a right of access to each Unit and to all of the Common Elements for the purpose of fulfilling Sponsor's obligations under the Plan and performing certain alterations and repairs in or about the Unsold Units. Sponsor will use reasonable efforts in order to exercise such access in such a manner as will not unreasonably interfere with the use of any Unit for its permitted purposes. If reasonable care under the circumstances is exercised to safeguard the Unit Owner's property, such entry shall

not render Sponsor or its authorized agents liable for any damage to the Unit or to the personality or fixtures contained therein.

Sponsor is reserving the right to delay the collection of Common Charges, or a portion thereof, for a period to be determined by Sponsor, in Sponsor's reasonable discretion. During any such period of delay (a "Common Charge Abatement Period"), Sponsor will timely pay all expenses of the Condominium, including, but not limited to, insurance premiums and any replacement reserve payments required by lenders. Such expenses shall not include expenses that are the responsibility of individual Unit Owners such as real estate taxes, utility charges, cable charges, etc. At such time when the collection of Common Charges commences, there shall be no assessment for any line item in the budget for the Condominium contained herein. Regardless of the delay in collection of Common Charges, Sponsor shall remain obligated to amend the budget for the Condominium as required by law and the applicable regulations. In the event that Sponsor elects to defer the collection of Common Charges or a portion thereof, Sponsor shall disclose such fact in the closing notice or statement to Purchasers. Thereafter, Sponsor shall also disclose such fact in the post-closing amendment to the Offering Plan to inform subsequent Purchasers that a Common Charge Abatement Period has occurred. Any such amendment shall also disclose the duration and/or the anticipated duration of any such Common Charge Abatement Period. In addition, those Purchasers who close on their Units subsequent to the expiration of the Common Charge Abatement Period shall not receive any credit of other reduction in the Common Charges payable by them. Prior to the expiration of the Common Charge Abatement Period, Sponsor will send written notice to all Unit Owners of the expiration thereof at least thirty (30) days prior to the commencement of collection of Common Charges. Thereafter, Sponsor will disclose the date on which the Common Charge Abatement Period expired in the next substantive amendment to the Offering Plan.

The foregoing sets forth the entire obligations of Sponsor hereunder and no others shall be implied, except that nothing contained herein shall be deemed to limit the rights of Unit Owners under their respective Purchase Agreements. Sponsor makes no representation or warranty as to the work, materials, appliances, equipment or fixtures other than as set forth in the Plan.

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

As of the date hereof, Sponsor has the ability to perform its obligations as set forth herein. Except as set forth above or as required by law or governmental regulation, Sponsor has not furnished any bond or other security for the performance of the obligations of Sponsor under the Plan. The ability of Sponsor to perform its obligations hereunder will depend, in part, upon its financial condition at such time when it is called upon to perform. No representation can be made that in the future Sponsor will be financially able to perform any or all of such obligations.

All representations under the Plan, all obligations pursuant to the General Business Law, and such additional obligations under the Plan which are to be performed subsequent to the First Closing will survive delivery of a deed to a Purchaser of a Unit.

Housing Merchant Implied Warranty

The Housing Merchant Implied Warranty set forth in Section 777 of the New York General Business Law does not apply to this offering. The Building is being constructed pursuant to a Guaranteed Maximum Price with AVO Construction LLC (the "GC"), having an address at 65 Vestry Street, New York, New York 10003. Sponsor's contract with the GC provides that the GC warrants against all construction defects for a period of one (1) year following the issuance of a temporary certificate of occupancy for each Unit. Accordingly, the warranty in favor of an individual Unit Owner may be for less than one (1) year from the date of that such Unit Owner acquires title to his or her Unit and no warranty will be available for Purchasers who close more than one (1) year after the issuance of the TCO for their respective Unit. In addition, Sponsor is purchasing a manufacturer's warranty for the roof materials which provide that such materials are guaranteed to be free of defects for ten (10) years. In addition, certain Building equipment and appliances will be subject to manufacturer's warranties. The warranty for the Common Elements of the Condominium, to the extent that the same do not constitute equipment or other materials that are covered by a manufacturer's warranty, will be for a term of one (1) year from the date that a temporary certificate of occupancy is issued for all Residential Units in the Building. Notwithstanding any of the limitations on warranties contained in this Plan, no such limitations shall relieve Sponsor of its obligation to construct the Building in accordance with the plans and specifications filed with the New York City Department of Buildings, as described in the Description of Property contained in Part II of the Plan, and all applicable laws and regulations. In addition, any conflicts between the warranties described above and the limitations contained herein, shall be resolved in favor of the description of warranties set forth above. At Closing, Sponsor shall assign the aforementioned warranties to the Board of Managers. Each Purchaser will receive, at Closing, the manufacturer's warranties for the appliances located in their Units. ***See Section entitled "Rights and Obligations of Sponsor" for further information.***

Regardless of the limitations on Sponsor's warranty as set forth herein, Sponsor is liable to construct the Building in accordance with the plans and specifications filed with the New York City Department of Buildings and all applicable laws and codes. In the event of any conflict between the filed plans and specifications and applicable law and codes, such conflict will be resolved in favor of applicable law and codes.

Use of Unsold Units

Sponsor reserves the right, without prior notice or amendment to the Plan, to use any Unsold Unit as sales and rental offices and model apartments. In the event Sponsor thereafter elects to sell any such Unsold Units, Sponsor may require the Purchaser thereof to purchase all or any of the furnishings, equipment or decorations therein and pay, in addition to the purchase price for such Unit, such amounts as Sponsor may determine. In no event shall the presence of any furniture, furnishings, equipment or decorations in any model apartment imply or represent that any Unit will contain such furniture, furnishings, equipment or decorations upon delivery of the

Unit to the Purchaser of such Unit unless such Purchaser agrees to pay Sponsor an amount as determined by Sponsor in addition to the purchase price for such Unit.

CONTROL BY SPONSOR

Sponsor shall have the right to vote all of the Common Interests attributable to Unsold Units when voting for members of the Condominium Board. At all elections held after the expiration of the period ending on the earlier of: (i) the Closing of Title with purchasers under the Plan to Units having more than 75 percent of the aggregate Common Interests pertaining to all Units, or (ii) five (5) years after the First Unit Closing (the "Sponsor Control Period"), not more than one (1) of the members of the Condominium Board may be elected or designated by Sponsor or the then owner of the Unsold Units. After the end of Sponsor Control Period, a majority of the Condominium Board must be Unit Owners who are not affiliated with Sponsor.

Within approximately 30 days after the expiration of the Initial Control Period, the applicable number of members of the Condominium Board representing the Unit Owners which were designated by Sponsor shall resign and their replacement shall be filled by a majority vote of the members of the Condominium Board representing the Unit Owners (excluding members designated by Sponsor) at any regular meeting of the Condominium Board or at a special meeting thereof called for such purpose.

Until the first annual meeting of the Unit Owners (the "First Annual Meeting"), the Board shall consist of three (3) persons designated by Sponsor. Sponsor anticipates designating the following persons as the initial Board Members (all of whom are experienced in real estate matters and familiar with the property): Michael Kirchmann, Alan Rudikoff and Michael Levine. Messrs. Kirchmann and Rudikoff are principals of Sponsor. Mr. Levine is a consultant employed by GDS Development, Inc., which is the project manager retained by Sponsor in connection with the development of the Building and the preparation of this Plan. Sponsor will amend the Plan prior to the First Closing in the event such persons no longer are serving as the initial Board members.

The First Annual Meeting shall be held not later than 30 days following the first to occur of: (a) the first anniversary of the First Unit Closing; or (b) the closing of title to Units representing at least 75 percent both in number and aggregate Common Interests of all Units to Purchasers, and at such meeting the incumbent two-member Board appointed by Sponsor will resign and a new Board will be elected and/or designated by the Unit Owners and Sponsor, as the case may be, as described below. As a result of the foregoing, there is no provision in the By-Laws that assures a majority of the Condominium Board will be Unit Owners, Unit occupants or members of a Unit Owner or Unit occupant's household who are unrelated to Sponsor and its principals within five (5) years after the First Closing. In addition, because Sponsor has the unconditional right to rent or lease the Units, subsequent to the occurrence of the First Unit Closing, there is no commitment to sell more Units than the fifteen (15%) percent of Units necessary to declare the Plan effective, and owner-occupants may never gain effective control and management of the Condominium.

Accordingly, until the expiration of the Initial Control Period, if: (i) Sponsor and/or its successor shall have the right, in such capacity, to designate two (2) of the three (3) Residential Board Members, all of whom may be persons related to or affiliated with Sponsor and/or its successor or other Unsold Unit Owner, and Sponsor and/or its successor and all other Residential Unit Owners shall elect the one (1) remaining Residential Board Member who shall not be a person related to or affiliated with Sponsor and/or its successor-in-interest or other Unsold Unit Owner. Any person who wishes to serve as a member of the Board shall give written notice to the Managing Agent no less than fourteen (14) days prior to the annual meeting.

In addition, at elections of members to the Board held after the expiration of the Initial Control Period but while Sponsor and/or its successor-in-interest still owns at least one Residential Unit, Sponsor and/or its successor-in-interest shall have the right to designate one (1) of the Board Members. Accordingly, from and after the expiration of the Initial Control Period, Sponsor shall have the right to designate not more than one (1) member of the Board and shall no longer exercise voting control over the Board, *i.e.*, following the expiration of the Initial Control Period, at least two (2) of the three (3) members of the Residential Board shall not be designated by Sponsor or its successor-in-interest or other owner of Unsold Units but shall be elected by the Unit Owners. There is no restriction on the right of Sponsor and its successor-in-interest(s) or any Unsold Unit Owner to vote for members of the Board who are not related to or affiliated with Sponsor or such successor-in-interest or Unsold Unit Owner; however, after the expiration of the Initial Control Period, neither Sponsor nor its successor-in-interest will designate a majority of the Members.

Accordingly, from and after the expiration of the Initial Control Period, at least two (2) of the three (3) members of the Residential Board shall not be related to or affiliated with Sponsor or its successor-in-interest or such Owner of Unsold Units. There is no restriction on the right of Sponsor and/or its successor-in-interest(s) or other Unsold Unit Owner(s) to vote for members of the Board who are not related to or affiliated with Sponsor or such successor-in-interest or such Unsold Unit Owner(s). The number of members of the Board may not be increased without the consent of the owner(s) of the Unsold Units, for so long as there remains at least one (1) Unsold Unit.

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

Sponsor may not exercise veto power over expenses described in Schedule B, or over expenses required to comply with any Legal Requirements applicable to the Building or expenses required to ensure the health and safety of the occupants of the Building, or to remedy any notice of violation entered against the Building or to comply with any proper work order by an insurer of the Building. Sponsor may, however, exercise veto power over expenses other than those described in the preceding sentence, to the extent provided in the Plan, for a period ending not

more than five (5) years after the First Closing or whenever the Unsold Units constitute less than 25 percent of the Common Interest, whichever is sooner.

The number of members of the Condominium Board representing the Unit Owners may not be increased or decreased without the consent of Sponsor as owner of the Unsold Units for so long as there remains a single Unsold Unit.

Until Sponsor no longer elects a majority of the members of the Condominium Board, Sponsor will through its control of the Condominium Board have control of the maintenance and operation of, and the services to be provided by the Condominium and will determine the Common Charges to be paid by all Unit Owners.

The Condominium Board may not, for as long as Sponsor has title to the Units having more than 25 percent of the aggregate Common Interests pertaining to all Units, but in no event later than five (5) years after the First Unit Closing, whichever shall first occur, take any of the following actions without Sponsor's prior written consent (notwithstanding the number of votes sponsor controls): (a) make any addition, alteration or improvement to the Common Elements or to any Unit unless the same are required to comply with applicable laws or regulations, (b) assess any Common Charges or Special Assessments for the creation of, addition to or replacement of or addition to all or part of a reserve, contingency or surplus fund, (c) increase or decrease the number, or change the kind of, employees from that described in the First Year's Budget, (d) enter into any service or maintenance contract for work or otherwise contract for work or services not covered in the First Year's Budget, except as is required to reflect normal annual increases in operating services, (e) borrow money on behalf of the Condominium, or (f) exercise a right of first refusal to lease or purchase a Unit; provided, however, that Sponsor's written consent is not necessary to perform any function or take any action described in items (a) through (f) above, if, and only if, the performance of such function or the carrying out of such an action is necessary, and no other alternative is available, to enable the Condominium Board to comply with applicable laws or regulations or to remedy any notice of violation or work order of the Condominium's insurer.

During the time that Sponsor or its successors-in-interest have the right to control the Condominium Board or to control the expenditures of the Condominium as above provided, Sponsor or its successors-in-interest will effectively control the budget of the Condominium, the selection of a management company, the maintenance charges imposed upon Unit Owners or similar matters which will ultimately be the responsibility of resident members of the Condominium Board.

BOARD OF MANAGERS

Prior to the First Annual Meeting, Michael Kirchmann, Alan Rudikoff and Michael Levine will serve as the members of the Board of Managers.. Messrs. Kirchmann and Rudikoff are principals of Sponsor. Mr. Levine is a consultant employed by GDS Development, Inc., which is the project manager retained by Sponsor in connection with the development of the Building and the preparation of this Plan. From and after the First Annual Meeting, the Residential Board

shall consist of three (3) persons elected by the Residential Unit Owners (including Sponsor) (subject, however, to Sponsor's right to designate certain Board members during the Initial Control Period, as hereinafter set forth). There will also be a Condominium Board that will govern the affairs of the entire Condominium that will consist of three (3) members, two (2) elected by the Residential Unit Owners and one (1) Board member designated by the Commercial Unit Owner. At meetings of the Unit Owners, Sponsor will have the right to vote all of the Common Interests appertaining to the Units owned by Sponsor as it sees fit. However, in addition, at elections of the Condominium Board held before the expiration of the Initial Control Period, Sponsor and/or its successor-in-interest shall have the right to designate two (2) members of the Residential Board, in the aggregate, who are related to or affiliated with Sponsor, such successor-in-interest or other Unsold Unit Owner(s), and Sponsor, such successor-in-interest and all other Unit Owners shall have the right to elect the remaining member of the Board, who shall not be related to or affiliated with Sponsor, such successor-in-interest or other Unsold Unit Owners. Except for the Condominium Board members designated by Sponsor, all members of the Condominium Board must be either Unit Owners or certain interested parties as described in the By-Laws. No member of the Condominium Board shall continue to serve on the Condominium Board if, during his or her term of office, said member shall cease to be a Unit Owner or an interested party. All Board members shall serve without compensation. Each Unit Owner shall be entitled to one (1) vote for each 0.0001 percent of Common Interest assigned to such Unit Owner's Unit. For so long as Sponsor or its successors own at least fifteen (15%) percent of the Units, but in no event later than the fifth anniversary of the First Unit Closing, Sponsor may designate up to two (2) of the three (3) Members of the Residential Board.

All members of the Condominium Board and officers shall serve without compensation from the Condominium, and Sponsor has agreed that the By-Laws will not be amended to provide otherwise while Sponsor is in control of the Condominium Board.

The term of office of the members of the Residential Board and Condominium Board shall be for one year or until their successors are elected. Any member of the Condominium Board may resign at any time by written notice hand delivered or sent by certified mail, return receipt requested, or by overnight courier to the President or Secretary of the Condominium Board. Notwithstanding the term of such member's office, such resignation shall take effect at the time specified therein.

A member of the Condominium Board may be removed with or without cause by an affirmative vote of a majority of Unit Owners (as defined in the By-Laws) who are present at a meeting containing a quorum of Unit Owners; provided, however, that Condominium Board members designated by Sponsor may only be removed with cause and replaced by another Sponsor designee. No member of the Condominium Board shall continue to serve on the Condominium Board if, during his or her term of office, such member shall cease to be a Unit Owner or an interested party as described in Section 2.7 of the By-Laws; provided, however, that this provision respecting Unit ownership and Condominium Board membership shall not apply to members of the Condominium Board designated by Sponsor.

Upon the affirmative vote of a majority of the members of the Condominium Board, any officer may be removed with or without cause. A successor officer may be elected at any regular

Condominium Board meeting or at any special Condominium Board meeting called for such purpose.

The Condominium Declaration and By-Laws each provide that the same may be amended by the vote of Units Owners owning both (a) at least 66-2/3 percent of the Common Interests; and (b) at least three (3) of the Units, provided however, no such amendment affecting provisions related to the Commercial Unit is effective without the vote and/or written consent of the Commercial Unit Owner.

Section 2.13 of the By-Laws provides that each Board Member is indemnified by all of the Unit Owners, to the extent of the Common Interest allocated to each of their respective Units from any liability or claim arising from their acts as Board Members, except in cases of bad faith or willful misconduct, or any liability associated with self-dealing by such Board Member.

Any member of the Condominium Beard who is a designee of Sponsor may contract or deal with Sponsor and no other member of the Condominium Board or any Unit Owner may claim that such designee is self-dealing.

RIGHTS AND OBLIGATIONS OF UNIT OWNERS

Sales and Leases of Units

Each Unit Owner may sell or lease his or her Unit provided the selling Unit Owner (the "Transferor") first gives the Condominium Board, on behalf of all Unit Owners, notice of his or her intention to sell or lease such Unit and an opportunity to purchase or lease such Unit at the same price or rental and on the same terms as were offered in good faith by a prospective Purchaser or lessee, as more specifically provided in Article 7 of the By-Laws. If the Condominium Board does not elect to purchase or lease the Unit within 30 days after receipt of the offering Unit Owner's notice, the Transferor will have an additional 60 days to enter into a written agreement with the prospective purchaser or lessee, as the case may be, embodying the terms set forth in said notice. In the event such written agreement is not executed by the Transferor within said 60-day period or such sale or lease is not consummated within an additional 60 days following the expiration of said 60-day period, the Transferor will be required to again first offer the same to the Condominium Board, provided that the Condominium Board shall be entitled to waive, or to permit an extension of, either or both of such 60 day periods. The Condominium Board may not exercise its option to purchase or lease any Unit without prior approval of a majority in interest of Unit Owners present in person or by proxy and voting at a meeting at which a quorum is present. In any vote of all the Unit Owners, the Transferor shall have the right to vote in any vote conducted by the Condominium Board for the purpose of determining whether the Condominium Board shall exercise its right of first refusal to purchase or lease the Transferor's Unit.

The right of first refusal in favor of the Condominium Board described above shall not apply to the Sponsor or to the Commercial Unit. Any deed given by a Transferor shall provide that the 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 the By-Laws and shall provide that it may not be materially modified, amended, or extended without the prior consent in writing of the Condominium Board, that the tenant shall not assign the lease or sublet the demised premises or any part thereof without the prior consent in writing of the Condominium Board, and that the Condominium Board, if permitted by applicable law, shall have the power to terminate such lease and/or to bring summary proceedings to evict the tenant in the name of the landlord thereunder, in the event of default by the tenant in the performance of such lease. The form of any such lease shall be a printed, reasonably applicable form of residential lease which is generally accepted in New York City such as an appropriate Real Estate Board of New York, Inc. or Blumberg form, except for such changes therein as provided in the By-Laws.

Any purported sale or lease of a Unit in violation of Article 7 of the By-Laws shall be voidable at the election of the Condominium Board. Other than the exercise of the Right of First Refusal, the Condominium Board has no right to approve or disapprove prospective purchasers of the Units. Accordingly, there is no limit on the number of owners who may purchase a unit for investment rather than for personal occupancy. Therefore, there may always be a substantial percentage of Unit Owners who are non-residents of the Condominium.

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

The restrictions upon the sale and lease of Units shall not apply to Sponsor with respect to any Unsold Units, or to Units acquired by a mortgagee in foreclosure or by deed in lieu of foreclosure and such parties shall be free to sell or lease without first offering to sell or lease the Units to the Condominium Board.

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

A Unit may not be conveyed unless all unpaid Common Charges and liens against such Unit (other than Permitted Mortgages) are paid and/or satisfied at or prior to closing. In addition, the Condominium Board may establish reasonable fees for the processing of sale and lease notices, which shall be payable by the selling or leasing Unit Owner, as the case may be, to the Board of Managers.

Notwithstanding anything contained herein to the contrary, prior to the closing of title to a Unit, the Purchase Agreement prohibits a Purchaser from listing such Unit for resale or rental with any broker or from advertising or otherwise offering, promoting or publicizing the availability of the Unit for sale or lease, without Sponsor's prior written consent.

Use of Units

Residential Units shall be used only as a residence (except as described below), and not more than one family may occupy a Residential Unit at one time. A Unit owned or leased by an individual, corporation, partnership, fiduciary or any other entity may only be occupied by said individual, an officer, director, stockholder or employee of such corporation, a partner or employee of such partnership, the fiduciary or beneficiary of said fiduciary, a principal or employee or such other entity, respectively, or by members of the immediate family or guests of any of the foregoing, provided however, no Unit may be leased for a term of less than 30 days. A Unit may be used as an office for a "home occupation", provided such use is permitted by applicable laws or regulations, does not violate the then existing Certificate of Occupancy covering the Building, complies with all applicable governmental regulations and the Condominium Board, in its sole discretion, grants permission for such use.

The Common Elements shall be used only for the furnishing of the services and facilities for which they are reasonably suited and capable and which are incident to the use and occupancy of Units.

The Commercial Unit may be used for any purpose permitted under applicable law, subject, however, to the limitations set forth in the By-Laws.

No nuisance, immoral, improper, offensive or unlawful use shall be allowed in the Building. All valid laws, zoning ordinances and regulations of governmental bodies having jurisdiction thereof relating to any portion of the Property shall be complied with at the sole expense of the respective Unit Owners or the Condominium Board, whoever or whichever shall have the obligation to maintain or repair such portion of the Property.

No "For Sale", "For Rent", "For Lease" signs, or any other sign evidencing a similar purpose, or other window display or advertising shall be maintained or permitted in any Unit, except that these sign restrictions shall not apply with respect to Unsold Units.

No awnings, air-conditioning equipment or ventilators shall be installed or modified in the Building without prior written approval of the Condominium Board. No radio or television aerial or other similar device shall be erected on the roof or exterior walls of the Building or on the Property, without obtaining in each instance the written consent of the Condominium Board.

Residential Unit Owners may keep pets in their Units, without the consent of the Board of Managers, provided however, the Board of Managers shall have the right to request that a Unit Owner remove any pet which causes a nuisance, health hazard or unsanitary condition. Each Unit Owner who keeps any type of pet in his or her Unit will be required to: (a) indemnify and hold harmless the Condominium, all Unit Owners and the Managing Agent from all claims and

expenses resulting from acts of such pet; and (b) abide by any and all reasonable Rules and Regulations of the Condominium Board adopted with respect thereto.

Each Unit Owner shall keep his or her Unit in a good state of preservation and cleanliness and each Unit Owner shall be obligated to maintain and keep in good order and repair his or her own Unit in accordance with the provisions of the By-Laws and the rules and regulations of municipal departments or agencies having jurisdiction thereof. The Rules and Regulations concerning the use of Units may be amended from time to time by the Condominium Board provided that copies thereof are furnished to each Unit Owner prior to the time that they become effective (except that no amendment thereof affecting the Unsold Units may be made unless agreed to by Sponsor). Further restrictions on the use and leasing of Units are set forth in the By-Laws and Rules and Regulations.

Mortgage of Units by Unit Owners

Each Unit Owner may mortgage his or her Unit, provided that such Unit Owner first complies with the conditions with respect thereto set forth in the By-Laws. As more fully set forth in the By-Laws, these conditions include the requirements that (a) the mortgage be substantially in the form of the New York Board of Title Underwriters form of mortgage, except for such changes or additions as may be required to permit a lender to make the loan, (b) the Condominium Board is notified in writing of the making of such mortgage and receives a conformed copy of the note and mortgage, and (c) the owner making such mortgage first satisfies all unpaid liens against his or her Unit, other than Permitted Mortgages. Sponsor shall have the right to mortgage any Unsold Unit without any restriction or limitation.

As more particularly set forth in the Section entitled "Amendments to Condominium Documents", in certain instances the consent of the Mortgage Representatives are necessary in order to amend the Declaration, By-Laws or Rules and Regulations. The By-Laws provide that no more than one Residential Mortgage Representatives shall be designated by the holders of mortgages (a) which satisfy the conditions set forth in the By-Laws (as described above) and (b) which holders of such mortgages are (i) Sponsor or its successor-in-interest, (ii) a bank, trust company, insurance company, real estate investment or mortgage trust or (iii) a governmental or union employee, welfare, pension or retirement fund or system.

Common Charges: Determination and Assessment

Common Expenses, which are payable only by Unit Owners and are included in their Common Charges, are allocated among Unit Owners in proportion to their respective Common Interests. Common Expenses include, among other things, all costs and expenses (including the payment of wages) in connection with the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, the Common Elements, and may include amounts for certain other items as the Condominium Board may deem proper, such as amounts for reserves or in connection with the purchase or lease by the Condominium Board of any Unit.

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

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

Common Charges: Collection and Lien or Nonpayment

Under the provisions of the By-Laws, the Condominium Board, on behalf of all Unit Owners, will have a lien on each Unit for unpaid Common Charges, together with interest thereon, assessed against such Unit in proportion to the respective Common Interests of the Units. All such liens, however, to the extent permitted by applicable law, will be subordinate to the lien of any first Permitted Mortgage of record and to liens for real estate taxes on the particular Unit. Any lien for unpaid Common Charges against a Unit will be effective from and after filing of a verified notice thereof in the Register's Office until all sums secured thereby with interest accrued thereon shall have been fully paid, or until six (6) years from the date of filing (unless foreclosure of such lien is started within such six (6) year period), whichever shall occur sooner. The By-Laws provide that such liens may be foreclosed by a suit brought in the name of the Condominium Board (acting on behalf of all Unit Owners) in like manner as the foreclosure of a mortgage on real property or an action may be brought by the Condominium Board to recover unpaid Common Charges without foreclosing such lien.

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

On a resale of a Unit, the purchaser thereof will be liable for the payment of Common Charges accrued and unpaid against such Unit prior to his or her acquisition. Prior to the permissible sale, transfer or other conveyance of a Unit, any seller or purchaser of a Unit shall be

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

Repairs to and Maintenance of Units and Common Elements

Generally, all painting, decorating, maintenance, repairs and replacements, whether structural or non-structural, ordinary or extraordinary, (a) in or to any Unit (other than to the Common Elements), including the heating/cooling systems and the interior side of entrance doors thereto, will be made by the owner of such Unit at such Unit Owner's sole cost and expense, and (b) in or to the Common Elements will be made by the Condominium Board and the cost and expense thereof will be charged to all Unit Owners as a Common Expense.

Notwithstanding the above, all normal maintenance, repairs and replacement of the Terraces and Balconies shall be made by the Unit Owner of the Unit to which such Limited Common Elements are appurtenant, at his or her own cost and expense, but any structural or extraordinary repairs or replacements to the Terraces and Balconies (including any leaks that are not caused by the negligence of the Unit Owner having access to the same) will be made by the Condominium Board and the cost and expense thereof will be charged to all Unit Owners as a Common Expense. The Unit Owners of Units 2 and PH shall keep their respective Terraces free of snow, ice and accumulation of water. In accordance with the By-Laws, the type, size and quantity of plantings and other installations to be placed on the Terraces and Balconies by the Unit Owners and the rights of the Unit Owners to paint and decorate the Terraces and Balconies shall be subject to the prior written approval of the Condominium Board. Notwithstanding anything to the contrary contained herein, the Board of Managers of the Condominium and their representatives will have additional access to the roof for the purpose of inspecting and repairing the same.

The interior glass surfaces of all windows located in any Unit shall not be colored or painted and are to be washed and cleaned by the Unit Owner at such Unit Owner's sole cost and expense. Any replacement of glass windows in any Unit because of breakage or otherwise shall be made by the Unit Owner thereof at the sole cost and expense of the Unit Owner (unless such breakage is caused by the Condominium Board or the negligence of any other Unit Owner, in which event such replacement of glass windows will be at the sole cost and expense of the Condominium Board or such Unit Owner).

The By-Laws provide that each Unit and all portions of the Limited Common Elements which are used exclusively by certain Unit Owners (*e.g.* Terraces and Balconies) shall be kept in first-class condition (and with respect to any roof or other part of the Property exposed to the elements, free of snow, ice and accumulation of water) by the Unit Owner. In the event any Unit Owner fails to keep the designated Limited Common Element appurtenant to his or her Unit in such condition, the Board may, at the expense of such Unit Owner, enter such Unit and/or the Limited Common Element and perform such acts as are necessary to cure such default. ***See Section entitled "Rights of Access".***

The By-Laws further require that those public or other areas of the Building, including, without limitation, the Terraces and the Balconies, exposed to public view, which are required to be maintained by each Unit Owner or the Condominium Board, be kept in good appearance in conformity with the dignity and character of the Building, by such Unit Owner or the Condominium Board.

Alterations and Improvements of Units and Common Elements

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

No construction may be performed on the roof or any Terrace or Balcony without having approved plans and a building permit from the Department of Buildings and the approval of the Condominium Board. Sponsor makes no representation as to whether additional structures may be constructed on the roof or any Terrace located thereon. Any prospective purchaser who is interested in constructing improvements on a Terrace or Balcony should consult with its own advisors.

Prior to, and as a condition of, the granting of its consent to the making of a structural alteration, addition, improvement or repair in or to a Unit, the Condominium Board shall have the right to reasonably approve the Unit Owner's contractors and suppliers and may, at its option, require the Unit Owner to execute an agreement in form and substance satisfactory to the Condominium Board setting forth the terms and conditions under which such alteration, addition, improvement or repair may be made, including, without limitation, the days and hours during which any work may be done.

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

No application or other document shall be filed with any governmental authority for a permit covering an addition, alteration or improvement to be made in a Unit, unless approved and executed, if necessary, by the Condominium Board. The Condominium Board will not

unreasonably refuse to approve and execute, if necessary, any application or other document required to be filed in connection with approved structural alterations, additions, improvements or repairs, provided that the Condominium Board other and the other Unit Owners shall not be subject to any expense or liability by reason of such approval and execution or, by reason of such addition, alteration or improvement, including, without limitation, liability to any contractor, subcontractor, materialman, architect or engineer, or to any person having any claim for injury to person or damage to property arising therefrom. The provisions of this paragraph shall not apply to an Unsold Unit, provided any alteration to such Unit shall be in accordance with, and only as permitted by, the Condominium Act and all governmental regulations. Generally, all alterations or improvements in or to the Common Elements will be made by the Condominium Board and the cost and expense thereof will be charged to all Unit Owners as a Common Expense.

Insurance

The Condominium Board is required to obtain and maintain the forms of insurance described in the Section entitled "Rights and Obligations of the Condominium Board/Summary of By-Laws." The Condominium Board is not required to obtain or maintain any insurance with respect to any property contained in a Unit. Consequently, Unit Owners are also required to obtain casualty insurance with respect to the fixtures, furniture, furnishings and other personal property located within their respective Units, and liability insurance with respect to occurrences in or about their respective Units, as more particularly set forth herein.

Rights of Access

As more fully set forth in the By-Laws, the Condominium Board and any managing agent, manager, superintendent and other persons authorized by the Condominium Board, will have a right of access to any Unit for the purposes of performing installations, alterations or repairs to the mechanical or electrical services or other Common Elements in the Unit or elsewhere in the Building, to remove violations, cure defaults by a Unit Owner, correct any condition originating in any Unit and threatening another Unit or any Common Element, and for any other purposes provided in the Plan, Declaration or as may be required by law or governmental regulation, provided that requests for entry (except in emergency situations) are made in advance and that any such entry (except in emergency situations) is at a time reasonably convenient to the Unit Owner and the tenants of any Unit. In case of an emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not.

In accordance with the provisions of the multiple dwelling laws, each Unit Owner must deliver a complete set of keys for his or her Unit to the Board of Managers of the Condominium to facilitate any necessary entry. Provided reasonable care is exercised to safeguard the Unit Owner's property, any entry described herein shall not render the Condominium Board or its authorized agents liable for damage incurred in connection with the exercise of such right of entry.

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

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

Examination of Books and Records

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

Self-Help

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

Units Held by Non-Occupying Unit Owners

Section 339-kk of the New York Real Property Law provides that if a Non-Occupying Unit Owner rents any dwelling unit to a tenant and then fails to make payments due for common charges, assessments or late fees for such Unit within 60 days of the expiration of any grace period after they are due, all rental payments from the tenant shall be directly payable to the Condominium. A "Non-Occupying Owner" shall mean a Unit Owner who does not use his or her dwelling unit for occupancy by themselves or a member of their immediate family.

If the common charges, assessments or late fees due for any Unit have not been paid in full within 60 days after the expiration of any grace period of the earliest due date, the Board of Managers shall provide written notice to the rental tenant and the Non-Occupying Owner providing that, commencing immediately and until such time as all payments for maintenance, assessments or late fees are made current, all rental payments due subsequent to the issuance of such notice are to be made payable to the Condominium at the address listed on the notice. Where a majority of the Board of Managers has been elected by and from among the owners who are in occupancy, the Board may elect not to require that rental payments be made payable to the Condominium. At such time as payments for maintenance, assessments and late fees from the Non-Occupying Owner are once again current, notice of such fact shall be given within three (3) business days to the rental tenant and Non-Occupying Owner. Thereafter, all rental payments for such unit shall be made payable to the Non-Occupying Owner or to a designated agent. A Non-Occupying Owner who disputes the Condominium's claim to rental payments pursuant to this

section shall be entitled to present facts supporting such owner's position at the next scheduled meeting of the Board of Managers, which must be held within 30 days.

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

Condominium Board

The affairs of the Condominium shall be governed by the Condominium Board, which shall initially consist of two (2) members designated by Sponsor. Within 30 days of the first anniversary of the First Unit Closing, the Condominium Board will call for the first annual meeting of Unit Owners. At such meeting, the incumbent Condominium Board shall resign and, subject to Sponsor's right to designate members of the Condominium Board, the Unit Owners shall elect a new Residential Board consisting of three (3) members and a Condominium Board consisting of three (3) members, two (2) of whom shall be elected by the Residential Unit Owners with one (1) member being appointed by the Commercial Unit Owner. ***See Sections entitled "Board of Managers" and "Control by Sponsor".*** Thereafter, at each annual meeting, members of the Residential Board and the Condominium Board shall be elected and shall serve until the next annual meeting thereof and until a successor has been elected and qualified.

Powers and Duties of and Determinations by the Condominium Board

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

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

Notwithstanding anything to the contrary contained herein, so long as Sponsor shall continue to own units with an aggregate common interest of more than 25 percent of the Common Elements, but in no event later than five (5) years from the First Closing, the Condominium Board may not without Sponsor's prior written consent (notwithstanding the number of votes Sponsor controls): (a) make any addition, alteration, or improvement to the Common Elements or to any Unit unless the same are required to comply with applicable laws or regulations; (b) assess any Common Charges for the creation or replacement of, or addition to, all or part of a reserve, contingency, or surplus fund; (c) increase or decrease the number or change the kind of employees from that described in the First Year's Budget; (d) enter into any service or maintenance contract for work or otherwise provide services in excess of those set forth in the First Year's Budget, except as is required to reflect normal annual increases in operating services; or (e) borrow money on behalf of the Condominium; or (f) exercise a right of first refusal to lease or purchase a Unit; provided, however, that Sponsor's written consent is not necessary to perform any function or take any action described in clauses (a) through (f) above, if, and only if, the

performance of such function or the carrying out of such action is necessary (and no alternatives are available) to enable the Condominium Board to: (i) comply with applicable laws or regulations; or (ii) remedy any notice of violation; or (iii) remedy any work order of the Condominium's insurer.

Meetings and Votes of Unit Owners

Annual meetings of Unit Owners shall be held within approximately 30 days of each anniversary of the first annual meeting. At such meetings, the Residential Unit Owners shall elect the three (3) members of the Residential Board and the Residential Unit Owners shall elect the two (2) members of the Condominium Board and the Commercial Unit Owner shall appoint one (1) member of the Condominium Board, provided however, the foregoing shall be subject to any rights of Sponsor to designate Condominium Board members, and there shall also be transacted such other business as may properly come before such meetings. In addition, special meetings may be held from time to time pursuant to the By-Laws. The Secretary of the Condominium Board shall mail a notice of each annual or special meeting to all Unit Owners of record. The notice, which will be given not less than ten (10) nor more than 30 days prior to any such meeting, shall state the purpose of the meeting as well as the time and place where it is to be held. Except as otherwise provided in the By-Laws or Declaration, at all meetings of Unit Owners, the presence in person or by proxy of Unit Owners owning more than 40 percent of the Common Interests attributable to all Units shall constitute a quorum and a majority of the votes cast at any such meeting at which a quorum is present shall be binding upon all Unit Owners.

At all meetings, each Unit Owner (or his or her proxy) entitled to vote thereat (including Sponsor or its successors-in-interest with respect to Unsold Units) shall be entitled to cast one vote for each 0.0001 percent of interest in the Common Elements attributable to his or her Unit or Units.

Officers

The principal officers of the Condominium shall be a President, a Vice President and a Secretary-Treasurer, all of whom shall be elected by the Condominium Board. The Residential Board and the Condominium Board may appoint additional officers. None of the officers of the Condominium need be Unit Owners or have any interest therein or be Condominium Board members until the first organizational meeting of the Condominium Board following the first annual meeting. Thereafter, the President, a Vice President and a Secretary-Treasurer must be members of the Condominium Board. No officer shall receive any compensation for acting as an officer of the Condominium. The By-Laws provide that all instruments of the Condominium are to be executed by any two (2) officers thereof or by such other person or persons as may be designated by the Condominium Board. However, any significant expenditure by the Condominium Board in excess of $10,000 must be countersigned by two (2) members of the Condominium Board. If, for any reason whatsoever, one member refuses to countersign such an expenditure which has been authorized, the Condominium Board shall designate and authorize another Board member to countersign the expenditure.

Repair or Reconstruction after Fire or Other Casualty

In the event that the Building or any part thereof is damaged or destroyed by fire or other casualty, the Condominium Board will, except as set forth below, arrange for the prompt repair and restoration thereof (including each Unit, but excluding fixtures, furniture, furnishings or other personal property not constituting a part of such Unit).

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

If 75 percent or more of the Building is destroyed or substantially damaged and if 75 percent or more in Common Interest of all Unit Owners do not promptly resolve to proceed with the repair or restoration thereof, the Building will not be repaired and the Property shall be subject to an action for partition instituted by any Unit Owner or lien or, as if owned in common, in which case the net proceeds of sale, together with the net proceeds of insurance policies, shall be divided among all Unit Owners in proportion to their respective Common Interests, provided, however, that no payment shall be made to a Unit Owner until there has first has been paid out of his or her share of such funds such amounts as may be necessary to discharge all unpaid liens on his or her Unit (other than mortgages which are not Permitted Mortgages) in the order of the priority of such liens.

Notwithstanding anything contained herein to the contrary, the proceeds of all policies of physical damage insurance maintained by the Condominium Board shall be payable to the Condominium Board in the event of a loss amounting to $100,000 or less. In the event that such proceeds are in excess of $100,000, such proceeds shall be payable to a New York City bank or trust company designated by the Condominium Board as insurance trustee pursuant to the provisions of the By-Laws. The insurance trustee shall hold all such proceeds in accordance with Section 254-(4) of the New York Real Property Law.

Insurance

The Condominium Board is required to obtain and maintain, in accordance with the provisions of the By-Laws, to the extent obtainable and to the extent determined by the Condominium Board to be appropriate, the following insurance: (a) fire insurance with all risk extended coverage, vandalism and malicious mischief endorsements, insuring the entire Building (including each Unit, but excluding fixtures, furniture, furnishings, improvements or other personal property not constituting a part of such Unit), together with all service machinery contained therein and covering the interests of the Condominium, and all Unit Owners and Permitted Mortgagees, as their respective interests may appear, in an amount equal to the full replacement value of the Building (exclusive of foundation and footings); (b) rent insurance in an

amount equal to Common Charges for one (1) year; (c) worker's compensation and New York State disability benefits insurance; (d) plate glass insurance to the extent, if any, determined by the Condominium Board; (e) water damage insurance to the extent, if any, determined by the Condominium Board; (f) elevator liability and collision insurance; (g) directors and officers liability coverage; and (h) such other insurance as the Condominium Board may determine.

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

The amount of fire insurance and all risk extended coverage to be maintained until the first Condominium Board meeting following the First Annual Meeting of the Unit Owners shall be in an amount no less than the coverage set forth in the First Year's Budget in Schedule B hereof.

All policies of physical damage insurance shall contain, to the extent obtainable, waivers of subordination and waivers of any defense based on (i) co-insurance, (ii) other insurance, (iii) invalidity arising from any acts of the insured, or (iv) *pro rata* reduction of liability, and shall provide that such policies may not be cancelled or substantially modified without at least ten (10) days prior written notice to all of the insureds, including all Unit Owners and Permitted Mortgagees. Duplicate originals or certificates of insurance of all policies of physical damage insurance and of all renewals thereof, together with proof of payment of premiums, shall be delivered to all Unit Owners and Permitted Mortgagees at least ten (10) days prior to the expiration of the then current policies.

The Condominium Board shall also be required to obtain and maintain, to the extent obtainable, comprehensive general liability insurance against claims for personal injury, death or property damage occurring upon, in or about the Property, in such limits as the Condominium Board may from time to time determine, covering (1) the Condominium Board, the Managing Agent or agents thereof, each Condominium Board member and each officer and employee of the Condominium, and (2) each Unit Owner, except that such policy will not cover liability of a Unit Owner arising from occurrences within his or her own Unit or within the Common Elements, if any, exclusive to his or her Unit. The Condominium Board shall review such limits not less than once each year. Until the first meeting of the Condominium Board following the First Annual Meeting of Unit Owners, such liability insurance shall be in at least the sum set forth in Schedule B with respect to bodily injury and property damage, combined single limit. The insurance discussed above shall also include cross-liability claims of one insured against another.

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

Unit Owners may carry other insurance for their own benefit, provided that all such policies shall contain waivers of subrogation, if available, and further provided that the liability of

the carriers issuing insurance obtained by the Condominium Board shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owner.

Liability of the Condominium Board and Unit Owners

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

Reports to Unit Owners

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

Amendments to Condominium Documents

Generally, subject to certain exceptions concerning, among other things, Sponsor, and Unsold Units, and provided that required consents of the Mortgage Representatives, if any, are obtained, any provision of the Declaration, By-Laws or Rules and Regulations affecting the Common Elements or all Unit Owners may be amended, modified, added to or deleted by affirmative vote of at least 66 2/3 percent in number and in Common Interest of all Unit Owners; provided, however, that the Common Interest appurtenant to each Unit may not be altered without the written consent of all Unit Owners directly affected thereby.

No amendment, modification, addition or deletion of the Declaration, By-Laws or Rules and Regulations (other than those required by law) shall be effective (a) against Sponsor or any Unsold Unit unless Sponsor has given its written consent thereto, or (b) against the holder of any mortgage, pledge or other lien or security interest covering any Unsold Unit unless such holder has given its prior written consent thereto.

Action for Partition of Condominium

The Condominium shall continue and the Property shall not be subject to an action for partition (unless terminated by casualty loss, condemnation or eminent domain as provided in the By-Laws) until such time as the Property shall be withdrawn from the provisions of the

Condominium Act as a result of the vote to do so of at least 100 percent in number and in Common Interest of all Unit Owners. Such vote shall not be effective, however, unless written consents are obtained from the Mortgage Representatives, if any.

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

Units Acquired by Condominium Board

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

The purchase of any Unit by the Condominium Board on behalf of the Unit Owners may be made from the funds deposited in the capital and/or operating accounts of the Condominium Board. If the funds in such account is insufficient to effectuate any such purchase, the Condominium Board may levy an assessment against each Unit Owner in proportion to his or her respective Common Interest, as a Common Charge and/or the Condominium Board may, in its discretion, finance the acquisition of such Unit; provided, however, that financing may only be obtained when permitted by the By-Laws and that no such financing may be secured by an encumbrance or hypothecation of any portion of the Property other than the Unit to be purchased together with its appurtenant interests in the Common Elements. In the event that any such Unit is leased or sold, the proceeds of such sale will be used to replenish the reserves of the Condominium.

Procedure to Review Real Estate Tax Assessments

The Condominium Board, on behalf of and as agent for all Unit Owners, will be authorized to commence, pursue and settle certiorari proceedings to obtain reduced real estate tax assessments with respect to the Units.

Borrower by Board of Managers

Section 339-jj of the Real Property Law authorizes the Condominium Board to incur debt provided that such debt (a) is incurred no earlier than the fifth anniversary of the First Closing and (b) is approved by Unit Owners owning Units appurtenant to a majority of the Common Elements. Any such debt may be secured by future income and Common Charges in which event the Common Charges shall be deemed trust funds for the purpose of paying such debt. The Condominium Board cannot secure such debt by a lien on the Common Elements without the consent of the majority of the Unit Owners.

INCOME TAX DEDUCTIONS TO UNIT OWNERS AND TAX STATUS OF CONDOMINIUM

The following discussion of certain income tax consequences of the ownership of a Unit as a personal residence was prepared by Sponsor based, in part, upon the income tax opinion of Phillips Nizer LLP, counsel to Sponsor, a copy of which is set forth herein.

PHILLIPS NIZER LLP IS COUNSEL TO SPONSOR AND NOT THE UNIT OWNERS. EACH PURCHASER SHOULD CONSULT HIS OR HER OWN TAX COUNSEL AS TO THE TAX CONSEQUENCES OF UNIT OWNERSHIP UNDER THE PLAN.

Income Tax Deductions to Unit Owners

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

It is the opinion of Phillips Nizer LLP that a Unit Owner who uses his or her Residential Unit as a personal residence will, under present law, for Federal, New York State and New York City income tax purposes, be entitled to a deduction for mortgage interest in the year paid in the case of cash basis taxpayers or accrued in the case of other taxpayers, subject to certain exceptions and limitations which are more particularly discussed in the Counsel's Income Tax Opinion Letter. Pursuant to the Tax Cut and Jobs Act of 2017 (the "2017 Tax Act"), certain changes were made with respect to the tax deductions available to individuals with respect to mortgage interest and real estate taxes paid with respect to their individual residence. Purchasers should note that mortgage interest is deductible generally only with respect to (1) secured debt used to acquire, construct or substantially improve a principal or second residence (or which constitutes a refinancing of such debt up to the then outstanding balance of the acquisition or improvement debt) up to a total indebtedness of $750,000 ($375,000 for married couples filing separately). Purchasers *will not* be entitled to deduct the interest payable with respect to "home equity indebtedness" only if such debt was incurred for the acquisition or improvement of the Unit. Residential Unit Owners should note that special limitations may apply to the deductibility of points and prepaid interest, if any, on their mortgage loans and to the overall allowance of itemized deductions. ***In any event, since the Internal Revenue Service has not promulgated Regulations pursuant to the 2017 Tax Act, Residential Unit Owners are advised to consult with their personal tax advisors to determine the deductibility of interest in their individual circumstances.***

The deductibility of any real estate taxes paid by the Residential Unit Owners, who use their respective Residential Unit as a residence will be subject to the provisions of the Internal Revenue Code, as amended by the 2017 Tax Act, which currently provides that the aggregate amount of state and local taxes, inclusive of real estate taxes and income taxes paid to state and local tax authorities by such individuals, is subject to a limitation of $10,000 per person or $10,000 per married couple ($5,000 for married individuals filing separately).

Each Unit Owner's proportionate share of the income received by the Board of Managers, including, but not limited to, income, if any, from the sale or leasing of Units owned by the Board of Managers or its designee on behalf of all Unit Owners (or from similar sources), if any, will either be included by the Unit Owner as taxable income for Federal and New York State income tax purposes, or taxed on the Condominium itself if the Condominium is required to pay taxes, the amount thereof will be levied as additional Common Charges. In such event this additional Common Charges may also be subject to tax.

Tax Status of the Condominium

Pursuant to Section 528 of the Internal Revenue Code, in certain instances, condominiums may be eligible to be treated as a "homeowners association" within the meaning of the Internal Revenue Code exempt from taxation on Common Charges collected from the Unit Owners, provided the requirements of Section 528 are met. If such an election is made, the Condominium will remain liable for Federal income tax on any taxable income it may have from other sources, such as income in connection with the provision of laundry facilities, interest earned on any bank accounts, and possibly income from assessments from Commercial Unit Owner (in each case, 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 60 percent 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) 90 percent 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 may 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 85 percent of the total square footage of all Units within the Condominium must be used by individuals for residential purposes. The 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. Assuming that the foregoing criteria are met, the Board of Managers may elect to have the Condominium treated as a condominium management association under Section 528. However, even if the Condominium Board were eligible to make a Section 528 election, it would still be subject to tax on any income not received as assessment 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.

In this instance, since the Residential Units, in the aggregate, comprise less than 85 percent of the square footage of all of the Units, based upon the regulations presently in effect, Sponsor has been advised that the Condominium *will not* qualify as a homeowners association. The state of the law is uncertain as to the tax treatment of any income of the Condominium in excess of appropriate deductions and credits in instances in which the Condominium will not

qualify as a homeowners association. As discussed in the tax opinion, the tax authorities may take the position that the Condominium is a separate taxable entity and that some or all of such income (including the non-membership, and possibly membership, income described above less expenses related to such income) is subject to Federal corporate income tax, New York State Corporation Franchise Tax and New York City Corporate Franchise or Unincorporated Business Tax. In any event, Schedule B, Budget for the First Year of Condominium Operation, does not contemplate the receipt of substantial income in excess of expenses that might be taxable and, accordingly, does not specifically budget any amounts for taxes for non-membership or membership income. Alternatively, it is possible that some or all of such income might be reportable directly by the Unit Owners or otherwise treated. Finally, the qualification of an organization as a homeowners association is determined annually at the close of the taxable year and it is therefore possible that if the condominium does not qualify in one year, it may, nonetheless, qualify for such treatment in one or more future years.

In no event will Sponsor, Sponsor's counsel, the Board of Managers of the Condominium, or any other person be liable if the Residential Unit Owners cease to meet the requirements of the Internal Revenue Code of 1986, as amended, or the New York State tax law, as amended, if there are changes in the facts on which counsel relied in issuing its opinion, or if there are changes in the applicable statutes or regulations.

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COUNSEL'S INCOME TAX OPINION LETTER

June 18, 2018

Board of Managers of
500 West 25th Street Condominium
c/o Camelot Realty Group
3 West 30th Street, 5th Floor
New York, NY 10001

Re: Condominium Offering Plan (the "Plan") for the
500 West 25th Street Condominium, located at
Premises known as 500 West 25th Street, New York, NY

Gentlemen/Mesdames:

You have requested our opinion concerning: (i) the availability of certain deductibility for Federal, New York State and New York City income tax purposes of mortgage interest and state and local real property taxes paid by individual residents of New York City who purchase "Residential Units" (defined below) pursuant to the Plan (each such individual, as related to such Residential Unit, a "Residential Unit Owner" and, collectively, "Residential Unit Owners"), and (ii) the proper treatment by the Condominium Board of the Common Charges (defined below) paid or borne by all Unit Owners (as defined below) for such income tax purposes. This opinion does not address in any respect any tax implications with regard to ownership of the Commercial Unit (as defined below) or Residential Units acquired for investment purposes or the use of a Residential Unit in connection with the operation of any business that is permissible pursuant to the applicable zoning laws, including whether any tax deductions are available to the owner of any such Residential Unit. The Commercial Unit (as defined herein below), except where otherwise indicated herein, the capitalized terms in this opinion have the same meanings as in the Plan.

The "500 West 25th Street Condominium" (the "Condominium") will be organized pursuant to Article 9B of the Real Property Law of the State of New York for the purpose of providing for the

management, maintenance and care of the ten-story mixed-use building located at 500 West Twenty-Fifth Street, New York, New York (the "Building"). We are advised that the Building will contain (A) eight (8) Units that will be designated as residences on the certificate of occupancy for the Building (each a "Residential Unit" and, collectively, the "Residential Units"); and (B) one (1) commercial unit (the "Commercial Unit" and together with the Residential Units, the "Units"). The Residential Unit Owners together with the owner of the Commercial Unit are referred to collectively as the "Unit Owners." The By-Laws of the Condominium provide that, in addition to the status conferred upon 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 pursuant to the provisions of the General Association Law of the State of New York.

In connection with the preparation of this letter, we have reviewed the Plan, relevant sections of the Internal Revenue Code, as amended by the Tax Cuts and Jobs Act adopted on December 22, 2017, which amends the 1986 Internal Revenue Code (the "2017 Tax Act", and together, as amended, the "Code"), the New York State Tax Law, the New York City Administrative Code, the Regulations promulgated thereunder, provided however, the Internal Revenue Services has not yet promulgated regulations subsequent to the passage of the 2017 Tax Act and such other materials as we deemed relevant, and we have assumed that the first closing of a Residential Unit pursuant to the Plan will occur on or about April 1, 2019, and that the Plan will not be amended in any material respect that is relevant to opinions expressed herein.

I. Deductions for Mortgage Interest and Real Property Taxes Available to a Unit Owner

A Residential Unit Owner will own his or her Residential Unit and its appurtenant interest in the "Common Elements", as such term is defined in the Declaration of Condominium (the "Declaration") in fee simple absolute. Accordingly, each Residential Unit will be taxed as a separate tax lot for real estate tax purposes and each Residential Unit Owner will be individually liable for the payment of such real estate taxes due and owing with respect to his or her respective Residential Unit. A Residential Unit Owner, pursuant to the terms of the Declaration of Condominium and By-Laws, may also obtain a loan, which may be secured by a mortgage lien on his or her Residential Unit. If a Residential Unit Owner borrows money and such loan is secured by a mortgage lien on his or her Residential Unit, such Residential Unit Owner will be individually liable for the repayment of such loan, including the principal balance, the interest thereon and any charges to be paid pursuant to the terms of said loan. Under these circumstances, the Internal Revenue Service has ruled that the owner of a residential condominium unit who itemizes deductions in filing his or her Federal income tax returns may deduct interest paid on his or her mortgage indebtedness and the state and local real

property taxes assessed and paid on his or her interest in the property (see Rev. Rul. 64-31, 1964-1 (Part I) C.B. 300).

Based on the foregoing, and subject to the limitations expressed herein, in our opinion, a Residential Unit Owner who is a natural person and itemizes his or her deductions will be entitled to a deduction in computing his or her taxable income for Federal Income tax purposes for *bona fide* mortgage interest paid by such Residential Unit Owner with respect to his or her Residential Unit in the year paid **provided that** (a) the indebtedness is incurred in acquiring, constructing or improving the Residential Unit, (b) the indebtedness is secured by such Residential Unit, (c) the indebtedness *does not exceed* $750,000 ($375,000 for married couples filing separately) not, when aggregated with indebtedness from a second "qualified residence,", and (d) the Residential Unit is a "qualified residence." Unit Owners will also be permitted to deduct interest paid on outstanding indebtedness evidenced by so called "home equity loans", subject to the limitations described above, provided that the proceeds of such "home equity" loans were used to either acquire or substantially improve the Unit acquired by such Unit Owner.

A Residential Unit will be a "qualified residence" if it is either (i) the Residential Unit 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 Residential Unit Owner selects as a qualified residence. Thus, a single taxpayer or a married couple filing a joint return is limited to two (2) qualified residences. In the case of a married couple filing separate returns, each taxpayer may take a deduction for mortgage interest paid with respect to a single "qualified residence", unless by written agreement both parties consent to one of them taking the deduction for both residences. Section 461(g) of the Code provides that no deduction will be allowed to a cash basis taxpayer in the year of payment for prepaid interest (other than, in certain instances, loan origination fees, commonly referred to as "origination fees" or "points" paid).

In addition, a Residential Unit Owner who is a natural person and itemizes his or her deductions and whose Residential Unit is used by such Residential Unit Owner as a "qualified residence," as described above, will be, for Federal income tax purposes, entitled to a deduction for real property taxes incurred with respect to his or her Residential Unit in the year paid or accrued pursuant to Section 164 of the Code, provided however, pursuant to the 2017 Tax Act, the right to deduct the real property taxes paid with respect to a Residential Unit will be subject to a limitation, which limits the deduction for State and Local Taxes, inclusive of income taxes paid to local tax authorities *e.g.* New York State and New York City and real property taxes to $10,000 per individual or married couple, or $5,000 for married individuals who file separately, in each case in the aggregate.

It is also our opinion that each Residential Unit Owner who is a natural person and itemizes his or her deductions and whose Unit is used by such Unit Owner as a "qualified residence," as described above, will generally be entitled to the same deduction for the mortgage interest and real property taxes paid or accrued with respect to his or her Residential Unit for New York State and New York City income tax purposes as is allowed for Federal (regular) income tax purposes. However, under New York State and New York City income tax law, itemized deductions, such as mortgage interest and real property tax deductions, are subject to reduction by as much as 100% in the case of individuals having income exceeding certain prescribed levels.

Furthermore, it should be noted, that the amount of a Residential Unit Owner's tax benefit from deductions for interest and real property taxes payable in connection with the ownership of a Residential Unit may be reduced if the Residential Unit Owner is subject to the Federal alternative minimum tax pursuant to Section 55 of the Code. In addition, purchasers should note that state and local taxes, including real property taxes, are not deductible for purposes of calculating an individual's Federal alternative minimum taxable income.

The use of the Residential Units, other than as residences, is subject to the provisions of the Declaration, applicable zoning laws and the regulations promulgated thereunder. Other rules are applicable to a Residential Unit Owner if the Residential Unit Owner is not a natural person, or if the Residential Unit is used in a trade or business, or is to be held for rental. Except as explicitly provided herein, this opinion does not address the tax consequences to a Residential Unit Owner who is not an individual resident of New York City for income tax purposes who is purchasing a Residential Unit for any purpose other than solely as a residence including corporations and other entities, and foreign individuals or foreign entities.

Since the rules and limitations regarding the deductibility of home mortgage interest and real property taxes are complex, purchasers are advised to consult their own financial advisors regarding the applicability of the rules and limitations to their own individual circumstances. In addition, Residential Unit Owners should consult their own tax advisors the relevant provisions of the 2017 Tax Act and any New York State and New York City income tax limitations on the allowance of itemized deductions in their individual tax returns.

II. Income Tax Treatment of Common Charges

Amounts required to pay the common expenses of the Condominium (the "Common Charges", as such term is defined in the Declaration) will be borne by the Unit Owners and assessed and collected by the Board of Managers of the Condominium as provided in the By-Laws. Under

Section 528 of the Code, 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.

The qualification of an organization pursuant to the provisions of Section 528 is determined annually at the close of each tax year. It is possible, therefore, that if the Condominium does not qualify in one year, it may nevertheless, qualify in one or more future years.

Under present law, to qualify pursuant to Section 528 of the Code 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 60 percent of its gross income for each tax year must consist solely of amounts received as membership dues, fees or assessments from Residential Unit Owners, (3) 90 percent or more of its expenditures for each tax year must be made for the acquisition, construction, management, maintenance and care of association property, (4) no part of its net earnings may 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), and (5) the Condominium must annually elect to be treated as a condominium management association. The regulations also require that "substantially all" of the units be used by individuals as residences. Units or areas of the Condominium which are used for purposes auxiliary to residential use, such as the laundry room, storage rooms and areas used by maintenance personnel shall be considered as being used for residential purposes. Treasury Regulation 1.528-4(b) states that substantially all of the units of a condominium management association will be considered as used by individuals as residences if at least 85 percent of the total square footage of all units in the project is used for residential purposes.

Based on the information contained in Schedule A of the Plan, more than 85 percent of the floor area of the Building will be used as residences, or accessory space. Therefore, assuming that the Condominium commences operation in 2019 and there are no changes in the facts and/or the relevant provisions of current law and regulations, the Condominium will be eligible to elect to be treated as a "homeowners association" pursuant to Section 528 of the Code for its first tax year.

Absent the application of Code Section 528, the status of the Condominium for Federal, New York State and New York City income tax purposes is unclear. An entity classification regime was adopted in 1996 by the United States Treasury Department. However there is no authority as to whether such classification regime applies to Condominiums. The By-Laws of the Condominium provide that the Board will act as the agent of the Unit Owners. Accordingly, the Condominium Board may take the position that the Condominium is not a separate entity and therefore is not subject to the classification regime. In such case, the Unit Owners would, in the aggregate, include

in their gross income and be taxed on all income earned by the Condominium (which income may include, among other things, interest or similar income earned from interim investments of the amounts assessed and collected from the Unit Owners), reduced by the expenses incurred in earning such income. For this purpose, the Common Charges paid by owners of Residential Units should not be considered income earned by the Condominium.

If, however, the Condominium is considered a separate entity, it is unclear whether the Condominium would be taxable as a corporation or treated as a partnership for Federal income tax purposes. The By-Laws provide that, to the extent permitted, the Condominium shall be deemed to constitute an "unincorporated association". If the Condominium is taxable as a corporation, it would be considered a separate taxpayer with respect to income (which may potentially include Common Charges, among other things) and deductions and return filing requirements and would be subject to Federal corporate income tax. If the Condominium is treated as a partnership, the partnership would not be subject to an entity level tax, the items of income (which may potentially include the Common Charges, among other things) and deductions of the partnership would generally be "passed through" to the Unit Owners in accordance with the provisions of Subchapter K of the Code, and the partnership would be required to file information returns.

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 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 to 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.

The precise tax status of the Condominium for New York State and New York City tax purposes is also unclear. The relevant New York State and New York City laws incorporate by reference federal entity classification provisions which, as discussed above, do not specifically address the treatment of condominiums. If the Condominium is properly treated as a separate entity that is an association taxable as a corporation for Federal income tax purposes, it appears likely that the Condominium would be subject to the New York State Corporation Franchise Tax and the New York City General Corporation Tax. In the event the Condominium does not constitute an association that is taxable as a corporation for Federal income tax purposes, it is still possible, although not certain, that the Condominium might be subject to the New York State Corporation Franchise Tax. Further, in such event, the Condominium likely would be subject to the New York

City Unincorporated Business Tax, since it is not eligible for and may not elect treatment under Code Section 528 as a homeowners association.

In any event, the Condominium will be subject to tax on any income not received as assessments or other such payment from Unit Owners. Accordingly, if the Condominium Board realizes interest income from funds on deposit, such interest income will be taxable.

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 that are deductible for Federal income tax purposes.

In this connection, published rulings indicate that Common Charges which are assessed by the Condominium Board and designated for use solely to make specified capital improvements and which are maintained in a separate bank account should not constitute gross income to the Board, either because it is deemed to receive and hold such Common Charges as agent for the Unit Owners from which the assessments were collected (see Rev. Rul. 75-370, 1975-2 Cum. Bull. 25) or because the Common Charges are deemed to be nontaxable contributions to the capital of the association (see 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 distributor'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 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; Rul. 86-14 I.R.B. 1986-5, 33.

We express no opinion 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 or tax consequences of the Plan including ownership of a Unit under the laws of any state other than New York, local jurisdiction other than New York City, or foreign jurisdiction.

Accordingly, without limitation, this opinion does not address (i) the tax consequences which may result from ownership of a Residential Unit in connection with the Residential Unit Owner's profession, trade or business, (ii) the tax consequences of the ownership of a Unit by taxpayers who are not individual residents of New York City for income tax purposes, including corporations and other entities, and foreign individuals or foreign entities, (iii) the ownership of a Residential Unit for purposes of investment or the production of income, (iv) the tax treatment which may result to a foreign Residential Unit Owner by reason of his or her foreign status or (v) the estate tax consequences of ownership of any Units. This opinion also does not address the tax consequences that may arise if Residential Units, the Commercial Unit or Limited Common Elements are acquired and/or leased by the Condominium Board.

This opinion does not address the specific tax treatment of any purchaser and, therefore, 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, Residential Unit Owners will be entitled to income tax deductions subject to the limitations referred to above. This opinion, however, is neither a warranty nor does it constitute legal advice to any of the purchasers under the Plan. It is based solely upon existing rules of law applied to the generalized facts and documents referred to above. No assurances are given that the tax laws upon which this firm bases this opinion will not change. We shall have no obligation to revise or reissue this opinion with respect to any change in law or any event, fact, circumstance or transaction which occurs after the date hereof which may affect the opinions stated above in whole or in part, although we have advised the Sponsor that it is obligated to do so.

This opinion is not a guarantee; it is based on existing rules of law applied to the facts and documents referred to above and is not binding on the Internal Revenue Service, the New York State Department of Taxation and Finance or the New York City Department of Finance. Each prospective Unit Owner, the Sponsor and the Condominium should obtain advice from its own independent tax advisor based upon its particular circumstances. No assurances can be given that the tax laws upon which we base this opinion will not change, possibly with retroactive effect. In no event will we, the Sponsor, the Board of Managers of the Condominium or any other person connected with the Plan be liable if there are changes in the facts on which we relied in issuing this opinion or if there are changes in the applicable statutes, regulations, rulings and decisions on which

we relied which cause the Residential Unit Owners not to be entitled to the income tax deductions described above.

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

Very truly yours,

Phillips Nizer LLP

Phillips Nizer LLP

REAL ESTATE TAXES

Each Unit will be taxed as a separate tax lot for real estate tax purposes, and no Unit Owner will be responsible for payment of, nor will the Unit be subject to, any lien arising from the non-payment of real estate taxes on other Units. Generally, Units may not be separately assessed until the tax year following the tax year in which the Declaration of Condominium is recorded. Until the Units are separately assessed and billed, each Unit Owner shall pay such Unit Owner's *pro rata* share (in the proportion that such Unit Owner's Unit's Common Interest bears to the aggregate Common Interest of all Units) of all real estate taxes with respect to the Property to the Condominium Board as Common Charges.

The real estate tax estimates for each Residential Unit were calculated on the assumption that the real estate taxes for each Unit for the first year of Condominium operation will be allocated in proportion to each Unit's percentage interest in the Common Elements. Upon determination of individual tax lots and individual Residential Unit assessments, the New York City tax authorities may allocate assessed valuation between the Residential Units in proportion to the purchase price of each Residential Unit relative to the purchase prices of all Residential Units rather than its percentage interest in the Common Elements, and, if so, Residential Units having the same percentage interest may pay different real estate taxes. Sponsor anticipates, based upon the advice of its Real Estate Tax Counsel, that in arriving at the assessed valuation for each Residential Unit, the Residential Section will first be assessed as an entirety. This overall assessment will then be apportioned among the Residential Units. This apportionment is anticipated to be based upon the proportion of the Common Elements assigned to each Residential Unit. SPONSOR MAKES NO REPRESENTATION THAT THE ASSESSED VALUE OF THE PROPERTY, THE METHOD OF ALLOCATION, THE ESTIMATED ALLOCATIONS OR THE TAX RATE WILL BE AS SET FORTH ABOVE.

The projection of the real estate taxes that will be payable for each of the Units during the projected First Year of Condominium Operation is based upon an estimate that the aggregate real estate taxes for the Residential Units upon completion of construction for such first year will be approximately $490,250. This estimate has been based upon estimates made by Tuchman, Korngold, Weiss, Liebman & Lindemann, LLP that the approximate assessed valuation of the Residential Units, in the aggregate during the 2018/2019 tax year, will be $800,000 and is projected to be $3,700,000 in the 2019/2020 fiscal year, which will reflect the post-construction assessment, with aggregate taxes assessed to the Residential Units in the aggregate of $490,250; with projection that the tax rate in effect for the tax years will be approximately $13.25 per $100 of assessed valuation. No representations are made herein with respect to the real estate taxes to be paid by the Commercial Unit Owner.

No guaranty or assurance is given that (i) any of the assumptions described above will be valid, (ii) any projected or estimated amount set forth above (including, without limitation, the estimates of the Property's assessed valuations during the First Year of Condominium Operation, the estimates of the portions of such assessed valuations that will be allocable to the Units and the projection of the real estate tax rate that will be in effect during such first year) will approximate

the actual amount, (iii) the estimated or actual amount of assessed value of the Property following the projected First Year of Condominium Operation and the taxes payable based upon such assessment (which may be significantly higher to the extent that a portion of the Property is not fully assessed during such First Year) or (iv) the Real Estate Tax Assessment Bureau of the City of New York Department of Finance will allocate the Property's aggregate assessed valuation between the Units or classifications of Units in accordance with the values used by Sponsor's real estate tax consultant for such purpose, or that such bureau will allocate the aggregate assessed valuation attributable to the Units among the different Units as described above. Sponsor will amend the Plan promptly to disclose the same if it discovers that any of such assumptions are invalid as well as after the Units have been assessed and the applicable tax rate determined.

Until the Units are separately assessed, each Unit Owner will pay to the Condominium Board its share of the Property's real estate taxes for the period in question based upon its interest in the Common Elements as permitted by Section 6.1 of the By-Laws. The share so allocated to the Residential Units and the Commercial Unit will then be pro-rated to each individual Residential Unit and to the Commercial Unit, respectively. Sponsor has been advised that as of the date hereof, the New York City Department of Finance is apportioning real estate taxes in condominiums on the basis of the allocations of the Common Elements of the Condominium. Sponsor has also been advised that previously taxes were apportioned on the basis of the ratio that the initial offering price for the Unit set forth in Schedule A above bears to the total initial offering prices of all Residential Units set forth in Schedule A. Sponsor makes no representations regarding the future practices of the Department of Finance. The Condominium Board will pay such real estate taxes timely to the Department of Finance of the City of New York or directly to Sponsor, if Sponsor has previously paid such taxes, so that no lien will be placed on the Property or any Unit. If Sponsor fails to pay real estate taxes attributable to any Unsold Unit in a timely manner and as a result of such failure a lien is placed on the Property and/or any other Unit, Sponsor will immediately cause such lien to be removed at its sole cost and expense. If Unit Owners fail to pay their *pro rata* share of Real Estate Taxes as set forth above, the Board will be entitled to assess late charges and/or place a lien on their Units as if such unpaid share were Common Charges. A Unit Owner will not be responsible for the payment of, and will not be subject to any lien arising from the non-payment of real estate taxes assessed against any other Units. At such time as a Unit is separately assessed and separate bills are issued, the Unit Owner will pay such taxes directly to the taxing authority.

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

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

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November 1, 2017

500 W 25th Owner LLC
c/o GDS Development
12-16 Vestry Street
New York, New York 10013

RE: 500 West 25th Street
Block 699, Lot 38
Borough of Manhattan
City of New York

Dear Sir or Madam:

This letter is in response to your request for an opinion and projection of the estimated real estate tax assessments and taxes upon the completion of construction and creation of a condominium.

You have requested our opinion concerning the real property tax assessment to be levied upon the captioned premises as well as the taxes for the budget year for the first year of condominium operation which you have advised us will be the period January 1, 2019 through December 31, 2019 which coincides with the last six months of the 2018/2019 tax year and the first six months of the 2019/2020 tax year. You have advised us that the project will consist of the construction of a new multiple dwelling to be structured as a condominium which will contain nine residential condominium units plus a commercial retail unit. You have advised me that construction is expected to be completed by December of 2018.

In order to prepare this letter and the opinion set forth herein, you have supplied us with certain information upon which we have relied. This information includes your purchase price and your estimated construction costs. You have also supplied us with a square footage analysis of the project as well as a building condition report prepared by the architectural firm of GF 55 Architects LLP.

We have also considered the recent tax assessment history of the property, the cost of the new project, the potential income for the new structure (if operated as a rental), comparable properties in the Borough of Manhattan which have been newly constructed or undergone renovation as well as market conditions in the general area.

In predicting the future assessed value, we have given consideration to the following factors:

1. The current claimed standard of assessment used by the Real Property Division of the New York City Department of Finance is to assess at 45% of value.

2. The estimate of the cost of the construction.

3. The potential capitalized net income of the property if operated as a rental.

4. Tax Assessments of comparable properties.

Real estate tax assessments in New York City are made on a fiscal year basis running from July 1 of any one year to the next succeeding June 30. The status of the building on January 5 of any one year is the basis of the assessment for the fiscal year beginning that July 1. The final assessment roll containing the final 2017/2018 assessed values was published on May 25, 2017 and showed the following value:

Block/Lot	Actual Land Assessed Value	Actual Total Assessed Value	Tax Class
696/38	$409,950	$714,150	2B

Real Property Tax Law Section 581 provides that cooperative and condominium apartments shall be assessed for tax purposes as if the building was a comparable rental property. Thus, the Department of Finance is prohibited from utilizing the sales prices of the individual condominium units in determining the assessed valuation. Therefore the prices that you set in your offering plan and any subsequent sales or resales are not relevant in determining the assessed value of the property or of the individual condominium units. Upon conversion to a condominium and after an application is submitted by you, the New York City Department of Finance shall assign individual tax lot numbers to each of the condominium units. The condominium units will be designated as tax class 2C property and will pay on the class 2 tax rate. The 2016/2017 class 2 residential tax rate has been set at $12.892 for each $100 of assessed valuation. The 2017/2018 tax rates are expected to be set later this year.

Tax Class 2C is a protected residential tax class covering predominantly residential condominium buildings where there are ten or fewer residential units and which limits the increases in assessed value that may be imposed on the condominium units. Pursuant to Real Property Tax Law Section 1805, the assessor shall not increase the assessment of any parcel in this tax class in any one year, as measured from the actual assessment on the previous year's assessment roll, by more than eight percent and shall not increase such assessment by more than thirty percent in any five-year period. Increases due to physical improvements (such as the construction of your building) are added in full to the next year's assessment and are not subject to

the 8% and 30% limitations. Therefore, the increase in the assessed value which we forecast for the post construction tax year below will not be subject to the 8% and 30% limitations.

On June 25, 2015 the New York State Legislature passed legislation extending property tax abatements for homeowners in New York City cooperatives and condominiums through June 30, 2019 at the rate of 17.5% with buildings with average assessments greater than $60,000 per unit and a greater percentage for buildings with a lesser average per unit. The law makes additional changes from the original abatement law which may eliminate such abatement benefits for units which are not the primary residence of the owner. The law further limits the benefits to a maximum of three units in the building, one of which must be the primary residence of the owner. It is unknown at this time if unit owners will have acquired their ownership interests at a point in time by which they will be eligible to apply for this abatement. Therefore, in predicting the taxes on this building we have not given any consideration to this tax benefit. Unit owners are advised to beware of various filing deadlines that may be included in the renewed law as well as possible changes in the level of abatement and eligibility.

We caution you that it is possible that there will not be an official apportionment of the assessment of the tax liability among the units until such time as an official apportionment of the assessed value is made and becomes effective.

Based on your construction schedule that you have commenced construction during 2017, we believe that the building portion of the tax assessment should not appear on the 2018/2019 final assessment roll in that it should have been removed pursuant to New York City Administrative Code section 11-209 which provides for the removal of building assessments for new buildings in the course of construction which are not ready for occupancy by the following April 15th. Since the construction will have commenced after January 5, 2017 and prior to January 5, 2018 and you have advised us that the building will not be completed until December of 2018, New York City Administrative Code section 11-209 will mandate that there be no building assessment. Accordingly, we believe that the 2018/2019 final assessment roll should only reflect a land assessment when it is published on May 25, 2018 and we have computed real estate taxes due for the first year of condominium operation on that basis. However, if the tentative assessment roll is not in accordance with this law we advise you that you should protest this by filing an application for correction with both the Tax Commission and Department of Finance.

We have been advised that in determining the assessed values for the individual units, the current procedures of the New York City Department of Finance calls for the locking-in of the common interest (elements) percentages (Unit Allocation Factor or UAF) extracted from the condominium declaration filed with the Department of Finance, Survey office and registered at the City Register. Thus the allocation of the assessed value of all units should be based on the common interest as set forth in the condominium declaration.

You have advised us that you anticipate that construction will be complete as of the 2019/2020 tax status date of January 5, 2019. Predicated upon the foregoing, it is our opinion that for the initial budget year commencing January 1, 2019, we estimate that the total taxable assessed value of the property will be $800,000 for the first six months of the initial budget year and $3,700,000 for the final six months of the initial budget year.

Therefore assuming the class 2 tax rate increases to $13.00 for each $100 of assessed valuation, we make the following estimates of the real estate taxes prior to any tax exemptions or abatements for the initial budget year January 1, 2018 through December 31, 2018.

January 1, 2019 through June 30, 2019 (6 Months of the 2018/2019 Tax Year

Assessed Value	Tax Rate	Tax (6 Months)
$800,000	13.25%	$53,000

July 1, 2019 through December 31, 2019 (6 Months of the 2019/2020 Tax Year

Assessed Value	Tax Rate	Tax (6 Months)
$3,700,000	13.25%	$245,125

Estimated Initial Budget Year Tax	$298,125
Estimated Post Construction Tax Year Tax	$490,250

Based upon our previous experience with such proceedings, we have issued the within letter which the specific understanding our opinion is not a guarantee of the amount of future real estate taxes. In no event will we, as Sponsor's real estate tax counsel, be liable if there are changes in the facts on which we have relied in issuing this opinion, or if there are changes in the applicable statutes, rules and regulations of the City of New York, decisional laws or administrative agency rulings, interpretations and policies on which we have relied which cause this opinion to be inaccurate.

Interested parties should be aware that the estimate of the real estate tax assessments and taxes for the initial and post construction years cover a period into the future. Neither we nor any person can guarantee what the real estate taxes will be at any future date. The estimates set forth in this letter are merely our opinion. As stated above changes in law or policies of government agencies may radically change the opinions expressed herein.

The opinion expressed herein is that of the undersigned, and does not purport to express the opinion of the New York City Department of Finance or any city or government agency. That Department's opinions may result in substantially different total taxes than the taxes estimated herein. We consent to the inclusion of this letter in the offering plan.

Very truly yours,

TUCHMAN, KORNGOLD, WEISS, LIEBMAN & GELLES, LLP.

By: Paul J. Korngold

WORKING CAPITAL FUND

Working Capital Fund

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

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

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

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

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

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

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

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

(7) premiums for transferable insurance policies; and

(8) other customary adjustments.

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

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

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

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

RESERVE FUND

No reserve fund is being contributed to the Condominium by Sponsor. Sponsor has elected not to provide for a reserve fund to be used for capital replacements or repairs because the Building will be new at the date of the First Unit Closing. Subsequent to the creation of the Condominium, the Board has principal responsibility for repairing and maintaining the Common Elements (such as the roofs, central fire alarm and security systems, and various mechanical and electrical systems).

Notwithstanding the foregoing, in an effort to comply with the requirements of certain lenders, in the budget for the First Year of Operation of the Condominium (Schedule B), a line item equal to approximately 10.00 percent of the operating expenses of the Condominium (excluding amounts collected for the Replacement Reserve) is to be collected from the Unit Owners and set aside as a "replacement reserve" or "reserve fund." Amounts deposited in the "replacement reserve" or "reserve fund" may be used solely for capital expenditures. Since the Building is new, Sponsor does not anticipate that any capital expenditures will be required during the first five (5) years of Condominium operation. The "replacement reserve" or "reserve fund" will be available for use by the Board of Managers as such funds are deposited. For so long as Sponsor controls the Board of Managers, the "replacement reserve" or "reserve fund" may not be used to reduce Common Charges. Neither the Department of Law, nor any other government agency, has passed upon the adequacy of the "replacement reserve" or "reserve fund".

The Board may decide in the future to increase the contributions to such reserve fund. In the event the replacement reserve or reserve fund is inadequate to fund the cost of required repairs or maintenance, or in lieu of using any reserve fund, the Board may elect to pay for necessary repairs or capital items by special assessment or by increasing Common Charges, payable by the Unit Owners. Each Unit Owner would be individually liable for the amount of such special assessment again, or increase payable by the Board to the extent of such Unit Owner's proportionate Common Interest among all Unit Owners.

Neither the Department of Law nor any other governmental agency has passed upon the adequacy of the replacement reserve or reserve fund.

Sponsor Working Capital Fund

Sponsor has elected to contribute an additional working capital fund to the Condominium in the amount of $600,000.00 (the "Sponsor Working Capital Fund"). The Sponsor Working

Capital Fund is in addition to the Working Capital Fund that will be raised from contributions of Purchasers described below.

(a) Partial Abatement of Common Charges.

Sponsor intends that the Sponsor Working Capital Fund be used to abate a portion of the Common Charges payable by the Unit Owners during each of the first five (5) years of Condominium Operation.

To abate a portion of the Common Charges that would otherwise be payable by the Unit Owners during the First Year of Condominium Operation, or, if the collection of Common Charges is deferred as provided herein below, the first twelve month period during which the Board is collecting Common Charges from the Unit Owners, Sponsor will contribute to the Sponsor Working Capital Fund the sum of $120,000; for each of the first five (5) years of Condominium Operations (each a "Scheduled Common Charge Contribution" and, collectively, the "Scheduled Common Charge Contributions"). Each Scheduled Common Charge Contribution shall reduce, in part, the Common Charges that would otherwise be payable by each of the Unit Owners, as more particularly set forth on Schedule A-1 herein.

As stated above, the Scheduled Common Charge Contribution to be applied to the Common Charges will decrease each year. Accordingly, Purchasers are advised that the Common Charges will increase each year by a concomitant amount representing the reduced amount of the Scheduled Common Charge Contribution for each of the first five (5) years. In addition, Residential Unit Owners will also be responsible for any increases in Common Charges adopted by the Board of Managers by reason of increases in the operating expenses of the Condominium, which occur in the ordinary course. In the event that Sponsor elects to defer the imposition of Common Charges, any such deferral *will not reduce* Sponsor's obligation to fund the Scheduled Common Charge Contribution, as provided herein. The Scheduled Common Charge Contribution for the First Year will be applied to reduce the Common Charges payable for the Units that have closed as of the first month during which Common Charges are collected.

Sponsor has agreed to make contributions to the Sponsor Working Capital Fund using the proceeds received from the sale of each of the Units. At each Unit Closing, Sponsor shall deposit an amount equal to the Scheduled Common Charge Contribution that is attributable to the subject Unit for the First Year of Condominium Operation (as set forth on Schedule A-1 herein). Until a Residential Unit has been conveyed to a Purchaser who has purchased the Residential Unit pursuant to this Plan, Sponsor shall pay the Common Charges in the full amount, as if there were no Scheduled Common Charge Contribution for the First Year. Until such time when Sponsor funds the entire Scheduled Common Charge Contribution for the Building for the First Year of Condominium Operation, Sponsor shall receive a credit against the Scheduled Common Charge Contribution for each Unit which closes subsequent to the First Unit Closing in an amount equal to the difference between the actual Common Charges paid by Sponsor and the Common Charges that would be payable by a Purchaser who has closed, as set forth in Schedule A-1 herein. Accordingly, for Units that are conveyed subsequent to the month in which Common Charges initially become due and payable (as discussed below), Sponsor shall contribute the pro-rated amount of the Sponsor Working Capital Fund Contribution attributable to the Unit that is

the subject of such Closing for the balance of the First Year of Condominium Operation beginning with the month immediately following the month in which the subject closing occurs. Furthermore, notwithstanding any custom to the contrary, at each such Unit Closing where Sponsor has paid the Common Charge for the months prior to the month in which the Closing occurs, the Common Charges shall be adjusted based upon the reduced Common Charges payable by Purchasers, after application of the Scheduled Common Charge Contribution, as set forth on Schedule A-1 herein.

All amounts paid by Sponsor on account of the Sponsor Working Capital Fund Contribution will be deposited in a segregated account in the name of the Condominium entitled the "Special Working Capital Account". During the First Year of Condominium Operation, until either all Units are sold or Sponsor elects to deposit the balance of the Scheduled Common Charge Contribution for the First Year of Condominium Operation, Sponsor will pay Common Charges for the Residential Units owned by Sponsor in the amounts set forth on Schedule A, without the application of the Scheduled Common Charge Contribution and will receive a credit for the Scheduled Working Capital Contribution for the First Year equal to the difference between the Scheduled Common Charge Contribution and the amounts paid by Sponsor on account of Common Charges. The Board of Managers shall use the funds deposited in the Special Working Capital Account so that the Purchasers will receive an abatement of their Common Charges in the amounts set forth in Schedule A-1 herein.

(b) Deferral in the Collection of Common Charges.

Inasmuch as Sponsor is reserving the right to delay the collection of Common Charges, or a portion thereof, for a period to be determined by Sponsor, in Sponsor's reasonable discretion. During any such period of delay (a "Common Charge Abatement Period"), Sponsor will timely pay all expenses of the Condominium, including, but not limited to, insurance premiums and any replacement reserve payments required by lenders. Such expenses shall not include expenses that are the responsibility of individual Unit Owners such as real estate taxes, utility charges, cable charges, etc. At such time when the collection of Common Charges commences, there shall be no assessment for any line item in the budget for the Condominium contained herein. Regardless of the delay in collection of Common Charges, Sponsor shall remain obligated to amend the budget for the Condominium as required by law and the applicable regulations. In the event that Sponsor elects to defer the collection of Common Charges or a portion thereof, Sponsor shall disclose such fact in the closing notice or statement to Purchasers. Thereafter, Sponsor shall also disclose such fact in the post-closing amendment to the Offering Plan to inform subsequent Purchasers that a Common Charge Abatement Period has occurred. Any such amendment shall also disclose the duration and/or the anticipated duration of any such Common Charge Abatement Period. In addition, those Purchasers who close on their Units subsequent to the expiration of the Common Charge Abatement Period shall not receive any credit of other reduction in the Common Charges payable by them. Prior to the expiration of the Common Charge Abatement Period, Sponsor will send written notice to all Unit Owners of the expiration thereof at least thirty (30) days prior to the commencement of collection of Common Charges. Thereafter, Sponsor will disclose the date on which the Common Charge Abatement Period expired in the next substantive amendment to the Offering Plan.

(c) No Reduction in Sponsor Working Capital Fund by Reason of Deferral in the Collection of Common Charges.

Purchasers should note that the Scheduled Common Charge Contribution will be applied to reduce the Common Charges following the commencement of the imposition of Common Charges subsequent to the First Unit Closing. Accordingly, Purchasers who close following the commencement of the imposition of Common Charges will not receive the full value of the Scheduled Common Charge Contribution attributable to their Unit. Any deferral of the payment of Common Charges otherwise permitted pursuant to this Plan shall not reduce the amounts payable by Sponsor for the Sponsor Working Capital Fund, as set forth herein.

(d) Second through Fifth Years of Condominium Operation

For years subsequent to the First Year of Condominium Operation, Sponsor shall contribute the entire amount of the Scheduled Common Charge Contribution for such year on a date not later than 30 days prior to the anniversary of the First Unit Closing. In any event, Sponsor will contribute the balance of the Sponsor Working Capital Fund, if any, from closing proceeds received from the sale of the last Unit, but in no event later than the fifth anniversary of the First Unit Closing.

(e) Amendment to the Plan

Sponsor shall file an amendment to the Plan no later than 45 days after the First Unit Closing, or the date on which Common Charges become payable by Purchasers, whichever is first to occur, and within 45 days of the anniversary of the First Unit Closing, to disclose Sponsor's contributions to the Sponsor Working Capital Fund, until all such amounts have been contributed as set forth herein. In the event that any amendment discloses that Sponsor has not made the required contribution to the Sponsor Working Capital Fund, Purchasers who have not yet closed pursuant to their Purchase Agreements shall be entitled to a right of rescission within fifteen (15) days of the Presentation Date of any such amendment.

(f) Contributions to the Sponsor Working Capital Fund.

Pursuant to the Declaration and Section 6.4 of the By-Laws, contributions to the Sponsor Working Capital Fund shall be deemed as Common Charges due and owing from Sponsor. Accordingly, the Condominium Board shall be entitled to exercise its rights contained in Sections 6.5 and 6.6 of the By-Laws, including the right to file a Common Charge Lien pursuant to Section 339-z of the RPL with respect to the same.

No bond or other security is being provided to secure Sponsor's contributions to the Sponsor Working Capital Fund. However, Sponsor represents and warrants that Sponsor has the financial resources to fund all contributions to the Sponsor Working Capital Fund.

For so long as Sponsor owns a Unit, the Board of Managers may not use the Sponsor Working Capital Fund for any purpose other than abating a portion of the Common Charges

payable by the Unit Owners in the amounts set forth in Schedule A-1. Once Sponsor no longer owns any of the Units, the Board may use the Sponsor Working Capital Fund in accordance with the By-Laws. Accordingly, at such time when the Sponsor no longer owns a Unit in the Condominium, the Board may determine to use the Sponsor Working Capital Fund for purposes other than reduction of Common Charges as set forth herein.

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

MANAGEMENT AGREEMENT AND CONTRACTS

Management Agreement

It is presently contemplated that at or prior to the First Closing, the Board will enter into a management agreement with Camelot Realty Group LLC ("Camelot"), having an address at 37 West 26th Street, Suite 208, New York, New York 10003, to act as Managing Agent with respect to the Condominium. Mr. David Goldoff is the principal of Camelot. Neither Mr. Goldoff nor Camelot is affiliated with the Sponsor.

It is contemplated that the Management Agreement will provide for an initial term of one (1) year commencing on the date of the First Closing. The Managing Agent will receive an annual fee of $24,000 per annum, payable in equal monthly installments. The fee paid pursuant to the Management Agreement is at prevailing rates.

The Managing Agent and the Board shall each have the right to cancel the Agreement on 30 days written notice after the first anniversary of the Management Agreement. If the Managing Agent shall fail to perform or abide by any of its services, agreements, representations, warranties, covenants, or obligations herein, and shall fail to cure said failure within 30 days of notice of said failure sent by the Condominium to the Managing Agent, the Condominium shall have the right to terminate the Management Agreement at the end of any calendar month on not less than 30 days' prior written notice to the Managing Agent. If the Condominium shall unreasonably refuse to comply with or abide by any proper Legal Requirement, the Managing Agent may terminate the agreement at any time on ten (10) days' prior notice in writing to the Condominium. The Managing Agent may otherwise terminate this Agreement on 30 days' prior written notice to the Condominium.

The management fee will be included in Common Expenses as discussed above in Section D, "Projected Budget for First Year of Condominium Operation." The Managing Agent will be entitled to additional fees for certain special services performed by it.

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

(a) Cause to be hired, paid and supervised, all persons necessary to be employed in order to properly maintain and operate the building, who, in each instance, shall be the Condominium's and not the Agent's employees, and cause to be discharged all persons unnecessary or undesirable.

(b) Cause the Building to be maintained in such condition as may be deemed advisable by the Condominium, including interior and exterior cleaning, and cause repairs and alterations of the building to be made, including but not limited to, electrical, plumbing, steam fitting, carpentry, masonry, elevator, decorating and such other incidental alterations or changes therein as may be proper, subject only to the limitations contained in this Agreement or in any proprietary lease or other agreement with any owner or other tenant.

(c) Recommend, and with the approval of the Condominium, cause all such acts, and things, to be done in or about the Building as shall be necessary or desirable to comply with any and all orders or violations affecting the building, placed thereon by any federal, state, or municipal authority having jurisdiction there over, and orders of the New York Board of Fire Underwriters, or other similar body, except that if failure promptly to comply with any such order or violation would or might expose the Condominium or the Agent to criminal liability.

(d) With the prior approval of the Condominium, enter into contracts for electricity, gas, steam, air-conditioning, water treatment, elevator, telephone, window cleaning, rubbish removal, detective agency protection, vermin extermination and other services or such of them as shall be advisable.

(e) Purchase all supplies which shall be necessary to properly maintain and operate the Building.

(f) Advise the Condominium with respect to proper insurance coverage of the Building, its employees and owners; if requested by the Condominium, cause to be effected and maintained, in such amounts and through carriers as the Condominium shall designate or approve, fire, rent, plate glass, boiler, water, damage, liability, workmen's compensation, employer's liability, disability and any other insurance the Condominium may elect to carry.

(g) Check all bills received for services, work, and supplies ordered in connection with maintaining and operating the building, pay or cause to be paid from funds of Condominium.

(h) Accept applications and references from all prospective Unit Owners and tenants, obtain credit reports relating to prospective owners, tenants and sub-tenants of space being leased or sold at the Condominium, so that the Condominium may properly review requests for waivers of first refusal, at the unit owners expense as set forth in the Rider hereto.

(i) Bill or cause to be billed, Unit Owners for Common Charges, and other amounts (including applicable late fees), and when and if directed by the Condominium, serve notices upon owners or tenants to quit and surrender space occupied by them.

(j) Attend to complaints of Unit Owners and tenants.

(k) Cause to be set up and kept in good order reports, records and books, consistent with the normal records and books that are kept by the Agent for its other owners (other than books of accounts maintained by the Condominium's accountants) for the Condominium, and maintain orderly files containing rent records, insurance policies, correspondence, receipted bills and vouchers, and all other documents and papers pertaining to the building or the operation thereof, and the same shall be and shall at all times remain the property of the Condominium, and the Agent shall upon request of the Condominium make same available to the Condominium, the Condominium's officers, accountants, attorney, other representatives and shall deliver up same to the Condominium or its aforesaid agents on demand from the Condominium.

(l) Cooperate with the Condominium's accountants in regard to the annual audit of the books of account of the Condominium, including the annual report of the operations of the Condominium for the year then ended. A copy of each such annual report shall be sent by the Agent to each owner of the Condominium.

(m) Cooperate with the Condominium's accountants in regard to the preparation and filing on behalf of the Condominium of Federal, State, City, and any other income and other tax returns required by any governmental authority.

(n) Cooperate with the Condominium's accountants in the preparation of an operating budget setting forth the anticipated income and expenses for the Condominium for the ensuing year.

(o) Agent will send notices of, prepare agendas for and attend meetings of the Board of Managers of the Condominium and of Unit Owners.

(p) Prepare and send out all letters and reports as the Board of Managers of the Condominium may request.

(q) Cooperate with the Condominium's attorneys 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.

(r) Process applications by Unit Owners for permission from the Condominium to alter their Units.

(s) Generally, do all things reasonably deemed necessary and/or requested by Condominium for the proper management of the Building.

The Board of Managers will indemnify the Managing Agent against liability for all claims for all acts properly performed by the Managing Agent pursuant to the management agreement or at the instructions of the Condominium Board, provided, however, any such indemnification shall not cover any claims resulting from the Managing Agent's gross negligence or willful misconduct.

Notwithstanding anything to the contrary set forth above, the Managing Agent's responsibility under the management agreement shall not extend to supervising or managing major capital renovations or major capital improvements, unless specifically agreed upon in writing by the parties and unless the Managing Agent receives an additional fee therefor.

The Managing Agent, at its own expense, will be bonded during the term of the Management Agreement under fidelity or general surety bonds in favor of the Condominium in the minimum amount of $1,000,000 for any loss resulting from fraudulent or dishonest acts committed by the Managing Agent, its directors, officers or employees.

Sponsor reserves the right during the Initial Control Period to designate any other reputable managing agent to perform all of the duties and services to be performed by the

Managing Agent under the Plan and if Sponsor does so, Sponsor will cause such other managing agent to accept employment on terms substantially similar to the terms specified above. After the Initial Control Period, upon the expiration or sooner termination of the then current agreement with the Managing Agent, the Condominium Board may designate any other managing agent to perform the duties and services to be performed by the Managing Agent under the Plan. The term "Managing Agent" when used in the Plan with respect to any time after Sponsor or the Condominium Board has designated another managing agent shall mean such other agent. The Management Agreement may not be assigned by the Managing Agent without the prior written consent of the Condominium Board. Sponsor will amend the Plan to disclose having entered into the Management Agreement promptly after execution thereof.

IDENTITY OF PARTIES

Sponsor

Sponsor is 500 W. 25th Owner LLC, a Delaware limited liability company with an office at 12-16 Vestry Street, 7th Floor, New York, New York 10013. The principals of Sponsor are Michael Kirchmann, Alan Rudikoff and Muhannad Abulhasan. Each of the principals maintains an address at c/o GDSNY, 12-16 Vestry Street, 7th Floor, New York, New York 10013.

Michael Kirchmann is the Founder and CEO of Global Design Strategies LLC (GDS), a real estate development, architecture, and property consultancy firm based in New York, founded in 2007. Prior to that he was at Skidmore Owings & Merrill (SOM) for eleven (11) years where he was a Director of the New York office. In addition to undertaking its own developments, GDS provides development management, architectural, and real estate marketing services to a broad range of development clients both in the United States and abroad. Mr. Kirchmann is a registered architect in the State of New York and has completed over 15 million square feet of residential, commercial and hospitality projects over the past 20 years. His New York clients have included Brookfield Properties, Related Companies, Macklowe Properties, L+M Development Partners, HRO Group, Four Seasons Hotels, Hilton Hotels, ING Real Estate, and Ekstein Development.

Alan Rudikoff is a Principal of GDS Development, with a focus on real estate finance and deal structuring for development projects in both the United States and Europe. He worked for ten (10) years with Howard Ronson and the HRO Group, where he completed $2.1 billion in commercial real estate projects and sales in New York and abroad. Recently Mr. Rudikoff completed the Stockholm Waterfront development in Sweden. This was an 800,000 square foot mixed-use development in Stockholm's central business district that included a 4,000-person meeting center, a 414-room four-star hotel, and a 275,000 square foot speculative office building.

Muhannad Abulhasan is also a principal of Sponsor. Mr. Abulhasan has over 20 years of diversified experience in the investment industry. He joined Arzan Financial Group in 2011 as the Executive Director of Investment and is now the Chief Executive Officer. He has provided 11 years of service as the Executive Director of Real Estate Investments at Arcapita Bank, where he initiated a global real estate business for the bank and recruited teams in various locations such as

London and Singapore. Prior to that, he headed the Property Department at KIO in London where he was responsible for a global property portfolio.

Mr. Abulhasan received his Bachelor of Arts degree in Hotel Administration from Cornell University, Ithaca, New York. He also holds a Masters degree in Finance from London Business School, United Kingdom.

None of the principals of Sponsor has previously participated in an offering of cooperative interests or condominiums in New York, except that all three principals, Messrs. Rudikoff, Kirschmann and Albuhasan were all principals of Sponsor for the offering of condominium units located at 25-27 Mercer Street, New York, New York, in which all units have been sold. None of the principals hold ten (10%) percent or more of any unsold shares or unsold units as an individual partner or principal in any cooperative or condominium.

The principals of Sponsor, Messrs. Rudikoff, Kirschmann and Albuhasan have no convictions, including any felony convictions that would be material to the Plan or to an offering of securities generally. In addition, neither the Sponsor nor any of the principals of Sponsor has had any injunctions filed against them nor are there prior bankruptcy filings against any of them. Within the fifteen-year period preceding the submission date of the Plan, there have been no judgments against Sponsor or its principals. As of the date of the Plan, neither Sponsor nor its principals are parties to any litigation.

Architect

GF 55 Partners (the "Architect"), having an address at 19 West 21st Street, New York, NY 10013 designed the Building and prepared the Description of Property and Building Condition set forth in Part II of the Plan. Leonard Fusco is a principal of the Architect and is the "architect of record" for the Building. Mr. Fusco has been licensed as an architect in New York since 1984. Previous projects designed by Mr. Fusco include Soha 118, 301 West 118th Street, Brownstown Lane Condominium, 313 West 119th Street, The Kalahari, 40 West 116th Street, Plus Art Condominium, 40 W. 28th St., all in New York, NY; and The Dutch Condominium, 25-19 43rd Avenue and The Foundry Condominium, 42-38 9th Street, Queens, NY

Neither the Architect nor Mr. Fusco hold any interest in Sponsor and is not entitled to receive any payments with respect to the project other than its fees in connection with the design of the Building and the preparation of the report and the related work to convert the Building to a condominium.

Mechanical Engineer

Rodkin Cardinale PC (the "Mechanical Engineer"), with offices at 224 West 29th Street, New York, NY 10001, has been retained as mechanical engineer for the project and provided the estimates for the budget for the First Year of Condominium Operation and the Schedule B-1 included in this Plan.

Construction Professionals.

AVO Construction LLC ("AVO"), having an address at 65 Vestry Street, New York, NY, has been retained by Sponsor as the General Contractor to construct the Building. Neither Sponsor nor its principals hold any interest in the AVO and no principal or employee of AVO holds any interest in Sponsor.

Selling Agent

Compass Real Estate LLC ("Compass"), having an address at 90 Fifth Avenue, New York, NY. Projects currently being marketed by Compass include Soori High Line, 522 West 29th Street, 175 West 95th Street and 100 East 53rd Street, New York, NY and 338 Berry Street, Brooklyn, New York.

There have been no prior convictions, including any felony convictions, injunctions or judgments against the Selling Agent or its principals that may be material to the Plan or an offering of securities generally, which occurred within fifteen (15) years prior to the submission of the Plan. Selling Agent has no financial interest in Sponsor or this offering, or any compensation other than for sales commissions to be received upon the closing of the sales of Units.

Attorneys for Sponsor

Sponsor has retained Phillips Nizer LLP, having an office at 485 Lexington Avenue, New York, New York 10017, to represent it in connection with the preparation of the Plan and individual Unit closings. Lisa R. Radetsky, Esq. of Phillips Nizer LLP had principal responsibility for the preparation of the Plan, and the forms of Purchase Agreement, Unit Deed and Unit Power of Attorney, the Condominium Declaration and the By-Laws, and has also rendered an opinion with respect to the availability of income tax deductions to Purchasers. Sponsor's attorneys have also rendered opinions with respect to the possible availability of income tax deductions to Purchasers and the allocations of Common Interests. Phillips Nizer LLP will serve as Escrow Agent and will represent Sponsor in connection with matters relating to Closings.

Condominium Budget Expert; Managing Agent

David Goldoff of Camelot Realty Group LLC ("Camelot"), 37 West 26th Street, Fifth Floor, New York, NY 10003 (the "Condominium Budget Expert") prepared and/or reviewed all amounts of income and expenses in "Schedule B - Projected Budget for First Year of Condominium Operation" in consultation with Sponsor. Said firm has rendered a Certification as to the adequacy of the First Year's Budget which may be found in Part II of the Plan. Mr. Goldoff is the sole principal of Camelot

Camelot and Mr. Goldoff have had more than twenty (20) years of experience in building management. Properties presently being managed by Camelot include 238 West 106th Street, the Mercer Greene Condominium at 92 Greene Street, and 25-27 Mercer Street Condominium.

Mr. Goldoff and his firm have no financial interest in the Property or Sponsor, except for its fees for services rendered in connection with the preparation, review and certification of the budget and fees for management to be received pursuant to the Management Agreement. Mr. Goldoff has no prior convictions, including, without limitation, any felony conviction that would be material to the Plan or to the offering of securities, generally. Neither Camelot nor Mr. Goldoff has ever filed for bankruptcy. There are no injunctions and/or judgements against Camelot or Mr. Goldoff in the past fifteen (15) years prior to the submission of the Plan that may be material to the Plan or to the offering of securities generally.

Related Parties

Sponsor and its principals have no affiliation with the Condominium Budget Expert, the Architect, the Mechanical Engineer, the Selling Agent or any person or firm who will provide services to the Condominium subsequent to the First Closing. Neither the Condominium Budget Expert nor the Architect has any financial interest in the Property, the Units, the Condominium, or this offering, except for their fees for services rendered.

REPORTS TO UNIT OWNERS

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

(1) a financial statement of the Condominium prepared by a certified public accountant within four months after the end of each fiscal year (such statement shall be certified while Sponsor is in control of the Condominium Board);

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

(3) a copy of the proposed annual budget of the Condominium within ten (10) days prior to the date set for adoption thereof by the Condominium Board (while Sponsor is in control of the Condominium Board, such budget shall be certified in compliance with the Attorney General Regulations).

DOCUMENTS ON FILE

Pursuant to the provisions of Section 352-e of the New York General Business Law, copies of the Plan and all exhibits or documents referred to herein shall be available for inspection by prospective Purchasers, and by any person who shall have purchased a Unit offered by the Plan or shall have participated in the offering of such Unit, at Sponsors office and shall remain available for such inspection for a period of six (6) years from the date of First Closing. In addition, a set of Floor Plans showing the layout, locations and approximate dimensions of each Unit and its unit number designation and tax lot number, certified by the appropriate governmental authority of The City of New York as conforming to the official tax lot number for each such Unit, will be filed in the City Register's Office following the recording of the Declaration, and an additional set, together with a copy of the recorded Declaration, if available, will be furnished to the Condominium Board at the time of the closing of the first Unit.

The Declaration and the By-Laws will be recorded in advance of or concurrently with the First Closing. The recording of all deeds conveying individual Units will also be in the City Register's Office.

SPONSOR'S STATEMENT OF BUILDING CONDITION

Sponsor hereby adopts the Description of Property and Specifications prepared by Leonard Fusco of GF 55 Partners (the "Description of Property") set forth in Part II of the Plan as Exhibit D. Sponsor has no knowledge of any inaccuracies or any material omissions or defects or any need for major repairs to the Building other than as set forth in the Description of Property.

GENERAL

There are no title encumbrances or other restrictions on the Property that will affect the use of the Building or the Units. The Plan does not knowingly omit any material fact or knowingly contain any untrue statement of any material fact. Sponsor believes that the Plan contains a fair summary of the material provisions of the documents referred to in the Plan, including those documents contained in Part II of the Plan. Exact copies are contained in Part II of the Plan of the form of Declaration, form of By-Laws, form of Purchase Agreement, form of Unit Deed, form of Power of Attorney and other documents. Statements made in Part I of the Plan as to the provisions of such documents or any other document referred to herein, copies of which are on file with Sponsor, are necessarily not complete. Each such statement is qualified in all respects by the contents of such documents and, in the case of any such document executed by or with the written consent of Purchaser pursuant to the Plan, any rider or separate agreement changing or adding provisions to such document.

Sponsor adopts the Description of Property and Building Condition contained in Part II of such Plan and represents that it 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 Building Condition.

There are no lawsuits or other legal proceedings now pending, or any judgments outstanding, which could materially and adversely affect this offering, the purchasers of Units, the Property, the Condominium or the operation thereof, which are not covered by insurance.

No party other than the respective Purchasers shall have any right or benefit herein or hear from, including without limitation, the right to insist upon or enforce against Sponsor the performance of all or any of Sponsor's obligations hereunder and no such third party shall be deemed to have received any benefit as a result of any of the provisions of the Plan.

Sponsor reserves the right, from time to time prior to the First Closing, without obtaining the consent of Purchasers or others, to substantially revise the terms and conditions upon which the Units are to be sold, including changes affecting the rights, obligations and liabilities of Sponsor, the Purchasers and/or prospective Purchasers under the Plan. However, Sponsor may not unilaterally cancel a Purchase Agreement which is in effect, except as therein provided, as in the case of an uncured default, nor unilaterally change the purchase price or payment terms contained

in such Purchase Agreement. All substantive or material revisions will be contained in a duly filed amendment to the Plan. If there is a substantial amendment to the Plan that materially adversely affects Purchasers, except as otherwise provided herein, Purchasers will have a right of rescission which may only be exercised within fifteen (15) days from the Presentation Date of said amendment. Sponsor shall promptly return any Contract Deposit to Purchasers who rescind, except that Sponsor shall retain the Contract Deposit (and any interest thereon) of any Purchaser who is in default under the Purchase Agreement beyond any applicable grace period.

In accordance with the provisions of the laws of the State of New York, neither Sponsor nor any selling agent engaged by Sponsor will discriminate against any person in the sale of Units offered by the Plan or in the leasing of any such Units because of such person's sex, sexual orientation, race, creed, color, national origin, marital status, age, disability or any other ground proscribed by law.

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

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

Neither the Property nor the Building has been the subject of a prior public offering made by Sponsor.

PART II

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EXHIBIT A

PURCHASE AGREEMENT
(to be executed in quadruplicate)

500 WEST 25TH STREET CONDOMINIUM
500 WEST 25TH STREET
NEW YORK, NEW YORK

Date of Agreement: _____

Purchaser(s) Name:_____

Address:_____

Telephone: Bus.: _____Home: _____

Social Security No(s).:_____

Unit No.:_____

Unit Purchase Price.....$_____

Contract Deposit .....$_____

Balance due at Closing .....$_____

Name(s) and manner in which title will be taken:_____

_____

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500 WEST 25TH STREET CONDOMINIUM
500 WEST 25TH STREET
NEW YORK, NEW YORK

PURCHASE AGREEMENT dated as of _____ ____, 2018, by and between 500 W25th Owner LLC, a Delaware limited liability company, having an address at c/o GDS Development LLC, 12-16 Vestry Street, 7th Floor, New York, New York 10013 (herein referred to as "Sponsor"), and the party named on the cover page hereto ("Purchaser").

W I T N E S S E T H :

1. The Plan. Purchaser acknowledges having received and read a copy of the Condominium Offering Plan for the 500 West 25th Street Condominium located at premises known as 500 West 25th Street, New York, New York, and all amendments thereto filed with the Department of Law of the State of New York (hereinafter collectively referred to as the "Plan" or the "Offering Plan") at least 72 hours prior to the execution of this Purchase Agreement (hereinafter referred to as the "Agreement" or the "Purchase Agreement") by Purchaser. The Plan is incorporated herein by reference and made a part hereof with the same force and effect as if set forth at length. In the event of any inconsistency between the provisions of this Agreement and the Plan, the Plan shall govern.

2. Definitions. Terms used herein which are also used in the Plan shall have the same meanings herein as therein unless the context otherwise requires.

3. The Unit. Sponsor agrees to sell and convey, and Purchaser agrees to purchase, the unit ("Unit") designated on the cover page hereto, together with the applicable percentage of undivided interest in the Common Elements appurtenant thereto, upon and subject to the terms and conditions set forth herein.

4. Purchase Price.

4.1 The purchase price for the Unit ("Purchase Price") is $_____.

The Purchase Price is payable as follows:

(a) $_____ (the "Initial Contract Deposit"), due upon Purchaser's signing and submitting this Agreement, by check (subject to collection), receipt of which is hereby acknowledged;

(b) $_____ (the "Additional Contract Deposit" and, together with the Initial Contract Deposit, collectively, the "Contract Deposit"), by check (subject to collection) due (i) within fifteen (15) days following the Presentation Date of the amendment declaring the Plan effective; or (ii) if this Purchase Agreement is executed after the Plan is declared effective, thirty (30) days following the execution of this Purchase Agreement; and

(c) $_____, constituting the balance of the Purchase Price, by good certified check of Purchaser or official bank check, payable on the delivery of the deed as hereinafter provided.

4.2 All checks shall be drawn on a New York bank or trust company which is a Member of the New York Clearinghouse System. All checks in payment of the Contract Deposit stated on the cover page of this Purchase Agreement shall be made payable to the direct order of "Phillips Nizer LLP Attorney Trust Account" and all checks in payment of the Balance Due at Closing stated on the cover page of this Purchase Agreement shall be made payable to the direct order of "500 West 25th Street LLC" or as Sponsor may direct on notice given no less than two (2) business days prior to Closing. If any check is returned for insufficient funds or any other reason, Sponsor, at its option, may declare this Agreement void *ab initio* and may bring an action against Purchaser for the collection of the Contract Deposit as liquidated damages or may declare a default by Purchaser under this Agreement.

5. Agreement Not Contingent Upon Financing. The terms and provisions of this Agreement and Purchaser's obligations hereunder are not contingent upon Purchaser securing financing of the Purchase Price (or any portion thereof). Purchaser acknowledges and agrees that the Purchaser's failure to obtain such financing will not relieve the Purchaser of the Purchaser's obligations hereunder. Purchaser further understands and agrees that if the Purchaser chooses to finance the Purchaser's purchase of the Unit through a lending institution and obtain a commitment therefrom, neither a subsequent change in the terms of such commitment, the expiration or other termination of such commitment, nor any change in the Purchaser's financial status or condition shall release or relieve the Purchaser of the Purchaser's obligations pursuant to this Agreement.

6. Closing of Title.

6.1 The closing of title shall take place on the date and at the time and place Sponsor shall designate to Purchaser on no less than thirty (30) days' prior written notice to Purchaser. This notice period may be waived by Purchaser. 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 and shall give Purchaser not less than five (5) days' written notice of the new scheduled Closing Date. Purchaser shall be entitled to one reasonable adjournment of up to fifteen (15) days, on five (5) days' written notice by Purchaser to Sponsor. In the event this Agreement is executed after the first unit closing (the "First Unit Closing"), the closing of title shall occur thirty (30) days after the date of this Agreement.

6.2 The closing of title shall occur only after or concurrently with the compliance with the prerequisites as set forth under "Sponsor's Conveyance of Title to Units" in Part I of the Plan.

6.3 The term "Closing Date" or "closing of title" or words of similar import, whenever used herein, shall mean the date designated by Sponsor on which the deed to the Unit

is delivered to Purchaser or any adjourned date fixed by Sponsor pursuant to subsection 5.1 hereof.

7. Delivery of the Deed and Power of Attorney to the Condominium Board.

7.1 At the closing of title, Sponsor shall deliver to Purchaser a bargain and sale deed with covenants against grantor's acts conveying title to the Unit to Purchaser. The deed shall be prepared by Sponsor substantially in the form set forth as Exhibit C in Part II of the Plan and shall be executed and acknowledged by Sponsor in form for recording.

7.2 Simultaneously with the delivery of the deed, Purchaser (i) shall cause the proceeds of any mortgage loan to be transferred to Sponsor on account of the total Purchase Price (as set forth on the cover page of this Agreement), (ii) shall execute 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, (iii) shall deliver the Balance Due at Closing (as set forth on the cover page of this Agreement), and (iv) shall pay into the Working Capital Fund an amount equal to two (2) month's Common Charges attributable to the Unit.

7.3 At the closing of title, Purchaser shall pay all New York State and New York City real property transfer taxes, including the filing fee for the filing of the New York City Real Property Transfer Tax Return and the New York State "Mansion Tax", if applicable. Sponsor and Purchaser shall duly execute and swear to a New York City Real Property Transfer Tax Return (including the required Smoke Detector Affidavit) and a New York State Combined Real Estate Transfer Tax Return and Credit Line Mortgage Certificate prepared by Sponsor.

7.4 At the closing of title and simultaneously with the delivery of the deed conveying the Unit to Purchaser, Purchaser shall execute and acknowledge a power of attorney to the Condominium Board substantially in the form set forth as Exhibit B in Part II of the Plan.

7.5 The deed and said power of attorney to the Condominium Board shall be delivered to the representative of the title company insuring Purchaser's title (or if no such representative is present, then to Sponsor's attorney) for recording in the New York County office of the Register of the City of New York (the "City Register's Office"). Purchaser shall pay all recording fees for the deed and the power of attorney.

7.6 Sponsor shall deliver to Purchaser a certification stating that Sponsor is not a foreign person in the form then required by the Code Withholding Section and each party shall execute, acknowledge and deliver to the other party such instruments, and take such other actions, as such other party may reasonably request in order to comply with IRS §6045(e), as amended, or any successor provision or any regulations promulgated pursuant thereto, insofar as the same requires reporting of information in respect of real estate transactions.

8. Marketable Title. At the closing of title, Sponsor shall convey to Purchaser good and marketable title in fee simple to the Unit, free and clear of all encumbrances other than those set forth in Schedule A annexed hereto and made a part hereof and mortgages, if any, covering the Unit, which Purchaser assumes. Any encumbrance to which title is not to be subject shall not be an objection to title if: (a) the instrument required to remove it of record is delivered to the proper party together with the recording or filing fees, or (b) Purchaser's title insurance

company will insure Purchaser that it will not be collected out of the Unit if it is a lien, or will not be enforced against the Unit if it is not a lien.

9. Closing Adjustments.

9.1 The following adjustment shall be made as of the Closing Date with respect to the Unit:

(a) real estate taxes and assessments, if any, (including water charges and sewer rates if separately assessed), from midnight preceding the date of the closing through the end of the tax period within which the Closing Date occurs, which shall be either a quarter of a year or one-half of a year provided, however, that Sponsor shall be reimbursed at closing by Purchaser for the cost of any real estate taxes which Sponsor would not otherwise pay but for an unauthorized delay in closing of title by Purchaser;

(b) Common Charges for the month in which title closes from midnight preceding the date of the closing provided, however, that Sponsor shall be reimbursed by Purchaser for the cost of any Common Charges which Sponsor would not otherwise pay but for an unauthorized delay in closing of title by Purchaser;

(c) accrued rent and any other charges pursuant to a lease, including the security deposit, if any, covering the Unit; and

(d) such other items as are customarily included in closing adjustments in the City of New York.

9.2 If the Unit has been assessed separately but the closing of title occurs before the real estate tax rate ("Tax Rate") is fixed, adjustment of taxes shall be based upon the latest Tax Rate applied to the most recent assessed valuation. Installments for tax assessments due after the delivery of the deed, if any, shall be paid by Purchaser and shall not be considered a defect in title. If the Unit has not been assessed separately as of the Closing Date for the then current tax period, the adjustment under subsection 8.1(a) hereof shall be based upon the assessment for the Property and the percentage interest in the Common Elements. The "Customs in Respect of Title Closings" recommended by The Real Estate Board of New York, Inc., as amended to date, shall apply to the adjustments and other matters therein mentioned except as otherwise provided herein.

9.3 Real estate taxes, assessments, if any, Common Charges, rent and security deposits, if applicable, shall be adjusted between Sponsor and Purchaser as of midnight preceding the Closing Date, provided, however, if the closing of title is delayed by Purchaser, adjustments shall be as of midnight preceding the date originally scheduled as the closing date, as such date may be adjourned by or with the consent of Sponsor.

9.4 Provided Sponsor is ready, willing and able to close title in accordance with this Agreement, if Purchaser fails for any reason to close title to his Unit on the originally scheduled Closing Date (a) the closing apportionments described in Section 9.1 of this Agreement will be made as of midnight of the day preceding the originally scheduled Closing Date, regardless of when the actual closing of title occurs, and (b) Purchaser will be required to pay to Sponsor, as a

reimbursement of Sponsor's 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 0.04 percent of the Purchase Price (which is equal to a rate per annum of 14.6%) for each day starting from (and including) the originally scheduled Closing Date to (and including) the day before the actual Closing Date. If, through no fault of Purchaser, Sponsor postpones the originally scheduled Closing Date, these provisions shall apply to the rescheduled Closing Date if Purchaser fails for any reason to close title to his Unit on the rescheduled Closing Date.

9.5 Any errors or omissions with respect to apportionments at closing shall be corrected and the appropriate payment shall be made promptly after discovery. The provisions of this subsection shall survive the Closing Date.

10. Closing Costs. Purchaser shall pay the following costs and expenses at the time of closing of title:

(a) if Purchaser elects to obtain fee title insurance, Purchaser will pay a premium therefor at rates to be determined by its title company;

(b) the fee to City Register for recording the Condominium Unit Deed to City Register;

(c) the fee to City Register for recording the power of attorney for the Condominium Board;

(d) New York State Real Estate Transfer Tax (including the "Mansion Tax", if applicable) and New York City Real Property Transfer Tax;

(e) the fee for filing the New York City Real Property Transfer Tax Return;

(f) the contribution to the Working Capital Fund in the amount of two months' Common Charges per Unit payable to the Condominium Board;

(g) the fees of Sponsor's attorneys as set forth in the Section of the Plan entitled "Closing Costs and Adjustments"; and

(h) if Purchaser obtains a mortgage loan, Purchaser will pay: (i) Sponsor a sum equal to the partial mortgage tax credit available pursuant to Section 339-ee(2) of the New York Real Property Law with respect to the mortgages encumbering the Unit and its appurtenant interest in the Common Elements, if available; (ii) mortgage recording tax on an amount equal to the difference between Section 339-ee(2) credit and the mortgage

recording tax payable with respect to the mortgage; (iii) mortgage title insurance policy costs, and (iv) recording fee of approximately $250 for recording the mortgage.[1]

In addition, if Purchaser obtains a mortgage loan, Purchaser will be responsible for the payment of all closing costs and expenses in connection therewith in the amounts determined by such lender. These costs customarily include, among others: (i) commitment fee, (ii) origination fee, (iii) application fee, (iv) credit fee, (v) lender's attorney's and appraisal fees, and (vi) other closing costs and expenses, if any, charged by the lending institution.

11. Monies to be Held in Trust; Payment of Purchase Price; Notice of Closing.

11.1 The Contract Deposit will be retained in escrow as set forth above until: (i) Sponsor performs under the terms of the Purchase Agreement, (ii) Purchaser rescinds or defaults in performance, thereby excusing performance by Sponsor, (iii) release or discharge of Sponsor's liability to refund such Contract Deposit, (iv) transfer of title to the Unit to Purchaser, or (v) withdrawal by mutual consent of Sponsor and Purchaser.

11.2 Anything contained in this Purchase Agreement to the contrary notwithstanding, in the event of an uncured default by Purchaser in his obligations under the Purchase Agreement, no more than ten (10%) percent of the Purchase Price plus any interest earned thereon together with any monies advanced by Purchaser for "extras" pursuant to the Plan, may be retained by Sponsor as liquidated damages.

11.3 The balance of the Purchase Price will not be payable until closing of title to the Unit.

11.4 PHILLIPS NIZER LLP, 485 Lexington Avenue, 14th Floor, New York, New York 10017 Telephone: (212) 997-9700 ("Escrow Agent") shall serve as escrow agent for Sponsor and Purchaser. Escrow Agent has designated the following attorneys to serve as signatories: Marc A. Landis, Andrew J. Tunick, Michael Galligan, Martin B. Wasser, Alan Behr, Brian R. Brodrick, and Mark M. Elliott. 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 principals of Sponsor or have any beneficial interest in any of the foregoing.

11.5 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.

11.6 For the purpose of holding deposits or payments made by purchasers, the Escrow Agent has established an escrow account at Sterling National Bank at its branch located at 489 Fifth Avenue, New York, New York 10017 ("Bank"), a bank authorized to do business in the

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[1] Recording charges, fees and taxes are based on the rates in effect on the date of the Plan and are subject to change without notice, provided however, Sponsor shall amend the Plan in the event that there are any material changes in such fees and taxes.

State of New York. The escrow account (the "Escrow Account") is entitled Phillips Nizer LLP Attorney Trust Account.

11.7 All Deposits will be placed initially in a non-interest bearing checking portion of the Escrow Account. Each Purchaser is required to deliver to the Escrow Agent a completed and signed IRS Form W-9 (Request for Taxpayer Identification Number) or a Form W-8 (Certificate of Foreign Status). If a deposit is accompanied by a completed and signed Form W-9 or Form W-8, the deposit will thereafter be promptly transferred to an individual interest-bearing sub-account in the name of Purchaser. If a Purchaser does not deliver a Form W-9 or a Form W-8, the deposit will remain in the non-interest bearing checking portion of the Escrow Account, which is an IOLA account.

11.8 The Bank is covered by federal bank deposit insurance to a maximum of $250,000 per individual. If an individual makes a deposit in excess of $250,000 for the purchase of a unit, such deposit will not be federally insured in excess of $250,000; and while the deposit is in the non-interest bearing checking account it may not be federally insured even if the deposit does not exceed $250,000. Under present law, notwithstanding the aggregate balance of an IOLA account, the FDIC insurance coverage for IOLA accounts is $250,000 per depositor. Pursuant to current regulations, FDIC insurance is limited to $250,000 per depositor per institution, meaning in the event that a Purchaser has other funds on deposit at the Bank, the aggregate FDIC insurance proceeds payable to such Purchaser will be $250,000 on all accounts maintained at the Bank. The foregoing limitation will apply whether the Contract Deposit is in the non-interest bearing IOLA account or an interest-bearing sub-account.

11.9 All Deposits received by Purchaser shall be in the form of checks, money orders, wire transfers, or other instruments and shall be made payable to or endorsed by the Purchaser to the order of Escrow Agent.

11.10 The interest rate for all Deposits made into the Escrow Account shall be the prevailing rate for such accounts, which is currently approximately 0.1%. Interest shall begin to accrue upon placing the Deposit into the Escrow Account. All interest earned thereon shall be paid to or credited to Purchaser at closing. No fees of any kind may be deducted from the Escrow Account, and Sponsor shall bear all costs associated with the maintenance of the Escrow Account.

11.11 Within five (5) business days after the Purchase Agreement has been 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 of the placing the deposit in the Escrow Account, Escrow Agent shall send written notice to Purchaser and Sponsor, confirming the Deposit. The notice shall provide the account number and the initial interest rate to be earned on the Deposit. Any Deposits made for upgrades, extras, or custom work shall be initially deposited into the Escrow Account, and released in accordance to the terms of a written agreement between Purchaser and Sponsor.

11.12 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 tender of the Deposit, he or she may cancel the Purchase

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

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

11.14 Under no circumstances shall Sponsor seek or accept release of the Deposit of a defaulting Purchaser until after consummation of the Plan, as evidenced by the acceptance of an effectiveness amendment by the New York State Department of Law. Consummation of the Plan does not relieve Sponsor of its obligations pursuant to GBL §§ 352-3(2-b) and 352-h.

11.15 The Escrow Agent shall release the Deposit if so directed:

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

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

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

11.16 If the Escrow Agent is not directed to release the Deposit pursuant to paragraphs (a) through (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 Building is located and shall give written notice to both parties of such deposit.

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

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

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

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

11.19 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, Plan, or any amendment thereto.

11.20 Escrow Agent shall maintain the Escrow Account under its direct supervision and control.

11.21 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).

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

11.23 Sponsor agrees that Sponsor and its agents, including any selling agents, shall deliver the Deposit received by them prior to closing of the Unit to a designated attorney who is a member of or employed by Escrow Agent, within two (2) business days of tender of the Deposit by Purchaser.

11.24 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.

11.25 Sponsor shall obtain or cause the selling agent under the Plan to obtain a completed and signed Form W-9 or W-8, as applicable, from Purchaser and deliver such form to Escrow Agent together with the Deposit and this Purchase Agreement.

11.26 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.

11.27 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 pursuant to 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.

11.28 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. The notice to Purchaser shall also specify when Common Charges will be due and payable.

12. Binding Effect of Declaration, By-Laws and Rules and Regulations. Purchaser hereby accepts and approves the Plan (including the Declaration, By-Laws and Rules and Regulations contained therein) and agrees to abide and be bound by the terms and conditions thereof.

13. Mortgage to be Released or Subordinated. No encumbrance shall arise against the Property as a result of this Agreement or any monies deposited hereunder. In furtherance and not in limitation of the provisions of the preceding sentence, Purchaser agrees that the provisions of this Agreement are and shall be subject and subordinate to the lien of any mortgages heretofore or hereafter made and any payments or expenses already made or incurred or which hereafter may be made or incurred, pursuant to the terms thereof, or incidental thereto, or to protect the security thereof, to the full extent thereof without the execution of any further legal documents by Purchaser. Sponsor shall, at its option, either satisfy such mortgages or obtain a release of the Unit and its undivided interest in the Common Elements from the lien of such mortgages on or prior to the Closing Date. The existence of any mortgage or mortgages encumbering the Property, or portions thereof, other than the Unit and its undivided interest in the Common Elements, shall not constitute an objection to title or excuse Purchaser from completing payment of the Purchase Price or performing all of his other obligations hereunder or be the basis for any claim against, or liability of, Sponsor, provided that any such mortgage is subordinated to the Declaration or the Unit is released from the lien of such mortgage.

14. Default by Purchaser. The following shall constitute a default hereunder:

(a) Purchaser's failure to pay any portion of the Purchase Price or the contribution to the Working Capital Fund when due; or

(b) Purchaser's failure to close title on the date, hour and place specified by Sponsor pursuant to Section 5 hereof; or

(c) If Purchaser is or becomes the tenant of record of the Unit, Purchaser's failure to pay rent or to otherwise comply with Purchaser's lease or tenancy obligations; or

(d) If Purchaser is or becomes the tenant of record of the Unit and Purchaser vacates or abandons the Unit; or

(e) Purchaser's assignment of any of Purchaser's property for the benefit of creditors, or Purchaser's filing a voluntary petition in bankruptcy; or

(f) If a non-bankruptcy trustee or receiver is appointed over Purchaser or Purchaser's property, or an involuntary petition in bankruptcy is filed against Purchaser; or

(g) Purchaser's failure to perform any of Purchaser's other obligations hereunder (including, without limitation, the obligation to furnish the Selling Agent and/or any lender promptly with such information as the Selling Agent and/or such lender may require, and the obligation to accept a commitment letter on the terms set forth in this Agreement)

Any 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 after Sponsor gives written notice to the Purchaser to cure such default.

TIME IS OF THE ESSENCE FOR PURCHASER TO CURE ANY DEFAULT UNDER THIS AGREEMENT ON OR BEFORE THE 30TH DAY OF SUCH 30 DAY PERIOD.

If such default is not cured within thirty (30) days 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. In such event, the amounts specified in subsection 10.2 of this Agreement 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 to cancel this Agreement, Sponsor shall certify to its attorneys, Phillips Nizer LLP, that title has not closed because of Purchaser's default, that a notice to cure the default was delivered to Purchaser and Purchaser has failed to cure the default within thirty (30) days after Sponsor gives written notice to the Purchaser and that Sponsor has elected to cancel this Purchase Agreement by reason thereof, and shall thereupon notify the holder of sums paid by Purchaser hereunder, as set forth in Section 10 hereof, to pay over to Sponsor as liquidated damages the Contract Deposit, 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 this Purchase Agreement shall be cancelled by Sponsor pursuant to the provisions of this Section 13, 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. Phillips Nizer LLP may rely upon the truth and accuracy of the facts contained in Sponsor's certification and the authority of the person or persons executing the same and shall have no liability as a result of such reliance.

15. Agreement Subject to Plan Being Effective; Sponsor's Right to Cancel.

15.1 This Purchase Agreement is contingent upon Sponsor declaring the Plan effective pursuant to the terms and requirements of the Plan and shall be abandoned and deemed abandoned if it has not been declared effective in accordance with the terms set forth in the Plan. The Plan may be abandoned or withdrawn by Sponsor at any time prior to its being declared effective and before eighty (80%) percent of the Units have been purchased. Once the Plan has been declared effective, Sponsor may not abandon the Plan for any reason other than (i) a defect in title which cannot be cured without litigation or cannot be cured for less than 0.5 percent of the aggregate purchase price of all Units offered under the plan, (ii) substantial damage or destruction of the Building or any portion thereof by fire or other casualty which occurs prior to the First Unit Closing, or (iii) the taking of any material portion of the Property by condemnation or eminent domain. Sponsor shall have no obligation to engage in litigation to cure title defects.

15.2 If the Plan is abandoned or does not become effective, this Purchase Agreement shall be deemed cancelled. In the event the Plan is abandoned, Sponsor shall submit an amendment to the Department of Law together with Form RS-3 disclosing that the Plan is being abandoned by Sponsor. Sponsor shall cause the Contract Deposits paid hereunder to be returned to Purchaser within five (5) days following acceptance by the Department of Law of the amendment abandoning the Plan. If, after the Plan is declared effective, title to the Unit shall not close within the time set forth in Section 5 hereof, or in the Plan, for any reason other than Purchaser's default, then Purchaser shall have the option to cancel the Purchase Agreement and to have the Contract Deposit refunded pursuant to Section 10 hereof. Upon such repayment, neither party shall have any claim against the other and both shall be released from all obligations hereunder.

15.3 Sponsor may cancel this Purchase Agreement by forwarding its check in the full amount paid by Purchaser, together with a notice in writing, addressed to Purchaser at his address herein above 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 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 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. 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 or, at the option of Sponsor, with suitable substitutions of equal quality. Furnishings, equipment, appliances and decorations in any model unit or sales office that are not referred to in the Plan are excluded from this sale.

17. Acceptance of Condition of Unit; Risk of Loss.

17.1 The construction of the Building and the Unit, including the materials, equipment and fixtures to be installed herein, shall be substantially in accordance with the Plan and the Description of Property and Specifications, subject to the right of Sponsor to amend the Plan and the Description of Property and Specifications in order to substitute materials equipment or fixtures of equal or better quality, provided that the approval of any governmental authorities having jurisdiction, if required, is first obtained. The issuance of a temporary or permanent Certificate of Occupancy for the Unit or the Building shall be deemed presumptive evidence that the Unit or the Building, as the case may be, shall have been fully completed in accordance with the Plan and the Plans and Specifications and all services required for the legal occupancy of the Building in accordance with applicable laws and regulations are available. 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, or the Building, or (b) other Units, or (c) portions of the Common Elements have not been completed. Purchaser will examine his Unit, if applicable, with a representative of Sponsor during normal business hours prior to the Closing Date. The failure of Sponsor to complete any "punch list" type work shall

not be a basis for Purchaser delaying the Closing Date provided that Sponsor agrees to complete such work promptly after Closing.

17.2 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. Purchaser shall have the right to enter and inspect such Unit prior to the closing of title but shall be obligated to make an inspection appointment with 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.

17.3 While Sponsor has legal title and is in possession of the Unit, Sponsor assumes all risk of loss or damage ("Loss") to the Unit and Property from fire or other cause not due to the fault of Purchaser or Purchaser's contractors, agents or servants. In the event of a Loss, Sponsor shall have the option (but not the obligation) to restore the Unit and Property to as near as reasonably possible to the condition immediately prior to the Loss.

17.4 Within ten (10) calendar days after the Loss occurs, Sponsor shall give Notice to Purchaser of the Loss and whether or not Sponsor elects to restore ("Election Notice").

17.5 If Sponsor elects to restore, Sponsor must do so within sixty (60) calendar days after sending the Election Notice or by the Closing, whichever is later ("Restoration Period").

17.6 If the Closing is before such sixty (60) calendar day period expires, then the Closing shall be adjourned to a date and time fixed by Sponsor on not less than ten (10) calendar days' prior Notice to Purchaser, but in no event shall the Closing be adjourned for more than seventy (70) calendar days after giving of the Election Notice.

17.7 If Sponsor elects not to restore or fails, in a timely manner, to send the Election Notice or, having sent the Notice, Sponsor fails to complete the restoration within the Restoration Period, then Purchaser's sole remedy is either to:

17.7.1 cancel this Purchase Agreement and recover all sums theretofore paid on account of the Purchase Price; or

17.7.2 complete the purchase in accordance with this Purchase Agreement, without reduction in the Purchase Price or claim against Sponsor, but with the right to receive any "Net Insurance Proceeds" as defined in Section 17.8 together with an assignment to Purchaser, without recourse to Sponsor, of any uncollected proceeds, which assignment shall be delivered by Sponsor at Closing.

17.8 "Net Insurance Proceeds" are proceeds of Sponsor's insurance covering the Loss which is attributable to the Unit and Property after deducting legal and other collection expenses incurred by Sponsor and any sums paid or incurred by Sponsor for restoration.

17.9 If Purchaser fails to exercise one of Purchaser's options pursuant to Section 17.7 by Notice to the Sponsor within ten (10) Business Days after the Sponsor gives the Election Notice or within ten (10) Business Days after the Restoration Period expires (in the event Sponsor fails to complete the restoration within the Restoration Period), then Purchaser will be

deemed to have conclusively elected the option to complete the purchase pursuant to Section 17.7.2.

17.10 If Purchaser is given possession of Unit prior to Closing:

(a) Purchaser assumes all risk of Loss to the Unit and Property prior to Closing from fire or other cause not the fault of Sponsor or Sponsor's contractors, agents, employees or servants; and

(b) Purchaser shall be obligated to complete the purchase in accordance with this Purchase Agreement, without reduction in the Purchase Price or claim against Sponsor and without delay.

17.11 Notwithstanding anything to the contrary in Section 17.7, Purchaser shall have the right to cancel this Purchase Agreement in accordance with Section 17.7 if, prior to Closing and while Sponsor is in possession, through no fault of Purchaser or Purchaser's contractor, agents, employees and servants, either:

(a) a Loss occurs to the Unit which would cost more than ten percent (10%) of the Purchase Price to restore; or

(b) more than two of the units in the Building are damaged and rendered uninhabitable by fire or other cause, regardless of whether the Unit is damaged.

17.12 Purchaser shall be deemed to have waived Purchaser's right to cancel under Section 17.7.1 if Purchaser fails to elect to cancel by Notice to Sponsor given within seven (7) business days after Sponsor gives Notice to Purchaser of the event which gives rise to Purchaser's right to cancel. In the event Purchaser waives or is deemed to have waived this right to cancel, the provisions of Section 17.7.2 shall apply.

18. Inspection of Unit. At least ten (10) business days before the Balance is to be paid, the Selling Agent shall notify the Purchaser that the Unit is ready for inspection. Upon receipt of the notice, Purchaser shall promptly arrange an appointment with the Selling Agent to inspect the Unit before the lapse of such ten (10) business day period. Purchaser or his duly authorized agent shall attend such inspection and shall complete, date and sign the Inspection Statement and deliver the same to the Selling Agent at the conclusion of the inspection. Failure of Purchaser either to arrange such appointment or to inspect the Unit within ten (10) business days of receipt of said notice or to so sign and deliver the completed Inspection Statement, shall not excuse Purchaser from paying the Balance when due and shall constitute Purchaser's full acceptance of the Unit. Nothing contained herein shall relieve Sponsor of its obligations contained in the section of the Plan entitled "Rights and Obligations of Sponsor".

19. Possession of Unit Prior to Closing. It is expressly understood and agreed that Purchaser shall in no event take possession of the Unit, prior to the time of delivery of the deed and full compliance by Purchaser with the terms of this Agreement, and should Purchaser violate this provision, Purchaser consents that Sponsor shall have the right to remove him from the Unit as a squatter and intruder by summary proceedings. Upon Purchaser's unauthorized possession, Purchaser shall be deemed in default hereunder at the option of Sponsor, and if Sponsor so

elects, Sponsor may cancel this Agreement and the amount deposited hereunder shall belong to Sponsor as liquidated damages deemed earned hereunder. It is further understood and agreed that 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. No Representations. Purchaser acknowledges that he has not relied upon any architect's plans, sales plans, selling brochures, advertisements, representations, warranties, statements or estimates of any nature whatsoever, whether written or oral, made by Sponsor, Selling Agent or otherwise, including, but not limited to, any relating to the description or physical condition of the Property, Building, or the size or dimensions of the Unit or the rooms therein contained or any other physical characteristics thereof, the services to be provided to Unit Owners, the estimated Common Charges allocable to the Unit, the estimated real estate taxes on the Unit, the right to any income tax deduction for any real estate taxes or mortgage interest paid by Purchaser, or any other data, except as specifically represented herein and/or in the Plan, Purchaser having relied on his own examination and investigation thereof. No person has been authorized to make any representations on behalf of Sponsor except as specifically set forth herein or in the Plan. No oral representations or statements shall be considered a part of this Agreement. Purchaser agrees (a) to purchase the Unit, without offset or any claims against, or liability of, Sponsor, whether or not any layout or dimension of the Unit or any part thereof, or of the Common Elements, as shown on the Floor Plans, is accurate or correct, provided the layouts and dimensions conform substantially to such Floor Plan and (b) that Purchaser shall not be relieved of any of his obligations hereunder by reason of any minor inaccuracy or error, or due to minor defects in workmanship. The provisions of this Section 19 shall survive the closing of title.

21. Broker. Purchaser represents to Sponsor that [_____] is the only broker or sales agent with whom Purchaser has dealt in connection with this transaction and Sponsor agrees to pay the commission earned by said broker, if any, pursuant to separate agreement. Purchaser agrees that, should any claim be made against Sponsor for commissions by any broker other than the aforementioned broker, on account of any acts of Purchaser or Purchaser's representatives, Purchaser will indemnify and hold free and harmless Sponsor from and against any and all liabilities and expenses in connection therewith, including reasonable legal fees. The provisions of this Section 20 shall survive the delivery of the deed.

22. Agreement May Not Be Assigned. Purchaser shall not have the right to assign this Agreement without the prior written consent of Sponsor which may be withheld in Sponsor's sole and absolute discretion.

23. Binding Effect. This Agreement shall not be binding on Purchaser or Sponsor until a fully executed copy hereof has been furnished to Purchaser. If this Agreement is not accepted within thirty (30) days from the date hereof by furnishing to Purchaser a fully executed copy, this Agreement shall be deemed to have been rejected and cancelled and the deposit paid on the execution hereof, with interest accrued thereon, if any, shall be returned promptly to Purchaser.

24. Notices. Any notice, request or other communication hereunder or under the Plan shall be in writing and sent, postage prepaid, by registered or certified mail, or by hand delivery or overnight courier, to Purchaser at the address given at the beginning of this Agreement, with a

copy to _____, and to Sponsor at the address given at the beginning of this Agreement, with a copy to Phillips Nizer LLP, 485 Lexington Avenue, New York, New York 10017, Attention: Lisa R. Radetsky, Esq., or to such other address as either party may hereafter designate to the other in writing. Except as otherwise expressly provided herein, all such notices and communications shall be deemed to have been received either on the date of personal delivery, on the next business day for overnight courier or on the fifth (5th) day after mailing.

25. Joint Purchasers. The term "Purchaser" shall be read as "Purchasers" if more than one person are purchasers, in which case their obligations shall be joint and several.

26. Liability of Sponsor. Sponsor shall not have any liability to Purchaser with respect to any of Sponsor's obligations under this Agreement or the Plan or otherwise in excess of the net proceeds paid to Sponsor either as a Contract Deposit by Purchaser hereunder if the transaction does not close or paid to Sponsor on the sale of the Unit to Purchaser after payment of, or reserve for, any liabilities of Sponsor arising out of the consummation of the transactions contemplated in the Plan, subject, however, to the provisions of the New York State General Obligations Law, the General Business Law and 13 NYCRR-Part 20.

27. Right of Rescission. Purchasers who have not had an opportunity to review the Plan and any filed amendments for at least three (3) days prior to their executing a Purchase Agreement shall be given seven (7) days, after delivering an executed Purchase Agreement, together with the required Contract Deposit, to rescind the Purchase Agreement and have the full Contract Deposit refunded promptly. Such rescission must be in writing, addressed and sent to Sponsor in care of and at the address of the Selling Agent, and be postmarked or hand delivered by midnight of the seventh day subsequent to Purchaser's executing and delivering such Purchase Agreement. Purchasers who execute a Purchase Agreement after having had an opportunity to review the Plan and any filed amendments for not less than three (3) days prior to their executing a Purchase Agreement shall not be permitted the aforementioned time period to rescind for any reason.

28. Further Assurances. Either party shall execute, acknowledge and deliver to the other party such instruments, and take such other actions, in addition to the instruments and actions specifically provided for herein, as such other party may reasonably request, in order to effectuate the provisions of this Agreement or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

29. Prohibition Against Advertising. Prior to the closing of title to the Unit, Purchaser shall not list the Unit for resale or rental with any broker or to advertise or offer, promote, or publicize the availability of the Unit for sale or lease, without Sponsor's prior express written consent. Any such sale or lease, listing of the Unit or form of advertising, promotion or publicizing of the Unit by Purchaser or its agents or representatives shall be an Event of Default hereunder, entitling Sponsor to the remedies set forth in Article 14 hereof and any lease or conveyance in violation of the foregoing will be voidable by Sponsor.

30. Severability. If any provision of this Agreement or the Plan is invalid or unenforceable as against any person or under certain circumstances, the remainder of this Agreement or the Plan and the applicability of such provision to other persons or circumstances shall not be affected thereby. Each provision of this Agreement or the Plan, except as otherwise herein or therein provided, shall be valid and enforced to the fullest extent permitted by law.

31. Strict Compliance. Any failure by Sponsor to insist upon the strict performance by Purchaser of any of the provisions of this Agreement shall not be deemed a waiver of any of the provisions hereof, and Sponsor, notwithstanding any such failure, shall have the right thereafter to insist upon the strict performance by Purchaser of any and all of the provisions of this Agreement to be performed by Purchaser.

32. Governing Law. The provisions of this Agreement shall be governed by the laws of the State of New York.

33. Waiver of Jury. Except as prohibited by law, the parties shall, and they hereby do, expressly waive trial by jury in any litigation arising out of, or connected with, or relating to, this Agreement, or the relationship created hereby. With respect to any matter for which a jury trial cannot be waived, the parties agree not to assert any such claim as a counterclaim in, nor move to consolidate such claim with, any action or proceeding in which a jury trial is waived.

34. Costs of Enforcing and Defending Agreement. Neither party to this Agreement shall be responsible for another party's legal fees and expenses in any dispute between the parties.

35. Certification of Sponsor and Principal. Purchaser acknowledges that the principals of Sponsor have expressly disclaimed the existence of any private right of action for contract claims by the Purchaser, individual unit owners (or a board on their behalf) in connection with or arising solely from such principal's execution of the Certification of Sponsor and Principal, absent liability under another statute or under an alter-ego or other veil-piercing theory.

36. Financial Crimes Enforcement Network Disclosure. Purchaser acknowledges and agrees that if: (i) Purchaser is corporation, partnership, limited liability company, or other similar business entity ("Covered Purchaser"); (ii) the purchase price payable pursuant to this Purchase Agreement exceeds $3,500,000.00; and (iii) Purchaser is using cash, a cashier's check, certified check, traveler's check or money order in any form, without a bank loan or other similar form of third party financing, the Geographic Targeting Order ("Order") promulgated by the Director of the Financial Crimes Enforcement Network, U.S. Department of the Treasury ("FinCEN") will apply to the Transaction contemplated herein because the same constitutes a "Covered Transaction"). Purchaser hereby agrees that, at Closing, it will comply with the Order and will deliver to the Title Company all documents and information necessary in order for the Title Company to comply with the requirements set forth in the Order, including, without limitation, a completed FinCEN Form 8300. If this is a Covered Transaction, any failure of Purchaser to deliver such documents and information shall constitute an Event of Default under this Agreement.Entire Agreement. This Agreement supersedes any and all understandings and agreements between the parties and constitutes the entire agreement between them.

38. Certain References. A reference in this Agreement to any one gender, masculine, feminine or neuter, includes the other two, and the singular includes the plural, and vice versa, unless the context otherwise requires. The terms "herein", "hereof" or "hereunder" or similar terms used in this agreement refer to this entire Agreement and not to the particular provision in which the term is used. Unless otherwise stated, all references herein to Articles, Sections or other provisions are references to Articles, Sections or other provisions of this Agreement.

39. Captions. The captions in this Agreement are for convenience and reference only and in no way define, limit or describe the scope of this Agreement or the intent of any provision hereof.

40. Successors and Assigns. Subject to the provisions of Section 21 hereof, the provisions of this Agreement shall bind and inure to the benefit of Purchaser and Purchaser's heirs, legal representatives, successors and permitted assigns and shall bind and inure to the benefit of Sponsor and its successors and assigns.

41. No Oral Changes. This Agreement cannot be changed or terminated orally.

42. Waiver of Diplomatic or Sovereign Immunity.

42.1 The provisions of this Section shall survive the Closing of Title or the termination of this Agreement for the purpose of any suit, action, or proceeding arising directly or indirectly, out of or relating to this Agreement or the Condominium Documents.

42.2 If Purchaser is a foreign government, a resident representative of a foreign government or such other person or entity otherwise entitled to diplomatic or sovereign immunity, Purchaser expressly and voluntarily waives such immunity and consents to any suit, action or proceeding arising out of or relating to this Agreement or the Condominium Documents being brought in any State or Federal suit, action or proceeding in the State of New York based on, arising out of or connected with this Agreement or the Condominium Documents, and hereby designates and authorizes a lawful agent to receive process for and on behalf of Purchaser in any state or Federal suit, action or proceeding in the State of New York based on, arising out of or connected with this Agreement or the Condominium Documents.

42.3 If Purchaser is a foreign mission, as such term is defined under the Foreign Missions Act, 22 U.S.C. Section 4305, Purchaser shall notify the United States Department of State prior to purchasing a Unit and provide a copy of such notice to Sponsor. Sponsor shall not be bound under this Agreement unless and until the earlier to occur of: (i) a notification of approval is received from the Department of State; or (ii) sixty (60) days after Purchaser's notice is received by the Department of State.

43. Purchaser's Representations.

43.1 Purchaser is not now, nor shall at any time prior to or at the Closing, be a Person with whom a United States citizen, entity organized under the laws of the United States or its territories or entity having its principal place of business within the United States or any of its territories (collectively, a "U.S. Person"), is prohibited from transacting business of the type contemplated by this Agreement, whether such prohibition arises under United States law,

regulation, executive orders and lists published by the Office of Foreign Assets Control, Department of the Treasury ("OFAC") or otherwise. Neither Purchaser nor any Person who owns an interest in Purchaser, is now nor shall be at any time prior to or at the Closing of Title, be a Person with whom a U.S. Person, including a "financial institution" as defined in 31 U.S.C. 5312 (a)(z), as periodically amended, (i) is prohibited from transacting business; or (ii) with whom U.S. Persons may only, subject to the imposition of significant fines and/or penalties, transact business of the type contemplated by this Agreement, whether such prohibition arises under United States law, regulation, executive orders and lists published by OFAC or otherwise.

43.2 Purchaser has taken, and until the Closing of Title shall continue to take, such measures as are required by applicable Law to assure that the funds used to pay to Sponsor the Purchase Price are derived: (i) from transactions that do not violate United States law, and to the extent such funds originate outside the United States, do not violate the laws of the jurisdiction in which they originated; and (ii) from permissible sources under United States law and to the extent such funds originate outside the United States, under the laws of the jurisdiction in which they originated. Purchaser is, and at Closing will be, in compliance with any and all applicable provisions of the USA PATRIOT Act of 2001, Pub. L. No. 107¬56, the Bank Secrecy Act of 1970, as amended, 31 U.S.C. Section 5311 et. seq., the Trading with the Enemy Act, 50 U.S.C. App. Section 1 et. seq., the International Emergency Economic Powers Act, 50 U.S.C. Section 1701 et. seq.; and the International Emergency Economic Powers Acts, 50 U.S.C. Section 1701 et. seq., and the sanctions and regulations promulgated pursuant thereto by OFAC, as well as laws relating to prevention and detection of money laundering in 18 U.S.C. Sections 1956 and 1957, as amended from time to time.

43.3 The provisions of this Section shall survive the Closing of Title to the Unit or the earlier termination of this Agreement.

44. Counterparts. This Agreement and any Rider(s) which may be annexed hereto may be executed in one or more counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same document. A facsimile signature on this Agreement (or any such Rider(s)) shall be acceptable and be deemed binding. The party tendering such facsimile signature shall provide the other party with original counterparts of the signature page promptly after delivery of the facsimile signature page, although the failure to do so shall not invalidate the effectiveness of the facsimile signature.

ANY CHANGES OR ADDITIONAL PROVISIONS MUST BE SET FORTH IN A RIDER ATTACHED HERETO OR IN A SEPARATE WRITTEN AGREEMENT SIGNED BY THE PARTIES.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

SPONSOR

500 W 25TH OWNER LLC

By: _____
Name:
Title:

WITH RESPECT TO ESCROW PROVISIONS ONLY:

Phillips Nizer LLP

By:_____
Name:_____
Title:_____

PURCHASER

_____

SCHEDULE A
Encumbrances

(a) Zoning and building regulations, resolutions, restrictions and ordinances of municipal authorities having jurisdiction and any amendments thereto, now or hereafter adopted, provided same will not be violated by the contemplated structures and use.

(b) State of facts shown in an updated and accurate survey of the land provided such survey does not render title unmarketable.

(c) The terms and conditions set forth in the Declaration of Condominium, the By-Laws and the Rules and Regulations promulgated pursuant thereto.

(d) The power of attorney from Purchaser to the Condominium Board and maps and the Floor Plans, all as may be amended from time to time, to be recorded or filed in the City Register's Office.

(e) Any easement or right of use in favor of any utility company for construction, use, maintenance and repair of all utility lines, cable lines, wires, terminal boxes, mains, pipes, cables, conduits, poles and other equipment and facilities on, under and across the Property.

(f) Revocability of the right to maintain street vaults and other areas, under the sidewalks and streets.

(g) All easements created by the Declaration.

(h) Encroachments of stoops, areas, cellar steps or doors, trim, copings, retaining walls, bay windows, ledges, window sills, balconies, sidewalk elevators, fences, fire escapes, vaults, chutes, fuel oil lines, drainage pipes, sewerage pipes, air conditioning units, canopies, cornices, foundations, footings and similar projections, retaining walls, if any, on, over, or under the Property or the streets or sidewalks abutting the Property and the 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.

(i) Leases and service, maintenance and license agreements, if any, in effect on the date of the First Unit Closing.

(j) Easements in favor of adjoining Units and in favor of the Common Elements for the continuance of all encroachments of such adjoining Units, Limited Common Elements, or Common Elements on the Unit, existing as a result of construction of the Building, or construction of the 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, the Limited Common Elements and the Common Elements.

(k) All covenants, restrictions, reservations, agreements and easements of record 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 the use of any Unit at the Property for dwelling purposes, nor prevent the existence of the promised structure.

(l) The lien of any unpaid Common Charge, real estate tax, water charge or sewer rent, which shall be adjusted at the closing of title.

(m) The lien of any unpaid assessment payable in installments (other than assessments levied by the Condominium Board), except that Sponsor shall pay all such assessments due prior to the Closing Date and Purchaser shall pay all assessments due from and after such date.

(n) Any other declaration or other instrument affecting the Property which Sponsor deems necessary or appropriate to comply with any law, ordinance, regulations, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the demolition, construction, alteration, repair or restoration of the Building. Sponsor shall file an amendment to the Plan to reflect any such other declaration or other instrument affecting the Property which is not already disclosed herein.

(o) Standard printed exceptions contained in the form of title insurance policy then issued by the title insurance company insuring Purchaser's title to his or her Unit and appurtenant interests.

(p) Any encumbrance as to which any reputable title insurance company would be willing, in a fee policy issued by it to Purchaser, to insure Purchaser that such encumbrances (a) will not be collected out of the Unit if it is a lien and (b) will not prevent the use of the Unit for dwelling purposes.

(q) Any other encumbrance against the Property other than a mortgage or other lien for the payment of money, which does not prevent the use of the Unit for dwelling purposes, or which does not render title unmarketable, subject to the Permitted Encumbrances, or with respect to which a title insurance company is willing to insure against collection out of the Unit.

(r) The terms, provisions and conditions of the Plan.

EXHIBIT B

UNIT OWNER'S POWER OF ATTORNEY

TO

500 WEST 25TH STREET CONDOMINIUM

DATED: _____

Section:	
Block:	696
Lot:	[____]
County:	New York
Street Address:	500 West 25th Street Unit ___ New York, New York

Recorded at Request of
and Return by Mail to:

Camelot Property Management Services Corp
3 West 30th Street, 5th Floor
New York, NY 10001
Attention: David Goldoff

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POWER OF ATTORNEY

Terms used in this Power of Attorney which are used (a) in the declaration (the "Declaration") submitted by 500 W25th Owner LLC ("Declarant"), establishing a plan for condominium ownership of the premises known as 500 West 25th Street Condominium and by the street number 500 West 25th Street, New York, New York, under Article 9-B of the Real Property Law of the State of New York, dated_____, 201__ and recorded in the New York County Office of the Register of The City of New York on _____, 201__ as CRFN No. 201_____, or (b) in the by-laws of 500 West 25th Street Condominium (the "By-Laws") attached to, and recorded together with, the Declaration, shall have the same meanings in this Power of Attorney as in the Declaration or the By-Laws.

The undersigned, _____, the owner(s) of the Condominium Unit ("Unit") in 500 West 25th Street Condominium which is designated and described as Residential Unit No. _____ in the Declaration and also designated as Tax Lot ___, in Block 696 of the County of New York on the Tax Map of the Real Property Assessment Department of The City of New York and on the Floor Plans, does hereby nominate, constitute and appoint the persons who may from time to time constitute the Condominium Board, true and lawful attorneys-in-fact for the undersigned, coupled with an interest, with power of substitution, in their own names, as members of the Condominium Board or in the name of their designee (corporate or otherwise), on behalf of all Unit Owners, in accordance with such Unit Owners' respective interests in the Common Elements, subject to the provisions of the By-Laws then in effect, (1)(a) following due authorization by a Majority of Unit Owners, to acquire or lease any Unit, together with its Appurtenant Interests, from any Unit Owners desiring to sell, convey, transfer, assign, surrender or lease the same, (b) to acquire any Unit, together with its Appurtenant Interests, from any Owner who elects to surrender the same pursuant to the By-Laws, and (c) following due authorization by a Majority of Unit Owners, to acquire any Unit, together with its Appurtenant Interests, which become the subject of a foreclosure or other similar sale, all on such terms and at such price or rental, as the case may be, as said attorneys-in-fact shall deem proper, in the name of the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners, and, after any such acquisition or leasing, to convey sell, lease, sublease, mortgage or otherwise deal with (but not vote the interest appurtenant thereto) any such Unit so acquired by them, or to sublease any Unit so leased by them without the necessity of further authorization by the Unit Owners, on such terms as said attorneys-in-fact may determine, granting to said attorneys-in-fact the power to do all things in the said premises which the undersigned could do if the undersigned were personally present, (2) upon determination by the Condominium Board, to commence, pursue, appeal, settle and/or terminate administrative and certiorari proceedings to obtain reduced real estate tax assessments with respect to Units, including retaining counsel and taking any other actions which the Condominium Board deems necessary or appropriate, and (3) to execute, acknowledge and deliver (a) any declaration or other instrument affecting the Common Elements which the Condominium Board deems necessary or appropriate to comply with any ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the maintenance, demolition, construction, alteration, repair or restoration of the Common Elements (b) any consent, covenant, restriction, easement or declaration, or any amendment thereto,

affecting the Common Elements which the Condominium Board deems necessary and appropriate.

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

The undersigned does hereby nominate, constitute and appoint the Declarant, true and lawful attorney-in-fact for the undersigned, coupled with an interest, with power of substitution, on behalf of all Unit Owners, in accordance with such Unit Owners' respective interests in the Common Elements, subject to the provisions of the By-Laws then in effect, to execute an amendment to the Declaration, By-Laws and the Rules and Regulations of the Condominium or any permits, applications or documents required to undertake, perform or complete work to the Unsold Units or Common Elements by Declarant or obtain an amended certificate of occupancy therefor, or any of said documents when such amendment (i) shall be required to reflect any changes in Unsold Units and/or the reapportionment of the Common Interests of the aforesaid Units resulting therefrom made by Declarant in accordance with the Declaration or (ii) shall be required by an (x) Institutional Lender designated by Declarant to make a mortgage loan secured by a mortgage on any Unit, (y) any governmental agency having regulatory jurisdiction over the Condominium, or (z) any title insurance company selected by Declarant 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 or physical modification of the undersigned's Unit, or (iii) adversely affect the priority or validity of the lien of any purchase money mortgage held by an Institutional Lender covering the undersigned's Unit unless the undersigned (in the event described in subdivision (i) or (ii) of this paragraph) or the holder of such mortgage (in the event described in the subdivision (iii) of this paragraph) shall consent thereto by joining in the execution of such amendment.

This Power of Attorney shall be irrevocable.

IN WITNESS WHEREOF, the undersigned has executed this Unit Owner's Power of Attorney as of the ____ day of_____, 201__.

UNIT OWNER:

_____

_____

STATE OF NEW YORK)
) ss:
COUNTY OF NEW YORK)

On the ___ day of _____in the year 201__ before me, the undersigned, personally appeared_____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity, and that by his/her/their signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

_____
Notary Public

STATE OF NEW YORK)
) ss:
COUNTY OF NEW YORK)

On the ___ day of _____in the year 201__ before me, the undersigned, personally appeared_____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity, and that by his/her/their signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

_____
Notary Public

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EXHIBIT C

RESIDENTIAL UNIT DEED

THIS INDENTURE, made the ____day of _____, 20__, between **500 W25th Owner LLC**, a Delaware limited liability company, having an address at c/o GDS Development LLC, 12-16 Vestry Street, 7th Floor, New York, New York 10013 (the "**Grantor**") and _____, having an address at _____ (the "**Grantee**")

WITNESSETH:

That the Grantor, in consideration of Ten and 00/100 ($10.00) Dollars and other good and valuable consideration paid by the Grantee, does hereby grant and release unto Grantee, the heirs or successors and assigns of the Grantee forever:

The Condominium Unit ___ (the "**Unit**") in the premises known as 500 West 25th Street Condominium and by the street number 500 West 25th Street, Borough of Manhattan, County, City and State of New York, said Unit being designated and described as Residential Unit No. ___ in the Declaration ("**Declaration**") establishing a plan for condominium ownership of said premises under Article 9-B of the Real Property Law of the State of New York (the "**Condominium Act**"), dated _____, 201__ and recorded in the New York County Office of the Register of The City of New York (the "**City Register's Office**") on _____, 201__ as CRFN 201_____, and also designated as Tax Lot ____ in Block 696 of the County of New York on the Tax Map of the Tax Map Unit of The City of New York and on the Floor Plans of said building, certified by _____, Architect, on _____, and filed in the Tax Map Unit of the City of New York on _____, 201__ as Condominium Plan No. ____, also filed in the City Register's Office on _____, 201__ as CRFN 201_____. The land upon which the building containing the Unit is erected is described on Schedule A annexed hereto and made a part hereof. All capitalized terms herein which are not separately defined herein shall have the meanings given to those terms in the Declaration or in the By-Laws of the 500 West 25th Street Condominium. (Said By-Laws, as the same may be amended from time to time, are hereinafter referred to as the "By-Laws.")

Together with an undivided_____ % percentage interest in the Common Elements.

Together with the appurtenances and all the estate and rights of the Grantor in and to the Unit;

Together with, and subject to, the rights obligations, easements restrictions and other provisions set forth in the Declaration and the By-Laws, all of which shall constitute covenants running with the Land and shall bind any person having at any time any interest or estate in (any or) the Unit, as though recited and stipulated at length herein.

Subject also to such other liens, agreements, covenants, easements, restrictions and other matters as pertain to the Unit and/or to the Property as more particularly described in Schedule B attached hereto and made a part hereof.

TO HAVE AND TO HOLD the same unto the Grantee and the heirs or successors and assigns of the Grantee forever.

If any provision of the Declaration or the By-Laws is invalid under, or would cause the Declaration or the By-Laws to be insufficient to submit the Property to, the provisions of the Condominium Act, or if any provision which is necessary to cause the Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from the Declaration or the By-Laws, or if the Declaration and the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, the applicable provisions of the Declaration shall control.

Except as otherwise specifically permitted by the Condominium Board or provided in the Declaration of the By-Laws, the Residential Unit is intended for residential use only.

The Grantor covenants that the Grantor has not done or suffered anything whereby the Unit has (have) been encumbered in any way whatever, except as aforesaid.

The Grantor, in compliance with Section 13 of the Lien Law of the State of New York, covenants that the Grantor will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund for the purpose of paying the cost of the improvement and will apply the same first to the payment of the cost of the improvement before using any part of the same for any other purposes.

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

The word "Grantee" shall be read as "Grantees" whenever the sense of this indenture so requires.

IN THE WITNESS WHEREOF, the Grantor and the Grantee have duly executed this Indenture as of the day and year first above written.

Grantor: 500 W25th Owner LLC

By: _____
Name:
Title:

Grantee:

_____

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

On the _____ day of _____ in the year 201__ before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

_____
Notary Public

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

On the _____ day of _____ in the year 201__ before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

SCHEDULE A

METES AND BOUNDS DESCRIPTION

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

BEGINNING at the corner formed by the intersection of the southerly side of West 25th Street with the westerly side of 10th Avenue;

RUNNING THENCE westerly along the southerly side of West 25th Street, 75 Feet 0 inches;

THENCE southerly parallel with the westerly side of 10th Avenue, 39 feet 6 inches;

THENCE easterly parallel with the southerly side of West 25th Street and part of the distance through a party wall, 75 feet 0 inches to the westerly side of 10th Avenue;

THENCE northerly along the westerly side of 10th Avenue, 39 feet 6 inches to the point or place of BEGINNING.

SCHEDULE B

Encumbrances

1. Zoning and building regulations, resolutions, restrictions and ordinances of municipal authorities having jurisdiction and any amendments thereto, now or hereafter adopted, provided same will not be violated by the contemplated structures and use.

2. State of facts shown in an updated and accurate survey of the land provided such survey does not render title unmarketable.

3. The terms and conditions set forth in the Declaration of Condominium, the By-Laws (and the Rules and Regulations made thereunder), dated _____ and recorded _____ as CRFN _____.

4. The power of attorney from Purchaser to the Condominium Board and maps and the Floor Plans, all as may be amended from time to time, to be recorded or filed in the City Register's Office.

5. Any easement or right of use in favor of any utility company for construction, use, maintenance and repair of all utility lines, cable lines, wires, terminal boxes, mains, pipes, cables, conduits, poles and other equipment and facilities on, under and across the Property.

6. Revocability of the right to maintain street vaults and other areas, under the sidewalks and streets.

7. All easements created by the Declaration.

8. Encroachments of stoops, areas, cellar steps or doors, trim, copings, retaining walls, bay windows, ledges, window sills, balconies, sidewalk elevators, fences, fire escapes, vaults, chutes, fuel oil lines, drainage pipes, sewerage pipes, air conditioning units, canopies, cornices, foundations, footings and similar projections, retaining walls, if any, on, over, or under the Property or the streets or sidewalks abutting the Property and the 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.

9. Leases and service, maintenance and license agreements, if any, in effect on the date of the First Unit Closing.

10. Easements in favor of adjoining Units and in favor of the Common Elements for the continuance of all encroachments of such adjoining Units, Limited Common Elements, or Common Elements on the Unit, existing as a result of construction of the Building, or construction of the 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, the Limited Common Elements and the Common Elements.

11. All covenants, restrictions, reservations, agreements and easements of record 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 the use of any Unit at the Property for dwelling purposes, nor prevent the existence of the promised structure.

12. The lien of any unpaid Common Charge, real estate tax, water charge or sewer rent, which shall be adjusted at the closing of title.

13. The lien of any unpaid assessment payable in installments (other than assessments levied by the Condominium Board), except that Sponsor shall pay all such assessments due prior to the Closing Date and Purchaser shall pay all assessments due from and after such date.

14. Any other declaration or other instrument affecting the Property which Sponsor deems necessary or appropriate to comply with any law, ordinance, regulations, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the demolition, construction, alteration, repair or restoration of the Building. Sponsor shall file an amendment to the Plan to reflect any such other declaration or other instrument affecting the Property which is not already disclosed herein.

15. Standard printed exceptions contained in the form of title insurance policy then issued by the title insurance company insuring Purchaser's title to his or her Unit and appurtenant interests.

16. Any encumbrance as to which any reputable title insurance company would be willing, in a fee policy issued by it to Purchaser, to insure Purchaser that such encumbrances (a) will not be collected out of the Unit if it is a lien and (b) will not prevent the use of the Unit for dwelling purposes.

17. Any other encumbrance against the Property other than a mortgage or other lien for the payment of money, which does not prevent the use of the Unit for dwelling purposes, or which does not render title unmarketable, subject to the Permitted Encumbrances, or with respect to which a title insurance company is willing to insure against collection out of the Unit.

18. The terms, provisions and conditions of the Plan.

EXHIBIT C

500 WEST 25TH STREET CONDOMINIUM

UNIT DEED

500 W25TH OWNER LLC

TO

Section:
Block: 696
Lot:
New York County

Record and Return to:

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DESCRIPTION OF PROPERTY
AND
SPECIFICATION
For
500 West 25th Street, New York, NY
July 31, 2018

a) Location and Use of Property

The subject property is located the south-west corner of West 25th Street and Tenth Avenue.

The property is composed of a corner lot, and measures 39'-6" along Tenth Avenue and 75'-0" along West 25th Street. According to the New York City Building Department records, the property is not listed as having landmark status and is not located in a designated landmark district.

1) Address: 500 W. 25th Street, in the borough of Manhattan, New York.
2) Block 696, Tax Lot 38
3) Zoning: C6-3 (R9 Equivalent) Sub-area C in the Special West Chelsea District
4) Permissible Uses: Residential, Community Facility, and Commercial
5) Easements: none.

b) Status of Construction

1) Year Built: Project is in the Construction Administration phase. New Construction expected to be substantially completed on or about November 2018.

2) Construction Classification: Class IB – Non-Combustible. 2014 NYC Building Code

3) Construction: The Sponsor proposes to construct a residential building that contains 10 stories.

The building consists of a cellar with mechanical rooms, trash room and a commercial space that is part of and connected to the commercial space located on the first floor with an internal staircase. . The ground floor has a residential lobby, RPZ room, telecom room, and commercial space. Floors two through eight have full floor apartments and floors nine and ten (PH) comprise one duplex apartment. The roof has stairs bulkhead, elevator bulkhead/elevator machine room, fenced in mechanical space, and a private terrace accessible by a stair from the PH Apartment. The second floor has a private roof terrace. Balconies are located on floors three to ten (PH). Plans for the project were approved on July 12, 2017 by the NYC Department of Buildings with a Building Permit issued on July 28, 2017.

4) Certificate of Occupancy: A Certificate of Occupancy will be obtained at completion of construction for occupancy as a Class "A" Multiple Dwelling. Sponsor to obtain T.C.O. prior

to closing only for residential portion of the building. All open violations on the property will be cured prior to obtaining the Certificate of Occupancy.

5) New Building: Permit for Application # 121190932 was issued prior to commencement of work.

6) A.D.A. - The building will comply with 2008 New York City Building Code, ANSI A117.1 - 2003 (Handicapped Access Law) and the Fair Housing Act.

7) The conditions noted in this report are based upon observations made prior to and at the start of the construction. Building description is based upon the architectural plans prepared by GF55 Architects, LLP, dated May 12, 2017; Structural drawings prepared by GACE Consulting Engineering DPC dated May 12, 2017; and mechanical, plumbing and electrical drawings prepared by Rodkin Cardinale Consulting Engineers PC, dated May 12, 2017.

c) Site

The building is to be located within the boundaries of New York City in the Borough of Manhattan on the southwest corner of West 25th Street and Tenth Avenue.

1) The site area is 2,962.5 Square Feet
2) The site will be occupied by a 10-story mixed-use residential building.
3) There are no streets owned or maintained by the project.
    i. The streets exist, paved with asphalt blacktop concrete and maintained by New York City Department of Highways. The streets and sidewalks are in bad condition.
    ii. The curbing will be steel or concrete.
    iii. Lighting will be provided for the tenants at the entry point to the building on the premises.

4) The entire sidewalk fronting the site shall be replaced. The condominium will be responsible for maintaining the sidewalk in accordance with applicable Authority Having Jurisdiction (AHJ).

    i. All sidewalk paving will be concrete, and will be replaced in accordance with New York City Highway Department standards and ADA requirements.
    ii. The curbing is steel or concrete.
    iii. There are no catch basins or vaults on the sidewalks.
    iv. All above items are or will be in conformity with applicable NYCDOT's local Codes. As long as contractor follows all codes and guidelines outlined above, sidewalk shall be free of tripping hazards and ponding.

5) Odor emitting establishments: there are no unusual odor emitting establishments adjacent to the property or on the same street frontage or to the rear of the property. There are a few small restaurants and cafes.
6) Easements: There are no easements.

7) Environmental Restriction: the Property has an E-Designation E-142 (Underground gasoline storage tanks testing protocol and window wall attenuation and alternate ventilation) as part of the Highline/West Chelsea Rezoning CEQR # 03DCP069M of 2005. The Remedial Action Plan filed with the NYC Office of Environmental Remediation (OER Project 15EAIR046M) received a Notice to Proceed Letter on November 14, 2014. The E-142 designation requires the removal of contaminated soil, removal of underground fuel tanks, alternate means of ventilation, and window wall sound attenuation. The site in process of remediation, it was entered into the Voluntary Cleanup program and is on target to achieving Track 1, which eliminates the E-designation.

d) Utilities

1) A new domestic water service will be provided from the 12" New York City water main in West 25th Street pressure booster house pumps will be provided at the cellar to supply all domestic water.
2) A new 6" fire water service will be provided, from the 12" New York City water main in West 25th Street, with an automatic fire pump to supply the fire standpipe and automatic sprinkler systems.
3) Gas and Electric service will be provided by Con Edison and will be metered for all entities. Separate master metered gas is provided for domestic cooking and dryers for the Residential Section. Con Edison has also separate master metered gas for mechanical use. Gas supplied to the Residential Units for cooking and dryers will be billed as part of the Residential Common Charge.
4) Electricity consumption for each Residential Unit will be individually metered and billed to the Residential Unit owner from Con Edison.
5) All building sewage and floor drains will be collected into (1) 8" combined house sewer line which connects into the existing combined city sewer located in West 25th Street. All sanitary at the lowest level will drain into a duplex sewer ejector and discharge to the street side of the sanitary house trap.
6) All storm water will be collected by roof drains, canopy drain, and terrace drains into a gravity drainage piping system discharging to a Storm Water Detention Tank, located in the cellar. The outlet from the tank will connect to the combined house sewer line which connects to the existing combined city sewer in West 25th Street.

7) Telephone, Internet service and cable service will be provided by third party vendors. It will be the purchaser's responsibility to purchase telephone and arrange for telephone, cable and Internet services in their unit.

e) Sub-Soil Conditions

1) Foundation design is based on the geotechnical report by Mueser Rutledge Consulting Engineers dated 03/16/2017 and the Pile Foundation Recommendations letter by same dated July 16, 2017.

2) The foundation comprises a concrete mat foundation and assorted caisson caps supported on mini-caissons socketed into bedrock. Mini-caissons are designed for 150 tons of compression and 75 tons of uplift capacity, as well as 3 tons of lateral capacity as recommended.

3) A concrete pressure slab resists hydrostatic pressures due to groundwater and flood water up to the base flood elevation as shown on FEMA PFIRMs. The building is outside of the Special Flood Hazard Area.

4) The foundation walls are designed for a static lateral soil pressure based on the soil characteristic reported in the geotechnical report as well as a seismic lateral soil force, surcharge load present at the sidewalk.

5) The structure is designed according to the 2014 New York City Building Code.

6) The footings for the foundation walls are located below the frost line to negate ad-freezing stresses.

7) The site is located in an x-zone (shaded) flood area as per the 2013 FEMA Flood map. It is not located in a Special Flood Hazard Area. The NYC Department of Buildings property profile states that "the property is located in an area that may be affected by the following: Special Flood Hazard Area Check: Yes". The operative words are "may be". It is up to the applicant to demonstrate if it is or is not. The FEMA Flood Map was filed as part of the New Building Application with the NYC Department of Buildings to demonstrate that the site is not in a Special Flood Hazard Area and the project was approved.

8) To the best of my knowledge, the property has not flooded in the last ten years.

f) Landscaping and Enclosures

1) The individual roof terraces and balconies of the building will be paved with roof pavers.
2) There will be no grass, ground cover, soil for planting, and trees at street grade.

g) Building Size

1) The height of the buildings will be:

(124'-9 3/16") to the top of the highest structural roof slab.

2) There will be no sub-cellar in the building.
3) There will be a full cellar with a minimum height of 7'-6" from cellar floor to underside of the concrete deck of the structural slab above.
4) Approximate height from the living room floor concrete slab to underside of the concrete structural slab:

First Floor:	16'-4"
Second Floor:	11'-2"
Third Floor:	11'-2"
Fourth Floor:	11'-2"
Fifth Floor:	11'-2"
Sixth Floor:	11'-2"
Seventh Floor:	11'-2"
Eighth Floor:	11'-2"
Ninth (PH) Floor:	11'-2"
Tenth (PH) Floor:	12'-8"

5) The ceiling height & soffit in bathrooms, kitchens & some hallways in the residential units will be 9'-8" +/- from finish floor to finish ceiling.
6) The maximum number of floors is 10.
7) There will be a stair bulkhead 9'-0" above the roof of the 10th floor (PH level).
8) There is a total of one (1) elevator bulkhead for one (1) residential elevator. The bulkhead is located above the roof level of the Building. There will be a condensing units for the apartment air-conditioners and other mechanical equipment that serves the building.
9) The parapets of the building will be a minimum of 3'-6" above the main roofs and terraces.

h) Occupancy

1) There will be a commercial space in the cellar approximately 808 SF.
2) There will be a residential lobby accessed from 25th Street on the ground floor. The lobby will have polished granite floors, and wood veneer and stone tile walls. Mailboxes for residential tenants are located in the residential lobby, are vertical front-loading, front locking, made of extruded aluminum and satisfy U.S. Post Office regulations. The first floor will also have a commercial space approximately 1844sf with access from 25th Street and Tenth Avenue.
3) Total number of Residential Units permitted by ZR23-22 is 29. The number proposed is 8 residential units.
4) Compliance with 2008 NYC Building Code, ANSI A117.1-2003 and Fair Housing Act (Handicap Access Law) was met as reflected on the approved Department of Buildings plans. Aspects of compliance are: Elevator cab size; Residential Unit hallway width and arrangement; bathroom sized for adaptability; kitchen sized and arranged for adaptability; switch and outlet mounting heights.
5) Fire egress requirements for the Residential Unit building have been satisfied as reflected on the Department of Buildings approved plans. There will be two common egress stairs from the cellar

to the roof level and a third stair from the cellar to the street with path limits within code requirements. The building is fully sprinkler protected.

i) Structural Systems

The new building will have a cast-in-place concrete structure of flat plate floors supported on concrete columns and walls. The lateral system in the north-south direction is ordinary reinforced concrete shear walls. In the east-west direction, the lateral system is a dual system with intermediate moment frames.

The building lateral load resisting elements were designed for wind and earthquake criteria according to the latest NYC Building code and the design is in accordance with the structural integrity requirements of the NYC Building Code.

The Structural Engineer is GACE Consulting Engineers DPC

1) Exterior of Buildings

i. Walls: Various types of materials are used on the exterior walls of the building. The building's street wall fronting 25th street will be constructed of limestone panels and metal panels on concrete masonry units. The street wall fronting Tenth Avenue will be a glass window wall with metal fins. The south wall (side) will be EIFS on concrete masonry units and stone panels alongside the upper balconies. The west wall (side) will be constructed of limestone panels and metal panels with concrete balconies with metal railings and metal soffit. The EIFS walls will carry no less than a Three (3) year Warranty and will be professionally installed in compliance with the manufacturer's specifications.

The general location and construction of the walls described from the inside to the outside are as follows:

25th Street façade, Limestone Panels:

- 5/8" gypsum board on 1 5/8" metal studs
- 6"nom. Concrete Masonry Unit.
- 4" mineral wool insulation
- 2" nominal air space
- 2 1/4" nominal limestone panel

10th Avenue Façade, Glass Window wall:

- 5/8" gypsum board
- 3 ½" metal framing.
- 5/8" sheathing
- 2" rigid insulation
- Spandrel glass

North Façade (Side Wall), EIFS System:

- 5/8" gypsum board on 1 5/8" metal studs
- 6"-8" nom. concrete masonry unit
- 3" EIFS
- 3" seismic gap

West Façade, Limestone Panel

- 5/8" gypsum board on 1 5/8" metal studs
- 6" Concrete Masonry Unit.
- 4" mineral wool insulation
- 2" nominal air space
- 2 1/4" nominal limestone panels and metal panels

Bulkhead

- 6" to 8" nom. concrete masonry unit
  (at property line)
- 3" EIFS (facing property line)
  (other sides)

Insulation will be R-12 at EIFS exterior walls and R-16 rigid insulation at pre-cast panel walls. The roof will be insulated with rigid insulation with an average R-value of 25. The foundation wall will be finished with damp proofing with rigid insulation minimum average R-value of R-7.5 along the walls.

Local Law 11/98 (C26-105.3: Inspection requires at least once every five years for exterior walls and appurtenances).
The exterior façade report is required to be filed with NYC Department of Buildings five years after the issuance of the initial Temporary Certificate of Occupancy. The managing agent for the Condominium Board will be responsible for meeting this requirement

ii. Windows: All windows will be aluminum fixed or casement, with factory painted finish, double-glazing and are caulked with silicone caulking throughout, within framed openings. Windows will have perimeter flashing at openings, and factory painted finished metal sills. Windows will be Wausau Windows or equal and carry at least a One Year parts and installation warranty. Manufacturer's air infiltration and water resistant rating are sufficient to withstand ambient weather condition. Roof terraces and balconies are provided with out-swing doors. The construction will have aluminum frames with double-glazing. There will be no screens on windows or terrace balcony doors.

2) Parapet and Copings

The parapets are part of the fabricated wall assembly and the interior side will be metal panels. Interior (roof) side of parapets will be of concrete masonry unit backup reinforced as required by Code. Some parapets will have metal railings. Parapets and metal railings will be minimum 42" above roof finish. Copings for parapets will be factory painted aluminum to match the precast stone and EIFS, or insulated metal panels, and secured to top of walls with concealed corrosion resistant anchors. The bulkhead parapets will be metal railings with factory painted aluminum coping. Joints will be sealed with exterior grade sealant. Parapets made of masonry block walls will be structurally sound in compliance with all applicable local law and codes.

3) Exhaust Enclosure and Caps

There will be an 8" diameter double wall stainless combustion exhaust flue. There will be a bird screen attached to any openings on the façade.

4) Balconies and Terraces

Residential units with roof terraces are specified in the Unit Information table later on in this report. All terraces and balconies are built of cast in place concrete on metal decking, sloped to perimeter edge to permit water runoff. Balconies will be provided with metal railings, and roof terraces with combination of glass railings and masonry parapets. All metals for railings, including fasteners will be corrosion resistant. All roof terraces will be provided with concrete paving.

Access doors to balconies and terraces will be hinged aluminum framed with insulated glass, weather stripping, and flashing at sills.

Balconies must remain open, as-built.

5) Exterior Entrances

Frame: YKK AP or equal. Color to match windows
Door: Narrow Stile
Hardware: Offset Pivot hinges, back to back straight pull handles, 105 degree hold open surface mounted door closer

i. Street walls of structure:

- The building will have one (1) main residential entrance at West 25th Street. Entrance will be at grade level, there will be no separate service entrance.
- There is one egress door from cellar adjacent to main residential entrance.
- There are three (3) storefront entrances to the commercial space, on grade, one (1) on West 25th Street and two (2) on Tenth Avenue.
- Lighting at the exterior entrances, and lobby will be of a decorative type providing at least minimum required lighting levels.

ii. Rear of structures:

- There are no exterior fire stairs.

iii. Door Types:
- Residential Vestibule & Entry: Aluminum & glass doors in aluminum frames.
- Egress Door: H/C metal door in metal frame.

6) Roof and Roof Structures
- The roof floor level consists of: Private Terrace for use by PH level tenants, private stair bulkhead from PH level below, egress stairs bulkhead, and elevator bulkhead/machine room and fenced in mechanical equipment area. There is also mechanical equipment located on the stair and elevator bulkheads accessible by wall mounted ladder.

i. Type of roofs:

Building:

1. The material used on the roofs will be Firestone or equal, SBS modified asphalt membrane or comparable efficiency and quality.
2. With modified base flashing and/or fluid applied flashing around roof penetrations.
3. All roof areas will be insulated with rigid insulation. At bulkheads tapered insulation. The roof will be insulated with rigid insulation with an average R-value of 25.
4. Roof areas will be drained and sloped to drains. The bulkhead will slope to scupper.
5. The roof manufacturer will provide a twenty (20) year warranty. This warranty covers defects in factory workmanship or materials and labor.
6. Flashing materials used will be metal and as per roofing membrane manufacturer's recommendations or cold fluid applied at the top of roof level. All exterior metals will be 20ga galvanized with kynar finish. Fasteners shall be corrosion resistant.

Exterior Walkway roofed structure:

7. The material used on the roof terraces will be concrete pavers. Pavers shall be professionally installed so as not to impede drainage nor void the manufacturer's warranty.
8. The normal expected life of the roof is 15 years.
9. The roof manufacturer will provide a fifteen (15) year warranty.

Rooftop Mounted Mechanical Equipment:

10. Roof top equipment to be mounted on vibration isolators

ii. Drains:

1. There are drains on all roof terraces and main roof. There will be floor drains in boiler room, fire pump room, and water meter room and cellar level terrace/yard. All roofs and floor drains will have cast iron bodies.

iii. Skylights: No skylight will be provided.

iv. Bulkheads: There will be bulkheads with EIFS on concrete masonry unit backup walls for stairs in the Building at the roof.

An elevator bulkhead will be constructed of EIFS on concrete masonry units.

v. Metal work at roof levels:

1. There is one (1) exterior metal stair from the roof level for access to elevator machine room.
2. There are no other stairs on the roof.
3. There are railings on the bulkhead roofs. The railings will be minimum 3'-6" high above finished roof
4. There a surface mounted ladder on stair bulkhead and elevator bulkhead.

7) Fire Escapes

There will be no fire escapes.

8) Yards and Courts

There is a yard space at the west side of the building with a private terrace at the second level approximately 489 SF accessible to the tenants of the second floor. The yard is drained to existing storm system and has a concrete paver floor. The yard is not accessible to other building residents. As per the New York City Building Department Approved Plans, the Yard complies with Building Department Requirements.

9) Interior Stairs

There will be three (3) interior egress fire stairs in the building meeting all required means of egress as required by NYC code.

i. There will be two (2) interior stairs serving as means of egress from all floors, leading outside to the at the lobby level and to the street. There will one (1) interior stair serving as a means of egress from the cellar to the first floor exiting directly to the street.
ii. Each egress stair will be constructed of 2 hours construction rating. Interior walls will be impact resistant concrete masonry unit assembly.
iii. Stair treads will be concrete.
iv. Stair guardrails will be steel.

Ventilation will be provided by louvers at the walls of the stair bulkheads, as required by NYC code for ventilation.

Lighting will be provided as required by NYC code for egress.

The convenience stairs in the PH unit are steel stringers and wood treads.

10) Interior Doors and Frames

i. Residential Unit entry doors will be 1 ½ hour rated hollow metal doors and frames with self-closing hinges, as per code requirements.

ii. Interior Residential Unit doors will be wood / Masonite / MDF.
iii. Doors to stairs, mechanical and utility rooms to be 1 ½ hour rated metal doors and frame.
iv. Roof doors from bulkheads will have 1 ½ hour fire-rated metal doors and frames.
v. Residential Unit terrace doors will be aluminum & glass doors in aluminum frames.

11) Elevator and elevator Cab

i. There will be one (1) passenger elevator for residential and commercial space use.
ii. Ground floor commercial space will have access to elevator for H/C access to cellar level of commercial space.
iii. Elevator to be controlled by electronic key FOB for security purposes.
iv. Elevators will be by installed by Innovative Elevator Inc. 40 HP with maximum capacity of 3500Lbs.
v. Elevator will be automatic traction elevator.
vi. Floors served for residential elevator are Cellar, 1st -9th floor, and PH. Commercial: cellar and first floor
vii. Doors will be automatic sliding.
viii. The top of elevator shaft will have engineer designed motorized louvers for ventilation.
ix. There will be sound alarms and a phone connection to the elevator company as required.
x. Elevator Machine Room for traction elevator is located at the roof level. AC in EMR will be split unit 2 ton Mitsubishi or comparable efficiency and quality.
xi. Inside Cab Dimensions are: Residential: W 63" clear x L 81" x H 114" to underside of ceiling.
xii. Elevator Cab Finishes will be metal bronze panels. Floor will be tiled. Lighting will be LED.
xiii. The sponsor will procure a five year full service maintenance contract for the elevator.

j) Auxiliary Facilities

1) The Residential Units list below will be provided with washer and dryer machines: Washer: Whirlpool WFW96HEAW front loading, Dryer: Whirlpool WGD96HEAW or comparable efficiency and quality. Dryer machines will be gas powered. Dryers will be mechanically vented.

2) Refuse Disposal

i. There will be one (1) residential refuse and recycle room in the cellar level.

- There will be no incinerator.
- There will be access to the street from cellar to 1st floor through stairs.
- Garbage pickup is by The City of New York on a scheduled basis.

k) Plumbing and Drainage

1) Water Supply

A new 3" domestic water service is provided from the New York City 12" water main at W~~1~~ 25th. Street. Variable frequency drive pressure booster pumps are provided in the water meter room at the cellar level to supply domestic water to the building. These pumps shall be factory prepped package system Sico, vertical multi-stage pumps rated for 80 GPM at 162 TDH, 7.5 HP each or comparable efficiency and quality. Water meter and Backflow preventer provided at service point of entrance in Cellar floor water meter room.

2) Fire Protection System

A new 6" fire water service is provided from the New York City water main in West 25th. Street into the water meter room. This in turn feeds an automatic fire pump which supplies water to the automatic sprinkler/fire standpipe system throughout the building. This combined system will have its' own independent combined flush type siamese connections at frontage. The fire pump shall be Automatic type, 500 GPM @ 225 TDH, 50 HP. Backflow preventer is provided in the Cellar Floor domestic water room.

The combined fire standpipe riser will be located in the stair enclosure and will be equipped with a 2 ½" fire department connection, chain and cap. A 125 ft of hose and nozzle are located in a cabinet in the residential lobby area for fire department use. Riser will also be equipped with a sprinkler floor control assembly at each floor and a sprinkler drain riser. The sprinkler system has 5 different types of heads as follows:

i. Standard upright
ii. Standard pendant
iii. Residential sidewall
iv. Standard and residential concealed pendent

Sprinkler heads will be located in all living areas in the units and also the public corridors.

3) Water Storage Tanks and Enclosures: None.

4) Water Pressure and how maintained: Water pressure and supply is maintained by a constant pressure set (all as described in k.1 above).

5) Sanitary Sewage System-General Description

i. Sewage piping:
   1. Below ground piping shall be X.H.C.I. pipe hub and spigot ASTM 74.
   2. Sanitary, waste and leader and vent piping above ground shall be cast iron hubless pipe CISPI 301 service weight.

ii. The horizontal piping at the cellar level, connecting the separate vertical storm water and sewage drainage stacks for the building to the city and will be combined connections.

iii. Sewage Pumps:

One duplex sewer ejector is provided to discharge all cellar level drains to the sanitary system.

iv. Sewage Disposal:

All Building sewage and floor drains are collected into (1) combined sewer line which connects into the existing city sewer pipe located in West 25th. Street (8" house connection) as allowed per DEP SD1 & SD2 approval.

6) Storm Drainage System:

All Building storm water drainage is collected within the Building into a storm water detention tank and tank outlet connected to the combined sanitary/storm sewers located in West 25th. Street. All storm water will be collected by roof drains, canopy drain, and terrace drains into a gravity drainage piping system discharging to a Storm Water Detention Tank, located in the cellar level area. The outlet from the tank will connect to the combined house sewer line which connects to the existing combined city sewer in West 25th.Street.

i. Catch Basins: None
    1. Roof Drains:
        a. Adequate number of roof drains is provided at all roof terraces.
    2. Piping:
        a. Soil, waste, and vent piping above ground shall be cast iron hubless pipe, CISPI 301 service weight.

ii. Ejector and Sump Pumps.
    1. Elevator Sump Pit, ITT Goulds Model 2DW, Oil-Minder, 50 GPM at 22 Ft. Head, 1 HP.

7) Water Piping:
    i. Service piping - AWWA ductile iron class 52 and 104.
    ii. Above ground – Copper type "L" ASTM B-88.
    iii. All hot and cold water piping shall be insulated with fiberglass insulation throughout with 1½" thickness for 1½" pipe or smaller and 2" thickness for pipe 2" and larger.

l) Heating, Ventilation and air conditioning

1. Each apartment is served by a 6 ton heat pump system by Mitsubishi model PUMY-P72TKMU-A-H. The heat pump system will be the primary source of cooling and the secondary source of heating.

2. The Evaporators located in the apartments, will be as manufactured by Mitsubishi. They will utilize energy recovery system so as to have the ability to provide heating or cooling at every evaporator independently.

3. Each heat pump will be provided with integral thermostat.

4. Two (2) gas fired hot water boilers are provided for domestic hot water and heat for the apartments through independently controlled finned tube elements. Boilers are manufactured by LAARS Corp., Model BTH 750.

5. Cooling and heating for the Lobby will be provided by a split type heat pump system with condensing unit located on the roof, Mitsubishi Model PUMY-P36NKMU1, 3 tons nominal cooling capacity. Air handler will be located on the Ground floor.

6. Cooling and heating for the Elevator Machine Room will be provided by a split type heat pump system with condensing unit located on the roof bulkhead, Mitsubishi Model PUZ-A24NHA7, 2 tons nominal cooling capacity.

7. Ventilation

   i. A mechanical exhaust is provided for the interior bathrooms, kitchens, trash room storages, clothes dryers, and mechanical spaces. All bathrooms are exhausted at 50 cfm and kitchens are exhausted at a rate of 365 CFM.
   ii. Make up air for the apartments and corridors ventilation shall be provided by the rooftop unit manufactured by AAON., Model RN-030-8-0-EB09-3C9.

m) Electrical System

1) Main Electric Service, 120/208 Volts, 3 phase, 4wire from Con Edison facilities will be provided.

   i. Main Electric Service Equipment:

      1. One (1) 600 ampere service switch/fuse will service Con Edison meter banks housing KWH meters for apartments.
      2. One (1) 400A service switch/fuse metered by Con Edison will service base building loads.
      3. One (1) 600A service switch/fuse metered separately by Con Edison will service for the Fire Pump.
      4. Voltage/phase: 208/120V 3-phase 4 wire
      5. Wire Protective Equipment: Fuses and/or Circuit Breakers

2) Location of Electrical Distribution Equipment:

   i. The Electrical Service Room at the cellar level will house the Service switches, Meter banks and distribution panels and the 'common'. Load Panels.

ii. The electrical service for each residential unit and the "common" loads will be individually metered via Con Edison meters located also in the Electric Service Room on the cellar level

3) Service Rating::

i. The Short circuit Current withstand rating of main distribution switchboard will be by fuses By Bussman or comparable quality. Will be 200,000 symmetrical amperes.

ii. The rating of service panel and feeder to each residential Unit will be 125 amperes, 3 phase, 120/208 Volts.

4) Residential Unit Lighting & Receptacles provisions.

i. Switched Lighting fixtures will be provided in kitchens, living rooms, Bedrooms, hallways and bathrooms in all residential units,
ii. Tamper resistant receptacles will be provided in all residential units per code.
iii. GFI type receptacles will be provided in kitchen and bathrooms.
iv. AFCI protection for all receptacles will be provided as required by code.
v. GFI type convenience Receptacles will be provided in balconies:
vi. Power supply provisions for appliances:

a. ACCU: 50 amp, 208 Volts, 3 phase

b. Dishwashers, microwave, garbage disposal each: 20 amps, 120 Volts, 1 phase

c. Clothes Dryer Gas, 20 amps, 120 Volts, 1 phase.

d. Clothes Washers, 20 amps, 120 Volts, 1 Phase.

e. Electric oven 30 amps, 120V, 1 phase

f. AC units, 20 amps, 208V, 1 phase

5) Residential Unit Smoke and carbon Monoxide detectors

i. Each Residential unit will be provided with hard wired 120V, with battery backup combination Smoke and Carbon Monoxide detectors located outside the Bedrooms and within the Bedrooms.

6) Public Area Lighting

i. Aesthetically designed High efficiency lighting will be provided with power density in compliance with New York State energy codes will be provided in the corridors and other public spaces.

7) Battery backed emergency lighting with batteries providing lighting for a minimum of 90 minutes will be provided in the Main Lobby, Public Corridors Stairs and at Exit discharge Locations.

8) Door Intercommunication and door control and CCTV systems.

To be described by low voltage consultant

9) Telephone, data and cable TV systems

i. The residential units will be provided with Telephone, internet, and cable TV services with appropriately located outlets in the rooms with back bone riser cables and apartment distribution cables.

ii. The residents will be responsible for arranging the service from the respective Independent service providers.

10) Fire Alarm system

The Fire Alarm System in the building will be an Automatic Smoke/Sprinkler Fire Alarm System with Post Fire Smoke Purge control with Central Office Connection in compliance with BC907 of the 2014 NYC Building Code.

The System consists of the following devices and features:

i. Area Smoke Detection for Mechanical and Electrical Equipment Rooms, Elevator Lobbies, Elevator Machine Room, top of elevator shafts and top of Egress Stairs as required by BC907 will be provided.
ii. Monitor the Water flow and Tamper switches associated with the sprinkler system on each floor.
iii. A manual Pull station will be located near the Fire Alarm Panel.
iv. The Fire Pump will be monitored for run, power failure and phase reversal.
v. Smoke detectors provided at the top of egress stairs and top of elevator shaft will activate motorized dampers to open when they are activated.
vi. The System will be connected to an approved central station to monitor Manual and Automatic fire alarm signals, Sprinkler, Supervisory, Trouble, and Fire Pump status.
vii. The System will be provided with elevator recall feature for the elevator in the building which is activated by sprinkler system Water Flow devices or smoke detectors located in the elevator lobby, top of elevator shaft or the elevator machine room. The Fire Alarm control panel/ Post Fire Smoke Purge Control will be located in the main lobby

11) Auxiliary Radio Communication system (ARCS) will be provided per 2014 NYC building Code

12) There is no emergency generator; the building is under 125ft high.

n) Recreation Facilities

A) There are no common recreation facilities.

o) Additional Items

A) There are no outstanding violations. Permits and inspection include: Building Permit, Plumbing, Sprinkler, AC Equipment, Boiler Equipment, Elevators, and Electrical. Certificate of occupancy will be issued only after all inspections are complete.

p) Residential Unit Information

Typical Residential Unit boundary is described as follows:

- Each residential unit consists of the area measured horizontally from the exterior face of: exterior walls, and centerline of common corridor walls, stairs walls, elevators walls, or any other common elements (perimeter and mechanical pipes are not deducted) and from the centerline of demising walls. Since the area calculations are not based upon measurements from interior surfaces of interior walls, the usable floor area of the residential units is less than the area listed in Schedule A.

Residential Unit Information

The square footage listed below is the Total area of each measured by the following:
Each residential unit consists of the area measured horizontally from the exterior face of exterior walls and the centerline of walls of common corridors, stairs, elevators, other mechanical equipment spaces or any other common elements and measured from the centerline of demising walls between apartments.

500 W. 25th Street, Unit Information, July 31, 2018
Schedule A

UNIT NUMBER	UNIT TYPE	Number of Bathrooms	Total AREA Square Feet	Room Count[1]	Remarks	SF of Balcony / Roof Terrace
201	3 Bedroom	3	2,152	6		0/566
Total			**2,152**	**6**		**0/566**
301	3 Bedroom	3	2,152	6		210/0
Total			**2,152**	**6**		**210/0**
401	3 Bedroom	3	2,152	6		210/0
Total			**2,152**	**6**		**210/0**
501	3 Bedroom	3	2,152	6		210/0
Total			**2,152**	**6**		**210/0**
601	3 Bedroom	3	2,152	6		210/0
Total			**2,152**	**6**		**210/0**
701	3 Bedroom	3	2,152	6		210/0
Total			**2,152**	**6**		**210/0**
801	3 Bedroom	3	2,152	6		471/0

Total			**2,152**	**6**		**471/0**
PH	4 Bedroom	4	4,304	7.5	Duplex	942/1709
Total			**4,304**	**7.5**		942/1709
Total Project			**19,451**	**49.5**		**2,463/2,275**

[1] For the purposes of this report rooms shall be counted in accordance with 28RCNY 6-01(c). "Room Count" shall be calculated in the following manner: Each dwelling unit with at least one room which either (i) contains no cooking facilities and measures at least one hundred and fifty (150) square feet, or (ii) contains cooking facilities and measures at least two hundred and thirty (230) square feet, shall count as two and one-half rooms. Every other room in the dwelling unit separated by either walls or doors, including bedrooms, shall count as an additional room, plus one-half room for a balcony, provided, however, that kitchens, cooking facilities, bathrooms or corridors shall not count as an additional room. To be included in the calculation of "room count," a room must meet the requirements of habitability as provided in Administrative Code §§27-746 and 27-751.

(ii) Additional Residential Units Information:

1) Type of Finish in residential Units:

Space	Floor	Base	Wall	Ceiling
Living/Dining	As Noted Below	Wood	Painted GWB	Painted GWB
Bedrooms	As Noted Below	Wood	Painted GWB	Painted GWB
Kitchens	As Noted Below	Wood	Painted GWB	Painted GWB
Bathrooms	White Venatino Marble	Sky White	Sky White	Painted GWB
Master Bathroom	White Venatino Marble	Sky White	Sky White	Painted GWB

*All painted surfaces, 2 coats minimum.

A) Flooring

Residential Units Living/Dining & Bedroom Flooring and Corridor:
- 7" Engineered Wood Flooring or comparable efficiency and quality except otherwise noted below.

Residential Units Kitchen Flooring and Base:
- 7" Engineered Wood Flooring or comparable efficiency and quality except otherwise noted below.

B) Bathroom Cabinetry, Fixtures and Fittings:

All Residential Unit Bathrooms are equipped with the following:

- Vanity: Plastic Laminate or comparable efficiency and quality with integrated solid surface tops and bowls by Lacava or equal.
  - Mbath: Double bowl vanity
  - 2nd Bath: Single bowl vanity

- Toilet: MBath, Neorest, Secondary Bath, Duravit or comparable efficiency and quality
- Bathtub: MBath, Agape, Secondary Bath, Duravit or comparable efficiency and quality
- Shower Head: Dornbracht or comparable efficiency and quality. MBath to also have rain shower head by Grohe or comparable efficiency and quality.
- Bathtub Filler: Vola or comparable efficiency and quality
- Shower Bodies: Vola Pressure Balance with cross handles or comparable efficiency and quality with Vola handheld Ludlow shower arm and rain heads in MBath
- Faucet: Vola faucet or comparable efficiency and quality
- Bathroom Accessories: Kohler or comparable efficiency and quality

C) Kitchen Cabinetry and Equipment:

All Residential Unit Kitchens are equipped with the following:

- Cabinets: White Gloss Plastic laminate or comparable efficiency and quality
- Countertops: Silver White Travertine by Stone Source or comparable efficiency and quality
- Kitchen Faucet: Dornbracht or comparable efficiency and quality
- Cooktop: Gaggenau VG295 or comparable efficiency and quality
- Combi-steam oven: Gaggenau BS484611 or comparable efficiency and quality
- Oven: Gaggenau BO480611 or comparable efficiency and quality
- Dishwasher: Gaggenau DF261761 or comparable efficiency and quality
- Refrigerator: Gaggenau RC472701 or comparable efficiency and quality
- Freezer: Gaggenau RC471701 or comparable efficiency and quality
- Warming Drawer: Gaggenau WS482 or comparable efficiency and quality
- Wine Storage Gaggenau RW404761 or comparable efficiency and quality or comparable efficiency and quality
- Vent Hood: Gaggenau AW230790 or comparable efficiency and quality

D) Finish Schedule for Common Interior Space

Space	Floor	Base	Wall	Ceiling
Lobby	Granite Floor Tile	Metal	Wood Veneer	Painted GWB
Hallways	Engineered Wd Flooring	Wood	Painted GWB	Painted GWB
Boiler, Meter and Utility Rooms	Concrete	Painted Masonry	Painted Masonry	Exposed

E) Drywall material to be used shall comply in all respects with the listed ASTM and Federal Specifications

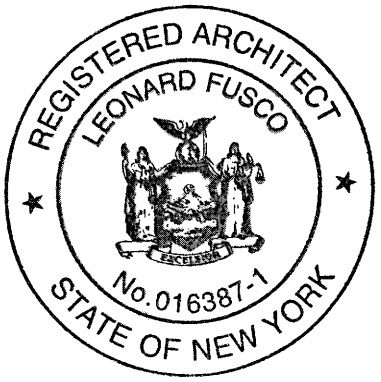
F) Hard-wired smoke carbon detectors will be installed adjacent to bedrooms in all Residential Units

G) There will be no asbestos used in the construction of the development.

H) There will be no lead paint used in the construction of the development.

12) Documents to be transferred to the condominium management

The following documents shall be transferred to the condominium management upon transfer of control: Operation & Management (O&M) manuals for mechanical equipment; Major equipment Start-up Sheets; equipment warranties; Roof warranty;



NAME: Leonard Fusco
FOR GF55 ARCHITECTS, LLP

SEAL

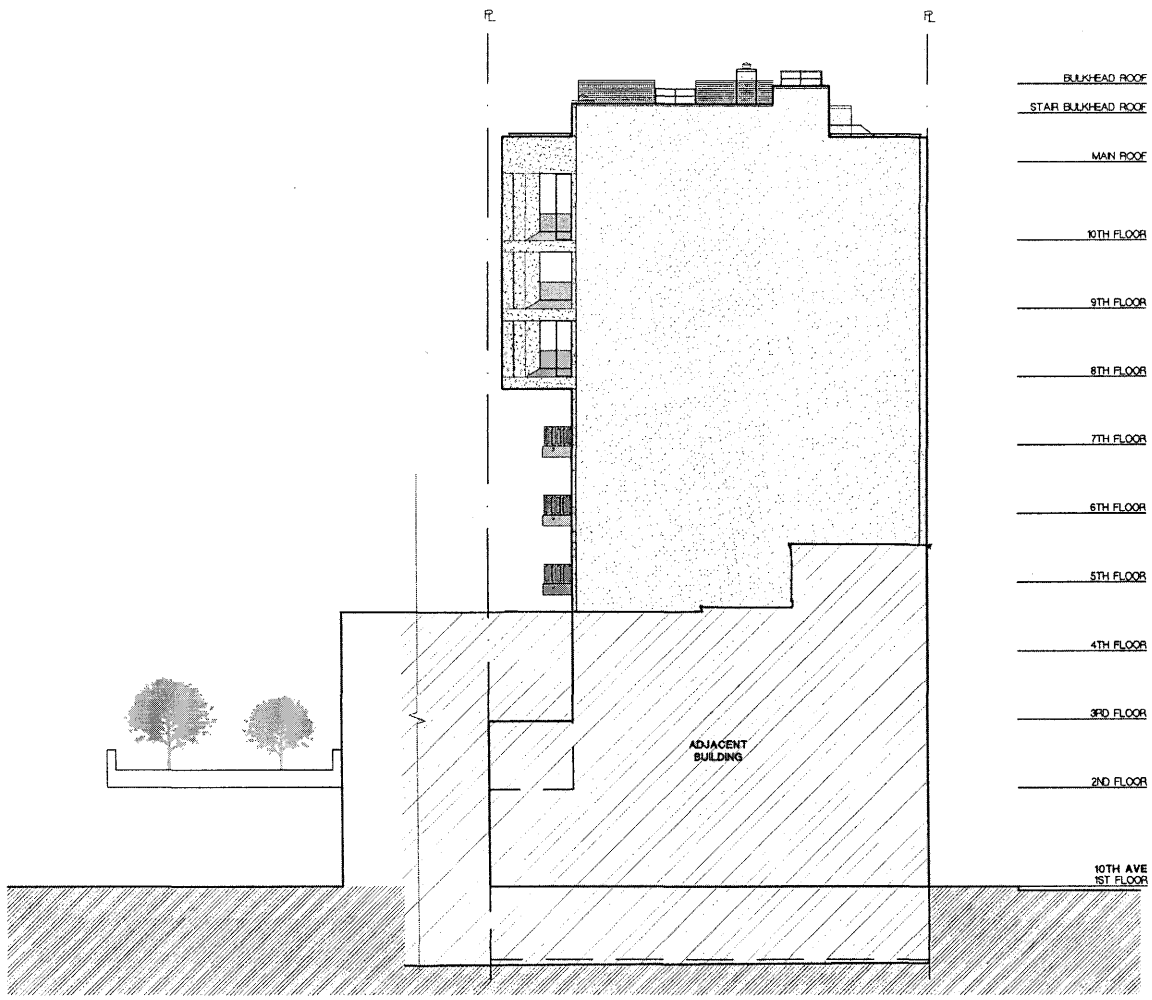
SIGNATURE: _____

EXHIBIT E

FLOOR PLANS OF CONDOMINIUM UNITS,
SITE PLAN AND ELEVATION DRAWINGS

The floor plans of the units are annexed hereto. Prospective purchasers are advised that all dimensions are approximate and subject to normal construction tolerances. Dimensions are maximum overall as measured from the exterior faces of the building to the center line of any wall separating one unit form another unit and the exterior faces of any walls separate a unit from the Common Elements or Limited Common Elements.

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SOUTH ELEVATION

1/32"=1'-0"

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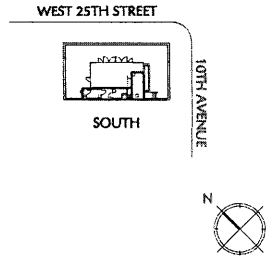
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ADDRESS:
500 WEST 25TH STREET
NEW YORK, NY 10001

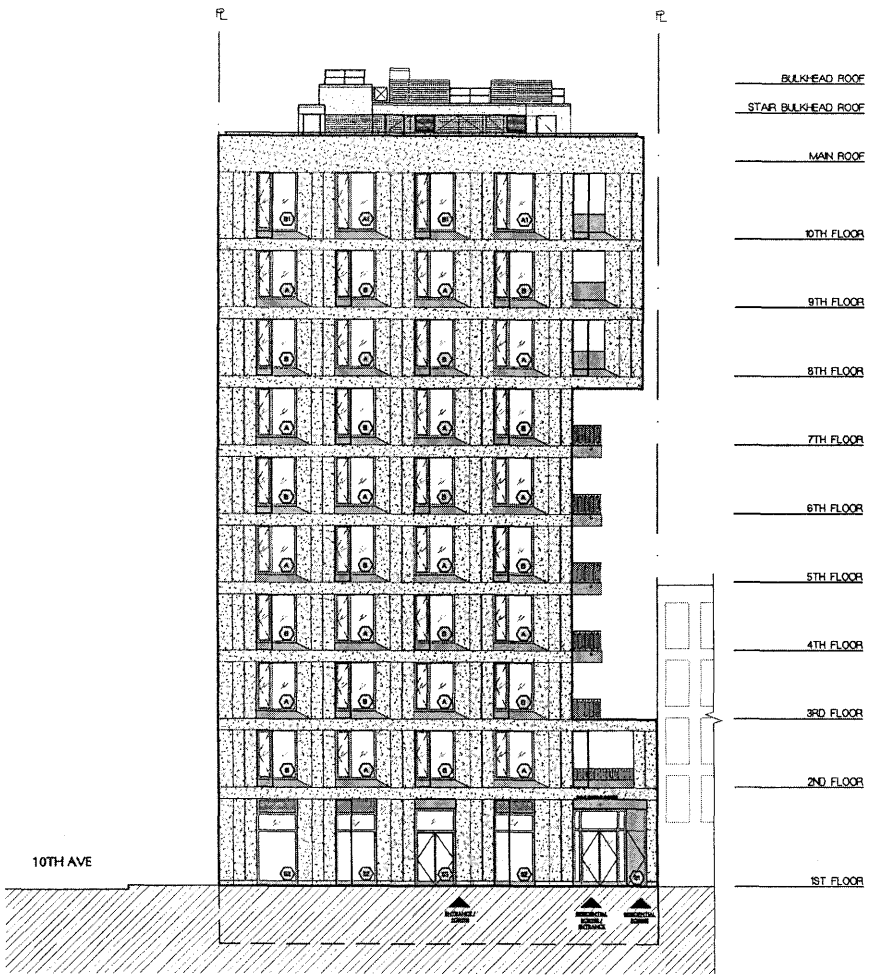
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DATE:
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E1



WEST 25TH STREET

1/32"=1'-0"

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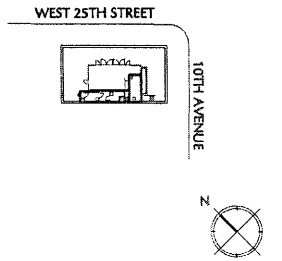
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ADDRESS:
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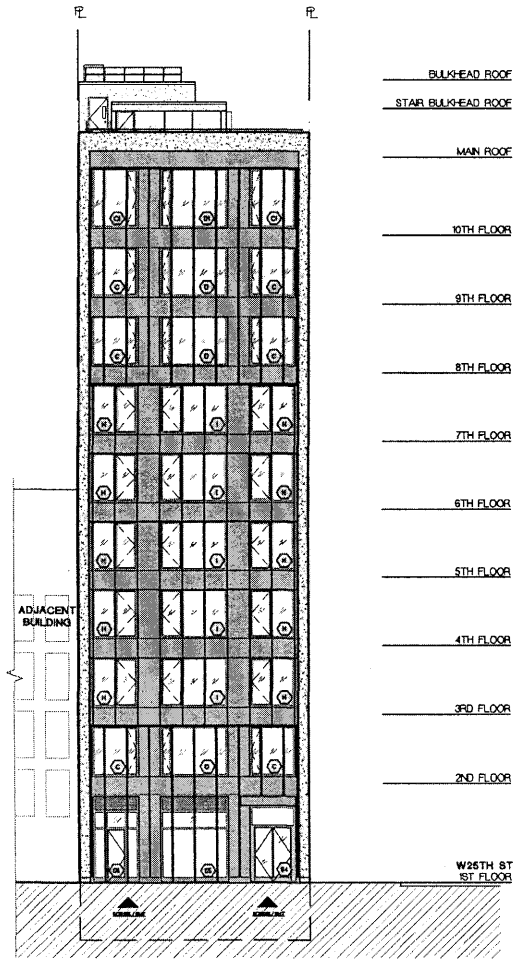
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E2



10TH AVENUE

1/32"=1'-0"

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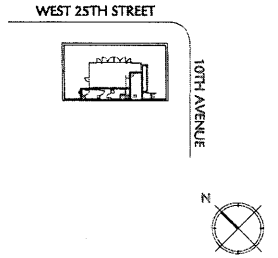
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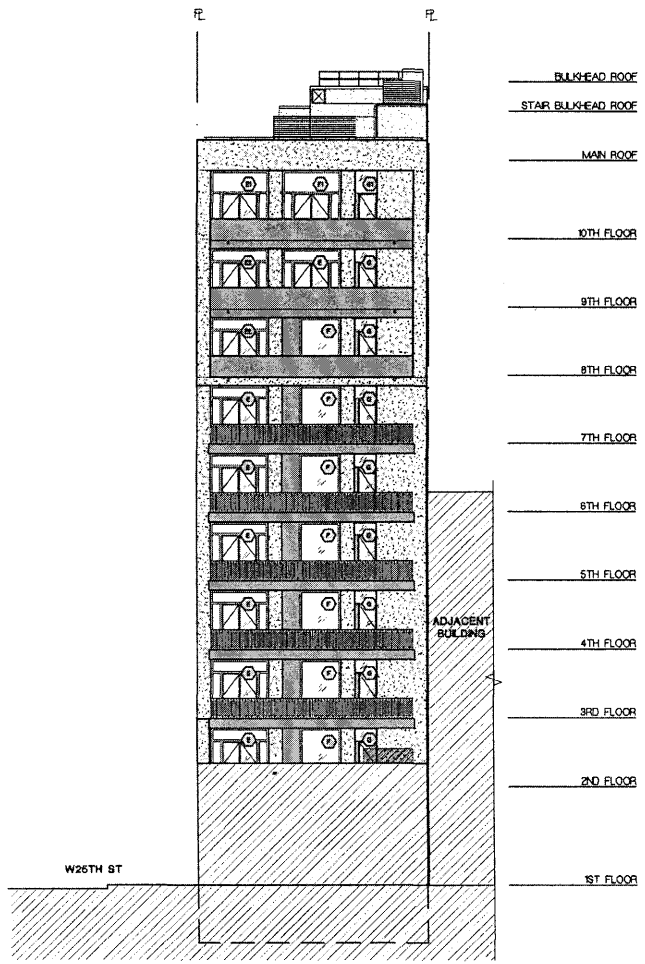
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E3



WEST ELEVATION

1/32"=1'-0"

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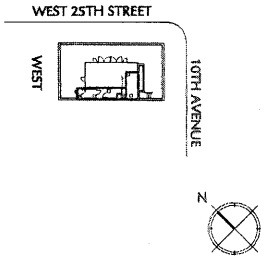
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ADDRESS:
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NEW YORK, NY 10001

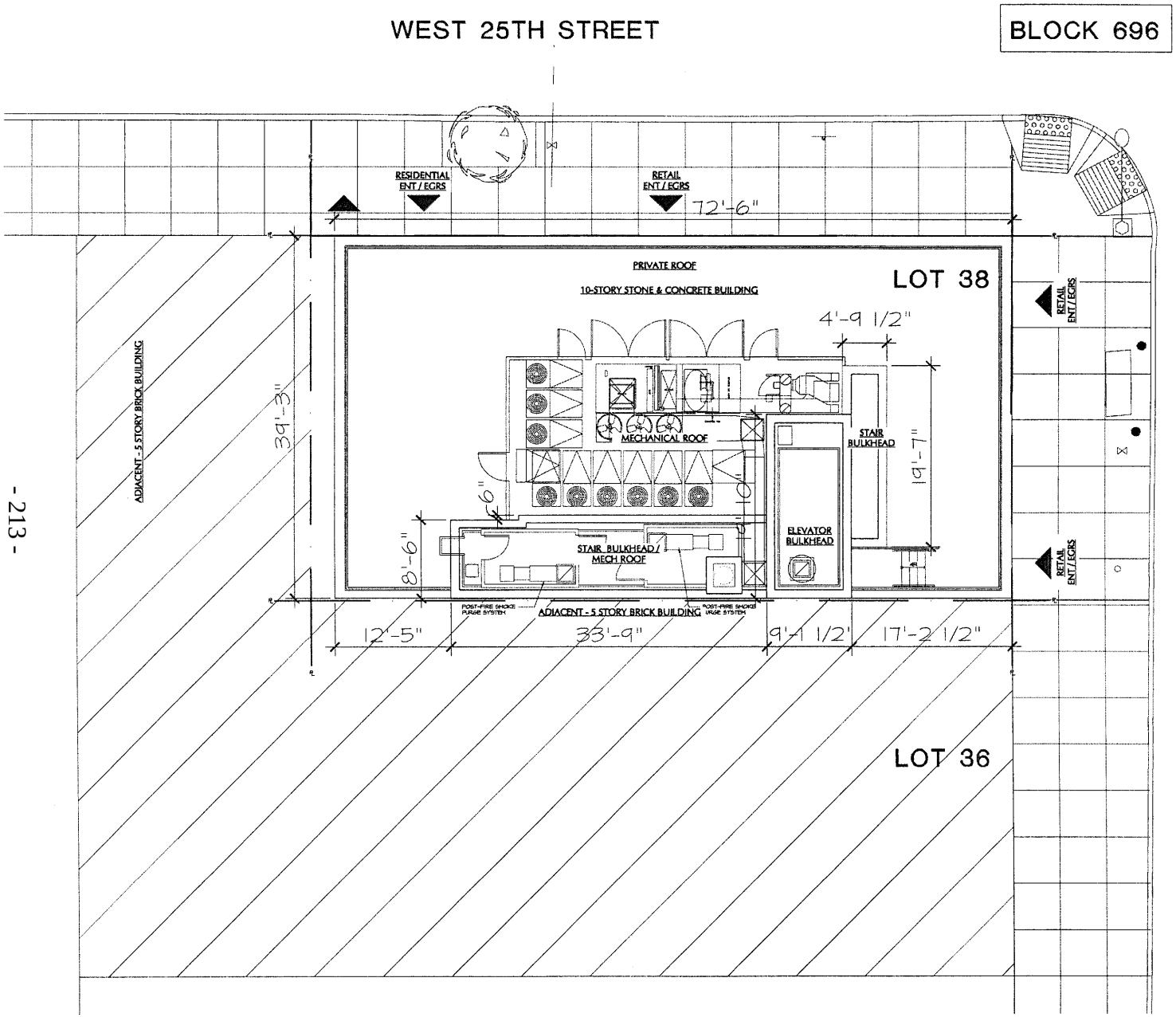
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E4



SITE PLAN

1/16"=1'-0"

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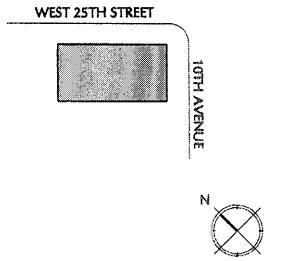
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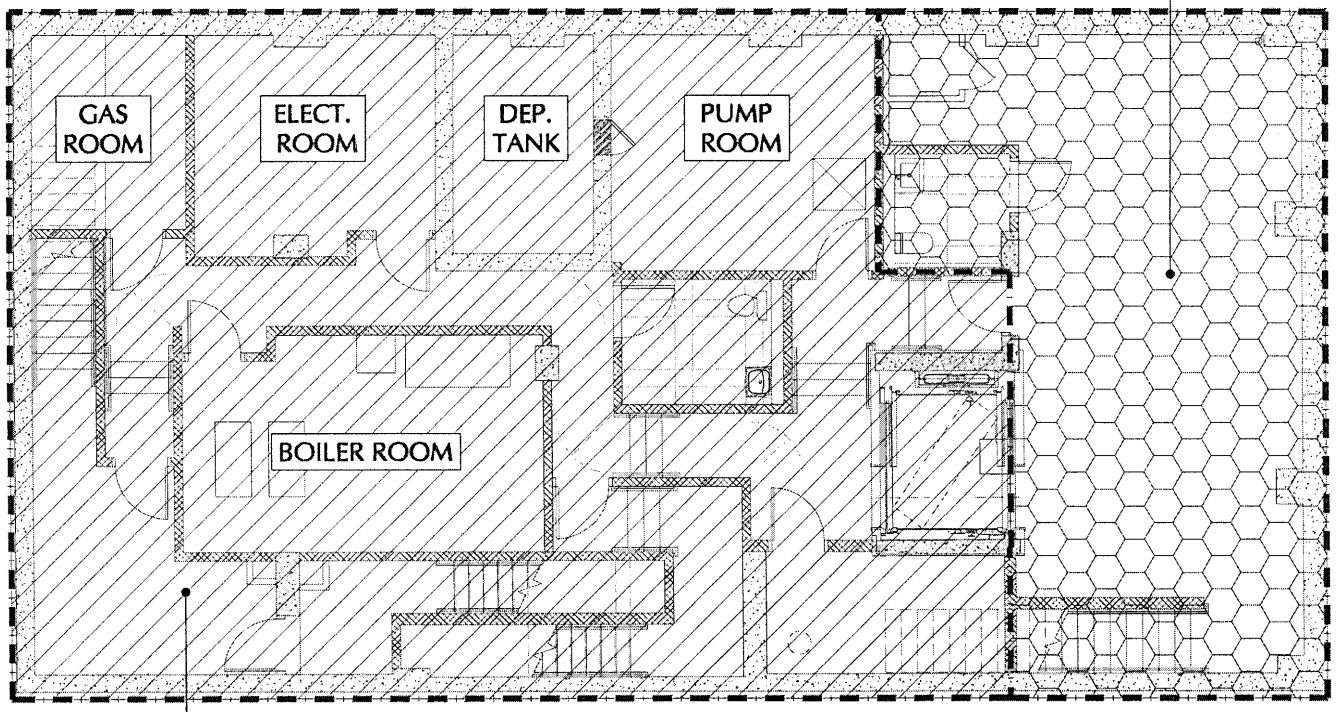
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MAY 23, 2018



S1

LEGEND			AREA
RESIDENTIAL UNIT	AKA: RES UNIT		0 SF
GENERAL COMMON ELEMENTS	AKA: GCE		2132 SF
RESIDENTIAL COMMON ELEMENTS	AKA: RCE		0 SF
RESIDENTIAL LIMITED COMMON ELEMENTS	AKA: RLCE		0 SF
COMMERCIAL UNIT	AKA: COM UNIT		820 SF
GROSS TOTAL (EXCLUDING EXTERIOR PRIVATE BALCONY & TERRACE)			2952 SF



CELLAR FLOOR PLAN

3/32"=1'-0"

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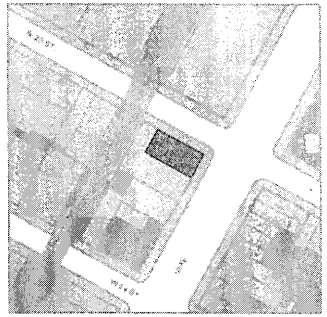
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CELLAR PLAN

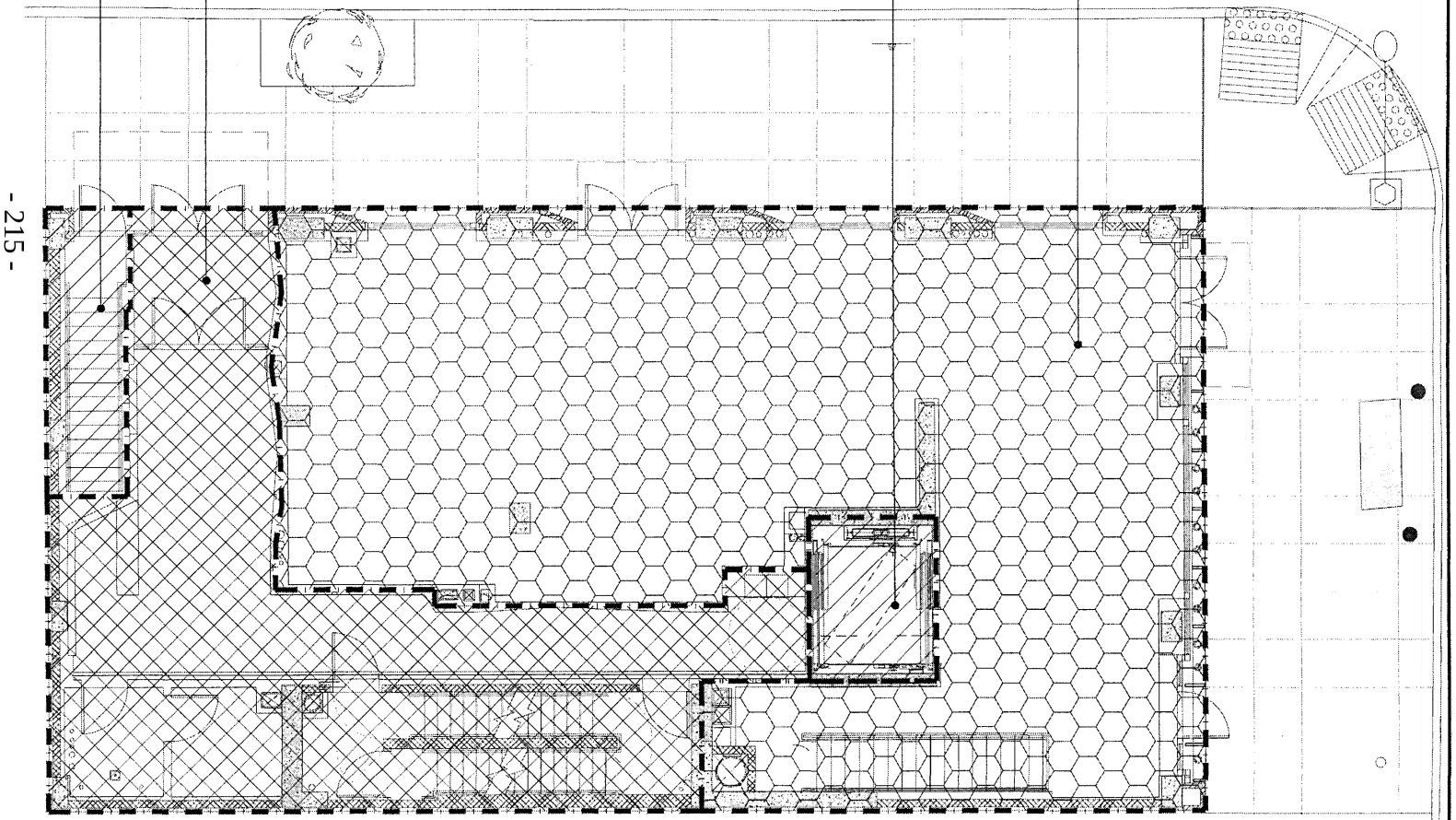
LEGEND			AREA
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GENERAL COMMON ELEMENTS	AKA: GCE		188 SF
RESIDENTIAL COMMON ELEMENTS	AKA: RCE		909 SF
RESIDENTIAL LIMITED COMMON ELEMENTS	AKA: RLCE		0 SF
COMMERCIAL UNIT	AKA: COM UNIT		1844 SF
GROSS TOTAL (EXCLUDING EXTERIOR PRIVATE BALCONY & TERRACE)			2941 SF

GENERAL COMMON ELEMENTS
100 SF

RESIDENTIAL COMMON ELEMENTS
909 SF

GENERAL COMMON ELEMENTS
88 SF

COMMERCIAL UNIT
TAX LOT
1844 SF



1ST FLOOR PLAN

3/32"=1'-0"

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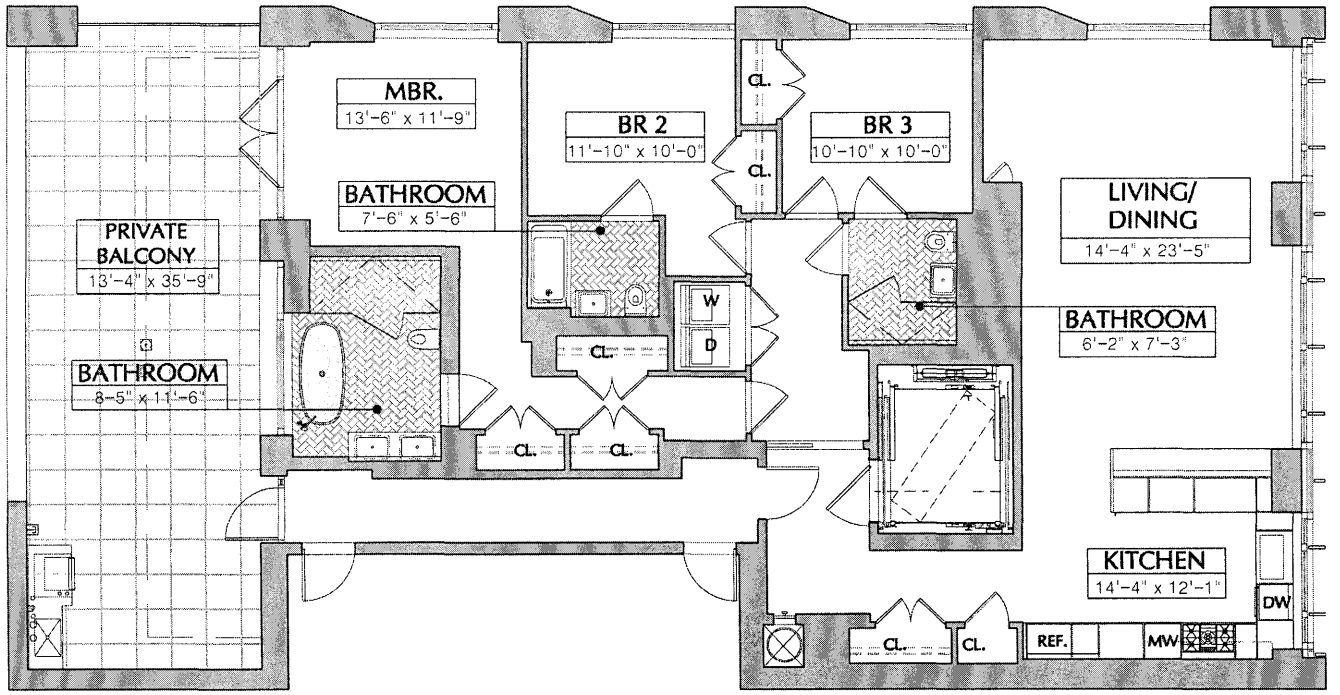
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DATE:
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1ST FLOOR



APT. 201 (3 BEDROOM 3 BATH)
TOTAL 2152 SF (566 SF BALCONY)

3/32"=1'-0"

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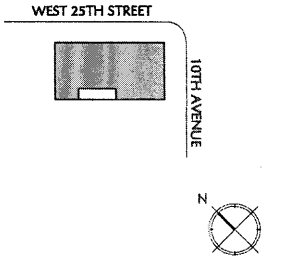
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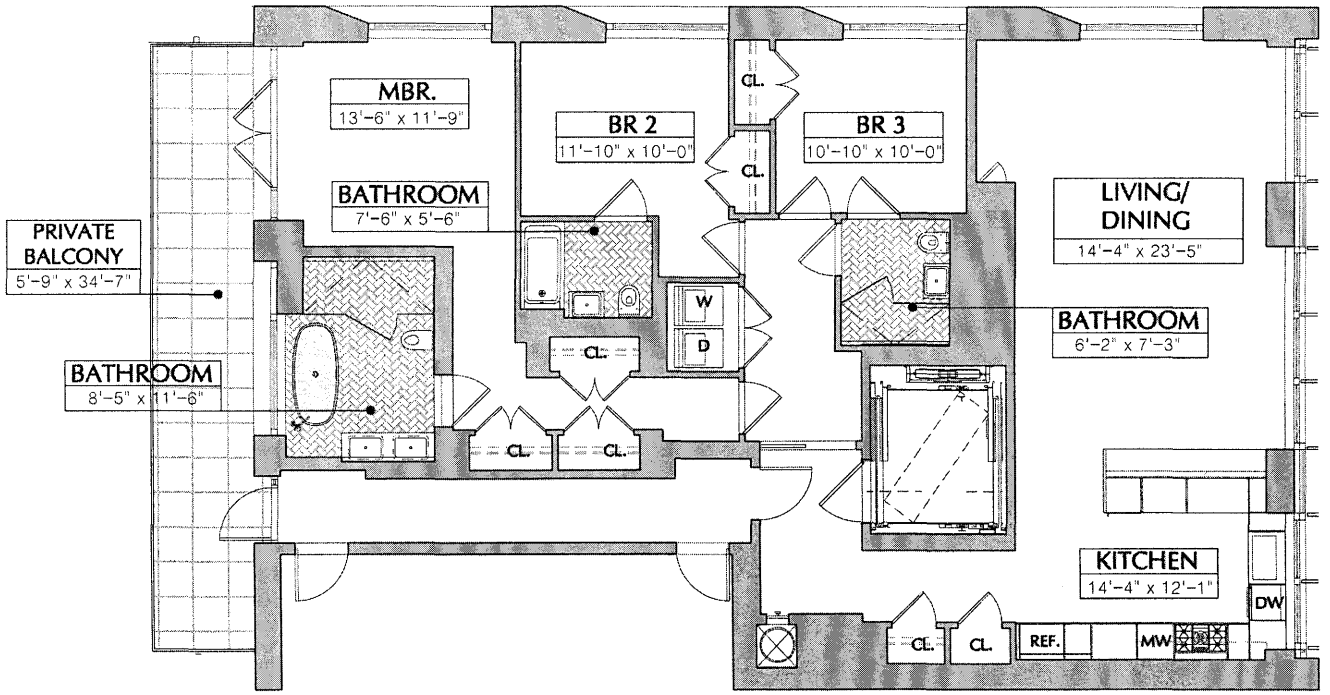
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DATE:
MAY 23, 2018



2ND FLOOR



APT. 301- 701 (3 BEDROOM 3 BATH)
TOTAL 2152 SF (210 SF BALCONY)

3/32"=1'-0"

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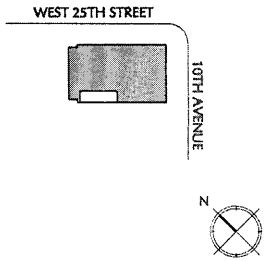
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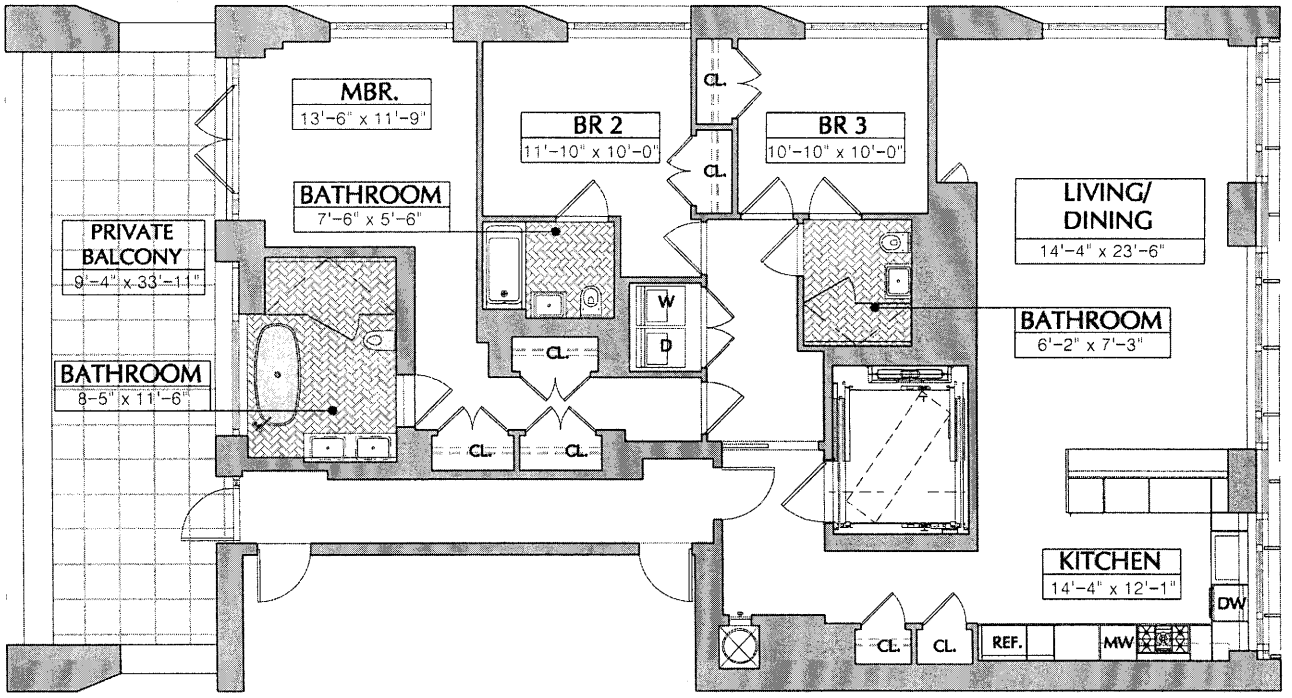
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DATE:
MAY 23, 2018



3RD-7TH FLOOR



APT. 801 (3 BEDROOM 3 BATH)
TOTAL 2152 SF (471 SF BALCONY)

3/32"=1'-0"

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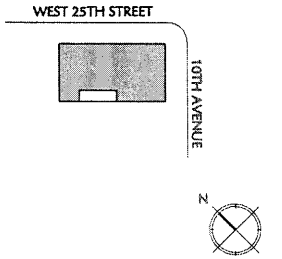
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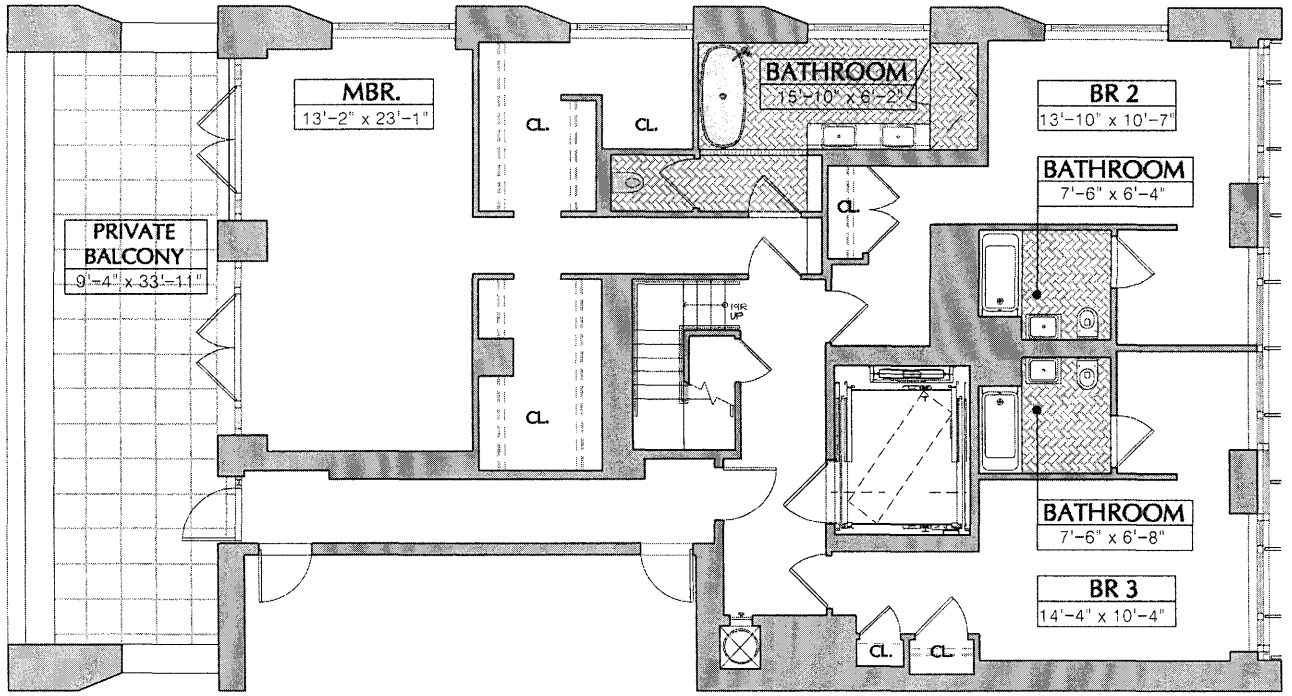
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DATE:
MAY 23, 2018



8TH FLOOR



APT. PH (4 BEDROOM 4 BATH) LOWER LEVEL
2152 SF, TOTAL 4391 SF (471 SF BALCONY)

3/32"=1'-0"

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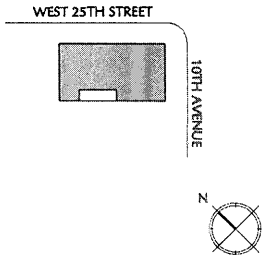
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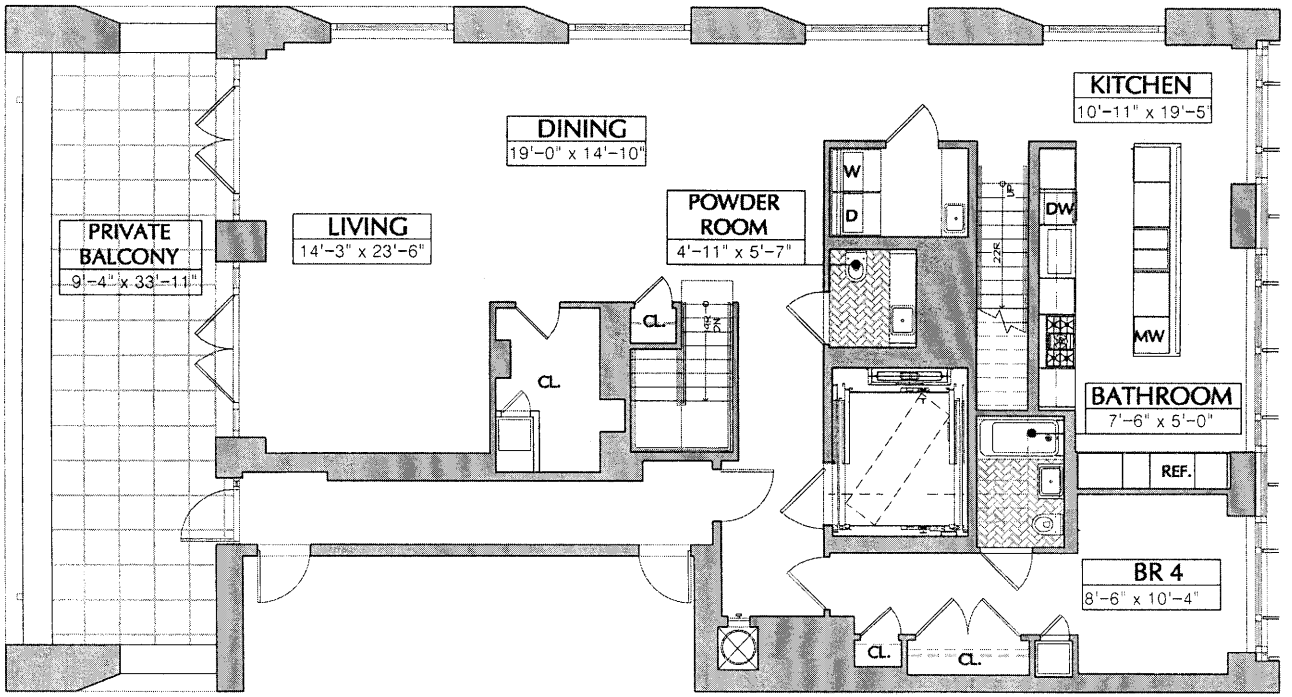
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DATE:
MAY 23, 2018



9TH FLOOR



APT. PH (4 BEDROOM 4 BATH) UPPER LEVEL
2152 SF, TOTAL 4391 SF (471 SF BALCONY)

3/32"=1'-0"

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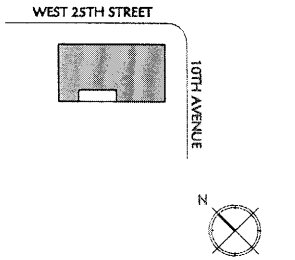
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NEW YORK, NY 10001

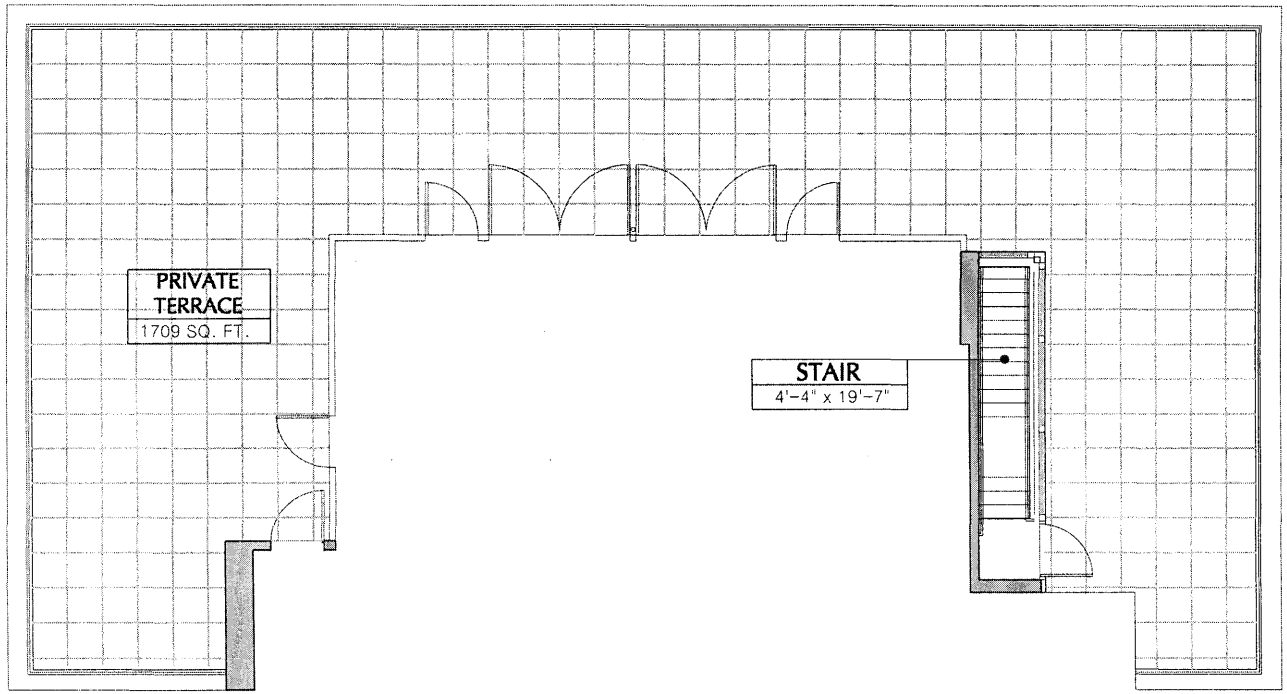
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WE RESERVE THE RIGHT TO MAKE CHANGES DUE TO UNFORESEEN CONDITIONS, IN ACCORDANCE WITH THE OFFERING PLAN WHEN SAME IS ACCEPTED FOR FILING.

DATE:
MAY 23, 2018



10TH FLOOR



APT. PH (4 BEDROOM 4 BATH) ROOF LEVEL

87 SF, TOTAL 4391 SF (1709 SF PRIVATE ROOF TERRACE) **3/32"=1'-0"**

GF55 PARTNERS

19 W. 21ST STREET, SUITE 1201
NEW YORK, N Y 10010
212 352 3099

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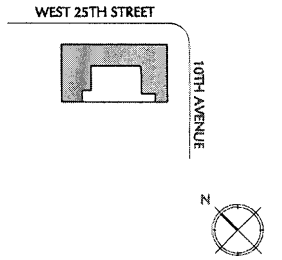
PROJECT:
500 W 25TH ST. CONDOS

ADDRESS:
500 WEST 25TH STREET
NEW YORK, NY 10001

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. DIMENSIONS ARE MAXIMUM OVERALL.

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DATE:
MAY 23, 2018



ROOF

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Condominium No:_____

DECLARATION

Establishing a Plan for Condominium Ownership of the Premises 500 West 25th Street, New York, New York Pursuant to Article 9-B of the Real Property Law of the State of New York

Name: **500 WEST 25TH STREET CONDOMINIUM**

Declarant: **500 W 25th Owner LLC**
12-16 Vestry Street, 7th Floor
New York, New York 10013

Date of Declaration: **_____, 2018**

The land affected by the within instrument lies in Block 696, Lot 38, on the Tax Map of the Borough of Manhattan County of New York now known as lots _____ through _____.

Phillips Nizer LLP
Attorneys for Declarant
485 Lexington Avenue
New York, New York 10017
Attention: Lisa R. Radetsky, Esq.

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DECLARATION

OF

500 WEST 25TH STREET CONDOMINIUM

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

RECITALS

THIS DECLARATION (this "Declaration") is made as of the ___ day of _____, 2019, by 500 W25th Owner LLC, a Delaware limited liability company ("Declarant"), having an office at c/o GDS Development LLC, 12-16 Vestry Street, 7th Floor, New York, New York 10013.

ARTICLE 1

SUBMISSION OF THE PROPERTY

1.1 Declarant hereby submits the Land and Building (each as hereinafter defined), all other improvements erected and to be erected thereon, all easements, rights and appurtenances belonging thereto and all other property, real, personal or mixed, intended for use in connection therewith (collectively, the "Property") to the provisions of Article 9-B of the Real Property Law of the State of New York (the "New York Condominium Act") and pursuant thereto does hereby establish a condominium to be known as 500 West 25th Street Condominium (the "Condominium").

1.2 Attached to this Declaration ("Declaration") and made a part hereof are the By-Laws of 500 West 25th Street Condominium, which set forth detailed provisions governing the operation, use and occupancy of the Condominium (said By-Laws, as they may be amended from time to time, are hereinafter referred to as the "By-Laws"). All capitalized terms which are not separately defined herein shall have the meanings given to those terms in Exhibit I attached hereto.

ARTICLE 2

THE LAND

Included in the Property described in Article 1 of this Declaration is all that certain tract, plot, piece and parcel of land (the "Land") situate, lying and being in the Borough of Manhattan, County of New York and City and State of New York, and more particularly described in Schedule A annexed hereto and made a part hereof. The Land has an area of approximately 2,963 square feet.

ARTICLE 3

THE PROPERTY AND THE BUILDING

Included in the Property is a building (the "Building") having ten (10) stories, with a cellar. The cellar is below grade level. The Building contains:

(a) Eight (8) residential units, located on the second through the tenth floors, (the "Residential Units" or a "Residential Unit", individually);

(b) One (1) Commercial Unit located on a portion of the ground floor and a portion of the cellar (the "Commercial Unit"); and

(c) the Common Elements other than the Land, as further described in Article 6 and Article 14 below.

The owner of a Residential Unit is herein called a "Residential Unit Owner" The owner of the Commercial Unit is herein called the "Commercial Unit Owner". The Residential Units and the Commercial Unit are sometimes collectively referred to as the "Units" and individually as a "Unit". The Residential Unit Owners and the Commercial Unit Owner are collectively referred to herein as the "Unit Owners" and individually as a "Unit Owner".

ARTICLE 4

THE UNITS

4.1 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; location; approximate square foot area; number of rooms; the portions of the Common Elements (as hereinafter defined), to which the Unit has immediate access; and the Common Interest, Common Charge Percentage, Residential Common Interest appurtenant to such Unit, as applicable. The location of each Unit is also shown on the Original Floor Plans, as the same are being amended as of the date hereof by amended floor plans certified by Leonard Fusco of GF55 Architects, LLP, to be filed in the City Register's Office simultaneously herewith (the "Floor Plans"), which superseded Original Floor Plans in their entirety.

4.2 Each Residential Unit includes, and the Residential Unit Owners shall be responsible for, all plumbing, gas, heating fixtures, refrigerators, ranges, and other appliances, as may be affixed, attached or appurtenant to any Residential Unit, including, without limitation, the HVAC system installed in each Residential Unit, which solely serves such Residential Unit. Plumbing, gas, and heating fixtures as used in the preceding sentence shall include exposed gas, steam and water pipes attached to fixtures, appliances and equipment and the fixtures, appliances and equipment to which they are attached, and any special pipes or equipment serving a Residential Unit within a wall or ceiling, or under the floor, but shall not include gas, steam, water or other pipes, conduits, wiring or duct work within the walls, ceiling or floors which

service other portions of the Building. The Residential Units shall also include all lighting and electrical fixtures and appliances within each Residential Unit and any special equipment, fixtures or facilities affixed, attached or appurtenant to each Residential Unit to the extent located within each Residential Unit serving or benefitting only such Residential Unit.

4.3 The Commercial Unit Owner shall be responsible for all plumbing, gas, heating fixtures, air-conditioning equipment, heating equipment, professional equipment and other appliances, located in the Commercial Unit. Plumbing, gas, heating fixtures and air-conditioning equipment as described in the preceding sentence shall include exposed gas, steam and water pipes attached to fixtures, appliances and equipment and the fixtures and equipment to which they are attached, and any special pipes or equipment that the Commercial Unit Owner may install within a wall or ceiling, a ventilation or pipe chase, or under the floor to service equipment installed by the Commercial Unit Owner, but shall not include gas, steam, water or other pipes, conduits, wiring or duct work and sound-proofing materials installed within the walls, ceiling or floors which service other portions of the Building. The Commercial Unit shall also include all lighting and electrical fixtures within the Commercial Unit and any special equipment, fixtures or facilities affixed, attached or appurtenant to such Commercial Unit to the extent located within the same and serving or benefitting only the applicable Commercial Unit, to the extent that such fixtures do not belong to the tenants who have leased space within such Commercial Unit. The Condominium shall not be responsible to supply HVAC, hot water or cooking gas to the Commercial Unit; the Commercial Unit Owner shall be responsible to install and maintain equipment to provide such services at the sole cost and expense of the Commercial Unit Owner.

ARTICLE 5

DIMENSIONS OF UNITS

5.1 Each Unit is measured horizontally from the exterior sides of its windows or exterior walls to the exterior surface of the walls separating the Unit from the Common Elements, but inclusive of corridors which connect the Units to the Common Elements, to the centerline of the walls separating Units from one another, and vertically from the top of the concrete floor to the underside of the ceiling. Unit dimensions listed on Schedule B of the Declaration are approximate and include the hallways and entrances reserved for the exclusive use of the Unit Owners, their tenants and guests. Unit dimensions set forth on Schedule B of the Declaration do not include the area of any Terrace or Balcony (as such terms are defined in the Declaration) appurtenant to any Unit.

5.2 Portions of the Common Elements located within any Unit shall not be considered as part of that Unit.

ARTICLE 6

COMMON ELEMENTS

6.1 The Common Elements of the Condominium (the "Common Elements") consist of the entire Property including the Land and all parts of the Building and improvements thereon, other than the Units. The Common Elements include, but are not limited to, those rooms, areas, corridors, spaces and other parts of the Building and all facilities therein for the common use of the Units and the Unit Owners or which are necessary or convenient for the existence, maintenance or safety of the Property. The Common Elements are divided into the following separate categories: (i) the General Common Elements, which are, generally, those Common Elements which serve or benefit all of the Units or Unit Owners; (ii) the Limited Common Elements, which are, generally, those Common Elements that exclusively serve or benefit one of the Units or Unit Owners; and (iii) the Residential Limited Common Elements, which are, generally, those Common Elements which exclusively serve or benefit more than one of the Residential Units or Residential Unit Owners. In the event of any inconsistency between the provisions of this Declaration and the Floor Plans, the Floor Plans shall control.

6.2 The General Common Elements consist of all Common Elements, excluding however, the Commercial Limited Common Elements, the Residential Limited Common Elements and the Limited Common Elements that are appurtenant to a single Unit, as indicated on the Floor Plans, and include, among other things, the following:

6.2.1 the Land (as more particularly described in Schedule A attached hereto), together with all easements, rights and privileges appurtenant thereto;

6.2.2 all foundations, columns, girders, beams, supports, pile caps, and their enclosures;

6.2.3 all exterior walls of the Building, not including the portions thereof on the Unit side of the brick work or masonry of such walls;

6.2.4 all walls and partitions separating Units from corridors, fire-stairs and related landings and hallways, and mechanical equipment spaces servicing the Commercial Unit and one or more of the Residential Units;

6.2.5 the sidewalk areas (excluding however, the sidewalk on the side of the Building that faces Tenth Avenue, which shall be the responsibility of the Commercial Unit Owner), street-level setbacks and all street trees, shrubbery and other plantings located thereon including planters;

6.2.6 all space devoted to the use of person(s) employed in connection with the operation of the Property;

6.2.7 all central and appurtenant installations for services such as power, light, security system, telephone, television, cable, ARCS radio communications system; internet service, gas, cold water, heat and air-conditioning and including all pipes, ducts,

chases, chutes, wires, cables, and conduits and the enclosures used in connection therewith, whether located in common areas or in the Units;

6.2.8 all tanks, pumps, motor fans, compressors, and control equipment;

6.2.9 hot water and condensed water systems servicing the Units;

6.2.10 all sewer pipes;

6.2.11 all areaways and any drains contained therein;

6.2.12 all fire stairs, corridors and landings connected therewith (but shall exclude convenience stairs located within any Unit;

6.2.13 the passenger elevator which services the cellar through the tenth floor (the "Elevator"), including the elevator cab, the elevator shaft and the walls thereof, overruns, bulkheads, shafts, pits, tanks, pumps, motors, fans, compressors, control and other related equipment in connection therewith, to the extent the same exists therein, provided however, the Commercial Unit Owner and its tenants, guests and invitees shall have access to the elevator only for use of the same to provide access to persons with disabilities as required pursuant to applicable laws;

6.2.14 that portion of the roofs (including any roof-top mechanical room) on which equipment that services the Building is located (but excluding those portions thereof which constitute a Residential Limited Common Element appurtenant to Unit PH;

6.2.15 all other parts of the Property and all apparatus, installations, systems, equipment, facilities, pipes, conduits, ducts, chutes, wires and cables and enclosures for the same existing in the Building or on the Property for common use or necessary or convenient to the existence, maintenance or safety of the Property;

6.2.16 the sprinkler system for the Building, including all piping, fittings, valves and sprinkler heads, excluding however, all such items located within a Unit and servicing only a single Unit, which shall be the responsibility of such Unit Owner to maintain;

6.2.17 all Building storage rooms, telephone rooms and other service, mechanical and utility rooms in the Building, excluding however, (a) all such facilities located within a Unit and servicing only a single Unit, which shall be the responsibility of such Unit Owner to maintain, (b) all such facilities which service more than one, but not all of the Units, which shall be the responsibility of the Unit Owners of the Units serviced by such facilities to maintain, and (c) all such storage spaces or facilities constituting Residential Limited Common Elements; and

6.2.18 all mechanical equipment and mechanical equipment space located in the Building serving or benefiting the Building or all the Units;

6.3 The Residential Limited Common Elements (the "Residential Limited Common Elements") are the Common Elements shared by and limited in use to the Residential Unit Owners only, except as otherwise provided herein, and service more than one of the Residential Units. The Residential Limited Common Elements include, without limitation, the following:

6.3.1 the lobby and all entrances to and exits from the Building which provide access to the Residential Units, the mail boxes, and the elevator access area to the elevator in the lobby for the use of the Residential Unit Owners, their tenants and guests;

6.3.2 all plumbing fixtures, equipment for distribution of cold water and equipment for producing and distributing hot water, including pumps, valves, pressure reducers, meters and water heaters which service the Residential Units, excluding, however, all such items located within a Residential Unit and servicing only one Residential Unit, which shall be the responsibility of such Unit Owner to maintain;

6.3.3 smoke detection alarm system, telephone system, excluding, however, all such items located within a Residential Unit and servicing only one Residential Unit, which shall be the responsibility of such Unit Owner to maintain;

6.3.4 Building storage rooms, telephone rooms and other service, mechanical and utility rooms serving or benefiting the Residential Units, excluding, however, all such facilities located within a Residential Unit or servicing only one Residential Unit, which shall be the responsibility of the respective Residential Unit Owner to maintain;

6.3.5 all mechanical equipment and mechanical equipment space located in the Building serving or benefiting more than one of the Residential Units;

6.3.6 all hallways and passages located in the Building, which are not otherwise located within a Unit which benefit more than one (1) of the Residential Units;

6.3.7 all security monitors and equipment and other security facilities serving or benefiting the Residential Units only; and

6.3.8 all other systems, installations and facilities of the Building (including shafts, pipes, wires, ducts, vents, cables, conduits and lines) which exclusively serve or benefit or are necessary or convenient for the existence, maintenance, operation or safety of the Residential Units;

6.3.9 internet system and cable television system, excluding however, all such items located within a Residential Unit and servicing only a single Residential Unit which shall be the responsibility of such Residential Unit Owner to maintain; and

6.3.10 all other systems, installations and facilities of the Building (including shafts, pipes, wires, ducts, vents, cables, conduits and lines) which exclusively serve or benefit or are necessary or convenient for the existence, maintenance, operation or safety of the Residential Units and servicing only the Residential Units.

6.4 The Limited Common Elements appurtenant to the Commercial Unit (the "Commercial Limited Common Elements") include the following:

6.4.1 The door providing egress from the Commercial Unit into the Common Elements of the Building from the cellar; and

6.4.2 The sign anchors for signs at the two locations designated on Exhibit II to this Declaration.

6.5 The Limited Common Elements appurtenant to a single Residential Units (the "Unit Common Elements") and include the following:

6.5.1 The balconies adjacent and appurtenant to Residential Units 3, 4, 5, 6, 7, 8 and PH

6.5.2 The Terrace appurtenant to Unit 2; and

6.5.2. The Terrace appurtenant to Unit PH.

6.6 The General Common Elements may be used by the Commercial Unit Owner as follows:

6.6.1 Subject to the provisions of subsection 6.5.3 hereof, the General Common Elements may be used only for the furnishing of the services and facilities and for the other uses for which the same are reasonably suited.

6.6.2 No furniture, packages or objects of any kind shall be placed in the lobbies, vestibules, public halls, stairways, public elevators or any other part of the Common Elements without the prior consent of the Board of Managers. The lobbies, vestibules, public halls, stairways and public elevators shall be used only for normal passage through them.

6.6.3 The Commercial Unit Owner shall not have any access to any floor above the ground floor except as necessary for the existence, maintenance, operation or safety of the Commercial Unit or in the event of an emergency.

6.6.4 The provisions of subsection 6.5.1 hereof shall not apply to Declarant or its successor so long as there are any Unsold Units, provided, however, that no such party shall use such Common Elements in such a manner as will unreasonably interfere with the use of the other Units for the permitted purposes thereof.

ARTICLE 7

RESIDENTIAL UNITS

7.1 As more particularly set forth in the By-Laws, the Residential Units may be used only as residences and for permitted professional and ancillary business uses as permitted by law. No more than one (1) family may occupy a Residential Unit at any one time. Any use of a Residential Unit must conform to the terms and conditions of the then existing certificate of occupancy for the Residential Units and applicable federal, state and local governmental and municipal regulations (including any zoning variance applicable to such Unit).

7.2 Unless otherwise consented to by the Condominium Board, occupants of a leased Residential Unit must be (i) an individual lessee (or members of his/her family or guests), (ii) an officer, director, stockholder or employee of a corporate lessee (or members of his/her family or guests), (iii) a partner or employee of a partnership lessee (or members of his family or guests), (iv) a member or employee of a limited liability company lessee (or members of his family or guest), (v) a fiduciary or beneficiary of a fiduciary lessee (or members of his family or guests), or (vi) a principal or employee of such other entity which is a lessee (or members of his/her family or guests). Notwithstanding anything contained in this Section 7.2, in no event shall transient occupancy agreements or arrangements be permitted. "Members of his/her family" or words of similar import whenever used herein shall be deemed to mean spouse, domestic partner, parents, parents-in-law, brothers, sisters, children and grandchildren and nothing contained herein shall be deemed to prohibit the exclusive occupancy of any Residential Unit by such family members or guests. Notwithstanding the foregoing, the Condominium Board may consent to occupancy of a Residential Unit by persons other than those set forth above.

7.3 Notwithstanding the foregoing or anything contained in the By-Laws or the Rules and Regulations to the contrary, Declarant may, without the permission of the Condominium Board, (a) grant permission for the use of any Unsold Unit (as such term is hereinafter defined) as a professional office or for any other purpose, provided such use is permitted by law, does not violate the then existing certificate of occupancy for such Unsold Unit and the Residential Unit Owner or tenant of any such Unsold Unit, complies with all applicable governmental and municipal regulations; and (b) use any Unsold Units, as models and sales and/or promotion offices in connection with the sale or rental of any Unsold Unit, or for any other purpose, subject only to compliance with applicable governmental laws and regulations. "Unsold Unit" shall mean those Units not sold to a "Purchaser" pursuant to the Offering Plan of the Condominium (the "Offering Plan"), including any Unit owned or retained, by way of lease or any other arrangement by which management and/or financial responsibility is retained, by Declarant or a successor owner of the Unsold Units or a transferee who has the written consent of the Declarant or a successor owner of Unsold Units (as applicable) at the time in question, or a Unit that is acquired, individually or collectively, by a principal of Declarant or a group of which Declarant or one or more principals of Declarant is a member or a permitted transferee pursuant to Article 26 below. Anything contained herein to the contrary notwithstanding, if any of such Units are used for commercial office use, to the extent permitted by applicable law and regulation, as herein above provided, the same shall nevertheless be deemed the Units hereunder and shall be

entitled and subject to all of the rights and restrictions provided or imposed hereunder with respect to the Units.

7.4 The balconies adjacent and appurtenant to Residential Units 3, 4, 5, 6, 7, 8 and PH (each a "Balcony" and collectively, the "Balconies"), the terrace appurtenant to Unit 2 (the "Unit 2 Terrace") and the convenience stairs in Unit PH that access the roof top terrace appurtenant to Unit PH (the "Penthouse Terrace", together with the Unit 2 Terrace the "Terraces"), may be used by the respective Residential Unit Owner and the tenants and occupants of the Residential Units to which the Balconies or Terraces are appurtenant. The Balconies and the Terraces: (a) may be used for passive recreational use only (*e.g.* walking, reading and quiet personal enjoyment), (b) may not be used only as permitted by applicable law and, in any case, not for any commercial purpose, and (c) must be used in accordance with the Rules and Regulations.

7.5 In order to provide for congenial occupancy of the Property, the use of the Property shall be restricted so that no portion of a Residential Unit shall be leased or subleased (other than an entire Residential Unit which may leased subject to Article VII of the By-laws) and no transient occupant, other than a guest permitted pursuant to this Article 7, shall be accommodated within any Residential Unit without the prior consent of the Condominium Board, which consent may be withheld in accordance with the absolute discretion of the Condominium Board.

7.6 The total annual Common Charges attributable to the Residential Units (the "Residential Common Charges") are calculated by adding the following: (i) the aggregate Common Charge Percentage attributable to all Residential Units of the total annual expenses shared by all Unit Owners in the Condominium, plus (ii) 100 percent of the Residential Limited Common Expenses. Each Residential Unit Owner shall pay its proportionate share of the Residential Common Charges based upon the respective Residential Common Interest appurtenant to each Residential Unit.

ARTICLE 8

CHANGES IN THE CONDOMINIUM

8.1 Except as prohibited by law, Declarant or its successor shall have the right, without the vote or consent of the Condominium Board, other Unit Owners or the Mortgage Representatives, if any, to: (a) make alterations, additions or improvements, whether structural or non-structural, interior or exterior; (b) change the layout of, or number of rooms in, any portion of the Unsold Units from time to time; (c) change the size and/or number of Unsold Units by subdividing one (1) or more Unsold Units into two (2) or more separate Units, combining separate Unsold Units (including those resulting from such subdivision or otherwise) into one (1) or more Units, altering the boundary walls between any Unsold Units, or otherwise; and/or (d) if appropriate, reapportion among the Unsold Units affected by such change in size or number pursuant to the preceding clause, the (i) Common Interest, (ii) Common Charge Percentage, and/or (iii) Residential Common Interest appurtenant thereto; provided, however, that such percentages for any other Units (other than Unsold Units) shall not be changed by reason thereof unless the Unit Owners of such Units shall consent thereto and, provided further, that Declarant

or its successor shall comply with all laws, ordinances and regulations of all governmental authorities having jurisdiction and shall agree to hold the Condominium Board, and all other Unit Owners harmless from any liability arising therefrom.

8.2 Except for Declarant's right to make certain changes in Unsold Units, as set forth in subparagraphs (a) through (d) of Section 8.1, once this Declaration is filed and recorded, no change may be made in the number of Units or number of rooms within a Unit, nor may the size of a Unit be changed by subdivision or combination or alteration of boundary walls as aforesaid, or otherwise, nor may the Common Interest, Common Charge Percentage, Residential Common Interest appurtenant to any Unit or the amount or quality of the Common Elements, be changed, unless the Declaration is amended with the consent of all affected Unit Owners. Declarant or its successor shall comply with all laws, ordinances and regulations of all governmental authorities having jurisdiction, including filing an amendment to the Declaration, as amended, and shall agree to hold the Condominium Board and all other Unit Owners harmless from any liability arising therefrom.

8.3 The provisions of this Article 8 may not be added to, amended, modified or deleted without the prior written consent of Declarant or its successor. In addition to the restrictions set forth above in this Article 8, no reapportionment of the Common Interest appurtenant to any Unit shall be made unless there is first delivered to the Condominium Board a written certification stating that the Common Interest of the respective Units, immediately after such reapportionment, will be based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the respective Units, the availability of Common Elements for exclusive or shared use and the overall dimensions of the respective Units. The certification referred to in the preceding sentence shall be delivered (a) in the case of any Unsold Unit, at Declarant's election, by Declarant or the managing agent of the Condominium, and (b) in the case of any Unit, by either the managing agent of the Condominium or any other person reasonably acceptable to the Condominium Board.

8.4 Any Unit Owner who shall make any changes to his Unit in accordance with this Article 8 shall be solely responsible for all costs and expenses, including professional fees and expenses, incurred by such Unit Owner and/or the Condominium Board in connection therewith.

ARTICLE 9

PERSON TO RECEIVE SERVICE

The Secretary of State of the State of New York (the "Secretary of State") is hereby designated as agent of the Board of Managers upon whom process against it may be served, and the post office address to which the Secretary of State shall mail a copy of any process against it shall be: c/o Camelot Property Management Services Corp., 3 West 30th Street, 5th Floor, New York, NY 10001 Attn.: David Goldoff. As required by law, the Board of Managers shall notify the Secretary of State of any change in the managing agent or person authorized to receive a copy of any process served against the Secretary of State.

ARTICLE 10

DETERMINATION OF PERCENTAGE INTERESTS IN COMMON ELEMENTS

The percentage interest of each Unit in the Common Elements (the "Common Interest") has been determined upon the floor space, subject to the location of such space and additional factors of relative value to other space in the Condominium, the uniqueness of the Unit or, the availability of Common Elements for exclusive or shared use and the overall dimensions of the particular Unit, and the Balconies and Terraces appurtenant to a Unit[1]. In addition, each of the Residential Units will be assigned an appurtenant interest in the Residential Common Elements (the "Residential Common Interest")[2] Notwithstanding the foregoing, the Unit Owners will be responsible for the payment of Common Charges and Residential Common Charges in accordance with the provisions of Article 20 hereof.

ARTICLE 11

ENCROACHMENTS

If (a) any portion of the Common Elements encroaches upon any Unit, or upon any other Common Element, (b) any Unit encroaches upon any other Unit, or upon any portion of the Common Elements, or (c) any encroachment shall hereafter occur as a result of (i) settling or shifting of the Building, (ii) any alteration or repair to the Common Elements made by or with the consent (when required by the By-Laws) of the Condominium Board or made by Declarant or its successor in accordance with this Declaration or the By-Laws, or (iii) any repair or restoration of the Building (or any portion thereof) or of any Unit or Common Element or after damage by fire or other casualty or any taking by condemnation or eminent domain proceedings of all or any portion of any Unit or the Common Elements, then, in any such event, a valid easement shall exist for such encroachment and for the maintenance of the same as long as the Building shall stand.

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1 The Common Interest for the Commercial Unit will be based upon the square footage included on the first level of the Commercial Unit as a percentage of the total square footage of the Commercial Unit and the Residential Units together with all interior Residential Limited Common Elements , subject to receipt of approvals from government agencies; and the balance of the Common Interest will be apportioned among the Residential Units based upon the floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit, the Balconies and the Terraces appurtenant to a Unit.

2 Based upon floor space, subject to the location of such space and additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use and the overall dimensions of the particular Unit, the Balconies and Terraces appurtenant to a Unit.

ARTICLE 12

FACILITIES AND ALL OTHER COMMON ELEMENTS

Each Unit Owner shall have an easement in common with all other Unit Owners to use, maintain, repair, alter and replace all facilities and all other Common Elements, located in any of the other Units, except the Commercial Unit, or elsewhere on the Property, which serve its Unit. Each Unit shall be subject to an easement in favor of all Unit Owners to use, maintain, repair, alter and replace the facilities and all other Common Elements located in such Unit or elsewhere on the Property which serve other Units, provided such right shall be exercised by the Condominium Board in connection with any easement right affecting the Commercial Unit or Commercial Unit Owner. The Condominium Board shall have a right of access to each Unit to inspect the same, to remove violations therefrom and to maintain, repair or replace the Common Elements (inclusive of the Residential Limited Common Elements and the Limited Common Elements) contained therein or elsewhere in the Property, provided such right of access shall be exercised in such a manner as (x) will not unreasonably interfere with the use of the Units for the permitted purposes thereof, and (y) with respect to the Commercial Unit, will not disrupt or materially interfere with the business of the Commercial Unit or its tenant(s) and, to the extent possible and permitted by applicable Law, be performed after the Commercial Unit Owner's or its tenant's business hours, except in an emergency. Such entry shall be permitted on not less than one (1) days' notice, provided however, no notice shall be required in the event of an "emergency" (meaning a condition requiring repairs or replacements immediately (a) necessary for the preservation or safety of the Building or for the safety of occupants of the Building, or other persons, or (b) required to avoid the suspension of any necessary service in the Building).

ARTICLE 13

EASEMENTS

13.1 Each Unit Owner shall have, in common with all other Unit Owners, an easement for the use of the Common Elements, except for those Limited Common Elements, and Residential Limited Common Elements that are designated for the exclusive use of certain Unit Owners or a combination of Unit Owners, or their tenants or occupants as set forth herein.

13.2 Each Unit Owner shall have, in common with all other Unit Owners, and each Unit shall be subject to, an easement to install, operate, maintain, repair, alter, rebuild, restore and replace the Common Elements located in, over, under, through or upon any Unit, or any other Common Elements or elsewhere on the Property, which easement may be exercised by the Condominium Board, as agent for the Unit Owners. In furtherance of such easement, access to any Unit, or the Common Elements, shall be exercised in a manner that will not unreasonably interfere with the use of the Units, or the Common Elements, for the permitted purposes thereof. Any such easement in, through, or to the Commercial Unit, may be exercised exclusively by the Condominium Board and shall, to the extent practicable, be exercised in such a manner so as not to materially disrupt or substantially interfere with the use and operation of the Commercial Unit (including, without limitation, the business of any tenant of the Commercial Unit). In any event, the exercise of such easement into any Unit may be exercised only if notice is given, in

accordance with the terms hereof, on no less than one business days' notice in advance of any such entry, provided however, no notice shall be required in the event of an emergency.

13.3 Each Unit shall have an easement of support and of necessity and shall be subject to an easement of support and necessity in favor of all other Units and the Common Elements.

13.4 Declarant or its successors and assigns shall, to the extent permitted by law, have an easement to erect, maintain, repair and replace, from time to time, one (1) or more Signs on the Property for the purposes of advertising the availability for sale or lease of any Unsold Unit or the availability for lease of any Residential Unit. Notwithstanding the foregoing, Declarant shall not install any Signs on that portion of the façade of the Building reserved and designated herein for the exclusive use of the Commercial Unit Owner and/or the tenant of the Commercial Unit and provided further, no such Signs shall interfere with the visibility of the Commercial Unit or any Signs installed by the Commercial Unit Owner and/or the tenant of the Commercial Unit, as permitted in this Declaration.

13.5 Declarant or its successor and the Condominium Board, shall have the right to grant such additional electric, gas, steam or other utility easements or relocate any existing utility easements in any portion of the Property, as Declarant, its successor, or the Condominium Board, shall deem necessary or desirable for the proper operation and maintenance of the Building or any portion thereof, or for the general health or welfare of the owners, tenants and occupants of the respective Units, provided that such additional utilities or the relocation of existing utilities will not prevent or unreasonably interfere with the use of the Units for the permitted purposes thereof. Any utility company and its employees and agents shall have the right of access to any Unit, or the Common Elements in furtherance of such easement, provided such right of access shall be exercised in such a manner as shall not unreasonably interfere with the use of the Units for the permitted purposes thereof pursuant to applicable Law and regulations subject, however, to the terms and conditions contained in this Declaration and the By-Laws annexed hereto. Notwithstanding anything to the contrary contained herein, the location of additional utilities or the relocation of existing utilities within the Commercial Unit (except to the extent that the same may be relocated within any vent shafts or utility chases then existing), shall be subject to the consent of the Commercial Unit Owner, not to be unreasonably withheld, conditioned or delayed.

ARTICLE 14

LIMITED COMMON ELEMENTS

14.1 Certain portions of the Common Elements are limited and restricted in use to the single Unit to which those Common Elements are appurtenant and are thereby identified on the Floor Plans and referred to in this Declaration and the By-Laws, as "Limited Common Elements". The use of Limited Common Elements by any Unit Owner having exclusive use thereof is subject to access for the structural repairs or structural replacements to said Limited Common Element in accordance with Section 14.3 below and subject to the Rules and Regulations of the Condominium. In the event of any inconsistency between this Declaration and the Floor Plans, the Floor Plans shall control. With respect to the Residential Units, included

among Limited Common Elements appurtenant to each of the Residential Units are the following:

14.1.1 the elevator entrance doors;

14.1.2 all exterior surfaces of windows and window frames in the Residential Section of the Building;

14.1.3 the windows of the Residential Units and the interior portions of the window frames for such windows;

14.1.4 the Balconies, Terraces and related convenience stairs, to which the applicable Residential Unit Owner has exclusive use;

14.1.5 all plumbing fixtures, equipment for distribution of cold water and equipment for producing and distributing hot water, including pumps, valves, pressure reducers, meters and water heaters located within a Residential Unit and servicing only one Residential Unit;

14.1.6 smoke detection alarm system, telephone and internet systems located within a Residential Unit and servicing a single Residential Unit; and

14.1.7 all other systems, installations and facilities of the Building (including shafts, pipes, wires, ducts, vents, cables, conduits and lines) which exclusively serve or benefit or are necessary or convenient for the existence, maintenance, operation or safety of a Residential Unit and servicing only one Residential Unit.

14.2 Certain portions of the Common Elements are limited and restricted in use to more than one of the Residential Units and are thereby identified as Residential Limited Common Elements. The use of Residential Limited Common Elements by any Residential Unit Owner having exclusive use thereof is subject to access for the structural repairs or structural replacements to said Residential Limited Common Elements in accordance with Section 14.3 below and subject to the Rules and Regulations of the Condominium. In the event of any discrepancy between the Floor Plans and this Declaration, the Floor Plans shall control.

14.3 The cost of normal maintenance and repair of Limited Common Elements or Residential Limited Common Elements (*i.e.*, keeping surface areas clean and absent of cracks, breaks, or similar damage and replacing such surface areas when appropriate) will be borne by the Unit Owner(s) having the use thereof. The cost of repairing and/or replacing Limited Common Elements or Residential Limited Common Elements shall be shared in accordance with the Common Interest or the Residential Unit Owners affected, as applicable unless the need for repair or replacement was occasioned by the negligence of one (1) or more of the Unit Owners or his or her guest(s) or agent(s), in which case the cost shall be borne by the negligent Unit Owner(s). Structural repairs of the Limited Common Elements or Residential Limited Common Elements (other than structural repairs necessitated by the negligence of one (1) or more of the Unit Owners or his or her guest(s) or agent(s), in which case the cost shall be borne by the

negligent Unit Owner(s)), will be borne by the Unit Owners as a Common Expense or a Residential Common Expense, as may be applicable.

14.4 The Balconies and Terraces shall include any pavers, decking and drains, hose bibs, electrical outlets, lighting and light fixtures, enclosures and dividers, to the extent contained therein, installed as part of the original construction of the Building.

ARTICLE 15

COMMERCIAL UNIT

15.1 The Commercial Unit may be used for any lawful purpose permitted by the New York City Zoning Resolution, including, without limitation, medical and/or dental offices, ambulatory health care facilities, banking, commercial office, municipal, school annex, and utility purposes. Notwithstanding the foregoing, the Commercial Unit or any portion thereof, shall not be used or occupied for any of the following prohibited uses:

15.1.1 as a massage parlor, adult bookstore, peep show or adult entertainment facility, or as any other sex-related commercial establishment or other commercial establishment where pornographic material is displayed or obscene, nude or sexual performances are shown live or in a videotaped or other recorded format;

15.1.2 as a waste transfer facility or station or to store any trash or garbage other than as incidental to another permitted non-obnoxious use of the Commercial Unit;

15.1.3 a mechanic or repair shop which services automobiles or other vehicles, machinery or equipment;

15.1.4 a social club, night club, bar, or discotheque or other use involving live entertainment or the service of alcohol;

15.1.5 a trade school;

15.1.6 a drug treatment or methadone clinic, a drug or alcohol rehabilitation facility, an AIDS treatment center, or a center for criminal or mentally disturbed persons or the primary purpose of which is to treat or mentally disturbed or homeless persons;

15.1.7 a veterinarians' office or pet shop;

15.1.8 any manufacturing use;

15.1.9 dry cleaning or laundry services except such shall be permitted, if cleaning and other services are generally performed on an "off-premises" basis;

15.1.10 medical testing laboratory or other similar medical facility;

15.1.11 bicycle messenger center;

15.1.12 adult and/or child care facilities;

15.1.13 a tattoo parlor, amusement arcade, billiard parlor;

15.1.14 a funeral home;

15.1.15 any type of restaurant;

15.1.16 a gym or other fitness establishments;

15.1.17 as a gambling or gaming facility, an off-track betting establishment, except as the same are incidental components of broader services such as sale of newspapers, magazines, candy and the like, or check cashing, e.g., the sale of lottery tickets, provided, however, under no circumstances shall slot machines be permitted; or

15.1.18 any other use which would cause or threaten commercially unreasonable odors, fumes, excessive noise or vibration to emanate from the Commercial Unit. Under no circumstances shall tobacco products or marijuana products be sold or consumed in the Commercial Unit, provided however, the incidental sale of tobacco is permitted in connection with the use of the Commercial Unit as a retail establishment.

15.2 No income derived from any use of Commercial Unit will constitute income to the Condominium Board, or to any other Commercial Unit Owner.

15.3 The Commercial Unit Owner shall take all commercially reasonable measures, including, without limitation, the installation of sound-rated insulation, to ensure that no noise in excess 40 decibels emanates from any portion of the Commercial Unit, but in no event in excess of that permitted pursuant to applicable law.

15.4 The Commercial Unit Owner shall pay all costs, expenses, fines, penalties, or damages which may be imposed on the Condominium by any government authority or agency, by reason of the failure of the Commercial Unit Owner (or its tenant) to comply with the provisions of this Declaration or the By-Laws, and, at such Commercial Unit Owner's, sole cost and expense, such Commercial Unit Owner shall indemnify, defend, and hold the Board and the Condominium harmless (including legal fees and expenses) from and against any actions, claims, and suits arising from such Commercial Unit Owner's non-compliance, utilizing counsel reasonably satisfactory to the Board, if the Board so elects. The Commercial Unit Owner shall be liable to the Board for any costs, expenses, or disbursements, including reasonable attorneys' fees, of any action or proceeding by the Board against the Commercial Unit Owner, predicated upon the Commercial Unit Owner's breach of this Article 15.

15.5 All leases for the Commercial Unit shall make reference to the restrictions contained in this Article 15.

15.6 Except to the extent prohibited by law, the Commercial Unit Owner shall have the right, without the vote or consent of the Board, the Managing Agent or any other Unit Owner to:

(a) mortgage or otherwise hypothecate its Unit: (b) decorate or make alterations, additions or improvements, in, to and upon its Commercial Unit, (provided, however, that such Commercial Unit Owner, if other than Declarant or its successor-in-interest, must obtain the prior consent of the Board, which consent shall not be unreasonably withheld or delayed, to any alterations, additions or improvements to either Unit that would affect the structural, mechanical, electrical, plumbing or ventilation elements of the Building which service any of the other Units in the Building); (c) change the layout of, or number of rooms in the Commercial Unit, from time to time; (d) change the size of the Commercial Unit, by subdividing the same into any desired number of condominium units (or by combining any units resulting from each subdivision); (e) reapportion among the newly created condominium units resulting from any subdivisions (or combinations) the Common Interests and Common Charge Percentages appurtenant thereto, provided such changes are in compliance with Article 9-B, Section 339 of the New York Condominium Act and (f) sell or lease its Unit; provided, however, that (i) the Common Interest, Common Charge Percentage of any Unit owned by any other Commercial Unit Owner shall not be changed by reason thereof, unless the owner of such Unit shall consent thereto, and (ii) the Commercial Unit Owner shall comply with all laws, ordinances and regulations of all governmental authorities having jurisdiction and shall hold all other Unit Owners and the Condominium Board harmless from any liability arising from any such decoration, alteration, addition, improvement, change, designation or reapportionment. A Commercial Unit Owner by accepting a deed or otherwise succeeding to title to the Commercial Unit, shall be deemed to have irrevocably approved the terms of this Section 15.6.

15.7 The Commercial Unit Owner shall have the unilateral right with regard to the Commercial Unit, to amend the Declaration in order to reflect changes as set forth above in Section 15.6, or to cause the Board to do so and any Commercial Unit Owner by accepting a deed or otherwise succeeding to title to its respective Units, shall be deemed to have irrevocably consented to any such amendments. If the Commercial Unit is subdivided, the owner of each such Commercial Unit, resulting from a subdivision will generally have all of the rights (without the consent of the Board or other Commercial Unit Owner(s), if any) set forth above in Section 15.6, described as pertaining to the Commercial Unit Owner of such original Commercial Unit.

15.8 The Commercial Unit shall include and the Commercial Unit Owner shall be solely responsible for (a) the storefront inclusive of the building façade adjacent to the Commercial Unit, from grade level to a point approximately seventeen (17) feet above the first floor slab; (b) the windows appurtenant to the Commercial Unit; and (c) the two (2) signage anchors

15.9 The Commercial Unit shall have an easement to use the passenger elevator solely to facilitate access to the cellar *only* as may be required pursuant to the Americans with Disabilities Act and the New York City Human Rights Law. The Residential Board shall have the right to limit the use of the passenger elevator by the Commercial Unit Owner, or its tenants, invitees or agents for any purpose other than access for persons with disabilities in the sole discretion of the Residential Board. In the event that any other use is to be made of the passenger elevator by the Commercial Unit Owner or its tenant, the Commercial Unit Owner shall be liable to pay to the Residential Board reasonable consideration for the use thereof.

15.10 Unless otherwise agreed to in writing by the Commercial Unit Owner, the Common Charges payable by the Commercial Unit Owner shall be limited to the Common Charge Percentage of the General Common Expenses (as defined in Section 6.1.1 of the By-Laws) and the Common Charge Percentage of the Special Assessments payable with respect to the General Common Elements.

15.11 In no event shall the Commercial Unit Owner, its tenants, invitees or guests have access to any portion of Floors 2 through 10 of the Building, including, without limitation, the Building roof, the Terraces and the Balconies.

ARTICLE 16

POWERS OF ATTORNEY TO THE CONDOMINIUM BOARD

The Unit Owner shall grant to the persons who shall from time to time constitute the Condominium Board, an irrevocable power of attorney, coupled with an interest (in such form and content as the Condominium Board shall determine), (a) to acquire or lease any Unit, together with its Appurtenant Interests (as hereinafter defined), whose owner desires to sell, convey, transfer, assign, lease or surrender the same, or which becomes the subject of a foreclosure or other similar sale, in the name of the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners; (b) to convey, sell, lease, mortgage or otherwise deal with (but not to vote the interest appurtenant to) any such Unit so acquired or leased; (c) to execute, acknowledge and deliver and record in the City Register's Office and elsewhere, if required by law, regulation or administrative practice, such instruments and documents including, without limitation (i) 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 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 (ii) any consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting the Condominium, or the Common Elements, which the Condominium Board deems necessary or appropriate; and (d) to initiate, prosecute and settle matters related to real estate taxes on behalf of all Unit Owners.

ARTICLE 17

ACQUISITIONS OF UNITS BY THE CONDOMINIUM BOARD

If (a) any Unit Owner surrenders his Unit together with (i) Common Interest, Residential Common Interest appurtenant thereto, (ii) with respect to any Unit, the interest in any Limited Common Element appurtenant thereto, (iii) the interest of such Unit Owner in any other Units, if applicable, theretofore acquired by the Condominium Board, or its designee, corporate or otherwise, on behalf of all Unit Owners or the proceeds of the sale or lease thereof, if any, and (iv) the interest of such Unit Owner in any other assets of the Condominium (such interests in (i) through (iv) being hereinafter collectively called the "Appurtenant Interests"), pursuant to the provisions of Section 339-x of the New York Condominium Act; or (b) the Condominium Board

acquires or leases a Unit, together with its Appurtenant Interests, or purchases, at a foreclosure or other similar sale, a Unit, together with its Appurtenant Interests, then, in any such event, title to any such Unit, together with its Appurtenant Interests, shall be held by the Condominium Board, or its designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective Common Interests. The lease or sublease covering any Unit leased or subleased by the Condominium Board or its designee shall be held by the Condominium Board, or its designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective Common Interests.

ARTICLE 18

COVENANTS RUNNING WITH THE LAND

18.1 All provisions of this Declaration, the By-Laws and the Rules and Regulations (true copies of which are annexed as an exhibit to the By-Laws and made a part hereof), including, without limitation, the provisions of this Article 18 shall, to the extent applicable and unless otherwise expressly herein or therein provided to the contrary, be perpetual and be construed to be covenants running with the Land and with every part thereof and interest therein, and all of the provisions thereof shall be binding upon and inure to the benefit of the owner of all or any part thereof, or interest therein, and his heirs, executors, administrators, legal representatives, successors and assigns, but the same are not intended to create nor shall they be construed as creating any rights in or for the benefit of the general public. All present and future owners, tenants and occupants of Units shall be subject to and shall comply with the provisions of this Declaration, the By-Laws and the Rules and Regulations, as each of the same may be amended from time to time. The acceptance of a deed or conveyance or the entering into a lease or the entering into occupancy of any Unit shall constitute an agreement that the provisions of this Declaration, the By-Laws and the Rules and Regulations, as each of the same 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.

18.2 If any provision of this Declaration or the By-Laws is invalid under, or would cause this Declaration and the By-Laws to be insufficient to submit the Property to the provisions of, the New York Condominium Act, such provision shall be deemed deleted from this Declaration or the By-Laws, as the case may be, for the purpose of submitting the Property to the provisions of the New York Condominium Act but shall nevertheless be valid and binding upon and inure to the benefit of the owners of the Property and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part thereof and interest therein under other applicable law to the extent permitted under such applicable law with the same force and effect as if, immediately after the recording of this Declaration and the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the Land. If any provision which is necessary to cause this Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the New York Condominium Act is missing from this Declaration or the By-Laws, then such provision shall be deemed included as part of this Declaration or the By-Laws, as the

case may be, for the purposes of submitting the Property to the provisions of the New York Condominium Act.

18.3 Subject to Section 18.2, if this Declaration and the By-Laws are insufficient to submit the Property to the provisions of the New York Condominium Act, the provisions of this Declaration and the By-Laws shall nevertheless be valid and binding upon and inure to the benefit of the owners of the Property, and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part thereof and interest therein under other applicable law to the extent permitted under such applicable law with the same force and effect as if immediately after the recording of this Declaration and the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the Land.

ARTICLE 19

AMENDMENTS OF DECLARATION

19.1 Subject to the provisions contained herein or in the By-Laws with respect to amendments, modifications, additions or deletions affecting Declarant or any successor owner of any Unsold Units, except as hereinafter set forth, any provision of this Declaration may be added to, amended, modified or deleted by the vote of at least 66-2/3 percent in number and in Common Interest of all Unit Owners taken in accordance with the provisions of the By-Laws. Subject to the provisions contained herein or in the By-Laws with respect to amendments, modifications, additions or deletions affecting (a) Declarant or any successor owner of any Unsold Units, no amendment, modification, addition or deletion pursuant to the preceding sentence shall be effective without the written consent (which consent shall not be unreasonably withheld or delayed) of the Mortgage Representatives, if any; (b) the Commercial Unit Owner, no amendment, modification, addition or deletion pursuant to the preceding sentence which has an adverse effect on the rights and benefits, or obligations or liabilities of the Commercial Unit Owner (other than to a *de minimus* extent) shall be effective without the written consent of the Commercial Unit Owner, and (c) the Residential Unit Owners, no amendment, modification, addition or deletion pursuant to the preceding sentence which has an adverse effect on the rights and benefits, or obligations or liabilities of the Residential Unit Owners (other than to a *de minimus* extent) shall be effective without the consent of no less than 66-2/3rd percent in number and in Residential Common Interest of the Residential Units. No such amendment, modification, addition or deletion shall be effective until recorded in the City Register's Office. Subject to the provisions contained herein or in the By-Laws with respect to amendments, modifications, additions or deletions affecting Declarant or any successor owner of any Unsold Units or the Commercial Unit Owner, any such amendment, modification, addition or deletion shall be executed by the Condominium Board as attorney-in-fact for all of the Unit Owners, coupled with an interest, which the Condominium Board is hereby authorized by the Unit Owners so to act as their attorney-in-fact. Subject to the rights of Declarant or its successor pursuant to Articles 7 of this Declaration, Article 7 of this Declaration may not be amended, modified, added to or deleted unless (in addition to the consent, if required, of the Mortgage Representatives, if any, as set forth above) 100 percent in number and in Common Interest of all Unit Owner(s) affected thereby approve such amendment, modification, addition or deletion in the manner set forth

above. Subject to the rights of the Commercial Unit Owner pursuant to Article 15 of this Declaration, Article 15 of this Declaration may not be amended, modified, added to or deleted unless the Commercial Unit Owner approves such amendment, modification, addition or deletion in the manner set forth above (in addition to the consent, if required, of the Mortgage Representatives, if any, as set forth above), provided however, notwithstanding anything to the contrary set forth or otherwise implied herein, the Commercial Unit Owner may not unilaterally amend the use restrictions set forth in Article 15 of this Declaration.

19.2 If any changes are made by the Declarant to the Property, the Condominium, any Units, Balconies, Terraces or the Common Elements in accordance with Article 8 hereof, then Declarant or its successor or the subsequent owner of the Unsold Unit affected thereby shall have the right to execute, or (on its request) to require any other Unit Owner or the Condominium Board to execute, and record in the City Register's Office and elsewhere, if required by law, an amendment to this Declaration (together with such other documents as Declarant or its successor deems appropriate to effectuate the same) reflecting such changes.

19.3 Notwithstanding anything contained in this Declaration to the contrary, no change in the Common Interest or the Common Charge Percentage of any Unit Owner set forth on Schedule B, shall be made or effective without the consent of the Unit Owners that own units as to which the Common Interest or Common Charge Percentage would be affected thereby.

19.4 The provisions of Sections 19.1 and 19.2 may not be modified, amended, added to or deleted, in whole or in part, without the consent of (i) Declarant or any successor owner of the Unsold Units, (ii) the Commercial Unit Owner, if the same relates to or materially adversely affects the Commercial Unit and/or the Commercial Unit Owner, or (iii) the Residential Board, if the same relates to or materially adversely affects the Residential Unit Owners.

ARTICLE 20

ALLOCATION OF COMMON CHARGES

20.1 In accordance with Section 339-m of the New York Real Property Law, the liability of (a) the Commercial Unit Owner shall be limited to the payment of General Common Expenses in a portion thereof equal to the Common Interest/Common Charge Percentage appurtenant to the Commercial Unit, which shall be 17.88 percent, and (b) the Residential Unit Owners for the payment of (x) General Common Expenses shall be based upon the Common Interest/Common Charges Percentages appurtenant to each of the Residential Units, which in the aggregate shall equal 82.12 percent, and (y) Residential Common Expenses in an amount equal to the Residential Common Interest appurtenant to each of the Residential Units. The Residential Common Interests shall be determined based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of common elements for exclusive or shared use and the overall dimensions of the particular Unit.

20.2 The General Common Expenses for the Condominium that will be payable by the Commercial Unit Owner shall be as follows: (a) labor; (b) fire/multi-peril insurance for the

Building, (c) commercial general liability insurance, (d) certified accounting statements to be prepared on an annual basis and the filing of any required tax returns for the Condominium; (e) fire protection costs including the charges for any telephone lines required by New York City Fire Department or other agency of competent jurisdiction; (f) licenses and permits in connection with (e) above; (g) any management contract with a third party managing agent for the management of the entire Building; (h) water and sewer charges; (i) maintenance of any water meter and the cost of meter reading service for the entire Building; if it is not possible to install a meter exclusively for the Commercial Unit; (j) costs for repairs, maintenance and supplies for the maintenance of the building common elements; (k) service contracts for shared water treatment, if any; (l) maintenance of the building envelope inclusive of the façade and the roof; (m) replacement reserves and contingency; and (n) a sidewalk maintenance, snow removal, repairs and replacements for that portion of the sidewalk facing West 25th Street (the sidewalk facing Tenth Avenue being the exclusive responsibility of the Commercial Unit Owner. General Common Expenses shall also include the expense for any service that benefits all of the Units, which shall be shared in accordance with each Unit owner's Common Interest, except to the extent that such General Common Expenses should be pro-rated based upon actual usage, in the reasonable determination of the Condominium Board. Certain common expenses and assessments for the benefit of Residential Unit Owners (for example, but not limited to, expenses for cooking gas and any additional personnel who will service only the Residential Units), which will not directly benefit the Commercial Unit, but will be for the benefit of the Residential Unit owners, shall not be allocated to the Commercial Unit. Notwithstanding anything to the contrary, Commercial Unit Owner and any Residential Unit Owner shall be responsible for any cost incurred by the Condominium arising from the negligence or willful acts of such Unit Owner. In no event shall the Commercial Unit Owner be liable for any amounts due with respect to the Residential Common Expenses (as such term is defined in the By-Laws). The Residential Unit Owners shall each be responsible for the payment of(x) General Common Charges in accordance with the Common Interest appurtenant to each of the respective Residential Units; and (y) Residential Common Charges in accordance with the respective Residential Common Interest appurtenant to each of the Residential Units.

ARTICLE 21

TERMINATION OF CONDOMINIUM

The Condominium shall continue until (a) terminated by casualty loss, condemnation or eminent domain, as more particularly provided in the By-Laws or (b) such time as withdrawal of the Property from the provisions of the New York Condominium Act is authorized by a vote of at least 80 percent in number and in Common Interest of all Unit Owners. No such vote under clause (b) in the preceding sentence shall be effective without the written consent (which consent shall not be unreasonably withheld or delayed) of the Mortgage Representatives, if any, Declarant will not vote its Common Interests appurtenant to any Unsold Units for such withdrawal unless at least 80 percent in number and in Common Interest of all other Unit Owners so elect for such withdrawal, at which time Declarant may choose to vote either in favor of or against withdrawal from condominium ownership, as it sees fit. In the event said withdrawal is authorized as aforesaid, the Property shall be subject to an action for partition by any Unit Owner or lienor as if owned in common, in which event the net proceeds of sale shall

be divided among all Unit Owners in proportion to their respective Common Interest, provided, however, that no payment shall be made to a Unit Owner until there has first been paid from out of his share of such net proceeds all liens on his Unit in the order of priority of such liens.

ARTICLE 22

WAIVER

No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

ARTICLE 23

CAPTIONS

The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe neither the scope of this Declaration nor the intent of any provision thereof.

ARTICLE 24

CERTAIN REFERENCES

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

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

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

ARTICLE 25

SEVERABILITY

Subject to the provisions of Sections 18.2 and 18.3, if any provision of this Declaration is invalid or unenforceable as against any person or under certain circumstances, the remainder of this Declaration and the applicability of such provision to other persons or circumstances shall not be affected thereby. Each provision of this Declaration shall, except as otherwise herein provided, be valid and enforceable to the fullest extent permitted by law.

ARTICLE 26

COVENANT OF FURTHER ASSURANCES

26.1 Any party which is subject to the terms of this Declaration, whether such party is a Unit Owner, a lessee or sublessee of a Unit Owner, an occupant of a Unit, a member or officer of the Condominium Board, or otherwise, shall, at the expense of any such other party requesting the same, execute, acknowledge and deliver to such other party such instruments, in addition to those specifically provided for herein, and take such other action, as such other party may reasonably request to effectuate the provisions of this Declaration or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

26.2 If any Unit Owner or any other party which is subject to the terms of this Declaration fails to execute, acknowledge or deliver any instrument, or fails or refuses, within ten (10) days after request therefor, to take any action which such Unit Owner or party is required to execute, acknowledge and deliver or to take pursuant to this Declaration, then the Condominium Board, is hereby authorized as attorney-in-fact for such Unit Owner or other party, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of such Unit Owner or other party and such document or action shall be binding on such Unit Owner or other party.

26.3 If any Unit Owner, the Condominium Board, or any other party which is subject to the terms of this Declaration fails to execute, acknowledge or deliver any instrument, or fails or refuses, within ten (10) days after request therefor, to take any action which the Condominium Board, or Unit Owner or other party is required to execute, acknowledge and deliver or take pursuant to this Declaration at the request of Declarant, then Declarant, is hereby authorized as attorney-in-fact for the Condominium Board, or such Unit Owner or other party, coupled with an interest, to execute, acknowledge and deliver such instrument or to take such action, in the name of the Condominium Board, or such Unit Owner or other party and such document or action shall be binding on the Condominium Board, or such Unit Owner or other party, as the case may be.

ARTICLE 27

SUCCESSORS AND ASSIGNS

The rights and/or obligations of Declarant as set forth herein shall inure to the benefit of and be binding upon any successor or assign of Declarant who is the successor owner of the Unsold Units or, with written consent of Declarant or a successor owner of Unsold Units, any transferee who purchased one or more Unsold Units (as applicable) from Declarant or a successor owner of Unsold Units and (if included in said consent) such transferee's successors and assigns (each a "permitted transferee"). Subject to the foregoing, Declarant shall have the rights, at any time, in its sole discretion, to assign or otherwise transfer its interest herein, whether by merger, consolidation, lease, assignment or otherwise.

IN WITNESS WHEREOF, Declarant has caused this Declaration to be executed as of the ___ day of _____, 2019.

500 W25th Owner LLC

By: _____
Michael Kirchmann
Manager

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

On the _____ day of _____ in the year 2019, before me, the undersigned, a Notary Public in and for said state, personally appeared Michael Kirchmann, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

_____
Notary Public

SCHEDULE A

TO THE DECLARATION OF
500 WEST 25TH STREET CONDOMINIUM

METES AND BOUNDS DESCRIPTION

BLOCK 696, LOT 38 (BOROUGH OF MANHATTAN, COUNTY OF NEW YORK, CITY AND STATE OF NEW YORK)

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

BEGINNING at the corner formed by the intersection of the southerly side of West 25th Street with the westerly side of 10th Avenue;

RUNNING THENCE westerly along the southerly side of West 25th Street, 75 Feet 0 inches;

THENCE southerly parallel with the westerly side of 10th Avenue, 39 feet 6 inches;

THENCE easterly parallel with the southerly side of West 25th Street and part of the distance through a party wall, 75 feet 0 inches to the westerly side of 10th Avenue;

THENCE northerly along the westerly side of 10th Avenue, 39 feet 6 inches to the point or place of BEGINNING.

Property: 500 West 25th Street
Block: 696
Lot: 38

SCHEDULE B

TO THE DECLARATION OF 500 WEST 25TH STREET CONDOMINIUM

DESCRIPTION OF THE UNITS

Unit Designation	Tax Lot Number	Floor Location	Footage	Limited Common Elements Square Footage	Percentage of Interest in the General Common Elements (Common Interest)	Residential Common Interest Percentage	Shared Limited Common Elements to which Unit has Immediate Access	Common Elements to which Unit has Immediate Access
Commercial Unit		Cellar/ First Floor	2,664	0			Stairs, grade level lobby and entrance	Fire exit, cellar
Unit 2		Second Floor	2,152	566			Stairs, grade level lobby and entrance	Fire exit, cellar
Unit 3		Third Floor	2,152				Stairs, grade level lobby and entrance	Fire exit, cellar
Unit 4		Fourth Floor	2,152				Stairs, grade level lobby and entrance	Fire exit, cellar
Unit 5		Fifth Floor	2,152				Stairs, grade level lobby and entrance	Fire exit, cellar
Unit 6		Sixth Floor	2,152				Stairs, grade level lobby and entrance	Fire exit, cellar
Unit 7		Seventh Floor	2,152				Stairs, grade level lobby and entrance	Fire exit, cellar
Unit 8		Eighth Floor	2,152				Stairs, grade level lobby and entrance	Fire exit, cellar
Unit PH		Ninth Floor & Tenth Floor	2,152				Stairs, grade level lobby and entrance	Fire exit, cellar
TOTAL								

DEFINITIONS

"Adverse Effects", or "adverse effects", as used in the Condominium Documents, shall mean, with respect to any action or proposed change and with respect to any Unit owner or Unit Owners, that such action or change could, if realized, (i) increase the Common Charges payable by such Unit Owner or Unit Owners, (ii) materially interfere with such Unit Owner's access to his or her Unit, (iii) obstruct or degrade the view from the windows of such Unit Owner's Unit, or (iv) otherwise materially diminish such Unit Owner's use and enjoyment of his or her Unit.

"Applicable Laws" shall mean any and all applicable laws and regulations promulgated by any governmental authority having jurisdiction over the Building or the Condominium.

"Arbitration" means arbitration conducted in accordance with the provisions of Article 12 of the By-Laws.

"Balcony" or "Balconies" shall mean individually the balcony appurtenant to a Residential Unit and the balconies appurtenant to more than one Residential Unit, which will be designated in the Declaration as a Limited Common Element appurtenant to such Unit.

"Building" shall mean the building and improvements including above and below grade segments, and situated on the Land.

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

"By-Laws" shall mean the By-Laws governing the operation of the Condominium, which are set forth as Exhibit II to the Declaration, as the same may be amended from time to time pursuant to the terms thereof.

"Capital Work" shall have the meaning ascribed thereto in Section 6.1.3 of the By-Laws.

"Closing of Title" or "Closing" shall mean the date upon which, among other things, a Unit and its appurtenant Common Interest is conveyed to a Purchaser by the delivery by Sponsor to a Purchaser of a deed upon payment by a Purchaser to Sponsor of the balance of the purchase price for the Unit.

"Commercial Board Member" shall mean that individual appointed by the Commercial Unit Owner to serve on the Board of Managers.

"Commercial Limited Common Elements" shall mean those Limited Common Elements appurtenant to the Commercial Unit.

"Commercial Unit" shall mean the one (1) Unit designated in the Declaration as the Commercial Unit, as the same may be divided or combined in accordance with the Declaration and By-Laws.

"Commercial Unit Owner" shall mean an owner of the Commercial Unit, as the same may hereafter be subdivided.

"Common Charge Abatement Period" a period, that may be determined in the sole discretion of Sponsor, during which Sponsor agrees to abate all or a portion of the Common Charges that would otherwise be payable by the Unit Owners.

"Common Charges" shall mean the charges allocated and assessed by the Condominium Board to the Unit Owners, *pro rata,* in accordance with their respective Common Interests (except as otherwise provided in the Declaration or in the By-Laws or in the First Year's Budget) to meet the Common Expenses.

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

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

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

"Comparable Buildings" " shall have the meaning ascribed thereto in Section 6.1.6 of the By-Laws.

"Condominium" shall mean the "500 West 25th Street Condominium" which will be established pursuant to the terms of the Declaration and which will be governed pursuant to the terms of the By-Laws.

"Condominium Act" shall mean the New York Condominium Act, as amended from time to time, and presently found in the New York Real Property Law, Article 9-B.

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

"Consenting Party" shall have the meaning ascribed thereto in Section 6.13.1 of the By-Laws.

"Consumer Price Index" of "CPI" shall have the meaning ascribed thereto in Section 13.7.4 of the By-Laws

"Contract Deposit" shall mean all deposits, down-payments, advances or payments made by Purchasers prior to the closing of each individual transaction, including without limitation.

"Declarant" shall mean 500 W25th Owner LLC.

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

"Department of Law" shall mean the New York State Department of Law.

"Environmental Laws" shall have the meaning set forth in Section 6.23.2 of the By-Laws.

"Exterior Signs" shall have the meaning set forth in Section 7.1 of the By-Laws.

"Facilities" shall mean all personal property and fixtures now or hereafter existing in, on, or under the Land or the Building and either existing for the common use of the Units or the Unit Owners or necessary or convenient for the existence, maintenance, or safety or the Property.

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

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

"First Year of Condominium Operation" or "First Year" shall mean the first year in which Building operates as a Condominium.

"Floor Plans" shall mean the floor plans of the Units certified by a Leonard Fusco of GF55 Architects, LLP, recorded in the Register's Office simultaneously with the recording of the Declaration.

"General Common Expenses" " shall have the meaning ascribed thereto in Section 6.1.1 of the By-Laws.

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

"Hazardous Materials" shall have the meaning set forth in Section 6.23.2 of the By-Laws.

"Initial Control Period" shall mean the period ending on the earlier of: (i) the closing of title with purchasers under the Plan to Residential Units having at least 75 percent of the aggregate Common Interest appertaining to all Residential Units, or (ii) five (5) years after the First Closing.

"Land" shall mean the land located in the Borough of Manhattan on the Tax Map of The City of New York as Block 696, Lot 38 and more particularly described on Schedule A to the Declaration.

"Late Charges" "General Common Expenses" " shall have the meaning ascribed thereto in Section 6.6 of the By-Laws.

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

"Majority of Unit Owners" shall have the meaning ascribed thereto in Section 3.10 of the By-Laws.

"Managing Agent" shall mean the managing agent or manager of the Building at the time in question.

"Mortgages of Units" shall have the meaning set forth in Section 8.2 of the By-Laws.

"Offering Plan" or "Plan" shall mean the offering plan for the 500 West 25th Street Condominium.

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

"Permitted Mortgagee" shall mean the holder of a Permitted Mortgage.

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

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

"Proponent" shall have the meaning ascribed thereto in Section 6.13.1 of the By-Laws.

"Purchaser" shall mean a purchaser of a Residential Unit who purchased a Residential Unit pursuant to the Offering Plan for the Condominium.

"Register's Offices" shall mean the New York County Office of the Register of The City of New York.

"Required Repairs" shall have the meaning set forth in Section 7.5 of the By-Laws.

"Residential Board" shall mean the Board that governs the affairs of the Residential Units, which shall be elected by the owners of the Residential Units.

"Residential Board" shall mean those persons elected or designated to serve on the Residential Board.

"Residential Common Charges" shall have the meaning ascribed thereto in Section 6.1.1 of the By-Laws.

"Residential Common Interest" shall mean the interest in the Residential Limited Common Elements allocated to each Residential Unit.

"Residential Limited Common Elements" are the Common Elements shared by and limited in use to the Residential Unit Owners only, except as otherwise provided herein and service more than one of the Residential Units.

"Residential Unit" shall mean any Unit designated as a Residential Unit in the Declaration and all such Residential Units are, collectively, referred to as the "Residential Units" and intended to be used as residences.

"Residential Unit Owner" shall mean any owner of a Residential Unit, and all such owners are, collectively, referred to as "Residential Unit Owners".

"Rules and Regulations" shall mean the rules and regulations made in accordance with the By-Laws.

"Sign" shall have the meaning set forth in Section 7.1 of the By-Laws.

"Special Assessments" shall have the meaning ascribed thereto in Section 6.1.3 of the By-Laws.

"Special Alteration" shall have the meaning ascribed thereto in Section 6.13.1 of the By-Laws.

"Terrace" of "Terraces" shall mean individually the terrace appurtenant to Unit 2 or Unit PH and collectively the terraces appurtenant to Units 2 and PH, which will be designated in the Declaration as a Limited Common Element appurtenant to such Residential Unit.

"Terrace Area" shall mean that portion of the roof surface on which the Terraces appurtenant to Units 2 and Unit PH are located.

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

"Unit Common Elements" those limited Common Elements appurtenant to a single Residential Unit.

"Unit Expenses" shall mean those expenses by the incurred by the Owner pursuant to the Declaration and/or the By-laws and are the collectible as Common Expenses from such Unit Owner as Common Charges.

"Unit Owner" shall mean any owner of a Unit, and the owners of more than one Unit, collectively, "Unit Owners"

"Unsold Unit" shall mean those Residential Units not sold to a Purchaser pursuant to the Offering Plan for the Condominium, including any Unit owned or retained, by way of lease or any other arrangement by which management and/or financial responsibility is retained, by Sponsor or its successor at the time in question, or a Unit that is acquired, individually or collectively, by a principal of Sponsor or a group of which Sponsor or one or more principals of Sponsor is a member.

BY-LAWS OF
500 WEST 25TH STREET CONDOMINIUM

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BY-LAWS

OF

500 WEST 25TH STREET CONDOMINIUM

ARTICLE 1

GENERAL

1.1 Purpose. Concurrent with the recording and the effectiveness of the Declaration (the "Declaration") of the 500 West 25th Street Condominium (the "Condominium") to which these By-Laws are annexed (these "By-Laws" or these "By-Laws"), the Declarant hereby adopts these By-Laws, which will govern the rights of the Unit Owners and the affairs of the Condominium. All capitalized terms herein which are not separately defined herein shall have the meanings given to those terms in the Declaration.

1.2 Applicability of By-Laws. These By-Laws are applicable to the Property and to the use and occupancy thereof. All present and future Unit Owners, mortgagees, lessees, sublessees and occupants of Units and employees and guests of Unit Owners, as well as all other persons who may use the facilities of the Property, are and shall be subject to the Declaration, these By-Laws and the Rules and Regulations (as such term is hereinafter defined). The acceptance of a deed or conveyance, or the succeeding to title to, or the execution of a lease or sublease for, or the act of occupancy of, a Unit shall constitute an agreement that the provisions of these By-Laws, the Rules and Regulations and the Declaration are accepted, ratified, and will be complied with.

1.3 Principal Office of Condominium. The principal office of the Condominium shall be located within the Property or at such other place within the Borough of Manhattan, County of New York reasonably convenient thereto, as may be designated from time to time by the Condominium Board (as such term is hereinafter defined).

ARTICLE 2

BOARD OF MANAGERS

2.1 Number, Term and Qualification.

2.1.1 As more particularly set forth in Section 2.2, the affairs of the Condominium shall be governed by a board of managers of the Condominium (the "Condominium Board" or the "Board") which shall be comprised of a single representative of the Declarant or, subsequent to the First Annual Meeting of Unit Owners, representatives elected by the Residential Unit Owners and a member designated by the Commercial Unit Owner as more particularly described in Section 3.1 herein below.

2.1.2 Each Board member designated or elected by the Unit Owners shall serve for a one year term. There shall be no limit on the number of successive terms a Board member may serve.

2.1.3 Except for Board members designated by the Declarant or its successors, all members of the Board shall be either Unit Owners or officers, directors, shareholders, partners, members, principals, employees or beneficiaries of corporations, partnerships, limited liability companies, fiduciaries or any other entities which may own the Unit, Permitted Mortgagees of the Units, lessees of a Unit or portions thereof. Board members elected by the Residential Unit Owners shall be the owners of the Residential Units or any member, manager, shareholder, officer or employee of a Residential Unit Owner or family members, of any of the foregoing. Other than Board members elected or designated by Declarant or its successor or designee, no Board member shall continue to serve after he ceases to be qualified as set forth above. As used herein the term "Permitted Mortgagee" means the holder of any mortgage ("Permitted Mortgage") of a Unit or Units which is permitted to be placed thereon pursuant to these By-Laws.

2.2 Powers and Duties.

2.2.1 The Board and the Residential Board (as described in Section 2.19 below) shall have the powers and duties necessary for or incidental to the administration of the affairs of the Condominium (except such powers and duties which by applicable law, the Declaration or these By-Laws may not be delegated to the Board by the Unit Owners). Notwithstanding anything to the contrary set forth herein, all determinations which affect: (a) only the Residential Units and the Limited Common Elements appurtenant thereto and do not adversely affect the Commercial Unit and/or the Limited Common Elements appurtenant thereto or the use of the Commercial Unit for the permitted purposes thereof, shall be made exclusively by the Residential Board or the Residential Board member(s), if applicable; and (b) only the Commercial Unit and do not adversely affect the Residential Units and/or the Limited Common Elements appurtenant thereto or the use of the Residential Units for the permitted purposes thereof, shall be made exclusively by the Board member appointed by the Commercial Unit Owner. All other determinations with respect to the administration of the affairs of the Condominium including, without limitation, determinations which (i) relate to the Residential Units and materially and adversely affects the Commercial Unit, or (ii) relate to the Commercial Unit and materially and adversely affects the Residential Units or the Residential Common Elements, or (iii) relate to or affect the General Common Elements, shall be made by the Condominium Board. For purposes of this Section 2.2.1, a "material adverse effect" shall mean that the effectuation of such alteration or subdivision would cause a reduction of the physical space or a material reduction of services available or in the legal permitted use of the Common Elements otherwise available for use by the Commercial Unit Owner or the Residential Unit Owners, as the case may be. Notwithstanding anything to the contrary contained herein or in the Declaration, any determination which would have an adverse effect on the rights and benefits, or obligations or liabilities of the Commercial Unit Owner (other than to a *de minimus* extent) shall require the consent of the Commercial Unit Owner. Any dispute between the Residential Board and/or the Residential Unit Owners and the Commercial Unit Owner with respect to whether the Residential Board or the

Condominium Board shall be entitled to make any determination shall be settled by Arbitration (as hereinafter defined); provided, however, that no such dispute with respect to whether the determination of one adversely affects the other shall be deemed to exist unless the objecting party specifies the grounds for its objection in writing to the other party within ten (10) Business Days of receipt by it of notice of such determination. As used herein the term "Arbitration" means arbitration conducted in accordance with the provisions of Article 12.

2.2.2 Subject to the provisions of subsection 2.2.1 and without limiting the generality thereof, the Condominium Board shall be entitled to make determinations with respect to the following matters:

2.2.2.1 Operation, care, upkeep, maintenance, repair or replacement of the General Common Elements, except to the extent that certain Unit Owners are responsible for certain Limited Common Elements designated for their exclusive use, as set forth in the Declaration and in Section 6.9 hereof.

2.2.2.2 The amount of General Common Charges (as such term is hereinafter defined).

2.2.2.3 Employment and dismissal of the personnel necessary for the maintenance and operation of the General Common Elements.

2.2.2.4 Adoption of, and amendments and additions to, the Rules and Regulations (as such term is hereinafter defined).

2.2.2.5 Maintaining bank accounts on behalf of the Condominium (with respect to matters within its jurisdiction as provided in these By-Laws) and designating the signatories required therefor.

2.2.2.6 Obtaining and reviewing insurance of the Property, including the Units, pursuant to the provisions of Section 6.2.

2.2.2.7 Making repairs, restorations, additions and improvements to, or alterations of, the General Common Elements, except to the extent that certain Unit Owners are responsible for certain Limited Common Elements designated for their exclusive use, as set forth in the Declaration and in Section 6.9 hereof, including repairs and restorations required due to damage or destruction by fire or other casualty or necessitated as a result of condemnation or eminent domain proceedings.

2.2.2.8 Adjusting and settling insurance claims (and executing and delivering releases in connection therewith), as set forth in Section 6.2.

2.2.2.9 Borrowing money on behalf of the Condominium when required for major and minor maintenance repairs of, additions to, improvements, and replacements of the General Common Elements, and for similar purposes; provided, however, that (i) the consent of at least 66-2/3% in Common Interest of all

Unit Owners shall be required for any borrowings in excess of the aggregate amount of $250,000 in any one fiscal year (regardless of the balance of any loans outstanding from previous years), and (ii) no lien to secure repayment of any sum borrowed may be created on any Unit or its appurtenant interest in the General Common Elements without the consent of the owner of such Unit. If any sum borrowed by the Condominium Board pursuant to the authority contained in this subparagraph 2.2.2.9 is not repaid by the Board, a Unit Owner who pays to the creditor such proportion thereof as its interest in the General Common Elements bears to the interest of all the Unit Owners in the General Common Elements shall be entitled to obtain from the creditor a release of any judgment or other lien which said creditor has filed or has the right to file against such Unit.

2.2.2.10 Collection of Common Charges from Unit Owners.

2.2.2.11 Organizing corporations, limited liability companies, or other entities, to act as designees of the Condominium Board with respect to such matters as such Board may determine.

2.2.2.12 Enforcing obligations of Unit Owners.

2.2.2.13 Assessing Unit Owners for fines and penalties imposed by government authorities for violations for which such Unit Owners are responsible because of such Unit Owner's act or omission (any such fines shall be deemed to constitute Common Charges).

2.2.2.14 Execution, acknowledgment and delivery of (a) any declaration or other instrument affecting the Property which the Board deems necessary or appropriate to comply with any applicable law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals or any other public authority, applicable to the maintenance, demolition, construction, alteration, repair or restoration of the Building, or (b) any consent, covenant, restriction, easement or declaration affecting the Property which the Board deems necessary or appropriate.

2.2.2.15 Preparing, executing and recording, on behalf of all Unit Owners, as their attorney-in-fact, coupled with an interest, a restatement of the Declaration and/or these By-Laws whenever, in the Board's estimation, it is advisable to consolidate and restate all amendments, modifications, additions and deletions theretofore made to the Declaration and/or these By-Laws.

2.2.2.16 Accepting the surrender of any Unit in the name of the Board or its designee, on behalf of all Unit Owners.

2.2.2.17 Commencement of summary eviction proceedings in the name of or on behalf of the Condominium Board and/or Unit Owner or Unit Owners, as the case may be, against an unauthorized Tenant (as hereinafter defined) of a Unit

Owner if such authorized guest and/or Tenant does not conform to the requirements of the Declaration and these By-Laws or to the Rules and Regulations of the Condominium, annexed hereto as Schedule A, as said Rules and Regulations may at any time and from time to time, be modified, amended or added to by the Residential Board or the Condominium Board, as applicable. All costs in connection with the removal of the authorized guest and/or Tenant, including reasonable attorney's fees, shall be borne by the Unit Owner.

2.2.2.18 Purchasing any Unit, at foreclosure or other similar sale, in the name of the Board or its designee, on behalf of all Unit Owners, subject however to consent of the Commercial Unit Owner, provided however, if the Commercial Unit Owner does not consent to the purchase of any such Unit, the Residential Board may acquire such Unit on behalf of the Residential Unit Owners.

2.2.2.19 Selling, leasing, subleasing, mortgaging or otherwise dealing with (but not voting the interest appurtenant to) any Unit, if acquired by and subleasing Units leased by the Board or its designee, on behalf of all Unit Owners, subject however to consent of the Commercial Unit Owner, unless such Unit is owned only by the Residential Unit Owners, in which event such determination shall not require the consent of the Commercial Unit Owner.

2.2.2.20 Execution, acknowledgment and delivery of any documents or other instruments necessary to commence, pursue, compromise or settle certiorari proceedings to obtain reduced real estate tax assessments with respect to Units for the benefit and on behalf of (i) all Unit Owners, or (ii) for the Residential Unit Owners or the Commercial Unit Owner, provided, however, in connection with any such settlement the Residential Unit Owners or the Commercial Unit Owner, as applicable, shall be deemed to indemnify the Condominium Board from and against all claims, costs and expenses (including, without limitation, reasonable attorneys' fees) resulting from such proceedings.

2.2.2.21 Any act with respect to a matter determinable by the Board and deemed necessary or desirable by the Board in connection therewith shall be done or performed by the Board or shall be done on its behalf and at its direction by the agents, employees or designees of the Board.

2.2.2.22 The imposition upon a Unit Owner in a non-discriminatory manner of expenses incurred by the Condominium Board ("Unit Expenses") that are the responsibility of a Unit Owner pursuant to the Declaration, including, but not limited to, fines or fees imposed by a government agency, by reason of acts of the Unit Owner, work performed in such Unit Owner's Unit at the request of a Unit Owner, repairs to a Unit or an adjacent Unit or the Common Elements that are the responsibility of a Unit Owner. For purposes of these By-Laws, Unit Expenses are collectable as Common Expenses.

2.2.3 Notwithstanding anything to the contrary contained in these By-Laws or the Declaration, the Board may not, without the written consent of the Residential Board Member(s) and/or the Board member appointed by the Commercial Unit Owner: (i) amend these By-Laws or the Declaration to restrict the permitted uses of the Residential Unit, or the Commercial Unit, respectively; (ii) amend these By-Laws or the Declaration to restrict those certain rights granted to each Unit Owner, pursuant to Article 18 of the Declaration; or (iii) take any other action which solely affects any Unit and/or the Unit Owner thereof (other than any Board action to be initiated with respect to a default by such Unit Owner).

2.3 Managing Agent and Manager. The Board may, with respect to decisions or matters which the Board is entitled to make, employ a managing agent and/or a manager at a compensation established by the Board to perform such duties and services as the Board shall authorize including, but not limited to, the duties listed in subsections 2.2.(2.1), (2.3), (2.6), (2.7) and (2.10). The Board may also delegate to such managing agent or manager other powers granted to it by these By-Laws, except the powers set forth in subsections 2.2.(2.2), (2.4), (2.5), (2.8), (2.9), (2.13), (2.17), (2.18) and (2.19).

2.4 Resignation and Removal. Any Board member may resign at any time by written notice delivered or sent by certified mail, return receipt requested or by reputable overnight courier such as FEDEX, to the Board from which such member is resigning. Such resignation shall take effect at the time specified therein and, unless specifically requested, acceptance of such resignation shall not be necessary to make it effective. Any Board member designated as such by any Unit Owner may only be removed by such Unit Owner, provided however; any Board member may be removed, for cause, by a majority vote of Unit Owners present in person or by proxy at a regular or special meeting of Unit Owners at which a quorum is present. Any Board member whose removal, for cause, has been proposed shall be given an opportunity to be heard at the meeting.

2.5 Vacancies. In the event of any vacancy on the Board created by the resignation, removal by a Unit Owner or removal for cause, if the Commercial Unit Owner designated such Board member who resigns or has been removed, the Commercial Unit Owner shall have the sole right to designate a replacement for such Board member. In the event that there is a vacancy created by the resignation of a Board member elected by the Residential Unit Owners, the remaining Residential Board Members may designate a replacement for the Board member who has resigned. In the event a member of the Residential Board resigns or is removed for cause, the remaining members of the Residential Board may designate a replacement of such Board member who shall serve until the next election.

2.6 Organizational Meeting of Condominium Board. The first (1st) meeting of the Board following each annual meeting of Unit Owners shall be held within ten (10) days after such annual meeting at such time and place in the Borough of Manhattan as shall be fixed by a majority of the Board members, and no notice shall be necessary to the newly elected Board members in order to legally constitute such meeting, provided that a majority of the members of the Board shall be present thereat.

2.7 Regular Meetings of Condominium Board. Regular meetings of the Board may be held at such time and place in the Borough of Manhattan as shall be determined, from time to time,

by a majority of the members thereof, provided that at least two (2) such meetings shall be held during each fiscal year between the hours of 8:00 a.m. and 8:00 p.m. Notice of regular meetings shall be given to each member thereof, by personal delivery, e-mail, mail or telegram, at least five (5) Business Days prior to the day named for such meeting.

2.8 Special Meetings of Condominium Board. Special meetings of the Board may be called by any member of the Condominium Board by giving five (5) Business Days' prior notice to each member of the Board, by personal delivery, mail, e-mail, or telegram, which notice shall state the time, place (in the Borough of Manhattan) and purpose of the meeting. Special meetings of the Board shall be called in like manner and on like notice on the written request of any member of the Board.

2.9 Waiver of Notice. Any Board member may at any time waive notice of any Board meeting in writing and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board at any meeting thereof shall constitute a waiver of notice by him of the time and place thereof. If all the Board members are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

2.10 Determinations by Condominium Board; Quorum.

2.10.1 Except as otherwise set forth in subsection 2.11.3, all determinations of the Board shall be made at a meeting of the Board at which a quorum thereof is present. In order for there to be a quorum, the Board Member appointed by the Commercial Unit Owner must be present. Notwithstanding the foregoing, if the Board Member appointed by the Commercial Unit Owner fails to attend a meeting, thereby preventing a quorum from being present, the Board Members present shall fix a date of an adjourned meeting, on no less than five (5) Business Days' notice. If the Board Member appointed by the Commercial Unit Owner fails to attend such adjourned meeting, provided that there is a quorum present the Board may conduct business at such adjourned meeting as if the Commercial Unit Owner were present. At any such Board meeting, a majority of members thereof shall constitute a quorum and the votes of a majority of such members present shall constitute the decision of the Board.

2.10.2 If, at any Board meeting, there is less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

2.10.3 Members of the Board may participate in a meeting thereof by means of a conference telephone or similar communications equipment by means of which all persons participating in such meeting can hear each other and such participation shall constitute presence at such meeting. Notwithstanding anything to the contrary contained herein, action permitted or required to be taken at a meeting of the Board may be taken without a meeting if all members of the Board consent in writing to the adoption of a Resolution authorizing such action and the writing or writings are filed with the minutes of the Board.

2.11 Compensation. No member of the Board shall receive any compensation for serving in such capacity.

2.12 Liability of Condominium Board and Unit Owners.

2.12.1 To the extent permitted by applicable law, no member of the Board shall have any personal liability with respect to any contract, act or omission of the Board or of any managing agent or manager in connection with the affairs or operation of the Condominium, the Residential Units, or any Limited Common Element (except in their capacities as Unit Owners) and the liability of any Unit Owner with respect thereto shall be limited as hereinafter set forth. Every contract made by the Board or by any managing agent or manager thereof shall state that it is made by the Board, managing agent or manager only as agent for all Unit Owners, that such Board members or managing agent or manager shall have no personal liability thereon (except in their capacities as Unit Owners) and shall also state the applicable limitations of liability of Unit Owners provided for in the next sentence. The liability of any Unit Owner with respect to any contract, act or omission with respect to the Condominium, or the Residential Section, as the case may be, or any Limited Common Element shall be limited to such proportionate share of the total liability as the Common Interest of such Unit Owner bears to the aggregate Common Interests of all Unit Owners, or, in the event of a liability with respect to the Residential Section, the Residential Common Elements or the Residential Unit Owners, as the case may be, and, unless expressly stated to the contrary in such contract (as determined by the Board in its sole and absolute discretion), to the extent permitted by applicable law, shall be limited to the appurtenant Common Interest (and/or if applicable to the appurtenant Residential Common Interest of the Unit belonging to such Unit Owner), that no Unit Owner shall have any personal liability for such contract, act or omission. Nothing in the preceding sentence shall limit a Unit Owner's liability for its payment of Common Charges, except as set forth above. Any such contract or agreement may also provide that it covers the assets, if any, of the Board. Board members shall have no liability to Unit Owners, except that a Board member shall be liable for its own bad faith or willful misconduct. All Unit Owners shall severally, to the extent of their respective interests in their Units and Common Interests appurtenant thereto, indemnify each Condominium Board member against any liability or claim except those arising out of such member's own bad faith or willful misconduct. The Board may contract or effect any other transaction with any Board member, any Unit Owner, Declarant, Declarant's successor or an affiliate of any of them without, except in cases of bad faith or willful misconduct, incurring any liability for self-dealing.

2.12.2 Neither the Board nor any member thereof shall be liable for either (i) any failure or interruption of any utility or other service to be obtained by, or on behalf of, the Board or to be paid for as a Common Expense, except when such failure or interruption is caused by the acts of bad faith or willful misconduct of such Board or any member thereof or (ii) any injury, loss or damage to any individual or property, occurring in or about either a Unit or any Common Element.

2.13 Fidelity Bonds. The Board shall obtain and ensure maintenance of fidelity bonds, in amounts deemed appropriate by it for all of its members, officers and employees and for the

managing agent or manager, if any, employed by it and the premiums on such bonds shall constitute General Common Expenses.

2.14 Committees. The Board may, subject to such limitations and exceptions as the Board may prescribe, appoint an Executive Committee and such other committees as the Board may deem appropriate, each to consist of one (1) or more members of the Board. Each such committee, to the extent provided in the resolution which creates it, shall have and may exercise all the powers of the Board during the intervals between the meetings of the Board to the extent permitted by applicable law. For so long as Declarant is entitled to designate members of the Board, any committee appointed by the Board shall have at least one of its members or member appointed by Declarant, unless Declarant agrees, in writing, to waive such right.

2.15 Principal Office of Condominium Board. The principal office of the Board shall be located within the Property or at such other place in the Borough of Manhattan reasonably convenient thereto, as may be designated, from time to time, by the Board.

2.16 Status of Condominium Board. In addition to the status conferred upon the Board under or pursuant to the provisions of the New York Condominium Act, the Board shall, to the extent permitted by applicable law, be deemed to constitute a separate unincorporated association for all purposes under and pursuant to the provisions of the General Associations Law of the State of New York. In the event of the incorporation of the Board pursuant to the provisions of Section 2.17, the provisions of this Section 2.16 shall no longer be applicable.

2.17 Incorporation of Condominium Board. To the extent and in the manner provided in the New York Condominium Act, the Board may by action of the Board, as provided in this Article 2, be incorporated under the applicable statutes of the State of New York. In the event that the Board so incorporates it shall have, to the extent permitted by applicable law, the status conferred upon it by such statutes in addition to the status conferred upon the Board under or pursuant to the provisions of the Condominium Act. The certificate of incorporation and by-laws of any such resulting corporation shall conform as closely as practicable to the provisions of the Declaration and these By-Laws and the provisions of the Declaration and these By-Laws shall control in the event of any inconsistency or conflict between the provisions thereof and the provisions of such certificate of incorporation and by-laws.

2.18 Condominium Board as Agent of Unit Owners. In exercising its powers and performing its duties under the Declaration and these By-Laws, the Board shall act in good faith as, and shall be, the agent of the Unit Owners, subject to and in accordance with the provisions of the Declaration and these By-Laws.

2.19 Residential Board.

2.19.1 The Residential Units (as defined in the Declaration), shall, on a date within 30 days following the first anniversary of the conveyance of the first Residential Unit to an owner other than Declarant hold a meeting of all of the Residential Unit Owners at which time separate Board of Managers, hereinafter, the "Residential Board", shall be elected by the owners of the Residential Units. The individuals elected to the Residential Board shall

be eligible to serve as Board Members pursuant to Section 2.1.3 hereof. Such election may be held at the First Meeting of Unit Owners pursuant to Section 3.1.

2.19.2 The Residential Board shall consist of three (3) persons elected by the Residential Unit Owners. The Residential Board shall have all requisite power and authority to take action as to all matters that affect only the Residential Section, the Residential Units, and the Residential Common Elements, subject only to rights of the Declarant with respect to any Unsold Units, as set forth in these By-Laws. The Residential Board shall have all powers set forth in this Article II as to the Residential Section, the Residential Common Elements and the Residential Units only, including, without limitation, the right to establish the "Residential Common Charges", which shall be used to pay for those Residential Common Expenses for the operation of the Residential Common Elements that are to be the responsibility of the Residential Unit Owners. Notwithstanding the anything herein implied to the contrary, the Condominium Board shall be responsible to maintain the General Common Elements and to maintain the insurance coverage for the Condominium.

2.19.3 In addition to the powers set forth in Section 2.2, the Residential Board shall have the following powers as to the Residential Units, the Residential Common Elements and the Residential Unit Owners:

2.19.3.1 Levying fines against the Residential Unit Owners, for violations of the Rules and Regulations for the Residential Section (any such fines shall constitute Unit Expenses payable by the Residential Unit Owner of the Residential Unit against which the same are levied and shall be deemed to constitute Common Charges for the purpose of collection of the same).

2.19.3.2 Purchasing, leasing or otherwise acquiring in the name of the Board or its designee, on behalf of all Residential Unit Owners, any Residential Units offered for sale or lease by their owners.

2.19.3.3 To purchase any Residential Unit at a foreclosure or other similar sale, in the name of the Residential Board or its designee, on behalf of all Residential Unit Owners.

2.19.3.4 Selling, leasing, subleasing, mortgaging or otherwise dealing with (but not voting the interest appurtenant to) any Unit, if acquired by and subleasing Residential Units leased by the Residential Board or its designee, on behalf of all Unit Owners.

2.19.3.5 The Residential Board may, with respect to decisions or matters which the Board is entitled to make, employ a managing agent and/or a manager at a compensation established by the Board to perform such duties and services as the Board shall authorize including, but not limited to, the duties listed in subsections 2.2.(2.1), (2.3), (2.6), (2.7) and (2.10). The Board may also delegate to such managing agent or manager other powers granted to it by these By Laws, except

the powers set forth in subsections 2.2.(2.2), (2.4), (2.5), (2.8), (2.9), (2.17), and 2.19(3.1), (3.2), (3.3) and (3.4).

ARTICLE 3

UNIT OWNERS

3.1 Annual Meetings. On or about the 30th day following the first anniversary of the conveyance of the first Residential Unit to a party other than Declarant, the first (1st) annual meeting of Unit Owners shall be held, in accordance with these By-Laws. At such meeting, the incumbent Board shall resign and a new Board shall be elected (as provided herein). At such first annual meeting, the Residential Unit Owners shall elect the Residential Board consisting of three (3) members. The Condominium shall then proceed to elect a Board consisting of three (3) members, two (2) members to be designated by the Residential Board (the "Residential Board Members") and one (1) member to be designated by the Commercial Unit Owner (the "Commercial Board Member"). If the Residential Board cannot agree on the two (2) members who will serve on the Condominium Board, the two (2) Members who received the most votes from the Residential Unit Owners shall serve on the Condominium Board. For so long as Declarant owns at least one (1) Residential Unit, Declarant shall be entitled to designate at least one of the Residential Board Members and shall be entitled to be one of the two (2) Board Members entitled to a position on the Condominium Board.

Thereafter, annual meetings of Unit Owners shall be held on a date within forty-five (45) days of the anniversary of the first annual meeting. Unit Owners shall receive no less than twenty (20) days written notice of such annual meetings. At each annual meeting, the Unit Owners shall designate the three (3) members of the Board as provided above, who shall each serve for a one year term. There shall also be transacted such other business as may properly come before such meeting. Written notices of persons who intend to be designated to the Condominium Board shall be delivered to the managing agent by such person or the persons who wish to designate such persons no less than fourteen (14) days prior to the annual meeting of Unit Owners.

3.2 Place of Meetings. Meetings of the Unit Owners shall be held at the principal office of the Condominium, or, at such other suitable and convenient place in the Borough of Manhattan, as may be designated by the Board.

3.3 Special Meetings. The President of the Condominium Board shall call a special meeting of the Unit Owners, if so directed by resolution of the Board or upon a petition signed and presented to the Secretary-Treasurer of the Condominium by not less than fifteen (15%) percent in Common Interest of Unit Owners.

3.4 Notice of Meetings and Actions Taken. Notice of each annual or special meeting shall be given by the Secretary-Treasurer of the Condominium Board to all Unit Owners of record entitled to vote thereat. Each such notice shall state the purpose(s) of the meeting and the time and place where it is to be held and no business shall be transacted thereat except as stated in the notice. All notices hereunder shall be given by personal delivery, mail or electronic transmission, at least five (5) Business Days prior to the day named for the meeting and shall be given or sent to the Unit

Owners entitled to receive same at their address at the Property or at such other address as any Unit Owner has designated by notice in writing to the Secretary-Treasurer at least ten (10) days prior to the giving of notice of the applicable meeting. However, if the business to be conducted at any meeting of the Unit Owners shall include consideration of a proposed amendment to the Declaration or to these By-Laws, the notice of such meeting shall be given to all Unit Owners as provided above at least five (5) Business Days prior to the day fixed for such meeting, and such notice shall be accompanied by a copy of the text of such proposed amendment.

3.5 Adjournment of Meetings. If any meeting of Unit Owners cannot be held because a quorum is not present, a majority of Unit Owners who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time fixed for the original meeting. 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.

3.6 Order of Business. The order of business at all meetings of 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) Reports of members of the Board;

(f) Reports of committees, if applicable;

(g) Election of inspectors of election (when so required);

(h) Election of members of the Board (when so required);

(i) Unfinished business; and

(j) New business.

3.7 Title to Units. Title to Units may be taken by any individual, corporation, partnership, limited liability company, association, trust or other entity, or any two (2) or more of such owners as joint tenants, tenants-in-common or tenants by the entirety, as may be appropriate, but not as owners in severalty.

3.8 Voting.

3.8.1 Each Unit Owner or a person designated by such Unit Owner to act as proxy on its behalf (who need not be a Unit Owner) shall be entitled to cast the votes appurtenant to such Unit as set forth herein and in the Declaration at all meetings of Unit

Owners. The designation of any such proxy shall be made in writing to the Secretary-Treasurer of the Board and shall be revocable at any time by written notice to such Secretary-Treasurer by the Unit Owner so designating; provided, however, that no designation to act as a proxy shall be effective for a period in excess of six (6) months except a designation of a Permitted Mortgagee to act as the proxy of its mortgagor. A fiduciary shall be the voting member with respect to any Unit owned in a fiduciary capacity. Neither the Board nor its designee shall be entitled to vote the interest appurtenant to any Unit owned by the Board and the Common Interest of any such Unit shall be excluded from the total of Common Interests when computing the interest of the Unit Owners for voting purposes.

3.8.2 Except as set forth in Sections 3.8.1 and 3.9, at all meetings of Unit Owners (including meetings of the Residential Unit Owners), each Unit Owner (or its proxy) entitled to vote thereat (including the Declarant) shall be entitled to cast one vote for each 0.0001 percent (rounded off to the nearest .0001 percent) of Common Interest attributable to its or its Unit.

3.9 Election of Board Members.

3.9.1 All elections of Board Members by the Residential Unit Owners shall be determined by plurality vote. The Commercial Unit Owners shall designate an individual to serve as its representative Member.

3.9.2 When voting for members of the Condominium Board, the voting shall be by ballot and each ballot shall state the name of the Unit Owner voting and the percentage of Common Interest owned by such Unit Owner, and, in addition, the name of the proxy if such ballot is cast by a proxy. Each Unit Owner shall be entitled to cast the number of votes determined in accordance with Section 3.8.2 for each member to be elected by the Unit Owners. Nothing contained in these By-Laws shall be deemed to permit cumulative voting.

3.10 Majority of Unit Owners. Except as may otherwise be provided by applicable law, as used in these By-Laws, the term "Majority of Unit Owners," means those Unit Owners, having more than fifty percent (50%) of the total authorized votes of all Unit Owners (determined in accordance with the provisions of Section 3.8), who are present in person or by proxy and voting at any meeting at which a quorum is present.

3.11 Quorum. Except as otherwise provided in these By-Laws, the presence in person or by proxy of Unit Owners owning more than fifty (50%) percent of Units provided that both the Commercial Unit Owner and the Residential Unit Owner are represented shall constitute a quorum at all meetings of Unit Owners, except that the Board shall have the absolute right to require an adjournment of such meetings for not longer than thirty (30) days unless any emergency exists. In the event that either the Commercial Unit Owner of the Residential Unit Owner is not present at any such meeting, the Board may adjourn the meeting to another date on not less than seven (s) Business Days' notice. If the Unit Owner not present at the prior date fails to attend such adjourned meeting, the Condominium may conduct business as if representatives of both the Commercial Unit and the Residential Unit are present.

3.12 Majority Vote. Except where otherwise provided by applicable law, the Declaration or these By-Laws, at all meetings of Unit Owners, the affirmative vote of a Majority of all Unit Owners shall be binding upon all Unit Owners for all purposes, provided, however, no such vote may adversely affect any Unit.

ARTICLE 4

OFFICERS

4.1 Designation. The principal officers of the Condominium shall be (a) a President, (b) a Vice President; and (c) a Secretary-Treasurer. The Condominium Board may appoint an Assistant Treasurer, Assistant Secretary and such other officers as in their judgment may be desirable. Except for the President, none of the officers of the Condominium need be Unit Owners or have any interest therein or be Board members until the first organizational meeting of the Board. Any officer may hold multiple offices.

4.2 Election of Officers. The officers of the Condominium shall be appointed annually by the Board, at the organizational meeting thereof to be held immediately following the annual meeting of Unit Owners.

4.3 Resignation and Removal of Officers. Any officer may resign at any time by written notice delivered or sent by certified mail, return receipt requested, to the Board. Such resignation shall take effect at the time specified therein and, unless specifically requested, acceptance of such resignation shall not be necessary to make it effective. Upon the affirmative vote of a majority of the members of the Board, any officer may be removed, either with or without cause. A successor officer may be elected at any regular Board meeting or at any special Board meeting called for such purpose.

4.4 President. The President of the Condominium shall be the chief executive officer of the Condominium and shall preside at all meetings of Unit Owners and at all meetings of the Board. The President shall have all of the general powers and duties which are incident to the office of president of a stock corporation organized under the Business Corporation Law of the State of New York, including, but not limited to, the power to appoint committees from among Unit Owners, from time to time, as he or she may in his or her discretion decide are appropriate to assist in the conduct of the affairs of the Condominium. The President of the Board shall be appointed by the Board Members elected by the Residential Unit Owners.

4.5 Vice President. The Vice President of the Condominium shall take the place of the President of the Condominium and perform the duties of the President whenever such President shall be absent or unable to act. If both the President and the Vice President of the Condominium are unable to act, the Board members who designated such President and Vice President shall appoint the same to act in the place of such President and Vice President on an interim basis. The Vice President shall also perform such other duties as shall be delegated to him, from time to time, by the Board or by the President of the Condominium. The Vice President of the Board shall be appointed the Commercial Unit Owner.

4.6 Secretary-Treasurer. The Secretary-Treasurer of the Condominium shall keep the minutes of all meetings of Unit Owners and of the Board and shall have the care and custody of the funds and securities of the Condominium and shall be responsible for keeping full and accurate financial records and books of account thereof showing all receipts and disbursements necessary for the preparation of all required financial data. The Secretary-Treasurer shall have charge of such books and papers as the Board shall direct and shall also be responsible for the deposit of all funds and other securities in the name of the Board (or in the name of the managing agent appointed by the Board) in such depositories as may from time to time be designated by the Board and shall in general perform all the duties incident to the office of secretary and/or treasurer of a stock corporation organized under the Business Corporation Law of the State of New York. The Secretary-Treasurer shall be a Board Member elected by the Residential Unit Owners.

4.7 Execution of Documents. All agreements, contracts, deeds, leases, checks and other instruments of the Condominium shall be executed by any officer thereof or by such other person or persons as may be designated by the Board. However, any significant expenditure in excess of $10,000, which is a General Common Expense by the Condominium Board, must be countersigned by two (2) members of the Condominium Board, which shall include one (i) Member designated by the Commercial Unit Owner and one (1) Member of the Residential Board). If for any reason whatsoever one member refuses to countersign such an expenditure which has been authorized, the Condominium Board shall designate and authorize another Board member to countersign the expenditure.

4.8 Compensation of Officers. Except as otherwise provided by the Board, no officer shall receive any compensation for acting as such.

ARTICLE 5

NOTICES

5.1 Notices. All notices required or desired to be given hereunder to the Board shall be in writing and shall be deemed to have been given if delivered personally or sent by certified or registered mail, return receipt requested, to the office of the Board or to such other address as the Board may designate, from time to time, by notice in writing to all Unit Owners and Permitted Mortgagees, as the case may be, and if there is a managing agent or manager of the Board, a duplicate shall be sent in like manner to such managing agent or manager. All notices to any Unit Owner shall, except as otherwise provided herein, be in writing and shall be deemed to have been given if delivered personally or sent by certified or registered mail, return receipt requested, or by reputable overnight courier to the Property address of such Unit Owner or to such other address as may have been designated by such Unit Owner, from time to time, in writing, to the Condominium Board. All notices to Permitted Mortgagees shall be sent by certified or registered mail, return receipt requested, to their respective addresses, as designated by them, from time to time, in writing to the Condominium Board. Except as otherwise expressly provided herein, all notices shall be deemed to have been received on the date of personal delivery or on the fifth (5th) day after mailing.

5.2 Waiver of Service of Notice. Whenever any notice is required to be given by applicable law, the Declaration or these By-Laws, a waiver thereof in writing, signed by the person

or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

ARTICLE 6

OPERATION OF THE PROPERTY

6.1 Determination of Common Expenses and Fixing of Common Charges.

6.1.1 Except as otherwise provided herein, all costs and expenses attributable to the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, the General Common Elements ("General Common Expenses") and Residential Common Elements ("Residential Common Expenses") shall be determined by the Condominium Board as set forth below, and, shall be borne by (a) all Unit Owners, with respect to the General Common Expenses, and (b) the Residential Unit Owners, with respect to the Residential Common Expenses. General Common Expenses and Residential Common Expenses shall also include all such other items provided for in the Declaration or these By-Laws to the General Common Expenses and Residential Common Expenses, respectively. General Common Expenses and Residential Common Expenses shall also include such amounts as the Condominium Board or the Residential Board, as applicable, may deem proper for a general operating reserve or for a reserve for working capital or for replacements with respect to each the General Common Elements and the Residential Common Elements. The Condominium Board and the Residential Board shall, from time to time, and at least annually prepare a budget to meet General Common Expenses and Residential Common Expenses, respectively. The Condominium Board and the Residential Board shall allocate and assess, with respect to (a) the General Common Expenses, to all Unit Owners, *pro rata* in accordance with the aggregate respective Common Charges Percentage thereof (the "General Common Charges"), and (b) the Residential Common Expenses, to the Residential Unit Owner(s) *pro rata* in accordance with the respective Residential Common Interests of each such Residential Unit Owners (the "Residential Common Charges"). The General Common Charges and the Residential Common Charges (collectively referred to herein as the "Common Charges"). The Commercial Unit Owner shall be liable only for the payment of General Common Charges.

6.1.2 General Common Expenses. General Common Expenses shall include, but shall not be limited the following: (i) fire/multi-peril insurance for the Building; (ii) commercial liability insurance; (iii) boiler maintenance of shared boiler and shared water treatment, if any; (iv) certified accounting statements to be prepared on an annual basis and the filing any required tax returns for the Condominium; (v) fire protection systems including any telephone lines required by New York City or other authority of competent jurisdiction for the Building; (vi) the cost of any service contracts, licenses, and inspections required in connection with clause (v) above; (vi) water and sewer charges; (vii) maintenance of any water meter and the cost of the meter reading service for the entire building; (viii) costs for repairs, maintenance and supplies for the maintenance of the building common elements; (ix) service contracts for the Common Elements; (x) the Building manager/superintendent;

(xi) management fees with any third party managing agent for the entire Building; (xii) maintenance of the façade; and (xiii) cost of sidewalk repairs and/or replacements not required due to the willful acts of a Unit Owner, which shall be the responsibility of such Unit Owner. General Common Expenses shall also include the expense for any service that benefits all of the Units, which shall be shared in accordance with each Unit Owner's Common Interest, except to the extent that such General Common Expenses should be pro-rated based upon actual usage, in the determination of the Board. In the event of any dispute with respect to the allocation of the expenses between the Unit Owners, the Unit Owners shall submit such dispute to Arbitration in accordance with Article XII hereof.

6.1.3 In addition to General Common Charges and Residential Common Charges, Unit Owners shall be required to pay to the Condominium amounts charged by the Condominium Board or the Residential Board to the Unit Owners or the Residential Unit Owners, respectively, for the purpose of paying non-recurring, extraordinary expenses, including, but not limited to, expenses to perform capital improvements ("Capital Work"), with respect to the General Common Elements and/or the Residential Common Elements, as may be applicable (collectively, "Special Assessments"). Special Assessments shall be paid by (i) the Unit Owners to the Condominium Board in accordance with the Common Charge Percentage appurtenant to the Unit belonging to such Unit Owner, or (ii) the Residential Unit Owners to the Residential Board in accordance with the Residential Common Charge Percentage appurtenant to the Residential Unit belonging to such Residential Unit Owner.

6.1.4 Notwithstanding anything to the contrary set forth or otherwise implied herein, the maintenance and repair of the storefront of the Commercial Unit and that portion of the Building façade that is adjacent to the Commercial Unit shall be the sole responsibility of the Commercial Unit Owner and the maintenance and repair of the façade above the first floor shall be the sole responsibility of the Residential Unit Owners (excluding however, repairs that are covered by insurance). The Commercial Unit Owner and the Residential Board shall each be responsible to maintain and keep clean and free of snow, ice and debris, those portions of the sidewalk in front of and adjacent to their respective Units, or in the case of the Residential Board, the entrance to the Residential Section and the Commercial Unit Owner or the Residential Board, as applicable, shall each be responsible for any violations created by reason of their respective failure not to property maintain and keep the same in good repair. However, repairs and replacement of the sidewalk, in the ordinary course, will be a General Common Expense as provided in Section 6.1.2 above.

6.1.5 Such budgets shall include such amounts for reserves, as the Condominium Board deems appropriate. In addition to basing charges on Common Interests, the Condominium Board may also make allocations and assessments of General Common Expenses and Residential Common Expenses in accordance with sub-metering, contract allocations and usage (both projected and actual) so long as such allocations are reasonable under the circumstances and are in accordance with applicable law. Notwithstanding anything to the contrary set forth above, the Condominium Board may not modify its method of allocations and assessments or increase the number of building employees in such a manner as would increase the Common Charges otherwise payable by any Unit Owner or the Residential

Common Charges paid by the Unit Owners, without the consent of the Residential Board and the Commercial Unit Owner.

6.1.6 The Commercial Unit Owner and the Residential Board shall have a period of twenty (20) days following receipt of each proposed Annual Budget and each proposed Capital Budget to review and object to same. Failure to object within the twenty (20) days shall be deemed an approval of such proposed Annual Budget or proposed Capital Budget, as applicable. Notwithstanding the foregoing, the Commercial Unit Owner or the Residential Board may only object to a proposed Annual Budget or proposed Capital Budget on the grounds that such proposed Annual Budget or proposed Capital Budget is not sufficient to provide the Services required in Sections 6.1.2 and 6.1.3 above and Maintain the Property consistent with other similar buildings in the immediate vicinity of the Building ("Comparable Buildings") and such objection shall set forth in reasonable detail the specific items as to which the Commercial Unit Owner (or the Residential Board, as applicable) or Commercial Unit Owner believes the proposed Annual Budget or proposed Capital Budget is inadequate and the basis therefor. If a member of the Condominium Board shall object to any proposed Annual Budget or proposed Capital Budget in accordance with the foregoing provisions of this subsection 6.1.5, the Condominium Board members shall attempt to resolve such objection and in the event of such resolution, the Condominium Managing Agent shall revise the Annual Budget and/or Capital Budget accordingly. In the event that the dispute cannot be resolved by the Commercial Unit Owner and the Residential Board, as aforesaid, such dispute shall be submitted to Arbitration, and in such event, the Annual Budget and/or Capital Budget which have been previously in effect, shall remain in effect until such time as the Condominium Board members shall have otherwise resolved such dispute or such Arbitration has been finally determined.

Notwithstanding anything contained herein to the contrary, any and all costs and expenses paid or incurred by the Condominium in connection with the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to (a) any Residential Common Element shall be allocated and assessed as a Residential Common Expense solely to the Residential Unit Owners, or (b) any Commercial Common Element shall be allocated and assessed as a Commercial Limited Common Expense solely to the Commercial Unit Owner.

6.1.7 The excess of all rents, profits and revenues derived from the rental or use of any space or facility forming part of or included in any General Common Element remaining after the deduction of any non-capital expenses paid or incurred in connection therewith shall be collected by the Condominium Board as agent for and on behalf of the Unit Owners. Notwithstanding any provision contained in these By-Laws or in the Declaration to the contrary, in no event shall any rent, profit or revenue derived from the rental or use of any space in the Building be deemed to be derived from the rental or use of any floor slabs, ceilings or walls delineating or enclosing such space or the incidental use of any portion of any Limited Common Elements appurtenant to such Unit.

6.1.8 General Common Expenses shall include real estate taxes on the Property until the Units are separately assessed, if applicable, and shall be payable by the Unit

Owners in accordance with the Common Interest Percentages allocated to their respective Units.

6.1.9 Notwithstanding anything to the contrary herein, no part of the net earnings of the Condominium may inure (other than by acquiring, constructing, or providing management, maintenance, and care of condominium property, and other than by a rebate of excess membership dues, fees, or assessments) to the benefit of any Unit Owner or individual.

6.2 Insurance.

6.2.1 The Condominium Board shall be required to obtain and maintain, to the extent obtainable, the following insurance: (a) fire insurance with "all risk" or "special causes" endorsements, insuring the entire Building (including each Unit, but excluding fixtures, furniture, furnishings or other personal property not constituting a part of such Unit), together with all service machinery contained therein and covering the interests of the Condominium, the Board and all Unit Owners and their Permitted Mortgagees, as their respective interests may appear, in an amount not less than an amount sufficient to avoid any defense based on co-insurance, with a "Replacement Cost" endorsement or other insurance or of any invalidity arising from any acts of the insured and of *pro rata* reduction of liability, but in no event greater than the full insurable replacement value of the Building (exclusive of foundation and footings), without deduction for depreciation; each of said policies shall contain a New York standard mortgagee clause in favor of each Permitted Mortgagee which shall provide that the loss, if any, thereunder shall be payable to such Permitted Mortgagee as its interest may appear, subject however, to the loss payment provisions hereinafter set forth; (b) rent insurance in an amount equal to Common Charges for one (1) year; (c) worker's compensation and New York State disability benefits insurance; (d) water damage legal liability insurance; (e) elevator liability and collision insurance; (f) boiler and machinery insurance; (g) plate glass insurance to the extent, if any, determined by the Condominium Board; (h) at the option of the Condominium Board, fidelity insurance covering the Board and all officers, directors, managing agents and employees of the Condominium; and (i) such other insurance as the Condominium Board may reasonably determine. The premiums for all insurance referred to above and for the liability insurance referred to below shall be a General Common Expense and shall be borne by the Residential Unit Owners and the Commercial Unit Owner in accordance with the Common Charge Percentages appurtenant to the respective Units owned by such Unit Owner.

6.2.2 All such policies shall provide that adjustment of loss shall be made exclusively by the Board. Insurance proceeds with respect to any loss shall be payable to the Board, except that the proceeds of all policies of physical damage insurance, if in excess of $500,000.00, shall be payable to a bank or trust company designated by the Condominium Board as Insurance Trustee pursuant to the provisions of Section 13.5.

6.2.3 All policies of physical damage insurance shall contain waivers of subrogation and waivers of any defense based on co-insurance or other insurance or of invalidity arising from any acts of the insured and of pro-rata reduction of liability, and shall provide that such policies may not be cancelled or substantially modified without at least

twenty (20) days' prior written notice to all of the insureds, including all Permitted Mortgagees. Upon request in each instance, duplicate originals or certificates of insurance of all policies of physical damage insurance and of all renewals thereof, shall be delivered to Unit Owners and Permitted Mortgagees at least twenty (20) days prior to expiration of the then current policies.

6.2.4 The Board also shall be required to obtain and maintain comprehensive general liability insurance in such limits as the Board may from time to time determine, covering (a) the Board, the managing agent or manager thereof, each Board member and each officer and employee of the Condominium and (b) each Unit Owner, and all officers, directors and employees thereof, and covering all claims for personal injury or property damage arising out of any occurrence on the Property, except that such policy will not cover liability of a Unit Owner arising from occurrences within its Unit or within the Limited Common Elements, if any, exclusive to its Unit. Such insurance shall also cover cross-liability claims of one insured against another. The Board shall review such insurance limits once each year. Until the first (1st) meeting of the Board following the first (1st) annual meeting of Unit Owners, such liability insurance shall have a limit of no less than $1,000,000.00 covering all claims for personal injury or property damage arising out of one occurrence and $2,000,000.00 in the aggregate with umbrella liability coverage of no less than $5,000,000.00.

6.2.5 Any insurance maintained by the Condominium Board may provide for such deductible amounts as the Board determines.

6.2.6 The Unit Owners shall each carry, at their expense, insurance on the personal property and improvements contained in their Unit and public liability insurance in an amount of no less than $1,000,000.00 per occurrence. The Unit Owners shall, upon request, deliver to the Board certificate of evidence of such insurance. All such policies shall contain waivers of subrogation and shall provide that the liability of the carriers issuing insurance obtained by the Board shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owner.

6.3 Repair or Reconstruction after Fire or Other Casualty.

6.3.1 In the event that the Building or any part thereof is damaged or destroyed by fire or other casualty (unless three-fourths or more of the Building is destroyed or substantially damaged and seventy-five percent (75%) or more in Common Interest of all Unit Owners do not duly and promptly resolve to proceed with repair or restoration), the Condominium Board will arrange for the prompt repair and restoration thereof (including each Unit, but excluding fixtures, furniture, furnishings or other personal property not constituting a part of such Unit) and the Board or the Insurance Trustee, as the case may be, shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments. If the net insurance proceeds are less than sufficient to cover, or exceed, the cost of repairs and restoration, any deficit or surplus in insurance proceeds shall be borne or shared by all Unit Owners in proportion to their respective Common Interests in the proportion that the cost of repairing the damage or destruction to any

Unit and the Limited Common Elements appurtenant thereto, bears to the total cost of repairing all damage or destruction. However, any Unit Owner shall have the right to make all arrangements for the prompt repair and restoration of such Unit Owner's Unit and Limited Common Elements appurtenant thereto; to the extent each is affected by such damage or destruction. If said damage or destruction, however, affects only the General Common Elements, or the Residential Common Elements, then any deficit or surplus in insurance proceeds shall be borne as a General Common Expense or profit, or Residential Common Expense or profit, as applicable, respectively, as provided in subsection 6.1.1 or shared by all Unit Owners in proportion to their Common Interests. Any surplus payable to any Unit Owner pursuant to this subsection 6.3.1 shall be reduced by such amounts as may be required to reduce unpaid liens (other than mortgages which are Permitted Mortgages) on any such Unit in the order or priority of such liens.

6.3.2 If seventy-five (75%) percent or more of the Building is destroyed or substantially damaged and if seventy-five (75%) percent or more of all Unit Owners, both in number and in Common Interest, do not promptly resolve to proceed with the repair or restoration of the same, the Building may not be repaired and will be subject to an action for partition instituted by any Unit Owner or lienor, as if owned in common, in which case the net proceeds of the resulting sale, together with the net proceeds of insurance policies, will be divided among all Unit Owners based upon the relative fair market values of an appraiser, Such appraiser shall be an "MAI" appraiser selected by the Condominium Board and shall have no less than fifteen (15) years' experience in the valuation of mixed-use buildings in New York, NY. In the event of any dispute of the determination of such appraiser, such dispute shall be submitted to arbitration, which shall be conducted in "baseball" format. No payment shall be made to a Unit Owner until there has first been paid out of such Unit Owner's share of such funds, such amounts as may be necessary to eradicate all unpaid liens on its Unit (other than mortgages that are Permitted Mortgages) in the order of priority of such liens. If Declarant or a successor owner of Unsold Units is then a Unit Owner, Declarant or such successor owner of Unsold Units will have the right to vote at any meeting of Unit Owners called for the purpose of deciding whether or not to proceed with the restoration or repair of the Building. As used in this Section 6.3, the words "promptly resolve" shall mean not more than sixty (60) days from the date of such damage or destruction.

6.3.3 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 notifies the Board of Managers and the Unit Owner or Unit Owners that it holds proceeds of insurance on account of such damage or destruction sufficient to pay the estimated costs of such work, or not more than ninety (90) days from the date the Insurance Trustee notifies the Board of Managers and Unit Owner or Unit Owners that such proceeds of insurance are insufficient to pay said estimated costs of such work or, in the event the proceeds of insurance are payable to the Board of Managers, not more than sixty (60) days from the date of receipt by the Board of Managers of proceeds of insurance on account of such damage or destruction, whether or not sufficient to pay the estimated costs of such work. Whenever the words "promptly resolve" are used it shall also mean not more than sixty (60) days from the date the Board of Managers notifies the Unit Owners that it holds proceeds of insurance on account of

such damage or destruction and that such proceeds are or are not sufficient to pay the estimated costs of the work (as the case may be).

6.3.4 Any dispute between Unit Owners or between any Unit Owner and the Board arising pursuant to this Section 6.3 shall be determined in accordance with Article 12.

6.4 Payment of Common Charges.

6.4.1 All Unit Owners shall be obligated to pay General Common Charges assessed by the Condominium Board in accordance with the Common Charge Percentage appurtenant to the respective Unit belonging to such Unit Owner, pursuant to the provisions of Section 6.1 at such time or times (but not less than monthly) as the Condominium Board determines. In addition, the Unit Owners that own the Residential Units shall also be responsible to pay Residential Common Charges that are in payment of Residential Common Expenses. Unless otherwise determined by the Condominium Board, Common Charges shall be payable monthly, in advance, on the first (1st) day of each month.

6.4.2 No Unit Owner shall be liable for the payment of any part of the Common Charges assessed against its Unit subsequent to a sale or other conveyance by him (made in accordance with these By-Laws) of such Unit together with its appurtenant Common Interest. Any Unit Owner may, subject to the terms and conditions of these By-Laws and provided that (a) such Unit is free and clear of liens and encumbrances other than Permitted Mortgages (to be satisfied upon the transfer) and the statutory lien for unpaid Common Charges; and (b) no violation of any provision of the Declaration, these By-Laws or the Rules and Regulations then exists with respect to such Unit, convey such Unit together with its appurtenant Common Interest, to the Board or its designee, on behalf of all Unit Owners, and in such event be exempt from Common Charges, thereafter accruing. However, in no event shall the Declarant or a successor owner of the Unsold Units be permitted to convey any Unsold Unit to the Board and thereby exempt itself from Common Charges attributable to such Unit thereafter accruing. A purchaser of a Unit shall be liable for the payment of Common Charges (including Residential Common Charges) accrued and unpaid against such Unit prior to the acquisition by him of such Unit, except that, to the extent permitted by applicable law, a purchaser of a Unit at a foreclosure sale of a Permitted Mortgagee which holds a first mortgage shall not be liable for, and such Unit shall not be subject to, a lien for the payment of Common Charges accrued and unpaid against such Unit prior to the acquisition by said purchaser of such Unit. However, in the event of a foreclosure sale of a Unit by a Permitted Mortgagee, the owner of such Unit prior to the foreclosure sale shall remain liable for the payment of all unpaid Common Charges that accrued prior to such sale. Except to the extent prohibited by applicable law, the Board, on behalf of all Unit Owners, shall have a lien for Common Charges unpaid to it by such Unit Owner, together with interest thereon assessed against such Unit, in proportion to its Common Interest.

6.4.3 All liens provided for in subsection 6.4.2, to the extent permitted by applicable law, shall be subordinate to liens for real estate taxes and any first mortgage liens. As used in these By-Laws, the term "Permitted Mortgage" means only a mortgage of a Unit or Units permitted to be placed thereon pursuant to the provisions of these By-Laws.

6.4.4 In the event that prior to the Units being separately assessed for real estate tax purposes, a Board pays real estate taxes on behalf of a Unit Owner, the amount of such real estate taxes shall be deemed to be Common Charges, and the Board shall have a lien (as provided in Section 6.4.2) for any such accrued and unpaid amounts. After assessment, Unit Owners will be reimbursed for any overpayment of real estate taxes or assessed for an underpayment.

6.5 Collection of Common Charges. The Board shall take prompt action to collect any Common Charges due to the Board that remain unpaid for more than thirty (30) days after the due date for payment thereof, including, without limitation, the institution of such actions for the recovery of interest and expenses as provided in this Article 6.

6.6 Default in Payment of Common Charges. In the event any Unit Owner fails to make payment of Common Charges, such Unit Owner shall be obligated to pay (a) a "late charge" of $.04 for each dollar of such amounts which remain unpaid for more than ten (10) days from their due date (although nothing herein shall be deemed to extend the period within which such amounts are to be paid) and (b) interest at the rate of two (2%) percent per month (but in no event in excess of the maximum rate permitted by applicable law) on such unpaid amounts (less any "late charges" theretofore collected on such amounts) computed from the due date thereof, together with all expenses, including, without limitation, attorneys' fees paid or incurred by the Board or by its managing agent or manager in any proceeding brought to collect such unpaid Common Charges or in an action to foreclose the lien on such Unit arising from said unpaid Common Charges as provided in Section 339-z of the New York Condominium Act, in the manner provided in Section 339-aa thereof or in any other manner permitted by applicable law. All such "late charges," interest and expenses shall be added to and shall constitute Common Charges payable by such Unit Owner.

6.7 Foreclosure of Liens for Unpaid Common Charges. In any action brought by the Board 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 and occupancy of its Unit and the plaintiff in such foreclosure action shall be entitled to the appointment, without notice, of a receiver to collect the same. The Board, acting on behalf of all Unit Owners, shall have the power to purchase any such Unit, and to acquire, hold, lease, mortgage, convey or otherwise deal with such Unit (but not to vote the votes appurtenant to such Unit). A suit to recover a money judgment for unpaid Common Charges shall be maintainable without foreclosing or waiving the lien securing such charges. In the event the net proceeds received on such foreclosure sale (after deduction of all legal fees, advertising costs, brokerage commissions and other costs and expenses incurred in connection therewith) are insufficient to satisfy the defaulting Unit Owner's obligations, such Unit Owner shall remain liable for the deficit.

6.8 Statement of Common Charges. The Board shall promptly provide any Unit Owner who so requests with a written statement of all unpaid Common Charges due to it from Unit Owners.

6.9 Maintenance and Repairs.

6.9.1 Except as otherwise provided in the Declaration or these By-Laws, all painting, decorating, maintenance, repairs and replacements, whether structural or

nonstructural, ordinary or extraordinary, in or to any Unit and the interior side of entrance doors thereto shall be made by the owner of such Unit at such Unit Owner's sole cost and expense. The Residential Board shall be responsible for cleaning and general upkeep and maintenance of all common interior spaces located within the Residential Section that are designated as Residential Common Elements and Balcony or Terrace appurtenant to any Residential Units, that are Limited Common Elements appurtenant to a single Residential Unit. The Condominium Board shall maintain, paint, decorate, and make all repair and replacements, whether structural or non-structural, ordinary or extraordinary in or to the General Common Elements (except as provided otherwise herein), including, without limitation, the building structure, the façade (excluding however, the storefront, windows and doors of the Commercial Unit), the utility and Building Systems (excluding however, those portions of the Building Systems which are the responsibility of the Unit Owners pursuant to the Declaration and these By-Laws). The Residential Board shall maintain, paint, decorate, and make all repair and replacements, whether structural or non-structural, ordinary or extraordinary in or to the Residential Common Elements and expense thereof shall be charged to the Residential Unit Owner, as a Residential Common Expense. The Condominium Board shall make all repairs and replacements, whether structural or non-structural, ordinary or extraordinary in or to the General Common Elements, the cost and expense of which, shall be charged to the Unit Owners as a General Common Expense. The Residential Board shall make all repairs and replacements, whether structural or non-structural, ordinary or extraordinary in or to the Residential Common Elements and Limited Common Elements appurtenant to individual Residential Units, the cost and expense of which, shall be charged to the Residential Unit Owners as a Residential General Common Expense unless such repairs and/or replacements were required due to the negligence of such Unit Owner to which such Limited Common Element is appurtenant, in which event the cost thereof shall be charged to such Residential Unit Owner as a Unit Expense.

6.9.2 In the event that any painting, decorating, maintenance, repairs or replacements to the Property or any part thereof is necessitated by the negligence, misuse or neglect of (a) any Unit Owner, the entire cost thereof shall be borne by such Unit Owner, or (b) by the Residential Board, the entire cost thereof shall be charged to the owners of the Residential Units, as a Residential Common Expense, (c) the Board, the entire cost thereof shall be charged to all Unit Owners as a General Common Expense, except in all such cases, to the extent such cost is covered by the proceeds of any insurance maintained pursuant to the provisions hereof.

6.9.3 Neither the interior nor the exterior glass surfaces of any windows located in the Residential Section shall be colored or painted. All Unit Owners shall be responsible to maintain both the interior and exterior surfaces of the windows in their respective Units. All window treatments in the Residential Units will be uniform and may be changed from time to time by a determination of the Board. Furthermore, any and all replacements of glass portions of Balconies and Terraces appurtenant to any Residential Unit shall be made by the Residential Board, at the sole cost and expense of the Residential Unit Owners.

6.9.4 Neither the interior nor the exterior glass surfaces of any windows located in the Commercial Unit shall be colored or painted unless any such window treatment is in conformance with the requirements for signage set forth in Article 7 hereof.

6.9.5 Each Unit and all portions of the Common Elements shall be kept in good order and condition (and with respect to any Balcony or Terrace or any part of the Property exposed to the elements, free of snow, ice and accumulation of water) by the Unit Owner or the Board, whichever is responsible for the maintenance thereof as set forth herein, and such Unit Owner or the Board, as the case may be, shall promptly make or perform, or cause to be made or performed, all maintenance work, repairs and replacements necessary in connection therewith. In addition, the public areas of the Building and those areas exposed to public view shall be kept in good appearance, in conformity with the dignity and character of the Building, by (a) the Board, with respect to such parts of the Building required to be maintained by it and (b) each Unit Owner, with respect to the interior surfaces of windows and window treatments in or appurtenant to its Unit.

6.10 Violations of Maintenance Obligations.

6.10.1 In the event that any Unit Owner fails or neglects in any way to perform any obligation with respect to the painting, decorating, maintenance, repair or replacement of its Unit or of any Limited Common Element for which such Unit Owner is responsible pursuant to the Declaration or these By-Laws, the Condominium Board may, but shall not be obligated to, perform or cause to be performed any such painting, decorating, maintenance, repair or replacement provided that (a) the Condominium Board gives such Unit Owner, written notice that such repair or replacement is necessary and that the Condominium Board will complete such repair or replacement in the event such Unit Owner does not promptly act or complete the repair or replacement, and (b) the Unit Owner, within ten (10) days after receiving such notice, fails to cure its default, or in the case of a default not reasonably susceptible to cure within such period, fails to commence and to prosecute to completion with due diligence the curing of such default. All sums expended and all costs and expenses incurred by the Condominium Board in connection with the making of any such painting, decorating, maintenance, repairs or replacements on behalf of such Unit Owner, together with interest thereon at the rate of two (2%) percent per month (but in no event in excess of the maximum rate permitted by applicable law), shall be immediately payable by such Unit Owner, to the Condominium Board and shall, for all purposes hereunder, constitute Common Charges payable by such Unit Owner.

6.11 Structural Alterations, Additions, Improvements and Repairs of Units.

6.11.1 Except as otherwise provided in the Declaration and in this subsection 6.11.1, no Residential Unit Owner shall make any structural alteration, addition, improvement or repair in or to its Residential Unit, if applicable, without the prior written approval of the Board, which approval shall not be unreasonably withheld or delayed. No approval of the Board shall be required to perform (a) alterations which would combine two (2) or more Units in instances where a Unit Owner owns contiguous Units, or (b) a non-structural alteration that does not affect the Building systems and any interior decorating which does not affect the

Building systems may be performed without the Board's prior approval, provided, however all Unit Owners shall be required to comply with applicable laws in connection with any such alteration and to deliver proof of insurance to the Board as provided in Section 6.11.2 below.

6.11.2 Prior to the commencement of any alterations being performed in their Units, all Unit Owners will be required to obtain their own work permits and file separate alteration applications with the appropriate authorities. Such Unit Owners shall be responsible for the cost and expense of obtaining all required "sign offs" from the appropriate governmental authorities in connection with any open building permits or alteration applications filed for the Unit.

6.11.3 Prior to the commencement of any alterations being performed in their respective Units, all Unit Owners will be required to obtain from the contractors performing the work proof of liability insurance naming the Condominium Board and its managing agent or manager as additional insureds in an amount of no less than $1,000,000 per occurrence and $2,000,000 in the aggregate, which amounts may be increased by the Board from time to time to limits commensurate with insurance amounts for similar properties in New York City.

6.11.4 All structural alterations, additions, improvements and repairs by Unit Owners shall be made in compliance with all applicable laws, rules, ordinances and regulations of all governmental authorities having jurisdiction thereof. A Unit Owner making or causing to be made any structural alteration, addition, improvement or repair shall agree, and shall be deemed to have agreed, to hold the Condominium Board and all other Unit Owners harmless from any liability or damages arising therefrom.

6.11.5 Any application to any department of The City of New York or to any other governmental authority having jurisdiction thereof for a permit to make a structural alteration, addition, improvement or repair in or to any Unit so approved by the Board shall be executed by the Board, provided that the Board shall not incur any liability, cost or expense in connection with such application or to any contractor, subcontractor, materialman, architect or engineer retained by the Unit Owner on account of such alteration, addition, improvement or repair or to any person having any claim for injury to person or damage to property arising therefrom.

6.11.6 In no event shall any alteration performed by any Unit Owner alter the façade of the Building (other than the storefront appurtenant to the Commercial Unit) or have a material adverse effect on the structural, mechanical equipment or plumbing elements of the Building, unless approved by the Condominium Board and/or the Residential Board, as may be applicable. In the event any alteration by any Unit Owner causes the insurance premiums or the maintenance costs for the other Units or a part thereof or the Condominium to increase, then such Unit Owner shall pay such excess insurance premiums and/or maintenance costs, as applicable.

6.12 Alterations, Additions or Improvements to Common Elements. Except as otherwise provided in the Declaration or these By-Laws, all alterations, additions, improvements or repairs in or to any General Common Element or Residential Common Element shall be made by the Board or

Unit Owner(s) required to maintain such General, Limited or Residential Common Element and the cost and expense thereof shall be charged to all Unit Owners as a General Common Expense, or to the Residential Unit Owners, as a Residential Common Expense, or to the Unit Owner(s) responsible therefor, as the case may be. Whenever in the judgment of the Board, the cost of any such alteration, addition, or improvement would exceed $250,000 (subject to adjustment by the Consumer Price Index) in the aggregate in any calendar year (except if such alteration, addition, or improvement is provided for in a duly approved budget), then such proposed alteration, addition, or improvement shall not be made unless first approved by a Majority Vote of the Unit Owners that will be required to bear the cost and expense thereof as aforesaid with respect to alterations, additions, or improvements made by the Board. Except as otherwise provided in the Declaration or these By-Laws, all such alterations, additions, or improvements costing in the aggregate less than $250,000 in any calendar year may be made as aforesaid without the approval of the Unit Owners. Required repairs to the General Common Elements including replacement of existing elements of the Building shall be made by the Board in its own discretion regardless of the cost therefor. Notwithstanding anything to the contrary set forth in these By-Laws, (i) to the extent that the alterations, additions, improvements or repairs are to be made in or to any General Common Elements and paid for as a General Common Expense, such alterations shall require the consent of the Commercial Unit Owner and the Residential Unit Owners, which consent may not be unreasonably withheld or delayed as to any alteration required by applicable law or being performed by prudent owners of similar buildings. In the event that the Condominium Board fails to make necessary repairs to General Common Elements for which it is responsible within a commercially reasonable time, to the extent that any such General Common Elements are located within and/or serve the Commercial Unit, and the failure of Condominium Board to make such repairs has a material adverse impact on the use of the Commercial Unit for the permitted purposes of the same, the Commercial Unit Owner shall have the right, upon ten (10) Business Days' notice to the Condominium Board, to perform such repairs on behalf of the Condominium Board. In such event, the Commercial Unit Owner shall be entitled to be reimbursed for the reasonable cost of such repairs.

6.13 Special Alterations of Certain Common Elements.

6.13.1 In the event that, pursuant to any of the provisions of these By-Laws, any consent by the Board or any Unit Owner is required as a condition precedent to any alteration, addition or improvement to any Common Element (collectively sometimes referred to in this Section 6.13 as a "Special Alteration") proposed to be made by any Unit Owner or the Board (collectively sometimes referred to herein as the "Proponent"), such consent shall not be unreasonably withheld or delayed by the Board or such Unit Owner (referred to in this Section 6.13 as the "Consenting Party"). The Proponent shall give the Consenting Party notice setting forth in reasonable detail the material aspects of such proposed Special Alteration. If the Consenting Party does not give notice of any objection to the Proponent within twenty (20) days after the Proponent gives its notice, then the Consenting Party shall be deemed to have consented to the making of the proposed Special Alteration. If the Consenting Party does give notice of objection (which notice of objection shall set forth in reasonable detail the specific objections of the Consenting Party) within such twenty (20) day period and the Proponent considers such objection unreasonable, then the Proponent may submit to Arbitration the question of whether or not the Consenting Party unreasonably withheld its consent, such Arbitration to be pursuant to Article 12 and the provisions of this

Section 6.13. In such Arbitration, it shall be determined that the Consenting Party unreasonably withheld its consent to such proposal if (a) the Proponent makes or causes to be made reasonable provisions providing (i) for the costs and expenses of the Special Alteration to be paid by it and (ii) that all costs and expenses for maintaining and repairing such Special Alteration after its completion will not be charged to the Consenting Party, (b) the proposed Special Alteration would not unreasonably or unnecessarily interfere with the use and enjoyment of the owners, tenants and occupants of those Units affected by the Special Alteration and (c) the proposed Special Alteration would not materially threaten or weaken the structure of the Building.

6.13.2 Nothing contained in subsection 6.13.1 hereof shall in any way be deemed to limit (a) the Proponent's right to modify any proposal made by it thereunder in such a manner as the Proponent believes will meet the objections of the Consenting Party or of any arbitrator or (b) any party's right, pursuant to the other applicable provisions of these By-Laws or the Declaration, to make any alteration to other Common Elements without the approval of the Consenting Party (unless otherwise expressly provided elsewhere herein or in the Declaration).

6.14 Restrictions on Use of the Residential Units.

6.14.1 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:

6.14.1.1 The Residential Units may be owned or leased by an individual, corporation, partnership, limited liability company, fiduciary or any other legal entity. The Residential Units within the Residential Section shall be used for residential purposes only in conformance with the terms and conditions of the then existing certificate of occupancy for the Building and applicable federal, state and local governmental and municipal laws, rules and regulations.

6.14.1.2 Notwithstanding the provisions of this subsection 6.14.1, the Declarant may, without the permission of the Board (a) grant permission for the use of a Residential Unit as a professional office or for any other purpose provided such use is permitted by applicable law, does not violate the then existing certificate of occupancy for such Residential Unit and the user of such Residential Unit, or a part thereof, complies with all applicable governmental regulations; (b) grant permission to or use a Residential Unit in connection with a movie or photo shoot and (c) use the Residential Unit, or any portion thereof, as models and sales and/or promotion offices in connection with the sale or rental of any Units or for any other purpose, subject only to compliance with applicable governmental laws and regulations.

6.15 Use of Common Elements.

6.15.1 Common Elements may be used only for the furnishing of the services and facilities and for the other uses for which the same are reasonably suited.

6.15.2 Subject to the rights of Unit Owners with respect to those Common Elements reserved for exclusive or shared use, the sidewalks, entrances, vestibules, passages, public halls, elevators, vestibules, corridors and stairways of or appurtenant to the Building that are Common Elements or Residential Common Elements shall not be obstructed or used for any purpose other than ingress to and egress from the Units.

6.15.3 No article (including, but not limited to, garbage cans, bottles or mats) shall be placed in any of the halls or on any of the staircase or fire tower landings of the Building, nor shall any fire exit thereof be obstructed in any manner. Nothing shall be hung or shaken from any doors, windows, and roofs or placed upon the window sills of the Building.

6.15.4 The provisions of subsection 6.15.1 hereof shall not apply to the Declarant or its successor so long as there are any Unsold Units, provided, however, that no such party shall use such Common Elements in such a manner that will unreasonably interfere with the use of the other Units for the permitted purposes thereof.

6.16 Use of Commercial Unit; Permits and Licenses.

6.16.1 The Commercial Unit may be owned by an individual, corporation, partnership, limited liability company, fiduciary or any other legal entity.

6.16.2 Subject to the limitations sent forth in the Declaration and these By-Laws, the Commercial Unit may be operated for any lawful purpose permitted under the New York City Zoning Resolution.

6.16.3 The Commercial Unit shall not be used or occupied for any of the following prohibited uses:

6.16.4 as a massage parlor, adult bookstore, peep show or adult entertainment facility, or as any other sex-related commercial establishment or other commercial establishment where pornographic material is displayed or obscene, nude or sexual performances are shown live or in a videotaped or other recorded format;

6.16.5 as a waste transfer facility or station or to store any trash or garbage other than as incidental to another permitted non-obnoxious use of the Commercial Unit;

6.16.6 a mechanic or repair shop which services automobiles or other vehicles, machinery or equipment;

6.16.7 a social club, night club, bar, or discotheque or other use involving live entertainment or the service of alcohol;

6.16.8 a trade school;

6.16.9 a drug treatment or methadone clinic, a drug or alcohol rehabilitation facility, an AIDS treatment center, or a center for criminal or mentally disturbed persons or the primary purpose of which is to treat or mentally disturbed or homeless persons;

6.16.10 a veterinarians' office or pet shop;

6.16.11 any manufacturing use;

6.16.12 dry cleaning or laundry services except such shall be permitted, if cleaning and other services are generally performed on an "off-premises" basis;

6.16.13 medical testing laboratory or other similar medical facility;

6.16.14 bicycle messenger center;

6.16.15 adult and/or child care facilities;

6.16.16 a tattoo parlor, amusement arcade, billiard parlor;

6.16.17 a funeral home;

6.16.18 any type of restaurant;

6.16.19 a gym or other fitness establishments;

6.16.20 as a gambling or gaming facility, an off-track betting establishment, except as the same are incidental components of broader services such as sale of newspapers, magazines, candy and the like, or check cashing, e.g., the sale of lottery tickets, provided, however, under no circumstances shall slot machines be permitted; or

6.16.21 or any other use which would cause or threaten commercially unreasonable odors, fumes, excessive noise or vibration to emanate from the Commercial Unit. Under no circumstances shall tobacco products or marijuana products be sold or consumed in the Commercial Unit, provided however, the incidental sale of tobacco is permitted in connection with the use of the Commercial Unit as a retail establishment.

6.17 Notwithstanding the foregoing, the Condominium Board will have no right to restrict or limit any of the uses of, or alterations in or to, the Commercial Unit (including the storefronts thereof) which are permitted by law and applicable zoning ordinances, except as otherwise set forth in the By-Laws and Declaration.

6.18 The Commercial Unit Owner shall not at any time use or occupy, or suffer or permit anyone to use or occupy the Commercial Unit or do or permit anything to be done in its Commercial Unit, in violation of the certificate of occupancy for the Commercial Unit or for the Building.

6.19 If any governmental license or permit, other than a certificate of occupancy, shall at any time be required for the proper and lawful conduct of business in the Commercial Unit then being conducted or to be conducted in that Commercial Unit, or any portion thereof, then the subject Commercial Unit Owner, at its own expense, shall duly procure and thereafter maintain such license or permit.

6.20 The Commercial Unit Owner shall take all commercially reasonable measures, including, without limitation, the installation of sound-rated insulation, to ensure that no excessive noise emanates from any portion of the Commercial Unit.

6.21 The Commercial Unit Owner (or its tenant) shall sort and separate waste products, garbage, refuse and trash into such categories as provided by law. All such waste products, garbage, refuse and trash shall be removed from the Building by a licensed waste hauler reasonable satisfactory to the Board, at the sole cost and expense of the Commercial Unit Owner or its tenant, in compliance with all applicable laws and regulations. All refuse from the Commercial Unit shall be packaged in a sanitary fashion and held in appropriate storage areas located entirely within the Commercial Unit and shall not be placed or stored in the Common Areas of the Building at any time. All refuse from the Commercial Unit shall be removed from the Commercial Unit, through the first floor street exit and placed (other than medical waste which shall be placed in a separate location, if required by applicable law or regulation) at the curbside on West 25th Street for collection in accordance with applicable law.

6.22 The Commercial Unit Owner shall pay all costs, expenses, fines, penalties, or damages which may be imposed on the Condominium by any government authority or agency by reason of a failure by the Commercial Unit Owner, to comply with the provisions of these By-Laws, and, the Commercial Unit Owner, shall, at its sole cost and expense, indemnify, defend, and hold the Board and the Condominium harmless (including legal fees and expenses) from and against any actions, claims, and suits arising from such non-compliance by the Commercial Unit Owner, utilizing counsel reasonably satisfactory to the Board, if the Board so elects. In such event, the Commercial Unit Owner shall be liable to the Board for any costs, expenses, or disbursements, including attorneys' fees, of any action or proceeding by the Board against the Commercial Unit Owner, predicated upon the breach of this Section by the Commercial Unit Owner.

6.23 General Provisions as to Use.

6.23.1 No nuisance shall be allowed on the Property nor shall any use or practices be allowed in the Property which interferes with the peaceful possession or proper use thereof by the Unit Owners or the occupants of their respective Units. No improper, offensive or unlawful use shall be made of the Property or any portion thereof. All applicable laws and regulations relating to any portion of the Property shall be complied with at the sole expense of whichever of the Unit Owners or the Board shall have the obligation to maintain or repair such portion of the Property.

6.23.2 Each Unit Owner shall promptly comply with all applicable laws and regulations applicable to its Unit. No Unit Owner shall use or permit the use of Hazardous Materials on, about, under, or in its Unit, if applicable, or the Property, except in compliance with applicable laws. Each Unit Owner agrees to indemnify and hold harmless the Board and each other Unit Owner from and against any and all claims or demands, including any action or proceeding brought hereon, and all costs, losses, expenses and liabilities of any kind relating thereto, including, but not limited to, costs of investigation, remedial response, and reasonable attorneys' fees and cost of suit, arising out of or resulting from any Hazardous Material used or permitted to be used by such Unit Owner on, about, under or in its or her

Unit, or the Property. As used herein, the term "Hazardous Materials" means petroleum products, asbestos, polychlorinated biphenyls, radioactive materials and all other dangerous, toxic or hazardous pollutants, contaminants, chemicals, materials or substances listed or identified in, or regulated by, any Environmental Law; and "Environmental Laws" means all federal, state and local laws, rules, regulations, ordinances, requirements and orders whether now existing or hereafter enacted, promulgated or issued, regulating, relating to or imposing liability or standards of conduct concerning any hazardous, toxic or dangerous waste, substance or material and/or the protection of human health and the environment.

6.24 Right of Access.

6.24.1 Each Unit Owner shall grant a right of access to its Unit and any Balcony or Terrace appurtenant thereto, to the Board, and the managing agent, manager, superintendent and/or any other person authorized by any of the foregoing for the purpose of making inspections of, or for the purpose of removing violations noted or issued by any governmental authority against, the Common Elements or any other part of the Property, or for the purpose of curing defaults hereunder or under the Declaration or Rules and Regulations (as such term is hereinafter defined) by such Unit Owner or correcting any conditions originating in its Unit, any Residential Unit, any Balcony or Terrace and threatening another Unit, another Residential Unit, any Balcony or Terrace, or all or any part of the General Common Elements or Residential Common Elements, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other portions of the General Common Elements within its Unit or elsewhere in the Building, or for the purpose of reading, maintaining or replacing utility meters relating to the Common Elements, its Unit, any Residential Unit, any Balcony or Terrace in the Building or to correct any condition which violates the provisions of any Permitted Mortgage covering another Unit, provided that requests for such entry are made not less than one day in advance and that any such right shall be exercised in such a manner as will not unreasonably interfere with the use of the Units, any Balcony or Terrace, for the permitted purposes thereof. In case of an emergency (*i.e.*, a condition requiring repairs or replacements immediately necessary for the preservation or safety of the Building or for the safety of occupants of the Building, or other persons, or required to avoid the suspension of any necessary service in the Building), such right of entry shall be immediate, without advance notice, whether or not the Unit Owner is present. Notwithstanding anything to the contrary herein contained, the Condominium Board and the managing agent, manager, superintendent and/or any other person authorized to exercise the rights in this section, shall conduct itself in a manner so as not to materially interfere with the use of any Unit for the permitted purposes thereof, including, but not limited to, the Commercial Unit, and to the extent permitted by applicable law, except in the event of an emergency, the Condominium shall exercise its rights to such access at such times when the Commercial Unit Owner or its tenant is not open for business.

6.24.2 A Residential Unit Owner shall grant a right of access to its Residential Unit, to any Residential Unit and any Balcony or Terrace appurtenant thereto, as applicable, and the Board or the Residential Board, as applicable, shall grant rights of access to the General Common Elements or the Residential Common Elements, to the Residential Unit Owners and its contractors, subcontractors, agents and employees, for the purposes of

fulfilling Declarant's obligations as set forth in the Offering Plan, provided that access thereto shall be exercised in such a manner as will not unreasonably interfere with the use of the Unit or Balcony or Terrace for the permitted purposes of the same.

6.25 Rules and Regulations. Annexed hereto as Schedule A and made a part hereof are rules and regulations (the "Rules and Regulations") concerning the use of the Residential Units and the Residential Common Elements. The Residential Board may from time to time, modify, amend or add to such Rules and Regulations except that a majority of the Residential Unit Owners, may overrule the Board with respect to any such adoption, modification, amendment or addition. The Residential Board Member(s) may also modify, amend or add to any such Rules and Regulations. Copies of any newly adopted Rules and Regulations, or any modifications, amendments or additions thereto, shall be furnished by the Board to each affected Residential Unit Owner not less than 30 days prior to the effective date thereof.

6.26 Real Estate Taxes, Water Charges and Sewer Rents.

6.26.1 Unless and until real estate taxes are billed directly to Unit Owners by the New York City Department of Finance, the Board shall promptly pay such taxes, charges and rents as a General Common Expense, and the Unit Owners shall be required to reimburse the Board, as General Common Charges, for their proportionate share of such taxes based upon the Common Charge Percentage appurtenant to their respective Units. In the event of a proposed sale of any Unit, the Board (so long as the Board is still paying such real estate taxes), on request of the selling Unit Owner, shall execute and deliver to the purchaser of such Unit or to such purchaser's title company, a letter agreeing to promptly pay all such taxes, charges and rents affecting such owner's Unit to the date of the closing of title to such Unit.

6.26.2 The Condominium Board shall supply water to the Residential Units and the Commercial Unit in sufficient capacities to enable the Unit Owner to use, occupy and enjoy the Units, for the intended purposes and, as to the Commercial Unit, to operate its business (or that of its tenant) thereon and therefrom. If it is not possible to obtain a direct meter for the water used in the Commercial Unit, a submeter shall be installed to measure the use of water in the Commercial Unit. In such event, the Commercial Unit Owner shall be responsible to pay to the Board of Managers the costs for such water and sewer charges as shown on such submeter and the cost of the reading of the same. The cost of water charges and sewer rents for the occupancy and operation of a Commercial Unit that is either payable directly to the Department of Environmental Protection (or successor agency) or to the Condominium Board will be the sole responsibility of the Commercial Unit Owner. If applicable, the Commercial Unit Owner shall reimburse the Condominium Board for the charges therefor based upon sub-meter readings within thirty (30) days following the presentation of an invoice for such amounts. In addition, the Commercial Unit Owner shall be responsible for any cost incurred by the Condominium Board to obtain any such sub-meter reading. Payments received after such time will be subject to a late charge equal to one (1%) percent per month. The cost of water shall be deemed additional "Common Charges" due and owing from the Commercial Unit Owner and the Condominium Board shall be entitled to file a Common Charge Lien to collect the same in accordance with Section 339-Z of the New

York Real Property Law. Any disputes regarding the reading of the water meter shall be determined as set forth in Article 12 herein below.

6.27 Electricity. Electricity shall be supplied to the Condominium through one (1) or more electrical meters and the cost thereof shall be borne by each Unit Owner. Each Unit Owner shall be required to pay the bills for electricity consumed or used in its Unit either to the Board or to the utility company as directed by the Board.

6.28 Utilities Serving the Common Elements. The cost and expense of water and electricity serving or benefiting any General Common Element or Residential Common Element shall (a) be considered part of the expense of maintaining such General Common Element or Residential Common Element, as may be applicable, (b) be determined by the Board, and (c) be charged to the Unit Owners or the Residential Unit Owners as a General Common Expense or Residential Common Expense, as may be appropriate. Any disputes as to the apportionment of such cost or expense shall be determined in accordance with Article 12.

6.29 Gas. Gas supplied to the Residential Units for heat, cooking and the provision of hot water will be supplied from the Con Edison gas distribution system, or other vendor selected by the Board. The cost of such natural gas will be a Residential Common Expense payable by the Residential Unit Owners. The Commercial Unit will have directly metered gas service and shall be responsible to provide heating, cooling and cooking gas to the Commercial Unit. The Board shall not be responsible to maintain gas service for the Commercial Unit. The Commercial Unit Owner shall be responsible to pay the bills therefor directly to the utility.

6.30 Obligations of Unit Owners with Regard to Utilities. In the event that the foregoing utilities or services are not separately metered and/or sub-metered to any Unit, the respective obligation of each of the Unit Owners to pay the same prior to delinquency shall be conditioned on the Condominium Board's delivery of paid receipts therefor prior thereto. Each Unit Owner shall be responsible for the payment of all deposits or similar charges required to be paid in connection with service of utilities to its respective Unit or to Units located within the Residential Section, if applicable, and for the payment of any charge or connection fee required to be paid as a result of any change in the nature of the utility service to any such Unit, or a portion of the Residential Unit, if applicable. In no event shall any Unit Owner be obligated to reimburse the Condominium Board for any utilities or services at a rate that is in excess of the rate that the Condominium Board actually pays for such utilities or services.

6.31 Abatement and Enjoinment of Violations by Unit Owners.

6.31.1 The violation of any of the Rules and Regulations or the breach of any By-Law contained herein, or the breach of any provision of the Declaration, shall give the Condominium Board, the right, in addition to such other rights set forth in these By-Laws, (i) to enter any Residential Unit, or the Commercial Unit or Common Element, including any Limited Common Element appurtenant thereto, in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition resulting in such violation or breach and the Board or the Residential Board, as applicable, shall not thereby be deemed guilty or liable in any

manner of trespass, or (ii) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such violation or breach

6.31.2 The violation or breach of any of the provisions of these By-Laws, any of the Rules and Regulations or the Declaration with respect to any rights, easements, privileges or licenses granted to the Declarant, or a successor owner of the Unsold Units shall give to the Declarant and/or its successor the right, in addition to any other rights set forth in these By-Laws or the Declaration, to enjoin, abate or remedy by appropriate legal proceedings either at law or in equity, the continuance of any such violation or breach.

6.32 Income to Unit Owners. Notwithstanding anything contained herein to the contrary, any income or revenue derived by any Unit Owner, for the use, sale or lease of such Unit Owner's Unit or any portion thereof, shall belong to the owner of such Unit generating the income or revenue and shall not belong to the Board or any other Unit Owner.

ARTICLE 7

SIGNS AND SCAFFOLDING

7.1 Exterior Signs. The term "Sign" includes all signs, designs, monuments, logos, banners, projected images, awnings, canopies, pennants, decals, advertisements, pictures, notices, lettering, numerals, graphics, and decorations. Subject to the provisions of Section 7.4 below, no Sign shall be exhibited, installed, inscribed, painted or affixed on any part of the outside of the Building ("Exterior Signs"). No sign shall be neon, blinking, flashing or animated. No Signs advertising a fire sale, liquidation sale, distress sale, foreclosure sale, receiver's or sheriff's sale, going out of business sale, lost lease sale, or Signs of similar import shall be permitted on the outside of the Building by any Unit Owner or any occupant of the any of the Units. The Commercial Unit Owner or any occupant of the Commercial Unit shall, at its own expense, obtain all required licenses and permits for any Signs installed by Commercial Unit Owner or occupant and renew the same as required by applicable laws.

7.2 The Residential Board shall have the right to maintain one or more signs identifying the Building and the entrance to the lobby giving access to the Residential Units, *i.e.* on the stone wall adjacent to the entrance doors to the lobby to the Residential Units and on the top of the canopy to such lobby entrance.

7.3 All Signs shall be installed and removed in a worker-like manner, without damaging the Building, and in compliance with all applicable laws and requirements of any governmental agency (or similar body). All Signs must comply with all applicable laws, including requirements of the New York City Zoning Resolution, the Department of Buildings and the Landmarks Preservation Commission, if applicable. The Commercial Unit Owner and the Residential Board, as applicable, shall maintain any permitted Signs in good, clean, neat and safe condition and in accordance with the terms and provisions of the Condominium Documents The Commercial Unit Owner and the Residential Board, as applicable, shall be responsible for any violations arising as a result of the failure of any of its tenants to comply with applicable laws.

7.4 Unit Owner Signs. The Commercial Unit Owner shall have the exclusive right, at its respective sole cost and expense, to erect, maintain, operate and replace, from time to time, Signs to be located on the signage band that is appurtenant to the Commercial Unit, but shall specifically have no right to install any sign in front of any portion of the façade adjacent to the entrance of the Residential Section. Any such Signs affixed to the Building shall be in conformance with applicable laws, shall be limited to identifying the business being conducted in the Commercial Unit (but shall not include Signs advertising any "bankruptcy" or "going out of business sale"), shall be professionally prepared and not handwritten and shall not in any event have content that is of a prurient nature.

7.5 Removal of Signs. The Condominium Board may, from time to time, temporarily remove any Sign in connection with any repairs, improvements, alterations, additions or replacements being made to the Building. In addition, the Board shall have the right to remove any Signs, including any Signs which belong to a Unit Owner, or an occupant thereof, if the removal of such Sign is required to complete repairs required by applicable laws and code ("Required Repairs"). In the event that to facilitate any Required Repairs it becomes necessary to remove any Signs which are the property of the Commercial Unit Owner, the Board will send not less than thirty (30) days prior notice of such removal, except in the event of an emergency, and the expected duration of the same, to the Commercial Unit Owner. If a Required Repair is needed, the Board will endeavor to coordinate the removal of a Sign with the Commercial Unit Owner to minimize interference with the use of the Commercial Unit for the permitted purposes thereof. In the event that a Sign which belongs to the Commercial Unit Owner (or its tenant) is to be removed for more than three (3) Business Days, the Condominium Board shall provide a location to the Commercial Unit Owner to place a temporary Sign comparable in size to the then existing Signs belonging to the Commercial Unit Owner and in compliance with all applicable laws, with such "sight-line" visibility as is commercially practicable (but subject to the rights of the Commercial Unit Owner or the Residential Board to have Signs on the Building), such temporary Sign to be removed upon the reinstallation of the prior existing Sign. The Commercial Unit Owner or its Tenant shall be responsible to provide any temporary sign to be posted at such location. The installation and removal of the permanent Sign and the temporary Sign shall all be performed at the sole expense of the Condominium Board and the cost therefor shall be included in General Common Charges. In the event that any Unit Owner interferes with the ability of the Board to perform any Required Repairs, the Board may commence an action to obtain declaratory relief and, in the event that the Board prevails, any legal fees incurred by the Board in connection with such action shall be paid by such Unit Owner.

7.6 Use of Scaffolding and Sidewalk Sheds. The Board may install and maintain scaffolding or a sidewalk bridge outside the Property if required by applicable laws or needed for repair of the building structure or roof or a building system. If scaffolding is not required pursuant to any applicable law, order or regulation, or insurance requirements, the Board may not install scaffolding outside of the Commercial Unit without prior written consent of the Commercial Unit Owner which may be withheld in the reasonable discretion of the Commercial Unit Owner.

7.7 Scaffolding Requirements. The scaffolding shall (a) be erected in a manner which shall not unreasonably interfere with access to any entrances to the Commercial Unit, (b) shall be "double height", (c) to the extent practicable, not minimize the visibility of any windows and signs of the Commercial Unit except on a temporary basis, and provided such owners/tenants are

given prior notice, (d) if reasonably possible, be of sufficient height so as to clear any then existing marquis, if any and the existing signs appurtenant to the Commercial Unit, (e) have all exposed bolts protected to prevent pedestrian accidents, and (f) have lighting below the scaffolding as required by applicable law. The Board shall use commercially reasonable efforts to have the scaffolding removed as soon as practicable, and the Board shall repair any damage to the sidewalk or Building caused by the installation or removal of the scaffolding. If the visibility of any of the Exterior Signs installed by the Commercial Unit Owner is impaired by the scaffolding, or such Sign must be removed for more than one (1) Business Day, such Unit Owner (or its tenant) may install and maintain on the scaffolding, for so long as such scaffolding remains, a Sign identifying such Unit Owner or its tenant to provide the Commercial Unit Owner (or its tenant) with the same or better "sight-line" visibility, but only if such signs are permitted by applicable laws (but subject to the rights of the other Unit Owners to have signage on scaffolding). The installation and removal of the permanent Sign, if necessary, shall be performed at the sole expense of the Condominium Board and the cost therefor shall be included in General Common Charges. The installation of the Signs on the scaffolding shall be installed at the sole cost and expense of the Commercial Unit Owner (or its tenant), provided, however, if such scaffolding is erected in an emergency, the Condominium Board shall endeavor to install such Signs for the Commercial Unit as soon as reasonably practicable. Except in the event of emergencies or Required Repairs, the Board shall (x) deliver written notice to the Commercial Unit Owner no less than three (3) weeks in advance of placing scaffolding outside the Building, the extent and location of the scaffolding and the expected duration of the scaffolding being located outside of the Building. Any temporary Signs shall be promptly removed upon dismantling of scaffolding.

ARTICLE 8

MORTGAGES

8.1 Permitted Mortgages. As used herein the term "Permitted Mortgagee" means the holder of any Permitted Mortgage encumbering a Unit or Units which is permitted to be placed thereon pursuant to this Article 8. As more fully set forth in this Article 8, each Unit Owner may mortgage its Unit, if applicable, to a bank, trust company, insurance company, savings and loan association or any institutional or non-institutional lender, including, without limitation, the seller of a Unit, as a Permitted Mortgagee, provided that (a) the mortgage be substantially in the form of the New York statutory form of mortgage, except for such changes or additions as may be required to permit a lender to make the loan, (b) the Board is notified in writing of the making of such mortgage, and (c) the Unit Owner making such mortgage first satisfies all unpaid liens against its Unit, if applicable, other than Permitted Mortgages.

8.2 Notice to Condominium Board. A Unit Owner who mortgages its Unit, if applicable or the holder of such mortgage shall notify the Board in the case of all or portion of any Unit, of the name and address of the mortgagee and shall file a conformed copy of the note and mortgage with the Board. A Unit Owner who satisfies a mortgage covering its Unit shall so notify the Board and shall file a conformed copy of the satisfaction of mortgage with the Board. The Board shall maintain such information in a book entitled "Mortgages of Units."

8.3 Notice of Default and Unpaid Common Charges. Whenever so requested in writing by a Permitted Mortgagee, the Board shall promptly report to such Permitted Mortgagee any default in the payment of Common Charges, as the case may be, or any other default by the Unit Owner of such Unit under the provisions of the Declaration or these By-Laws which may, to the Board's knowledge, then exist. The Board, when giving notice to a Unit Owner of any such default, shall, if requested, also send a copy of such notice to any Permitted Mortgagee thereof.

8.4 Performance by Permitted Mortgagees. The Board, as the case may be, shall accept payment of any sum or performance of any act by any Permitted Mortgagee of a Unit Owner required to be paid or performed by such Unit Owner pursuant to the provisions of the Declaration, these By-Laws or the Rules and Regulations, with the same force and effect as though paid or performed by such Unit Owner.

8.5 Examination of Books. The Board shall keep detailed, accurate records, in chronological order, of the receipts and expenditures arising from the operation of the Property. Such records and the vouchers authorizing the payments shall be available for examination by the Unit Owners and Permitted Mortgagees thereof during business hours upon reasonable prior notice. A written report summarizing such receipts and expenditures shall be rendered by the Board to the Unit Owners at least once annually.

8.6 Representatives of Mortgagees.

8.6.1 In the manner more particularly set forth in subsection 8.6.2 hereof, the holders of Institutional Mortgages (as hereinafter defined) may, at their election, designate one or more (but not more than three (3) representatives ("Mortgage Representatives") who shall be empowered to act on behalf of all holders of Institutional Mortgages with respect to any matter requiring their consent or approval pursuant to the Declaration or these By-Laws. If any Mortgage Representatives are so designated and notice thereof is given to the Board, the act of any such Representative (or a majority of such Representatives, if more than one is so designated) shall be deemed binding upon the holders of all Institutional Mortgages. As used herein, the term "Institutional Mortgage" means any first mortgage covering a Unit or Units (a) which is a Permitted Mortgage, and (b) the initial holder of which is (i) the Residential Unit Owner or its designee, (ii) a savings bank, savings and loan association, bank or trust company, insurance company, real estate investment trust or mortgage trust, commercial bank, investment bank, or any other financial institution organized under the laws of the United States or any state thereof, (iii) a federal, state, municipal, teacher's or union employee, welfare, pension or retirement fund or system, (iv) any opportunity or other fund, or institutional investor investing in mortgages, (v) any transferee or assignee, purchaser in a foreclosure sale, transferee pursuant to a deed-in-lieu of foreclosure, nominee or designee of any of the foregoing, or (vi) any affiliate of any of the foregoing.

8.6.2 Any designation of a Mortgage Representative made by the holders of Institutional Mortgages constituting a majority in principal amount of all Institutional Mortgages shall be binding upon the holders of all Institutional Mortgages. Any such designation of any Mortgage Representative shall remain effective until (a) any subsequent designation thereof is made pursuant to the provisions hereof and (b) notice of such

subsequent designation is given to the Board. Unless otherwise permitted by applicable law, all Permitted Mortgagees, other than holders of an Institutional Mortgage, shall have no right to participate in the selection of Mortgage Representatives, but shall be subject to all determinations made by such Mortgage Representatives pursuant to the Declaration or these By-Laws.

8.6.3 No more than one Residential Mortgage Representative shall be designated by the holders of mortgages (a) which satisfy the conditions set forth in the By-Laws (as described herein) and (b) which holders of such mortgages are (i) Declarant or its successor-in-interest, (ii) a bank, trust company, insurance company, real estate investment or mortgage trust or (iii) a governmental or union employee, welfare, pension or retirement fund or system.

8.7 Consent of Mortgagees. Except as otherwise expressly provided for herein or in the Declaration, no consent or approval by any mortgagee shall be required with respect to the determination or act of the Board, any office or any Unit Owner, provided, however, that nothing contained herein shall be deemed to limit or affect the rights of any mortgagee against its mortgagor.

ARTICLE 9

SELLING, LEASING AND MORTGAGING OF UNITS

9.1 Selling and Leasing. Subject to the compliance by such Unit Owner with the applicable provisions of the Condominium Act and Section 352 of the New York General Business Law, the following restriction apply to the sale or lease of any Unit in the Condominium:

9.1.1 No Unit Owner shall lease its Unit or any portion thereof or permit its Unit, or any portion thereof to be used or occupied by anyone other than for the permitted uses set forth in the Declaration and in these By-Laws.

9.1.2 Any lease entered into by any Unit Owner shall be consistent with and subordinate to the Declaration and to these By-Laws and shall provide a reference that a commercial tenant shall maintain, at its expense, public liability insurance policies naming as parties insured the Condominium, the Condominium Board, as agent for the Unit Owners, and the Residential Board, and their respective agents, if any, in such amounts as may then be customarily required by landlords with respect to similar commercial tenancies in the City of New York. Any insurance policy to be maintained pursuant to the terms of any such lease shall provide, if available, that said policy shall not be cancelled or materially amended without at least twenty (20) days' prior written notice to the Condominium Board, the Residential Board or the Commercial Unit Owner, as applicable.

9.1.3 No lease entered into by any Residential Unit Owner shall have a term of less than 30 days. Any Lease for a Residential Unit having a term of less than 60 days shall be void ab initio and the Residential Unit Owner that enters into any such lease shall be responsible for any legal fees incurred by the Residential Board causing the Unit to be vacated.

9.2 Selling and Leasing of Residential Units. No Residential Unit Owner of a Residential Unit other than the Declarant (which is the sponsor of an offering plan for the sale of the Residential Units), a successor owner of the Unsold Units (as such term is defined in any such Offering Plan) may sell or lease his Unit, if applicable, except by complying with the following provisions: Any Residential Unit Owner who receives a bona fide offer to (a) purchase his or her Residential Unit together with its appurtenant Common Interest, or (b) lease his or her Residential Unit (such offer to purchase or lease a Residential Unit, as the case may be, is called an "Outside Offer", the party making any such Outside Offer is called an "Outside Offeror" and the Residential Unit Owner to whom the Outside Offer is made is called an "Offeree Unit Owner"), which he or she intends to accept, shall give notice by certified or registered mail, return receipt requested, to the Residential Board of the receipt of such Outside Offer. Said notice shall include the name and address of the Outside Offeror, the terms of the proposed transaction (including, but not limited to, the intended closing date in the event of a purchase or intended occupancy date in the event of a lease) and such other information as such Board may reasonably require. The giving of such notice to the Residential Board, on behalf of all the Unit Owners represented by the Residential Board, shall constitute an offer by such Unit Owner to sell his or her Residential Unit together with its appurtenant Common Interest or to lease his or her Residential Unit to the Residential Board, or its designee, corporate or otherwise, upon the same terms and conditions as contained in such Outside Offer and shall also constitute a representation and warranty by the Residential Unit Owner who has received such Outside Offer to the Residential Board acting on behalf of all Residential Unit Owners that such Residential Unit Owner believes the Outside Offer to be bona fide in all respects. The Offeree Unit Owner shall submit in writing such further information with respect thereto as such Board may reasonably request. Not later than twenty (20) days after receipt of such notice together with such information as may have been requested, such Board may elect, by sending written notice to such Offeree Unit Owner before the expiration of said twenty (20) day period, by hand delivery or by certified or registered mail, return receipt requested, or by reputable overnight courier, *e.g.*, FEDEX, to purchase such Residential Unit together with its appurtenant Common Interest or to lease such Residential Unit, as the case may be (or to cause the same to be purchased or leased by its designee, corporate or otherwise), on behalf of all Unit Owners represented by such Board, upon the same terms and conditions as contained in the Outside Offer and as stated in the notice from the Offeree Unit Owner.

9.2.1 In the event the Residential Board shall timely elect to purchase a Residential Unit together with its appurtenant Common Interest or to lease such Residential Unit or to cause the same to be purchased or leased by its designee, corporate or otherwise, then (a) with respect to a purchase, title shall close at the office of the attorneys for such Board, in accordance with the terms of the Outside Offer, within forty five (45) days after the giving of notice by such Board of its election to accept such offer and (b) with respect to a lease, the lease, upon the terms set forth in the Outside Offer, shall be executed and deemed effective on the date such Board elects to accept such offer. Notwithstanding the foregoing, in the event that the closing date with respect to a purchase or the commencement date of the term of the lease, as the case may be, set forth in the Outside Offer, shall be later than forty five (45) days after the giving of notice by such Board of its election to accept the aforesaid offer, such Board shall be required to perform or cause to be performed all of the terms of the Outside Offer (except as otherwise expressly set forth in this Article 8) including, but not limited to, payment of a down payment or advance rentals and security deposits, as the case may

be, and such closing of title or the commencement of the term of the lease shall be the date set forth in the notice to such Board referred to in subsection 8.1.1 as the intended closing date or commencement date, as the case may be. If pursuant to such Outside Offer, the Outside Offeror was to assume or take title to the Residential Unit subject to the Offeree Unit Owner's existing mortgage or mortgages, the Board may purchase said Residential Unit and assume or take title to the Residential Unit subject to said existing mortgage or mortgages, as the case may be. At the closing, the Offeree Unit Owner, if such Residential Unit together with its appurtenant Common Interest is to be sold, shall convey the same to the Residential Board, or to its designee, corporate or otherwise, on behalf of all Residential Unit Owners, by deed in the form required by Section 339-o of the Real Property Law of the State of New York, with all tax and/or documentary stamps affixed at the expense of such Offeree Unit Owner, who shall also pay all other taxes arising out of such sale. Real estate taxes (including water charges and sewer rents if separately assessed), mortgage interest, if any, and Common Charges shall be apportioned between the Offeree Unit Owner and the Board, or its designee, corporate or otherwise, as of the closing date. In the event such Residential Unit is to be leased, the Offeree Unit Owner shall execute and deliver to the Board, or to its designee, corporate or otherwise, a lease between the Offeree Unit Owner, as landlord, and the Board, or its designee, corporate or otherwise, as tenant, covering such Residential Unit, for the rental and term contained in such Outside Offer.

9.2.2 In the event the Board or its designee shall fail to accept such offer within twenty (20) days after receipt of notice, as aforesaid, the Offeree Unit Owner shall have an additional 60 days to accept the Outside Offer by executing and delivering a contract or lease, as the case may be. In the event the Offeree Unit Owner shall not, within such 60-day period, accept in writing the Outside Offer, or if the Offeree Unit Owner shall accept the Outside Offer within such 60-day period, but such sale or lease, as the case may be, shall not be consummated within an additional 60 days following the expiration of such 60-day period, then, should such Offeree Unit Owner thereafter elect to sell such Residential Unit together with its appurtenant Common Interest or to lease such Residential Unit, as the case may be, the Offeree Unit Owner shall be required to again comply with all the terms and provisions of this Section 8.1. Notwithstanding the foregoing, the Residential Board, in its discretion, may waive the Offeree Unit Owner's obligation to comply with either or both of the 60-day periods described herein or may extend either or both such periods, provided that such waiver or extension shall only be effective if in writing.

9.2.3 Any deed to an Outside Offeror shall be deemed to provide that the acceptance thereof by the grantee shall constitute an assumption of the provisions of the Declaration, these By-Laws and the Rules and Regulations, as the same may be amended from time to time.

9.2.4 Notwithstanding anything contained in this Article 8 to the contrary, the Residential Board shall have the right to reject the purchase or lease of a Residential Unit without the necessity of exercising a right of first refusal if the purchaser or lessee of a Residential Unit or a person who will be residing in their unit has diplomatic immunity or has been convicted of a violent crime or child molestation.

9.2.5 Any lease executed in connection with the acceptance of any Outside Offer to lease a Residential Unit shall be consistent with these By-Laws and shall provide that the lease may not be materially modified, amended or extended without the prior consent in writing of the

Residential Board, that the tenant shall not assign his interest in such lease or sublet the demised premises or any part thereof without the prior consent in writing of such Board and that such Board, if permitted by applicable law, shall have power to terminate such lease and/or to bring summary proceedings to evict the tenant in the name of the landlord thereunder, in the event of (i) a default by the tenant in the performance of its obligations under such lease, or (ii) a foreclosure of the lien granted by Section 339-z of the Real Property Law of the State of New York. Leases for Residential Units shall not be for terms shorter than one (1) year.

9.2.6 Except as hereinbefore set forth, the form of any such lease executed by the Residential Board or an Outside Offeror shall be a printed, reasonably applicable form of residential lease which is generally approved by the Board which governs the Unit to be leased and is accepted in New York City, such as an appropriate Real Estate Board of New York, Inc. or Blumberg form, and shall contain such modifications as shall be approved in writing by such Board. Any lease executed by the Residential Board as tenant shall provide to such Board may enter into a sublease of the premises without the consent of the landlord.

9.2.7 The foregoing restrictions of this Section 9.2 shall not apply to Unsold Units; the Sponsor of an Offering Plan for the sale of the Residential Units or any successor owner of the Unsold Units shall have the right to freely sell Unsold Units or to freely lease all or any part thereof without having to first offer the same for sale or lease to the Residential Board.

9.3 Selling and Leasing of the Commercial Unit. Subject only to the provisions of Section 9.1 hereof and other applicable provisions of the Declaration and these By-Laws as to the use and occupancy of the Commercial Unit, the Commercial Unit Owner may freely lease and sell the Commercial Unit.

9.4 Recognition and Non-Disturbance Agreement. The Condominium Board, at the written request of the Commercial Unit Owner, its tenant or the lender of its tenant, will enter into a non-disturbance agreement (the "Condominium Non-disturbance Agreement") with such tenant or tenant's lender on the terms set forth in this section; provided that the lease in question is for all of the Commercial Unit or for premises therein in excess of 1,250 square feet (each a "Qualifying Lease"); and provided further that such Unit Owner has not received a notice of default which has not been cured within applicable cure periods under the terms of the Declaration or these By-Laws at the time of such request. Pursuant to the terms of the Condominium Non-disturbance Agreement, the tenant will (i) acknowledge that the Qualifying Lease is subject and subordinate to the Declaration and the By-Laws and (ii) the Condominium Board will agree that so long as no event of default exists under said Qualifying Lease, as would entitle the Unit Owner, or any successor landlord under the Qualifying Lease, (a) to terminate the Qualifying Lease or (b) dispossess the tenant thereunder, the tenant shall not be named or joined in any action or proceeding to foreclose the Condominium Board's lien for Common Charges and/or Special Assessments, as applicable, on a Unit of which the demised premises under such Qualifying Lease forms a part or any other sums of any sort, that the Condominium Board will (a) recognize all of tenant's rights under the Qualifying Lease and (b) will not diminish, terminate or disturb tenant's possession or rights under the Qualifying Lease, expand any of tenant's obligations under the Qualifying Lease or under the Declaration or these By-Laws, or obligate tenant to comply with any of the provisions of the Declaration or these By-Laws, except as expressly provided herein and in the applicable Qualifying

Lease, and (c) will recognize tenant as the direct tenant of the Condominium Board or its successor on the same terms and conditions as are contained in the Qualifying Lease and the tenant's use, possession, or enjoyment of the Unit (or portion thereof) in question shall not be interfered with, nor shall the leasehold estate granted by the Qualifying Lease be affected in any manner, nor shall any of the rights of the tenant granted under the Qualifying Lease be affected in any manner, in any foreclosure or other action or proceeding instituted under or in connection with such lien or in the exercise of any rights of the Condominium Board, or, in case the Condominium Board takes possession of said Unit pursuant to any provision of the Declaration or By-Laws, or otherwise; provided however, that if the Condominium Board or any other party succeeds to the interests of the Unit Owner under the Qualifying Lease, the tenant will agree to be bound to the Condominium Board or other party under all of the terms, covenants and conditions of the Qualifying Lease and the tenant will attorn to the Condominium Board or other party as its landlord. Pursuant to the terms of the Condominium Non-disturbance Agreement, the Condominium Board shall not be (w) liable for any previous act or omission of the landlord under such Qualifying Lease; (x) subject to any abatements, deductions, claims, offsets or defenses, which theretofore accrued to the tenant against the landlord; (y) bound by any previous prepayment (other than a scheduled prepayment provided for in such Qualifying Lease) of more than one month's rent; or (z) obligated to repair, replace, rebuild or restore the premises covered by the Qualifying Lease (or any portion thereof) in the event of a casualty or condemnation, except to the extent that the same can be accomplished from the proceeds of insurance or condemnation awards actually received by or made available to the Condominium Board (or its successor). The Condominium Board, at the request of the Commercial Unit Owner, its tenant or the tenant's lender, shall execute and deliver promptly the Condominium Non-disturbance Agreement and any other agreement that any tenant may reasonably request in confirmation of the foregoing in form reasonably satisfactory to the Condominium Board. The Commercial Unit Owner shall be responsible for all reasonable costs and expenses, including without limitation reasonable attorneys' fees of the Condominium Board, in connection with such Condominium Non-disturbance Agreement.

9.5 No Severance of Ownership. No Unit Owner shall execute any deed, mortgage or other instrument conveying or mortgaging title to its Unit, if applicable, without including therein the appurtenant Common Interests in the General Common Elements or the Residential Common Elements, as applicable, it being the intention to prevent any severance of such combined ownership. No part of the appurtenant Common Interests in the General Common Elements and the Residential Common Elements, if applicable, of any Unit may be sold, conveyed or otherwise disposed of, except as part of a sale, conveyance or other disposition of the Unit to which such interests are appurtenant or as part of a sale, conveyance or other disposition of such part of the appurtenant Common Interests and Residential Common Interests (if applicable) of all Units. Any such deed, mortgage or other instrument purporting to affect one or more of such interests without including all such interests shall be deemed and taken to include the interest or interests so omitted even though the latter shall not be expressly mentioned or described therein. Nothing in this Section 9.5 shall permit the lease of any Unit without the simultaneous lease of the appurtenant Common Interests and Residential Common Interests, if applicable.

9.6 Waiver of Right of Partition with Respect to Units Acquired on Behalf of Unit Owners as Tenants-in-Common. In the event that any Unit shall be acquired by the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners, as tenants in common,

all Unit Owners shall be deemed to have waived all rights of partition with respect to such acquired Unit and the entire Property as herein provided.

9.7 Payment of Assessments. No Unit Owner shall be permitted to convey, mortgage, pledge, hypothecate or lease its Unit, if applicable, unless and until he shall have paid in full to the Board all unpaid Common Charges theretofore assessed against such Unit, if applicable, and until such Unit Owner shall have satisfied all unpaid liens against its Unit, if applicable, other than Permitted Mortgages.

9.8 Mortgage of Units. Subject to Article 8 and Section 9.5 hereof, each Unit Owner shall have the right to mortgage its Unit, if applicable, without restriction, provided that any such mortgage covering a Unit, if applicable, shall be substantially in the form of the New York statutory form of mortgage, except for such changes or additions as may be required in order to permit a particular bank, trust company, insurance company, savings and loan association or other institutional or non-institutional lender to make the mortgage loan.

ARTICLE 10

CONDEMNATION

10.1 Condemnation and Eminent Domain. In the event of the taking in condemnation or by eminent domain of all or any part of the General Common Elements, Residential Common Elements or Limited Common Elements, the Board, subject to the provisions set forth below, will arrange for the prompt repair and restoration of such part of the General Common Elements, Residential Common Elements or Limited Common Elements not so taken which, pursuant to the provisions of these By-Laws, are required to be maintained by the Board. The award made for any such taking shall be payable to the Board responsible for the repair and restoration thereof, as aforesaid, provided, however, that if any such award exceeds $500,000.00, such award shall be payable to the Insurance Trustee and shall be disbursed to the contractors engaged in such repair and restoration, if any, in appropriate progress payments. If the net proceeds of any such award are insufficient to cover, or if such net proceeds exceed, the cost of any repairs and restorations, the deficit or surplus, as the case may be, will be borne and shared by all Unit Owners with respect to any taking of the General Common Elements or Residential Common Elements, if applicable, as may be determined by an appraiser based upon the relative impact of such Taking on the Building and/or the Residential Section. Any such appraiser retained to prepare such an appraisal shall be an "MAI" appraiser and shall have no less than ten (10) years' experience valuing mixed use buildings in New York, NY. In the event of any dispute with respect to the determination of the appraiser, such dispute shall be submitted to Arbitration, which shall be conducted in a "baseball format". Notwithstanding any provisions contained herein to the contrary, in the event that (1) 75 percent or more in Common Interest of all Unit Owners do not duly and promptly resolve to proceed with such repair or restoration of the General Common Elements, or the Residential Common Elements, or the Limited Common Elements, as the case may be, then such repairs or restorations of the General Common Elements, Residential Common Elements, and/or the Limited Common Elements, as applicable, shall not be made and the net proceeds of any such award with respect thereto shall be divided among the Unit Owners *pro rata* in accordance with the respective Common Interests, or, if

applicable, the Residential Common Interest, after first paying out of the share of each Unit Owner the amount of any unpaid liens on such Units. As used in this Article 10 the words "promptly resolve" shall mean not more than 60 days from the date of such taking.

ARTICLE 11

RECORDS AND AUDITS

11.1 Records. Each Board or the managing agent or manager of the Board shall keep detailed records of the actions of such Board, minutes of the meetings of such Board, minutes of the meetings of the Unit Owners for whom such Board serves and financial records and books of account with respect to the activities of the Board, including a listing of all receipts and expenditures.

11.2 Audits. Within four (4) months after the end of each fiscal year, an annual report of receipts and expenditures prepared and certified by an independent certified public accountant shall be submitted by the Condominium Board to all Unit Owners, and, if so requested, to any Permitted Mortgagee. The cost of such report submitted by the Condominium Board shall be paid by all Unit Owners as a General Common Expense.

11.3 Availability of Documents. Copies of the Declaration, these By-Laws, the Rules and Regulations and the Floor Plans, as the same may be amended from time to time, shall be maintained at the office of the Board and shall be available for inspection by Unit Owners and their authorized agents during reasonable business hours.

ARTICLE 12

ARBITRATION

12.1 General Procedure. Any arbitration provided for in these By-Laws shall be conducted before one (1) arbitrator in the Borough of Manhattan by the American Arbitration Association or any successor organization thereof, in accordance with its rules then in effect and the decision rendered in such arbitration shall be binding upon the parties and may be entered in any court having jurisdiction (sometimes referred to in these By-Laws and in the Declaration as "Arbitration"). In the event that the American Arbitration Association shall not then be in existence and has no successor, any arbitration hereunder shall be conducted in the Borough of Manhattan before one (1) arbitrator appointed, on application of any party, by any Justice of the highest court of appellate jurisdiction located in the County of New York. The decision of the arbitrator so chosen shall be given within ten (10) days after its appointment. All expenses of arbitration hereunder, including the fees and expenses of counsel and experts, shall be Common Expenses. Any arbitrator appointed or selected in connection with any arbitration hereunder shall be a member of a law firm whose principal office is in the Borough of Manhattan and which has at least five (5) members.

12.2 Agreement by Parties. The parties to any dispute required or permitted to be submitted to Arbitration hereunder may, by mutual agreement between them, modify any of the provisions of Section 12.1 hereof with respect to the arbitration of such dispute, or may agree to

resolve their dispute in any other manner, including, without limitation, the manner set forth in Section 3031 of the New York Civil Practice Law and Rules and known as the "New York Simplified Procedure for Court Determination of Disputes."

ARTICLE 13

MISCELLANEOUS

13.1 Waiver. No provision contained in these By-Laws or the Rules and Regulations shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

13.2 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 hereof.

13.3 Certain References.

13.3.1 A reference in these By-Laws to any one gender, masculine, feminine or neuter, includes the other two, and the singular includes the plural, and vice versa, unless the context otherwise requires.

13.3.2 The terms "herein," "hereof" or "hereunder" or similar terms used in these By-Laws refer to these entire By-Laws and not to the particular provision in which the terms are used.

13.3.3 Unless otherwise stated, all references herein to Articles, Sections or other provisions are references to Articles, Sections or other provisions of these By-Laws.

13.4 Severability. Subject to the provisions of the Declaration, if any provision of these By-Laws is invalid or unenforceable as against any person, party or under certain circumstances, the remainder of these By-Laws and the applicability of such provision to other persons, parties or circumstances shall not be affected thereby. Each provision of these By-Laws shall, except as otherwise herein provided, be valid and enforced to the fullest extent permitted by applicable law. In the event any provision of these By-Laws or the Rules and Regulations conflicts with the provisions of the Declaration, the provisions of the Declaration shall control.

13.5 Insurance Trustee. The Insurance Trustee shall be a bank or trust company designated by the Condominium Board and having a capital surplus and undivided profits of $100,000,000.00 or more. Any holder of Institutional Mortgage liens (as further qualified by this Section 13.5) on more than one (1) Unit shall have the right to require the Condominium Board to appoint such Institutional Mortgagee as Insurance Trustee. In the event the Insurance Trustee resigns or is replaced by the Condominium Board, the Condominium Board shall appoint a new Insurance Trustee which shall be a bank or trust company having a capital surplus and undivided profits of $100,000,000.00 or more. The Condominium Board shall pay the fees and disbursements of any Insurance Trustee and such fees and disbursements shall constitute a Common Expense.

13.6 Successors and Assigns. Except as set forth herein or in the Declaration to the contrary, the rights and/or obligations of Declarant or its designee as set forth herein shall inure to the benefit of and be binding upon any successor or assign of Declarant or its designee or, with the consent of Declarant or its designee, any transferee of some or all then Unsold Units then owned by Declarant or its designee, as the case may be. The rights and/or obligations of any Unit Owner as set forth herein shall inure to the benefit of and be binding upon any successors or assigns of such Unit Owner. Subject to the foregoing, the Residential Unit Owner, its designee, and/or any Unit Owner, as the case may be, shall have the right, at any time in their sole discretion, to assign or otherwise transfer their respective interests herein, whether by sale, merger, consolidation, lease, assignment or otherwise.

13.7 Covenant of Further Assurances.

13.7.1 Any party which is subject to the terms of these By-Laws, whether such party is a Unit Owner, a lessee or sublessee of a Unit Owner, an occupant of a Unit, a member or officer of the Board, or otherwise, shall, at the expense of any such other party requesting the same, execute, acknowledge and deliver to such other party such instruments, in addition to those specifically provided for herein, and take such other action, as such other party may reasonably request to effectuate the provisions of these By-Laws or any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

13.7.2 If any Unit Owner or other party which is subject to the terms of these By-Laws fails to execute, acknowledge or deliver any instrument, or fails or refuses within ten (10) days after request therefor, to take any action which such Unit Owner or party is required to execute, acknowledge and deliver or to take pursuant to these By-Laws, then the Board is hereby authorized, as attorney-in-fact for such Unit Owner or other party, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of such Unit Owner or other party and such document or action shall be binding on such Unit Owner or other party

13.7.3 If the Board, any Unit Owner or other party which is subject to the terms of these By-Laws fails to execute, acknowledge or deliver any instrument, or fails or refuses, within ten (10) days after request therefor, to take any action which the Board, such Unit Owner or party is required to execute, acknowledge and deliver or to take pursuant to these By-Laws at the request of the Residential Unit Owner, then the Residential Unit Owner is hereby authorized, as attorney-in-fact for the Board, Unit Owner or other party, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of the Board, such Unit Owner or other party and such document or action shall be binding on such Unit Owner, the Board or other party.

13.7.4 Consumer Price Index. Any reference in these By-Laws to the Consumer Price index ("CPI") shall mean the Consumer Price Index for All Urban Consumers (CPI-U) U.S. City Average, all items (1982-84=100) as published by the Bureau of Labor Statistics of the United States Department of Labor or if the same is discontinued, a replacement index published by the Department of Labor or other applicable Governmental

Authority. In the event that the CPI is converted to a different standard reference base or otherwise revised, the determination of any values subject to adjustment based upon the CPI shall be made with the use of such conversion factor, formula or table for converting the CPI as may be published by the Bureau of Labor Statistics or, if such Bureau shall not publish the same, then with the use of such conversion factor, formula or table as may be published by Prentice Hall, Inc., or any other nationally recognized publisher of similar statistical information. If the CPI ceases to be published, and there is no successor thereto, such other index as Board of Managers shall select shall be substituted for the CPI. To the extent that any threshold in the Declaration or these By-Laws is subject adjustment by the CPI, for such purpose: (i) the Base CPI shall be that in effect on the date the Declaration is recorded; and (ii) the Adjustment Index shall be CPI in effect on the anniversary of the month during which the Declaration is recorded, that precedes the date on which the relevant adjustment is to be made.

ARTICLE 14

AMENDMENTS TO THE BY-LAWS

14.1 Amendments by Unit Owners. Except as specifically provided herein or in the Declaration with respect to amendments, modifications, additions or deletions affecting: (a) any provision of these By-Laws may be added to, amended, modified or deleted by the vote of at least 66-2/3% in number and in Common Interest of all Unit Owners taken in accordance with the provisions of these By-Laws, provided, however, that the Common Interest appurtenant to each Unit as expressed in the Declaration shall not be altered without the written consent of all Unit Owners directly affected, provided however, that notwithstanding anything to the contrary contained herein or in the Declaration, any amendment, modification, addition or deletion to these By-Laws (including the Rules and Regulations) or the Declaration which has an adverse effect on the rights and benefits, or obligations or liabilities of the Commercial Unit Owner (other than to a *de minimus* extent) shall require the consent of the Commercial Unit Owner, (b) any provision of these By-Laws benefiting, protecting or otherwise affecting only (i) the Residential Section or the Residential Unit Owners may be amended, modified, added to or deleted upon consent by 66-2/3 percent of the Residential Unit Owners in accordance with the provisions of these By-Laws, and (ii) the Commercial Unit or the Commercial Unit Owner, specifically including, but not limited to Section 6.16, Article 7 and Section 9.3 hereof, may be amended, modified, added to or deleted only upon consent by the Commercial Unit Owner, provided however, to the extent provisions of these By-Laws restrict the use of the Commercial Unit, the addition, modification, deletion or amendment of such provisions require consent of the Commercial Unit Owner. Subject to the provisions contained herein or in the Declaration with respect to amendments, modifications, additions or deletions affecting the Declarant or its successor, Permitted Mortgagees, or the Commercial Unit or the Commercial Unit Owner, any such amendment, modification, addition or deletion shall be executed by the Condominium Board, as attorney-in-fact for all Unit Owners, coupled with an interest, which Condominium Board is hereby authorized by all Unit Owners to act as their attorney-in-fact. Notwithstanding the foregoing and subject to the provisions contained herein or in the Declaration with respect to amendments affecting the Declarant or its successor, any Unsold Unit, no amendment, modification, addition or deletion shall be effective as to Declarant without the prior approval of Declarant to any such amendment, modification, addition or deletion. Notwithstanding

any provision contained herein to the contrary, (i) no amendment, modification, addition or deletion pursuant to the provisions of the clause (a) above shall be effective without the written consent (which consent shall not be unreasonably withheld or delayed) of the Mortgage Representatives, if any, and (ii) the provisions of this Section 14.1 may not be amended, modified, added to or deleted unless (in addition to the consent, if required, of the Mortgage Representatives, as the case may be), 80 percent in number and in Common Interest of all Unit Owners affected thereby approve such amendment, modification, deletion or addition in the manner set forth above.

14.2 Amendments Affecting the Declarant. Notwithstanding any provision contained herein to the contrary, no amendment, modification, addition or deletion of or to these By-Laws, the Declaration or the Rules and Regulations shall be effective in any way (a) without the prior written consent of the affected Unit Owner with respect to any amendment, modification, addition or deletion of or to these By-Laws, the Declaration or the Rules and Regulations modifying the permitted uses of such Unit, or affecting their respective rights, privileges, easements, licenses or exemptions granted to the Unit Owners, (b) without the prior written consent of the Declarant or its successor, as the case may be, with respect to any amendment, modification, addition or deletion of or to these By-Laws, the Declaration or the Rules and Regulations modifying the permitted uses of the Building or any portion thereof or affecting the rights, privileges, easements, licenses or exemptions granted herein to the Declarant or its successor-in-interest, as the case may be, or otherwise affecting the Declarant or a successor owner of any Unsold Unit, as the case may be, or (c) without the prior written consent of the holder of any mortgage, pledge, or other lien or security interest then in force and effect covering any Unit, with respect to any amendment, modification, addition or deletion of or to these By-Laws, the Declaration, or the Rules and Regulations modifying the permitted uses of such Unit, or affecting the rights, privileges, easements, licenses or exemptions granted to the owner of such Unit.

14.3 Amendments Affecting Permitted Mortgagees. Notwithstanding any provision contained herein to the contrary, no modification, addition, amendment or deletion of or to Article 8 or Sections 6.2 and 6.4.2 hereof shall be effective as against the holder of any Permitted Mortgage theretofore made unless such holder has given its prior written consent thereto.

14.4 Amendments to be made by the Declarant. Notwithstanding any provision contained herein to the contrary other than Section 14.5, the Declarant, a successor owner of the Unsold Units, or a transferee who has the written consent of the Declarant, may, without the consent of the other Unit Owners and to the extent such authority is reserved to the Declarant, amend the By-Laws to the extent such amendment is required in order to correct a manifest error or to make a conforming amendment or modification that is otherwise consistent with the rights, terms and restrictions contained herein and in the Declaration.

EXHIBIT A

RULES AND REGULATIONS FOR THE RESIDENTIAL SECTION OF 500 WEST 25TH STREET CONDOMINIUM

1. Subject to the rights of Unit Owners with respect to those Common Elements reserved for exclusive or shared use, neither occupants nor their guests shall play in the entrances, passages, public halls, elevators, vestibules, corridors, stairways or on the roof of the Building.

2. Except as otherwise provided in the By-Laws, no public hall or public elevators of the Building shall be decorated or furnished by any Unit Owner in any manner. Except as otherwise provided in the By-Laws, the style, finish and hardware of the exterior side of the corridor doors shall not be altered.

3. Each Unit Owner shall keep its Unit in a good state of preservation and cleanliness, and shall not sweep or throw or permit to be swept or thrown therefrom, or from the doors or windows thereof, any dirt or other substance.

4. Other than as required by applicable law, no window guards 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, or the managing agent thereof, which approval shall not be unreasonably withheld or delayed. No ventilator, window screens or air-conditioning device shall be installed in the Residential Section or a Residence within any Residential Unit without the prior written approval of the Board, which approval may be granted or refused in the sole discretion of the Board.

5. No radio, television aerial or satellite dishes shall be attached to or hung from the exterior of the Building and no sign, notice, advertisement or illumination shall be inscribed or exposed on or at any window or other part of the Building except such as are permitted pursuant to the Declaration or By-Laws or shall have been approved in writing by the Board, or the managing agent thereof; nor shall anything be projected from any window of a Unit without similar approval.

6. 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 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 in such Unit Owner's Unit.

7. No baby carriages, shopping carts, bicycles, scooter and luggage shall be allowed to stand in the public halls, passageways or other public areas of the Building. The aforementioned items shall be allowed in the elevator only in such a manner so as not to cause damage to the Building. Motorcycles, velocipedes or any similar vehicles which require any petroleum motor fuel are strictly prohibited from the Building. The use of roller blades and skateboards in the Building is prohibited.

8. No Unit Owner shall make or permit any disturbing noises or activity in the Building, or do or permit anything to be done therein, which will interfere with the rights, comforts or conveniences of other Unit Owners. No Unit Owner shall play upon or suffer to be played upon any musical instrument, or operate or permit to be operated a phonograph or radio or television set or other loud speaker in such Unit Owner's Unit between 10:00 p.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 practice or suffer to be practiced either vocal or instrumental music between the hours of 10:00 p.m. and the following 8:00 a.m. Construction, repair work or other installation involving noise shall be conducted only on weekdays (Monday through Friday, 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.

9. Residents or tenants of any Residential Unit shall have the right to keep and harbor pets in their Residential Unit; however, such Residential Unit Owner's right shall be subject to the Board's right to revoke such Residential Unit Owner's right at any time if the Board determines in its sole discretion that such pet constitutes a nuisance or a danger to other occupants of the Building. In no event shall any bird, reptile or animal be permitted in the elevators of the Building, or in any of the public portions of the Building, unless carried in a cage or on leash. No pigeons or other birds or animals shall be fed from the window sills or other public portions of the Building or on the sidewalk or street adjacent to the Building.

10. Water closets and other water apparatus in the Building shall not be used for any purpose other than those for which they were designed, nor shall any sweepings, rubbish, rags or any other article be thrown into the same. Any damage resulting from misuse of any water closets or other apparatus in a Unit shall be repaired and paid for by the owner of such Unit.

11. No occupant of the Building shall send any employee of the Condominium or of the Managing Agent thereof out of the Building on any private business.

12. The agents of the Board or its Managing Agent, and any contractor or workman authorized by the Board or the Managing Agent thereof, may enter the Residential Unit or the Commercial Unit, at any reasonable hour of the day, on at least one (1) day's prior notice to the Unit Owner and the tenant of the Residential Unit, if applicable. Agents of the Board or the Managing Agent thereof shall also have the right to enter any Unit at any time in the event of an emergency.

13. The Condominium Board and the Managing Agent thereof may retain a passkey to all Condominium Units, and Residential Units. If any lock is altered or a new lock is installed, including any elevator lock, the Board or the Managing Agent thereof shall be provided with a key thereto immediately upon such alteration or installation. If the Unit Owner or a tenant of a Unit, if applicable, is not personally present to open and permit an entry to its Unit, at any time when an entry therein is necessary or permissible pursuant to these Rules and Regulations or the By-Laws and the Unit Owner has not furnished a key to the Board, the Residential Board or the Managing Agent thereof, as applicable, then the Board, the Residential Board or the Managing Agent, or their agents, in an emergency, and when specifically authorized (by an officer of the Condominium Board or an officer of the Managing Agent) may forcibly enter such Unit or a Residential within the Residential Unit without liability for damages or trespass by reason thereof (if during such entry reasonable care is given to such Unit Owner's property).

14. No vehicle belonging to a Unit Owner or to a member of the family or guest, tenant or employee of a Unit Owner shall be left unattended on any sidewalk surrounding the Building or in such manner as to impede or prevent ready access to any entrance to or exit from the Building by another vehicle.

15. The Condominium Board or its Managing Agent with respect to the General Common Elements or Residential Common Elements, may from time to time curtail or relocate any portion of the foregoing elements devoted to service purposes in the Building.

16. Complaints regarding the service of the Condominium shall be made in writing by the Unit Owners to the Condominium Board, or to the Managing Agent thereof.

17. Any consent or approval given under these Rules and Regulations may be added to, amended or repealed at any time by resolution of the Board.

18. Clothes and other articles shall not be dried or aired on the Balconies or Terraces of the Building or on any other public area of the Property.

19. Unit Owners shall not cause or permit any unusual or objectionable noises or odors to be produced upon or to emanate from their Units. Smoking is strictly prohibited in all Building Common Elements.

20. No Unit Owner or any of its agents, servants, employees, licensees or visitors shall at any time bring into or keep in its Unit any flammable, combustible or explosive fluid, material, chemical or substance, except as shall be necessary and appropriate for the permitted uses of such Unit.

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

22. Corridor doors shall be kept closed at all times except when in actual use for ingress or egress to and from public corridors.

23. Nothing shall be done or kept in any Unit or in the Common Elements which will increase the rate of insurance of the Building or contents thereof without the prior written consent of the Board. No Unit Owner shall permit anything to be done or kept in its Unit or in the Common Elements which will result in the cancellation of insurance on the Building or which would be in violation of any law. No waste shall be committed in the Common Elements.

24. No group tour or exhibition of any Unit or its contents shall be conducted, nor shall any auction sale be held in any Unit, without the consent of the Board or its Managing Agent, which consent may be withheld in the Board's sole discretion.

25. In the event that any Residential Unit is used for home occupation purposes which are permitted by law, in no event shall any patients, clients or other invitees be permitted to wait in any lobby, public hallway or vestibule.

26. With respect to any Residential Unit having a Balcony or Terrace appurtenant thereto, the following additional rules and regulations shall apply: All furniture must be "patio/terrace" furniture which is rust-proof. Any planting/landscaping must comply with all applicable laws and regulations. Plants may not exceed the total weight allowance of 50 pounds and must be planted in water-proof containers so as not to cause water leakage. Any damage caused by any Unit Owner's or its tenants' negligence shall be at such Unit Owner's sole cost and expense. All Balconies and Terraces must be kept clean and free from snow, ice, leaves, and debris and all screens and drains must be kept in good repair. The Unit Owners shall not remove any of the above items by putting them over any Balcony or Terrace walls, but shall remove said items either through the Unit or through drainage where appropriate. No hanging of any items, including but not limited to banners, laundry, decorations, etc., from any Balcony or Terrace wall, structure, railing or other temporary or permanent structure is permitted. No items including, but not limited to, climbing equipment, bikes, pools, children's toys, etc., may be stored on any Balcony or Terrace; any appropriate furniture, including table, chair cushions and umbrellas may be left on the Balconies or Terraces only if properly secured. No items can be placed on the Balcony or Terrace parapet wall and/or railing. In no event shall any Unit Owner be permitted or allowed to enclose any Balcony or Terrace (except to the extent that such Balcony or Terrace was enclosed by the Residential Unit Owner) or erect any structure on any Balcony or Terrace. No portion of any Balcony or Terrace may be painted, cemented or changed in any fashion from its original appearance. No carpeting may be placed on any Balcony or Terrace. Lighting fixtures may only be plugged into regulation sockets. No satellite dishes may be placed on any Balcony or Terrace. No animals, which include, but are not limited to dogs, cats, birds, are allowed on any Balcony or Terrace. The Board and the Residential Board shall have the right to require any Unit Owner to remove plantings, surfaces and other installations which have been placed on the Balconies or Terraces if the Board or the Residential Board determines, in its sole discretion, that such plantings or other installations may adversely affect the integrity of the Balcony or Terrace or other portion of the Building or is otherwise unsafe. In addition, the Residential Board or the Board shall have the right, in connection with any repair or maintenance work in the Building, to erect scaffolding temporarily on any Balcony or Terrace. The Residential Board may establish such other rules and regulations it deems necessary to protect the Common Elements, the Residential Common Elements the Units including the Residential Units within the Residential Section and to insure the integrity of the Building and the health and safety of the occupants.

27. There will be no barbecuing in the Units. Applicable law and regulations currently prohibit barbecuing on the Balconies and there are restrictions regarding barbequing on Terraces which may apply.

28. In the event that the Board receives complaints about noise emanating from any of the Residential Unit, the Board may request that, substantially all (which shall mean at least fifty (50%) percent) of the floor area be covered with carpeting or equally effective noise-reducing material (excepting areas similar to kitchens, pantries, bathrooms, maid's rooms, closets, and foyers in such Unit and also excepting work areas).

29. All Unit Owners and/or tenants shall comply with all requirements of applicable law and regulations of the Condominium Board regarding recycling of trash. All Unit Owners and/or tenants shall separate their trash into "recyclable" and "non-recyclable" materials. The Condominium Board may designate from time to time the types of materials which must be separated for recycling, the types of containers or binding to be used by Unit Owners and/or tenants for the disposal of designated recyclable materials, and the locations where designated recyclable materials shall be deposited. The Condominium Board may also establish other regulations regarding recycling of trash. Any costs incurred by the Condominium Board in the enforcement against Unit Owners and/or tenants of recycling requirements imposed by applicable law or by the Condominium Board, including but not limited to, legal fees and fines or penalties imposed on the Condominium Board by any government agency, shall be payable by the Unit Owner and/or tenant and shall be deemed a fine under the By-Laws.

30. The Condominium Board reserves the right to rescind, alter, waive or add, as to one or more or all occupants, any rule or regulation at any time prescribed for the Unit when, in the judgment of the Condominium Board, the Condominium Board deems it necessary or desirable for the reputation, safety, character, security, care, appearance or interests of the Condominium, or the preservation of good order therein, or the operation or maintenance of the Condominium, or the equipment thereof, or the comfort of Unit Owners, occupants or others in the Condominium. No rescission, alteration, waiver or addition of any rule or regulation in respect of one Unit Owner or other occupant shall operate as a rescission, alteration or waiver in respect of any other Unit Owner or other occupant.

31. Except as permitted under the Declaration and the By-Laws, Unit Owners, their families, guests, servants, employees, agents, visitors or licensees shall not at any time nor for any reason whatsoever enter upon or attempt to enter upon the roof of the Building.

32. The use of radios (including stereos and boom boxes) is not permitted on any Balcony or Terrace by any Unit Owner, any tenants of the Residential Units within the Residential Section, their families, guests, servants, employees, agents, visitors or licensees.

33. The Balconies and Terraces appurtenant to the Residential Unit or any Residential Units within the Residential Section shall be used for passive recreational use only *(i e.,* walking, reading and quiet personal enjoyment).

34. All visitors must be admitted by the intercom system when no lobby attendant is on duty. Non-residents who are not accompanied by a resident of the Building will not be allowed into the Building without authorization from a resident. Unit Owners are required to register the names of regular or repeat domestic employees with the Condominium Board.

35. The Condominium Board must be notified prior to the commencement of any alteration work. To the extent required under the Condominium Documents, written approval must be obtained from the Condominium Board before alterations (other than painting, wallpapering and carpeting) may be made to a Unit. After plans have been approved, there is a time limit of six (6) months for the completion of the construction or renovation work unless the time limit is extended by the Condominium Board. After receiving written approval for the proposed alteration, and at

least two (2) Business Days prior to the commencement of work, Unit Owners are required to inform the Managing Agent or Condominium Board in writing of the nature and extent of the work, installation, or proposed repair, the number of personnel involved and the estimated time for completion. Unit Owners will also assume financial responsibility and will indemnify the Condominium for any damage done to any other Unit, or to any Common Element. Construction personnel may work only between the hours of 8:00 a.m. and 5:00 p.m. from Monday through Friday, excluding national holidays. Prior to the commencement of work, Unit Owners are required to provide certificates of insurance for all contractors and subcontractors, naming the Condominium and the Managing Agents as additional insureds, as well as any required building permits.

36. No moving company will be permitted to enter the Building without first providing the Managing Agent or Condominium Board with a Certificate of Insurance.

37. Commercial film, video, and photographic shoots are not permitted in the Building, without the prior written permission of the Board of Managers.

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FORM OF INTERIM USE AND OCCUPANCY AGREEMENT

AGREEMENT made this ___ day of _____, 20___ between 500 WEST 25 OWNER LLC, having an office at c/o GDS Development LLC, 12-16 Vestry Street, 7th Floor, New York, New York 10013 (this "Agreement") (the "Sponsor") and _____, having an address at 500 West 25th Street, Unit ____, New York, New York 10001 (the "Purchaser").

WITNESSETH

WHEREAS, SPONSOR is the Sponsor of a condominium conversion of premises located at 500 West 25th Street, New York, New York and;

WHEREAS, PURCHASER has executed a Purchase Agreement for Unit _____ (the "Unit") at said premises, and;

WHEREAS, PURCHASER wishes to occupy said Unit prior to the closing of title;

NOW, THEREFORE, in conformity with the terms and conditions of the Offering Plan filed with the Attorney General of the State of New York, the parties agree as follows:

1) Commencing on _____, 201___, and terminating as hereinafter specified, PURCHASER shall have the right to use and occupy the aforementioned Unit.

2) PURCHASER shall pay a fee for use and occupancy of the Unit of $_____ per month. It is understood that this use and occupancy fee is not rent, and that no landlord-tenant relationship has been created between the parties, and that this Agreement is not governed or subject to any rent regulatory laws. PURCHASER has deposited with SPONSOR, and SPONSOR recognizes that PURCHASER has deposited the sum of $_____ representing a deposit under the Purchase Agreement. **PURCHASER'S deposit of $_____ shall be applied against the purchase price of the Unit at closing and is subject to forfeiture by PURCHASER in event of his default under the Purchase Agreement, subject to the limitations set forth in the Plan.** In the event of default, SPONSOR is irrevocably authorized to pay the use and occupancy from such deposit as same becomes due.

3) The use and occupancy fee for the month in which closing occurs shall be adjusted at closing. No portion of the use and occupancy fee will be applied to the purchase price of the Unit. **Any unapplied use and occupancy fee shall be refundable to PURCHASER at closing.**

4) The terms of the Offering Plan and all related documents in effect as of the date hereof are incorporated in and made a part of this Agreement. To the extent that there are any inconsistencies between this Agreement and the Offering Plan, the provisions of the Offering Plan shall control.

5) As of the date of this Agreement, risk of loss to the Unit and its contents by fire of other hazard shall be determined pursuant to the terms of the Purchase Agreement for such Unit, as contained in the Offering Plan for the premises in effect as of the date hereof, as if PURCHASER were the owner of such Unit.

6) PURCHASER shall pay all utility costs and make any repairs to the Unit for which he would be obligated as owner subject to the terms and provisions of Paragraph 12. SPONSOR will not be responsible for ordinary wear and tear to the Unit during the PURCHASER'S occupancy.

7) PURCHASER may not make any alterations to the Unit without SPONSOR'S written consent.

8) This lease will terminate on the happening of the earliest of the following:

a. The closing;

b. Rescission ("Rescission") of the Purchase Agreement by PURCHASER under the Offering Plan; or

c. Default by PURCHASER.

9) Upon a non-monetary default by PURCHASER which is not cured within 30 days after notice thereof, or within fifteen (15) days after Rescission of the Purchase Agreement by PURCHASER, PURCHASER'S right to occupy the Unit will terminate, and PURCHASER must vacate the Unit. PURCHASER agrees to pay SPONSOR $500.00 per day for each day he remains in possession following the periods set forth above. SPONSOR is hereby irrevocably authorized to deduct said per diem sum directly from any amounts being held in escrow pursuant to the Purchase Agreement. Nothing contained herein shall be construed so as to limit SPONSOR'S ability to have PURCHASER evicted from the premises and to pursue any other legal remedy available to SPONSOR, nor shall anything herein be construed as a waiver by the SPONSOR of his right to retain, as liquidated damages, the down payment deposited upon execution of the Purchase Agreement.

10) Any default under this Agreement will be a default under the Purchase Agreement, and any default under the Purchase Agreement will be a default under this Agreement. Before Sponsor may utilize the default under this Agreement to declare a default under the Purchase Agreement, Sponsor must either obtain an order of eviction or other judgment or order from a court or agency of competent jurisdiction against the PURCHASER unless the PURCHASER has vacated the Unit. Any such default will terminate PURCHASER'S right to use and occupy, and will also terminate PURCHASER'S right to purchase the Unit, and shall result in loss of the down payment.

11) This Agreement may not be assigned, and may not be changed, except by signed, written instrument. This Agreement is the entire agreement between the parties as regards use and occupancy of the Unit pending closing.

12) As of the date hereof, PURCHASER confirms that all work required to be done in or about the subject Unit has been completed, that the condition of title as set forth in the PURCHASER'S title report is acceptable, and that in all respects PURCHASER agrees to accept the Unit in "as is" condition. As of the date hereof, PURCHASER waives any right whatsoever to cancel the Purchase Agreement, except in the event that a right of rescission is granted pursuant to the Offering Plan.

13) Failure to appear for closing within 30 days after delivery to PURCHASER of notice by fax or mail that SPONSOR is prepared to close shall be deemed a default both in this Occupancy Agreement and in the Purchase Agreement entitling SPONSOR to cancel the Purchase Agreement, retain all sums previously paid and remove PURCHASER from the subject Unit, and collect the increased use and occupancy fee set forth in Paragraph 9 above.

14) PURCHASER agrees as a term of this Occupancy Agreement to pay an Agreement preparation fee in the amount of $_____ to SPONSOR'S attorney.

15) This Interim Lease shall be of no force and effect if the Construction Lender has not provided its prior written approval to the terms herein (if the Unit remains encumbered by the Construction Loan mortgage lien), which consent may be withheld, delayed or conditioned at the sole discretion of the Construction Lender. Sponsor will provide a Purchaser with the construction lender's written consent prior to entering into an Interim Lease. This Interim Lease is subordinate to any mortgage granted by Sponsor as to the Unit or the Property in all respects.

16) In the event there are any inconsistencies between the Offering Plan and this Interim Lease, the terms of the Offering Plan shall govern.

IN WITNESS WHEREOF, the parties hereunto set their hands this _____ day of _____, 201____.

SPONSOR:

500 W 25 OWNER LLC

By: _____
Name:
Title:

PURCHASER:

By: _____

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First American Title™	Owner's Policy of Title Insurance
	ISSUED BY First American Title Insurance Company
Owner's Policy	POLICY NUMBER PROFORMA

Any notice of claim and any other notice or statement in writing required to be given to the Company under this policy must be given to the Company at the address shown in Section 18 of the Conditions.

COVERED RISKS

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B, AND THE CONDITIONS, **FIRST AMERICAN TITLE INSURANCE COMPANY**, a Nebraska corporation (the "Company") insures, as of Date of Policy and, to the extent stated in Covered Risks 9 and 10, after Date of Policy, against loss or damage, not exceeding the Amount of Insurance, sustained or incurred by the Insured by reason of:

1. Title being vested other than as stated in Schedule A.
2. Any defect in or lien or encumbrance on the Title. This Covered Risk includes but is not limited to insurance against loss from
   (a) A defect in the Title caused by
      (i) forgery, fraud, undue influence, duress, incompetency, incapacity, or impersonation;
      (ii) failure of any person or Entity to have authorized a transfer or conveyance;
      (iii) a document affecting Title not properly created, executed, witnessed, sealed, acknowledged, notarized, or delivered;
      (iv) failure to perform those acts necessary to create a document by electronic means authorized by law;
      (v) a document executed under a falsified, expired, or otherwise invalid power of attorney;
      (vi) a document not properly filed, recorded, or indexed in the Public Records including failure to perform those acts by electronic means authorized by law; or
      (vii) a defective judicial or administrative proceeding.
   (b) The lien of real estate taxes or assessments imposed on the Title by a governmental authority due or payable, but unpaid.
   (c) Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land. The term "encroachment" includes encroachments of existing improvements located on the Land onto adjoining land, and encroachments onto the Land of existing improvements located on adjoining land.
3. Unmarketable Title.
4. No right of access to and from the Land.

(Covered Risks Continued on Page 2)

In Witness Whereof, First American Title Insurance Company has caused its corporate name to be hereunto affixed by its authorized officers as of Date of Policy shown in Schedule A.

First American Title Insurance Company

Dennis J. Gilmore
President

Jeffrey S. Robinson
Secretary

(This Policy is valid only when Schedules A and B are attached)

For Reference:

File #: PROFORMA

Issued By:

Kensington Vanguard National Land Services of NY, LLC
39 West 37th Street, 3rd Floor
New York, NY 10018

This jacket was created electronically and constitutes an original document

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COVERED RISKS (Continued)

SCHEDULE A

Title Number 840097(F-NY-CC-EVB) Policy Number PROFORMA

Policy Date Policy Amount

1. Name of Insured:
   TBD
2. The estate or interest in the land which is covered by this policy is:
   Fee Simple
3. Title to the estate or interest in the land is vested in:
   TBD
4. The land referred to in this policy is described as follows:
   SEE SCHEDULE A DESCRIPTION ATTACHED HERETO

Schedule A Description

Title Number: 840097(F-NY-CC-EVB) Policy Number PROFORMA

The Condominium Unit (hereinafter called the "Unit") in the building (hereinafter called the "Building") known as _____ Condominium and by the street address 500 West 25th Street, in the Borough of Manhattan, City, County and State of New York, said Unit being designated and described as Unit No. _____ in that certain Declaration, dated _____, made pursuant to Article 9-B of the Real Property Law of the State of New York (hereinafter called the "Condominium Act") establishing condominium ownership of the Building and the land (hereinafter called the "Land") upon which the building is situate (which Land is more particularly described below and by this reference is made a part hereof), which declaration was recorded in the New York City Register's Office on _____ as CRFN _____ (which declaration and any amendments thereto, are hereinafter collectively called the "Declaration"). The Unit is also designated as Tax Lot _____ in Block 696 on the Tax Map of the City of New York for the Borough of Manhattan and on the Floor Plans of the Building filed with the Real Property Assessment Bureau of the City of New York as Condominium Plan No. _____ and filed in the New York City Register's Office on _____ as Map No. CRFN _____.

TOGETHER with an undivided _____% interest in the Common Elements (as such term is defined in the Declaration).

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

BEGINNING at the corner formed by the intersection of the westerly side of Tenth Avenue with the southerly side of West 25th Street;

RUNNING THENCE southerly along the westerly side of Tenth Avenue, a distance of 39 feet 6 inches;

THENCE westerly and parallel with the southerly side of West 25th Street, a distance of 75 feet;

THENCE northerly and parallel with the westerly side of Tenth Avenue, a distance of 39 feet 6 inches to the southerly side of West 25th Street;

THENCE easterly along the southerly side of West 25th Street, a distance of 75 feet to the point or place of BEGINNING.

Schedule B

Title Number: 840097(F-NY-CC-EVB) Policy Number: PROFORMA

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Water Tunnel Easement recorded as CRFN 2003000520200.
2. Water Grant recorded in Liber 382 Cp. 397.
3. Transfer and Distribution of Development Rights recorded as CRFN 2017000183003.
4. Notice of Zoning Lot Restrictions recorded as CRFN 2017000183004.
5. Any state of facts which an accurate survey may show including possible encroachment upon the unit being insured by adjoining units and/or common elements and possible encroachments of the insured unit upon adjoining units and/or common elements. Policy, however, will insure that any encroachments by the insured unit may remain undisturbed.
6. Power of attorney from purchaser(s) to the Board of Managers to be delivered at closing to be recorded in accordance with the terms of the Declaration of Condominium.
7. The Administrative Code of The City of New York provides for liens, for fees or charges regardless of the fact that said fees or charges may not yet be entered in the public records. Policy will except any loss, claim or damage for any unpaid fees or charges by The City of New York entered in the records of the Department of Finance after the date of closing.
8. Terms and conditions set forth in the Declaration of Condominium and By-Laws dated _____ recorded _____ but policy insures against damage occasioned by the premises not being a part of a condominium validly created pursuant to Article 9-B of the real property law as amended.

5. The violation or enforcement of any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
   (a) the occupancy, use, or enjoyment of the Land;
   (b) the character, dimensions, or location of any improvement erected on the Land;
   (c) the subdivision of land; or
   (d) environmental protection
   if a notice, describing any part of the Land, is recorded in the Public Records setting forth the violation or intention to enforce, but only to the extent of the violation or enforcement referred to in that notice.
6. An enforcement action based on the exercise of a governmental police power not covered by Covered Risk 5 if a notice of the enforcement action, describing any part of the Land, is recorded in the Public Records, but only to the extent of the enforcement referred to in that notice.
7. The exercise of the rights of eminent domain if a notice of the exercise, describing any part of the Land, is recorded in the Public Records.
8. Any taking by a governmental body that has occurred and is binding on the rights of a purchaser for value without Knowledge.
9. Title being vested other than as stated in Schedule A or being defective
   (a) as a result of the avoidance in whole or in part, or from a court order providing an alternative remedy, of a transfer of all or any part of the title to or any interest in the Land occurring prior to the transaction vesting Title as shown in Schedule A because that prior transfer constituted a fraudulent or preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws; or
   (b) because the instrument of transfer vesting Title as shown in Schedule A constitutes a preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws by reason of the failure of its recording in the Public Records
      (i) to be timely, or
      (ii) to impart notice of its existence to a purchaser for value or to a judgment or lien creditor.
10. Any defect in or lien or encumbrance on the Title or other matter included in Covered Risks 1 through 9 that has been created or attached or has been filed or recorded in the Public Records subsequent to Date of Policy and prior to the recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The Company will also pay the costs, attorneys' fees, and expenses incurred in defense of any matter insured against by this Policy, but only to the extent provided in the Conditions.

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
      (i) the occupancy, use, or enjoyment of the Land;
      (ii) the character, dimensions, or location of any improvement erected on the Land;
      (iii) the subdivision of land; or
      (iv) environmental protection;
      or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
   (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
   (a) created, suffered, assumed, or agreed to by the Insured Claimant;
   (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
   (c) resulting in no loss or damage to the Insured Claimant;
   (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
   (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
   (a) a fraudulent conveyance or fraudulent transfer; or
   (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

CONDITIONS

1. DEFINITION OF TERMS

The following terms when used in this policy mean:

(a) "Amount of Insurance": The amount stated in Schedule A, as may be increased or decreased by endorsement to this policy, increased by Section 8(b), or decreased by Sections 10 and 11 of these Conditions.

(b) "Date of Policy": The date designated as "Date of Policy" in Schedule A.

(c) "Entity": A corporation, partnership, trust, limited liability company, or other similar legal entity.

(d) "Insured": The Insured named in Schedule A.

(i) The term "Insured" also includes

(A) successors to the Title of the Insured by operation of law as distinguished from purchase, including heirs, devisees, survivors, personal representatives, or next of kin;

(B) successors to an Insured by dissolution, merger, consolidation, distribution, or reorganization;

(C) successors to an Insured by its conversion to another kind of Entity;

(D) a grantee of an Insured under a deed delivered without payment of actual valuable consideration conveying the Title

(1) if the stock, shares, memberships, or other equity interests of the grantee are wholly-owned by the named Insured,

(2) if the grantee wholly owns the named Insured,

(3) if the grantee is wholly-owned by an affiliated Entity of the named Insured, provided the affiliated Entity and the named Insured are both wholly-owned by the same person or Entity, or

(4) if the grantee is a trustee or beneficiary of a trust created by a written instrument established by the Insured named in Schedule A for estate planning purposes.

(ii) With regard to (A), (B), (C), and (D) reserving, however, all rights and defenses as to any successor that the Company would have had against any predecessor Insured.

(e) "Insured Claimant": An Insured claiming loss or damage.

(f) "Knowledge" or "Known": Actual knowledge, not constructive knowledge or notice that may be imputed to an Insured by reason of the Public Records or any other records that impart constructive notice of matters affecting the Title.

(g) "Land": The land described in Schedule A, and affixed improvements that by law constitute real property. The term "Land" does not include any property beyond the lines of the area described in Schedule A, nor any right, title, interest, estate, or easement in abutting streets, roads, avenues, alleys, lanes, ways, or waterways, but this does not modify or limit the extent that a right of access to and from the Land is insured by this policy.

(h) "Mortgage": Mortgage, deed of trust, trust deed, or other security instrument, including one evidenced by electronic means authorized by law.

(i) "Public Records": Records established under state statutes at Date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without Knowledge. With respect to Covered Risk 5(d), "Public Records" shall also include environmental protection liens filed in the records of the clerk of the United States District Court for the district where the Land is located.

(j) "Title": The estate or interest described in Schedule A.

(k) "Unmarketable Title": Title affected by an alleged or apparent matter that would permit a prospective purchaser or lessee of the Title or lender on the Title to be released from the obligation to purchase, lease, or lend if there is a contractual condition requiring the delivery of marketable title.

2. CONTINUATION OF INSURANCE

The coverage of this policy shall continue in force as of Date of Policy in favor of an Insured, but only so long as the Insured retains an estate or interest in the Land, or holds an obligation secured by a purchase money Mortgage given by a purchaser from the Insured, or only so long as the Insured shall have liability by reason of warranties in any transfer or conveyance of the Title. This policy shall not continue in force in favor of any purchaser from the Insured of either (i) an estate or interest in the Land, or (ii) an obligation secured by a purchase money Mortgage given to the Insured.

3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT

The Insured shall notify the Company promptly in writing (i) in case of any litigation as set forth in Section 5(a) of these Conditions, (ii) in case Knowledge shall come to an Insured hereunder of any claim of title or interest that is adverse to the Title, as insured, and that might cause loss or damage for which the Company may be liable by virtue of this policy, or (iii) if the Title, as insured, is rejected as Unmarketable Title. If the Company is prejudiced by the failure of the Insured Claimant to provide prompt notice, the Company's liability to the Insured Claimant under the policy shall be reduced to the extent of the prejudice.

4. PROOF OF LOSS

In the event the Company is unable to determine the amount of loss or damage, the Company may, at its option, require as a condition of payment that the Insured Claimant furnish a signed proof of loss. The proof of loss must describe the defect, lien, encumbrance, or other matter insured against by this policy that constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage.

5. DEFENSE AND PROSECUTION OF ACTIONS

(a) Upon written request by the Insured, and subject to the options contained in Section 7 of these Conditions, the Company, at its own cost and without unreasonable delay, shall provide for the defense of an Insured in litigation in which any third party asserts a claim covered by this policy adverse to the Insured. This obligation is limited to only those stated causes of action alleging matters insured against by this policy. The Company shall have the right to select counsel of its choice (subject to the right of the Insured to object for reasonable cause) to represent the Insured as to those stated causes of action. It shall not be liable for and will not pay the fees of any other counsel. The Company will not pay any fees, costs, or expenses incurred by the Insured in the defense of those causes of action that allege matters not insured against by this policy.

(b) The Company shall have the right, in addition to the options contained in Section 7 of these Conditions, at its own cost, to institute and prosecute any action or proceeding or to do any other act that in its opinion may be necessary or desirable to establish the Title, as insured, or to prevent or reduce loss or damage to the Insured. The Company may take any appropriate action under the terms of this policy, whether or not it shall be liable to the Insured. The exercise of these rights shall not be an admission of liability or waiver of any provision of this policy. If the Company exercises its rights under this subsection, it must do so diligently.

(c) Whenever the Company brings an action or asserts a defense as required or permitted by this policy, the Company may pursue the litigation to a final determination by a court of competent jurisdiction, and it expressly reserves the right, in its sole discretion, to appeal any adverse judgment or order.

6. DUTY OF INSURED CLAIMANT TO COOPERATE

(a) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding and any appeals, the Insured shall secure to the Company the right to so prosecute or provide defense in the action or proceeding, including the right to use, at its option, the name of the Insured for this purpose. Whenever requested by the Company, the Insured, at the Company's expense, shall give the Company all reasonable aid (i) in securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement, and (ii) in any other lawful act that in the opinion of the Company may be necessary or desirable to establish the Title or any other matter as insured. If the Company is prejudiced by the failure of the Insured to furnish the required cooperation, the Company's obligations to the Insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such cooperation.

(b) The Company may reasonably require the Insured Claimant to submit to examination under oath by any authorized representative of the Company and to produce for examination, inspection, and copying, at such reasonable times and places as may be designated by the authorized representative of the Company, all records, in whatever medium maintained, including books, ledgers, checks, memoranda, correspondence, reports, e-mails, disks, tapes, and videos whether bearing a date before or after Date of Policy, that reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the Insured Claimant shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect, and copy all of these records in the custody or control of a third party that reasonably pertain to the loss or damage. All information designated as confidential by the Insured Claimant provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of the Insured Claimant to submit for examination under oath, produce any reasonably requested information, or grant permission to secure reasonably necessary information from third parties as required in this subsection, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this policy as to that claim.

7. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY

In case of a claim under this policy, the Company shall have the following additional options:

(a) To Pay or Tender Payment of the Amount of Insurance.

To pay or tender payment of the Amount of Insurance under this policy together with any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment or tender of payment and that the Company is obligated to pay.

Upon the exercise by the Company of this option, all liability and obligations of the Company to the Insured under this policy, other than to make the payment required in this subsection, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.

(b) To Pay or Otherwise Settle With Parties Other Than the Insured or With the Insured Claimant.

(i) To pay or otherwise settle with other parties for or in the name of an Insured Claimant any claim insured against under this policy. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay; or

(ii) To pay or otherwise settle with the Insured Claimant the loss or damage provided for under this policy, together with any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay.

Upon the exercise by the Company of either of the options provided for in subsections (b)(i) or (ii), the Company's obligations to the Insured under this policy for the claimed loss or damage, other than the payments required to be made, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.

8. DETERMINATION AND EXTENT OF LIABILITY

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the Insured Claimant who has suffered loss or damage by reason of matters insured against by this policy.

(a) The extent of liability of the Company for loss or damage under this policy shall not exceed the lesser of

(i) the Amount of Insurance; or

(ii) the difference between the value of the Title as insured and the value of the Title subject to the risk insured against by this policy.

(b) If the Company pursues its rights under Section 5 of these Conditions and is unsuccessful in establishing the Title, as insured,

(i) the Amount of Insurance shall be increased by 10%, and

(ii) the Insured Claimant shall have the right to have the loss or damage determined either as of the date the claim was made by the Insured Claimant or as of the date it is settled and paid.

(c) In addition to the extent of liability under (a) and (b), the Company will also pay those costs, attorneys' fees, and expenses incurred in accordance with Sections 5 and 7 of these Conditions.

9. LIMITATION OF LIABILITY
   (a) If the Company establishes the Title, or removes the alleged defect, lien, or encumbrance, or cures the lack of a right of access to or from the Land, or cures the claim of Unmarketable Title, all as insured, in a reasonably diligent manner by any method, including litigation and the completion of any appeals, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused to the Insured.
   (b) In the event of any litigation, including litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals, adverse to the Title, as insured.
   (c) The Company shall not be liable for loss or damage to the Insured for liability voluntarily assumed by the Insured in settling any claim or suit without the prior written consent of the Company.
10. REDUCTION OF INSURANCE; REDUCTION OR TERMINATION OF LIABILITY
   All payments under this policy, except payments made for costs, attorneys' fees, and expenses, shall reduce the Amount of Insurance by the amount of the payment.
11. LIABILITY NONCUMULATIVE
   The Amount of Insurance shall be reduced by any amount the Company pays under any policy insuring a Mortgage to which exception is taken in Schedule B or to which the Insured has agreed, assumed, or taken subject, or which is executed by an Insured after Date of Policy and which is a charge or lien on the Title, and the amount so paid shall be deemed a payment to the Insured under this policy.
12. PAYMENT OF LOSS
   When liability and the extent of loss or damage have been definitely fixed in accordance with these Conditions, the payment shall be made within 30 days.
13. RIGHTS OF RECOVERY UPON PAYMENT OR SETTLEMENT
   (a) Whenever the Company shall have settled and paid a claim under this policy, it shall be subrogated and entitled to the rights of the Insured Claimant in the Title and all other rights and remedies in respect to the claim that the Insured Claimant has against any person or property, to the extent of the amount of any loss, costs, attorneys' fees, and expenses paid by the Company. If requested by the Company, the Insured Claimant shall execute documents to evidence the transfer to the Company of these rights and remedies. The Insured Claimant shall permit the Company to sue, compromise, or settle in the name of the Insured Claimant and to use the name of the Insured Claimant in any transaction or litigation involving these rights and remedies.
   If a payment on account of a claim does not fully cover the loss of the Insured Claimant, the Company shall defer the exercise of its right to recover until after the Insured Claimant shall have recovered its loss.
   (b) The Company's right of subrogation includes the rights of the Insured to indemnities, guaranties, other policies of insurance, or bonds, notwithstanding any terms or conditions contained in those instruments that address subrogation rights.
14. ARBITRATION
   Either the Company or the Insured may demand that the claim or controversy shall be submitted to arbitration pursuant to the Title Insurance Arbitration Rules of the American Land Title Association ("Rules"). Except as provided in the Rules, there shall be no joinder or consolidation with claims or controversies of other persons. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the Insured arising out of or relating to this policy, any service in connection with its issuance or the breach of a policy provision, or to any other controversy or claim arising out of the transaction giving rise to this policy. All arbitrable matters when the Amount of Insurance is $2,000,000 or less shall be arbitrated at the option of either the Company or the Insured. All arbitrable matters when the Amount of Insurance is in excess of $2,000,000 shall be arbitrated only when agreed to by both the Company and the Insured. Arbitration pursuant to this policy and under the Rules shall be binding upon the parties. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court of competent jurisdiction.
15. LIABILITY LIMITED TO THIS POLICY; POLICY ENTIRE CONTRACT
   (a) This policy together with all endorsements, if any, attached to it by the Company is the entire policy and contract between the Insured and the Company. In interpreting any provision of this policy, this policy shall be construed as a whole.
   (b) Any claim of loss or damage that arises out of the status of the Title or by any action asserting such claim shall be restricted to this policy.
   (c) Any amendment of or endorsement to this policy must be in writing and authenticated by an authorized person, or expressly incorporated by Schedule A of this policy.
   (d) Each endorsement to this policy issued at any time is made a part of this policy and is subject to all of its terms and provisions. Except as the endorsement expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsement, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance.
16. SEVERABILITY
   In the event any provision of this policy, in whole or in part, is held invalid or unenforceable under applicable law, the policy shall be deemed not to include that provision or such part held to be invalid, but all other provisions shall remain in full force and effect.
17. CHOICE OF LAW; FORUM
   (a) Choice of Law: The Insured acknowledges the Company has underwritten the risks covered by this policy and determined the premium charged therefor in reliance upon the law affecting interests in real property and applicable to the interpretation, rights, remedies, or enforcement of policies of title insurance of the jurisdiction where the Land is located.
   Therefore, the court or an arbitrator shall apply the law of the jurisdiction where the Land is located to determine the validity of claims against the Title that are adverse to the Insured and to interpret and enforce the terms of this policy. In neither case shall the court or arbitrator apply its conflicts of law principles to determine the applicable law.
   (b) Choice of Forum: Any litigation or other proceeding brought by the Insured against the Company must be filed only in a state or federal court within the United States of America or its territories having appropriate jurisdiction.
18. NOTICES, WHERE SENT
   Any notice of claim and any other notice or statement in writing required to be given to the Company under this policy must be given to the Company at **First American Title Insurance Company, Attn: Claims National Intake Center, 1 First American Way, Santa Ana, California 92707.**
   Phone: 888-632-1642.

SPONSOR'S CERTIFICATION

New York State Department of Law
120 Broadway
New York, New York 10271
Attention: Real Estate Financing Bureau

Re: 500 West 25th Street a/k/a 253-255 Tenth Avenue
New York, New York

Gentlemen:

We are the Sponsor and the principals of Sponsor of the condominium offering plan for the captioned property.

We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Department of Law in Part 20 and such other laws and regulations as may be applicable.

We have read the entire Offering Plan. We have investigated the facts set forth in the Offering Plan and the underlying facts. We have exercised due diligence to form a basis for this certification. We jointly and severally certify that the Offering Plan does, and that documents submitted hereafter by us which amend or supplement the Offering Plan will:

(i) set forth the detailed terms of the transaction and be complete, current and accurate;

(ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;

(iii) not omit any material fact;

(iv) not contain any untrue statement of a material fact;

(v) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;

(vi) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) not contain any representation or statement which is false, where we: (a) knew the truth, (b) with reasonable effort could have known the truth, (c) made no reasonable effort to ascertain the truth, or (d) did not have knowledge concerning the representation or statement made.

This certification is made under the penalty of perjury for the benefit of all persons to whom this offer is made. We understand the violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

500 W25TH OWNER LLC

By: _____
Michael Kirchmann, Manager

_____
Michael Kirchmann

_____
Alan Rudikoff

_____
Muhannad Abulhasan

Sworn to before me this
29 day of November, 2017

_____
Notary Public

Breana Nadia Hamilton
Notary Public, State of New York
Registration No. 01HA6345677
Qualified in King County
Commission Expires August 1, 2020

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GF55 PARTNERS

ARCHITECTURE/ INTERIOR DESIGN

CERTIFICATION OF SPONSOR'S ARCHITECT

STATE OF NEW YORK)

) ss:

COUNTY OF NEW YORK)

Re: 500 West 25th Street, New York, NY (the "Property")

The sponsor of the offering plan to convert the Property to condominium ownership retained our firm, GF 55 Architects LLC to prepare a report describing the construction of the Property (the "Report"). We prepared the plans and specifications for the Property on dated May 12, 2017, as amended by amendment dated June 6, 2018. In addition, we prepared the Report dated July 31, 2018, a copy of which is intended to be incorporated into the offering plan so that prospective purchasers may rely upon it.

We are registered architects in the State in which the Property is located.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as the same are applicable to this Report.

We have prepared and read the entire Report and have investigated the facts set forth in the Report and the facts underlying it with due diligence in order to form a basis for this certification. This certification is made for the benefit of all persons to whom this offer is made.

We certify that the Report:

(i) sets forth in narrative form the description and/or physical condition of the entire Property as it will exist upon completion of the construction, provided that the construction is in accordance with the plans and specifications that we prepared and 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 the construction, provided that the construction is in accordance with the plans and specifications that we prepared and examined;

(iii) does not omit any material fact;

(iv) does not contain any untrue statement of material fact;

DAVID E. GROSS AIA ¦ LEONARD FUSCO AIA ¦ SHAY ALSTER AIA

New York ¦19 W 21st Street ¦New York NY 10010 ¦212 352 3099

Miami ¦2001 Tyler Street ¦ Hollywood FL 33020 ¦954 589 2436

(v) does not contain any fraud, deception, concealment, or suppression;

(vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances; and

(vii) does not contain any representation or statement which is false, where we:

(a) knew the truth;
(b) with reasonable effort could have known the truth;
(c) made no reasonable effort to ascertain the truth; or
(d) did not have knowledge concerning the representation or statement made.

We further certify that we are not owned or controlled by and have no beneficial interest in the Sponsor and that our compensation for preparing this Report is not contingent on the conversion of the Property to a condominium or the profitability or price of the offering. This statement is not intended as a guarantee or warranty of the physical condition of the Property.

By:_____

Sworn to before me this

6TH day of SEPTEMBER, 2018

JAMES MILMOE
NOTARY PUBLIC-STATE OF NEW YORK
No. 01MI6326989
Qualified in Orange County
My Commission Expires June 29, 2019

Notary Public

CAMELOT
REALTY GROUP

CERTIFICATION OF SPONSOR'S EXPERT CONCERNING ADEQUACY OF BUDGET PURSUANT TO SECTION 20.4 (d) OF THE REGULATIONS ISSUED PURSUANT TO GENERAL BUSINESS LAW, ARTICLE 23-A AS AMENDED

January 16th, 2018

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

Re: 500 West 25th Street Condominium
500 West 25th Street, Brooklyn, New York

David Goldoff hereby certifies as follows:

The Sponsor of the Condominium Offering Plan for the referenced property retained our firm to prepare Schedule B to the Offering Plan containing projections of income and expenses for the first year of condominium operation, projected to occur April 1, 2019 through March 31, 2020.

The principals of Camelot Realty Group have been engaged in the management of residential and commercial real estate for more than ten (10) years. The principals have managed more than 40 buildings. The undersigned principal is a licensed Real Estate Broker in the State of New York.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as the same are applicable to Schedule B.

We have reviewed the Schedule and investigated the facts set forth in the Schedule and the facts underlying it with due diligence in order to form a basis for this certification. We also have relied on our experience in managing residential and mixed-use buildings.

We certify that the projection in the Schedule B appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses of the Condominium for the first year of condominium operation.

We certify that Schedule B:

(i) sets forth in detail the projection of income and expenses of Condominium operation for the fiscal year for the first year of condominium operation;

(ii) affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the projected operation of the condominium for the first year of condominium operation;

(iii) does not omit any material facts;

(iv) does not contain any untrue statement of a material fact;

(v) do not contain any fraud, deception, concealment, or suppression;

(vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances; and

(vii) does not contain any representation or statement which is false, where we: (a) knew that 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 the knowledge concerning the representations 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 so that prospective purchasers may rely on it. This statement is not intended as a guarantee or warranty of the income and expenses for the operation of the Condominium during the First Year of Operation.

This Certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that the violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

Name: David Goldoff
Title:

Sworn to before me this
16 day of January 2018

Notary Public

JOHN McGERIAN
Notary Public, State of New York
No. 02MC6171587
Qualified in Nassau County
Commission Expires August 13, 2019

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(ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the common charges payable by the owners of the commercial unit(s);

(iii) do not omit any material facts;

(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.

do not contain any representation or statement which is false, where we:

a. knew the truth;

b. with reasonable effort could have known the truth;

c. made no reasonable effort to ascertain the truth; or

d. did not have knowledge concerning the representation or statement made.

We further certify that we are not owned or controlled by the Sponsor. We understand that a copy of this certification is intended to be incorporated into the Offering Plan. This statement is not intended as a guarantee or warranty of the common charges fairly attributable to the commercial unit 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.

Camelot Realty Group

By: [signature]
Name: DAVID GOLDOFF
Title: President

Sworn to before me this day of 16th January, 2018

Notary Public

JOHN MEGERIAN
Notary Public, State of New York
No. 02ME6171587
Qualified in Nassau County
Commission Expires August 13, 2019

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CAMELOT
REALTY GROUP

CERTIFICATION OF SPONSOR'S EXPERT CONCERNING ADEQUACY OF COMMON CHARGES PAYABLE BY THE COMMERCIAL UNIT OWNERS PURSUANT TO SEC 20.4 (e) OF THE REGULATIONS ISSUED PURSUANT TO GENERAL BUSINESS LAW, ARTICLE 23-A AS AMENDED

May 10th, 2018

New York State Department of Law
Bureau of Real Estate Financing
120 Broadway, 23r[d] Floor
New York, New York 10271

Re: 500 West 25th Street Condominium
500 West 25th Street
New York, New York

500 W 25 Owner LLC, the Sponsor of the Condominium Offering Plan for the captioned property retained us to review Schedule B, which includes projections of common charges payable by the owners of the commercial unit. We are licensed Real Estate Brokers in the State of New York and have more than ten (10) years of experience in the management of investment and residential properties. The principals have managed more than 40 buildings.

We understand that we are responsible for complying with Article 23-A of the General Business Law and regulations promulgated by the office of the Attorney General in Part 20 insofar as they are applicable to the commercial unit listed in Schedule B.

We have reviewed the Schedule as it impacts upon the commercial unit and investigated the underlying facts with due diligence in order to form a basis for this certification. We have also relied on our experience in managing and owning residential buildings. We have more than ten (10) years of experience managing investment and residential properties.

We certify that the projections in Schedule B for common charges payable by the owner of the commercial unit appear reasonable and adequate under existing circumstances to meet the anticipated operating expenses fairly attributed to such commercial unit for the projected first year of condominium operation, and that the allocation of common charges attributable to the commercial unit also reflects special or exclusive use or availability or exclusive control of particular common areas.

We certify that the estimates in Schedule B for the common charges payable by the owners of the commercial unit:

(i) set forth in detail the projected common charges for the commercial unit for the first full year of condominium operation;

(ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the common charges payable by the owners of the commercial unit(s);

(iii) do not omit any material facts;

(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.

do not contain any representation or statement which is false, where we:

a. knew the truth;

b. with reasonable effort could have known the truth;

c. made no reasonable effort to ascertain the truth; or

d. did not have knowledge concerning the representation or statement made.

We further certify that we are not owned or controlled by the Sponsor. We understand that a copy of this certification is intended to be incorporated into the Offering Plan. This statement is not intended as a guarantee or warranty of the common charges fairly attributable to the commercial unit 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.

Name: David Goldoff

Title: president

Sworn to before me this day of

11th Day of May 2018

Notary Public

TIMOTHY A. POPKO
Notary Public, State of New York
No. 01PO6362082
Qualified in Kings County
Commission Expires July 31, 2020