CONDOMINIUM OFFERING PLAN

THE 301 EAST 81ST STREET CONDOMINIUM

301 EAST 81ST STREET
NEW YORK, NEW YORK 10075
NEW YORK COUNTY

32 Residential Units	**$184,725,000.00**
15 Storage Lockers	**$700,000.00**
Total Offering Amount	**$185,425,000.00**

The Condominium will include 1 Commercial Unit, which is not being offered for sale as of the Filing Date. Storage Lockers will be licensed for a fee. See Schedule A-1 for details.

SPONSOR:

1562/1564 Second Realty LLC
419 Lafayette Street, 5th Floor
New York, New York 10003

SELLING AGENT:

Douglas Elliman
575 Madison Avenue
New York, New York 10022

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

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

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

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

TABLE OF CONTENTS

PART I

Section		Page
SPECIAL RISKS		1
INTRODUCTION		23
DEFINITIONS		32
DESCRIPTION OF PROPERTY AND IMPROVEMENTS		40
LOCATION AND AREA INFORMATION		47
SCHEDULE A – PURCHASE PRICES OF UNITS AND RELATED INFORMATION		49
SCHEDULE A-1 – PURCHASE PRICES OF STORAGE LOCKERS AND RELATED INFORMATION		51
SCHEDULE B – BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION		56
SCHEDULE B-1 - PROJECTED INDIVIDUAL ENERGY COSTS BUDGET		67
OPINION OF COUNSEL RE: REAL PROPERTY LAW SECTION 339-I		69
REAL PROPERTY LAW SECTION 339-I COMPLIANCE LETTER		72
COMMERCIAL UNIT		75
CHANGES IN PRICES AND UNITS		79
INTERIM LEASES		81
PROCEDURE TO PURCHASE		82
ESCROW AND TRUST FUND REQUIREMENTS		88
ASSIGNMENT OF PURCHASE AGREEMENTS		93
EFFECTIVE DATE		94
TERMS OF SALE		95
CLOSING COSTS AND ADJUSTMENTS		98
RIGHTS AND OBLIGATIONS OF SPONSOR		106
CONTROL BY SPONSOR		118
CONDOMINIUM BOARD		120
RIGHTS AND OBLIGATIONS OF UNIT OWNERS		122
RIGHTS AND OBLIGATIONS OF THE CONDOMINIUM BOARD/ SUMMARY OF BY-LAWS		132
INCOME TAX DEDUCTIONS TO RESIDENTIAL UNIT OWNERS AND TAX STATUS OF THE CONDOMINIUM		138
REAL ESTATE TAXES		140
REAL ESTATE TAX PROJECTION OPINION		142
ATTORNEY'S INCOME TAX OPINION		149
WORKING CAPITAL FUND AND APPORTIONMENTS		155
RESERVE FUND		157

MANAGEMENT AGREEMENT 158
IDENTITY OF PARTIES 160
REPORTS TO UNIT OWNERS 163
DOCUMENTS ON FILE 164
GENERAL 165
DEVELOPMENT RIGHTS 166
SPONSOR'S STATEMENT OF BUILDING CONDITION 167

TABLE OF CONTENTS

PART II

Section	**Page**
DESCRIPTION OF PROPERTY AND SPECIFICATIONS	169
FLOOR PLANS	199
PURCHASE AGREEMENT	232
RESIDENTIAL UNIT DEED	264
STORAGE LOCKER LICENSE	270
DECLARATION OF CONDOMINIUM	275
BY-LAWS OF THE CONDOMINIUM	312
UNIT POWER OF ATTORNEY	372
UNIT OWNER'S SPECIMEN TITLE POLICY	375
FORM W-8 (CERTIFICATION OF FOREIGN STATUS)	383
FORM W-9 (REQUEST FOR TAXPAYER IDENTIFICATION NUMBER)	385
CERTIFICATION OF SPONSOR AND PRINCIPAL	390
CERTIFICATION OF ARCHITECT	393
CERTIFICATION OF BUDGET EXPERT	396
CERTIFICATION OF BUDGET EXPERT CONCERNING ADEQUACY OF COMMON CHARGES PAYABLE BY THE COMMERCIAL UNIT OWNER	399
REAL PROPERTY LAW SECTION 339-kk	402

PART I

CONDOMINIUM OFFERING PLAN

THE 301 EAST 81ST STREET CONDOMINIUM
301 EAST 81ST STREET
NEW YORK, NEW YORK 10075

SPECIAL RISKS

Sponsor's Right to Rent Unsold Residential Units

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

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

(c) Sponsor has procured financing for the construction of the Building ("Construction Loans"). The current holder of the Construction Loans is Bank of the Ozarks ("Construction Lender") having an office at 8300 Douglas Ave., Suite 900, Dallas, Texas 75225. The Construction Lender shall, subject to Sponsor's satisfaction of the release conditions in the Construction Loan documents, release the liens of the Construction Loans from each Unit at each Closing until the Construction Loans have been satisfied. The Construction Loans do not permit Sponsor to rent Residential Units without the prior written consent of the Construction Lender, which consent shall not be unreasonably withheld, conditioned or delayed. However, Sponsor may not execute a lease for all or a substantial portion of the Property during the term of the Construction Loan.

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

(e) See the Sections of the Plan entitled "Introduction" and Rights and Obligations of Sponsor" for details.

Sponsor Control of the Condominium Board

2. (a) Sponsor shall control the Condominium Board until the later of (i) the date upon which Sponsor shall own Unsold Residential Units having an aggregate Residential Common Interest of ten percent (10%) or less, or (ii) five (5) years from the First Unit Closing ("Sponsor Control Period"). Notwithstanding the foregoing, if Sponsor conveys title to all of the Unsold Residential Units, Sponsor or its designee shall relinquish control of the Condominium Board after the conveyance of title to the last Unsold Residential Unit. Until the First Annual Meeting of the Unit Owners (the "First Annual Meeting"), the Condominium Board shall consist of 2 persons designated from time to time by Sponsor. Accordingly, until the First Annual Meeting and subsequent to the First Annual Meeting but during the Sponsor Control Period, Sponsor will have voting control of the Condominium Board and will thus have control of the maintenance and operation of, and services to be provided by, the Condominium, as well as determining the Common Charges to be paid by Unit Owners.

(b) The First Annual Meeting will be held within 2 years of the First Unit Closing. At such meeting, the incumbent 2 member Condominium Board designated by Sponsor will resign and a new Condominium Board, consisting of 5 members, will be installed, as described below. At elections of members to the Condominium Board held at and after the First Annual Meeting, but before the expiration of the Sponsor Control Period, Sponsor and/or its designee shall have the right to designate 3 of the 4 Residential Members of the Condominium Board, who may be persons related to and/or affiliated with Sponsor, such designee or other Unsold Residential Unit Owners; and Sponsor, such designee and all other Residential Unit Owners shall have the right to elect the remaining Residential Member of the Condominium Board who shall not be related to or affiliated with Sponsor, such designee or other Unsold Residential Unit Owners. The Commercial Unit Owner (which may be Sponsor for so long as Sponsor continues to own the Commercial Unit) shall have the right to designate 1 member of 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, except that the Residential Members shall have the powers and duties necessary for, or incidental to, the administration of the affairs of the Residential Section of the Condominium, provided that determinations of the Residential Members do not materially Adversely Affect the use and operation of the Commercial Unit, and the Commercial Member shall have the powers and duties necessary for, or incidental to, the administration of the affairs of the Commercial Unit, provided that determinations of the Commercial Member do not materially or Adversely Affect the use and operation of the Residential Section, or any part thereof.

At elections of members to the Condominium Board held after the expiration of the Sponsor Control Period, but while Sponsor and/or its designee still owns at least 1 Unsold Residential Unit, Sponsor and/or its designee shall have the right to designate at least 1 of the 4 Residential Members of the Condominium Board, who may be a person related to and/or affiliated with Sponsor, such designee or other Unsold Residential Unit Owners; and Sponsor, such designee and all other Residential Unit Owners shall have the right to elect the remaining 3 Residential Members of the Condominium Board in accordance with the By-Laws, who shall not be related to or affiliated with Sponsor, such designee or other Unsold Residential Unit Owners. Condominium Board members may not be changed except in accordance with the procedures described in the By-Laws.

(c) Residential Unit Owners who are owner-occupants and Residential Unit Owners who are non-residents (including Sponsor) may have inherent conflicts on how the Condominium should be managed because of their differing reasons for purchasing (i.e. purchase of a Residential Unit as a home as opposed to an investment).

(d) During the Sponsor Control Period, Sponsor may not exercise veto power over expenses described in the First Year's Budget, or over expenses required to comply with any Law applicable to the Condominium, or to remedy any notice of violation entered against the Condominium or to comply with any proper work order by an insurer of the Condominium.

(e) See the Sections of the Plan entitled "Control By Sponsor" and "Condominium Board" for details concerning paragraphs (a) through (d) above.

Purchase of a Condominium Unit

3. (a) At the time Purchaser executes a Purchase Agreement, Purchaser will be required to deliver an Initial Down Payment in an amount equal to 10% of the Purchase Price. At the earlier to occur of (i) 6 months after the date the Purchase Agreement is fully executed; or (ii) 15 days after the Presentation Date of an amendment declaring the Plan effective, Purchaser will be required to deliver an Additional Down Payment in an amount equal to 10% of the Purchase Price. See "Procedure to Purchase" and the Purchase Agreement in Part II of the Plan. Notwithstanding the foregoing, a Purchaser executing a Purchase Agreement

on or after the date the Plan is declared effective is required to deliver the Initial Down Payment together with the Additional Down Payment in a total amount equal to 20% of the Purchase Price.

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

(c) In the event a Purchaser defaults under the Purchase Agreement, TIME BEING OF THE ESSENCE with regard to the obligations of Purchaser thereunder, and Purchaser does not cure such default within thirty (30) days after Sponsor gives written notice to the Purchaser of such default, TIME BEING OF THE ESSENCE with regard to the obligation of Purchaser to cure within such 30 day period, Sponsor may, at its option, terminate the Purchase Agreement by notice of termination to Purchaser and, after serving a second 30-day escrow release notice on Purchaser, retain the Down Payment and all other sums deposited by the Purchaser, together with interest earned thereon, if any, as liquidated damages. Upon the termination of the Purchase Agreement, Purchaser and Sponsor will be released and discharged of all further liability and obligations thereunder and under the Plan, and the Unit may be sold to another as though the Purchase Agreement had never been made, and without any obligation to account to Purchaser for any of the proceeds of such sale. (See the Section of the Plan entitled "Procedure to Purchase" for details.)

(d) All Purchaser Down Payments will be held in escrow by Attorney for Sponsor, Seiden & Schein, P.C., at Signature Bank, located at 200 Park Avenue South, Suite 501, New York, NY 10003 (the "Escrow Bank"). Under current law, if a Purchaser makes a Down Payment in excess of $250,000 for the purchase of a Residential Unit, the amount in excess of $250,000 will not be federally insured. If a Purchaser maintains accounts at the Escrow Bank, the funds in such accounts, together with the Down Payment, may be aggregated by the Escrow Bank for purposes of determining the $250,000 federally insured limit. Additionally, until such time as Purchaser delivers either an executed W-9 Form or W-8 Form to Sponsor, the Down Payment shall remain non-interest bearing. Until the Down Payment is transferred into an interest-bearing sub-account, the Down Payment may not be federally insured even if the Down Payment does not exceed $250,000. No representation is made with respect to any further changes in Law concerning such accounts. Purchasers should consult with their accountants or financial advisors for further information. (See the Section of the Plan entitled "Escrow and Trust Fund Requirements" for details.)

(e) Sponsor reserves the right to amend the Plan to permit Sponsor to utilize Down Payments after Sponsor secures such Down Payments by placing in escrow with Escrow Agent an unconditional irrevocable letter of credit, a surety bond from an institutional lender or recognized bonding company acceptable to the DOL, or an alternative type of security. If Sponsor makes an application to the Department of Law to withdraw the Down Payments from escrow, and secure such Down Payments with an unconditional irrevocable letter of credit, a surety bond from an institutional lender or recognized bonding company acceptable to the DOL, or an alternative type of security, and such application is approved by the Department of Law, following such withdrawal, no interest will be earned on such Down Payments. (See the Section of the Plan entitled "Escrow and Trust Fund Requirements" for further details.)

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

Sponsor under the Purchase Agreement and the Plan. (See the Section of the Plan entitled "Procedure to Purchase" for details.)

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

(h) Based upon the current construction schedule, Sponsor contemplates that, unless delayed by events caused by Force Majeure, construction of the Building will be sufficiently completed to permit closings of Residential Units to begin on or about May 1, 2020. The actual date for the First Unit Closing is not guaranteed or warranted, and may be earlier or later depending on the progress of construction and compliance with the other prerequisites set forth in the Section of the Plan entitled "Terms of Sale." Sponsor has the right to change the projected First Year of Condominium Operation from time to time by an amendment to the Plan. However, if the First Unit Closing does not occur within 12 months after the date set forth in Schedule B for the First Year of Condominium Operation in effect on the date a Purchaser and Sponsor entered into a Purchase Agreement (i.e. the date on which the Purchase Agreement is signed by all necessary parties), Sponsor will offer affected Purchasers a right to rescind their Purchase Agreements for 15 days from the Presentation Date of the amendment disclosing the fact that the First Unit Closing has not occurred by such date. Any affected Purchasers electing rescission will have their Down Payment returned together with any interest earned thereon.

Purchasers should note that even after the First Unit Closing, the remaining Residential Units will be completed at different times over a period that may extend significantly beyond the date of the First Unit Closing if a TCO has not been issued for such Residential Units or for the floor on which such Residential Units are located. The order in which these Units will be completed is in the discretion of Sponsor. Provided that Sponsor is diligently pursuing the completion of construction and the issuance of at least a Temporary Certificate of Occupancy for the remaining Unsold Residential Units and is otherwise in compliance with its obligations under the Plan, Sponsor will have no liability to any Purchaser, nor will any Purchaser be entitled to any right of rescission, credit, offset or reduction in the Purchase Price or otherwise be relieved from any obligations under the Purchase Agreement, if the closing of title to any particular Residential Unit after the First Unit Closing is delayed or postponed by Sponsor. PROSPECTIVE PURCHASERS SHOULD THEREFORE CAREFULLY CONSIDER THE POSSIBILITY OF SUCH DELAYS IN THEIR DETERMINATION AS TO WHETHER TO PURCHASE A UNIT.

Notwithstanding the foregoing, in the event the actual or anticipated commencement date of the First Year of Condominium Operation is to be delayed by 6 months or more, Sponsor will amend the Plan to include a revised budget with updated projections. If the Common Charges in the amended budget exceed those in the latest budget set forth in the Plan by 25% or more, Sponsor will, in the amendment disclosing such updated budget, offer all affected Purchasers the right, for 15 days, to rescind their Purchase Agreements and receive a refund of their Down Payments, together with any interest earned thereon (provided, however, that after the Plan has been declared effective and the amendment disclosing the same has been accepted by the Department of Law, a Purchaser who is in default under the Purchase Agreement beyond the expiration of any applicable grace period will not have the right to rescind). (See the Sections of the Plan entitled "Procedure to Purchase" and "Rights and Obligations of Sponsor" for details.)

(i) Sponsor will not permit interim leasing or pre-closing occupancy of Residential Units. See the Section of the Plan entitled "Interim Leases".

Conveyance of Title

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

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

(c) Sponsor shall be entitled to adjourn the Closing to remove or correct any defect in title which is not set forth in Schedule A. However, if such defect existed at least 10 days prior to the Closing and Purchaser, or Purchaser's attorney, failed to send Attorney for Sponsor written notice of such defect in title at least 10 days prior to the Closing of Title, then, for purposes of Article 13 of the Purchase Agreement, Purchaser shall be deemed at fault for not having sent timely notice, and the Closing adjournment to allow Sponsor to correct or remove such title defect shall be considered as being at the request of Purchaser. Notwithstanding the foregoing, delivery of a title report to Attorney for Sponsor at least ten (10) days prior to the Closing shall be deemed Purchaser's written notice of any title defects noted in such title report.

(d) See the Section of the Plan entitled "Terms of Sale" in Part I of the Plan, and the Purchase Agreement in Part II of the Plan for details.

Closing Fees

5. (a) Transfer Taxes

i. Purchasers shall be required to pay the New York City and New York State Transfer Taxes ("Transfer Taxes") due upon the Closing of Title to a Unit, in addition to the so-called New York State "Mansion Tax," which, under current law, is payable by the Purchaser with respect to any Residential Unit with a purchase price of $1,000,000.00 or more. Although New York Law requires the seller to pay Transfer Taxes, the responsibility for payment of Transfer Taxes may be modified by contract. It is customary in New York City for purchasers of condominium units from a sponsor of a condominium offering plan to pay Transfer Taxes, in addition to the Mansion Tax (if applicable). The New York City Department of Finance and New York State Department of Taxation and Finance each currently take the position that where the purchaser pays Transfer Taxes, the amount of such Transfer Taxes will be added to the taxable consideration, thereby increasing the amount of the tax due from the purchaser. In addition, where the Purchase Price of the Residential Unit is close to, but less than, $1,000,000.00 and the purchaser

pays the Transfer Taxes, the Mansion Tax may become due and payable as a result of such additional taxable consideration.

(b) Other Closing Costs

i. All legal costs, fees and expenses charged by the Purchaser's attorney shall be the sole responsibility of such Purchaser. In addition, each Purchaser of a Residential Unit shall be responsible for payment of the following fees to Seiden & Schein, P.C. ("Attorney for Sponsor"), in connection with the Closing of Title to the Unit: (i) the sum of $2,950 per Unit as a closing fee, which includes processing the simultaneous issuance of a Storage Locker License to a Purchaser of a Residential Unit, if applicable, plus $350 for preparation of ACRIS forms and title clearance; (ii) if the Purchaser requests the Closing to occur other than at the offices of Attorney for Sponsor (or such other place as Sponsor may designate in its closing notice) and Sponsor consents to such change (in its sole discretion), an attendance fee of $1,500; provided that no Closing will be held outside Manhattan; and (iii) if Sponsor, in its sole discretion, consents to a Purchaser's request for an assignment of the Purchase Agreement, or for the addition, deletion or substitution of names on the Purchase Agreement, a fee of $500, payable in advance, for preparation of an assignment agreement. A Purchaser may be required to pay more than one fee pursuant to the preceding provisions of this paragraph with respect to a single Residential 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 Attorney for Sponsor shall be paid by the Purchaser prior to Closing upon notice to the Purchaser. In addition, each Purchaser of a Residential Unit shall be required to make a non-refundable contribution to the Working Capital Fund of the Condominium at Closing, in an amount equal to 2 months' Common Charges with respect to the Unit based on the Condominium budget in effect as of the Closing Date, and certain other payments at Closing. (See the Sections of the Plan entitled "Closing Costs and Adjustments" for details.)

Reserve Fund and Working Capital Fund

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

(b) Sponsor makes no representation that the Reserve Fund will satisfy the requirements of a Purchaser's lender.

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

(d) Each Purchaser of a Unit will be required to make a non-refundable contribution to the Working Capital Fund of the Condominium at Closing, in an amount equal to 2 months' Common Charges

with respect to the Unit based on the Condominium budget in effect as of the Closing Date. The payment of the Working Capital Contribution shall be required of all Purchasers of Units purchased from Sponsor.

(e) See the Sections of the Plan entitled "Working Capital Fund and Apportionments" and "Reserve Fund" for details.

Foreign Government Purchaser

7. Any Purchaser that is a foreign government, a resident representative of a foreign government or other person or entity otherwise entitled to the immunities from suit enjoyed by a foreign government (i.e., diplomatic or sovereign immunity) ("Foreign Government Purchaser") shall be required to expressly and voluntarily waive such immunity and consent to any suit, action or proceeding arising out of or relating to the Purchase Agreement or the Condominium Documents being brought in any State or Federal suit, action or proceeding in the State of New York based on, arising out of or connected with the Purchase Agreement or the Condominium Documents. Any Foreign Government Purchaser shall designate and authorize a lawful agent to receive process for and on behalf of the Foreign Government Purchaser in any State or Federal suit, action or proceeding in the State of New York based on, arising out of or connected with the Purchase Agreement or the Condominium Documents. A Foreign Government Purchaser will be required to deposit with the Condominium at Closing an amount equal to 2 years' Common Charges with respect to the Unit based on the Condominium budget in effect as of the Closing Date of the Unit which will be in addition to the required contribution to the Working Capital Fund. Such amount shall increase from time to time as such Common Charges increase, together with the full amount of any Special Assessment levied against, or allocable to, such Residential unit, as security for the faithful observance by such Unit Owner of the terms, provisions and conditions of the By-Laws of the Condominium. In the event that such Foreign Government Unit Owner defaults in respect of the terms, provisions and conditions of the By-Laws, the Condominium Board may use, apply or retain the whole or any part of the security so deposited, to the extent required for the payment of any Common Charges or any other sum to which such Foreign Government Unit Owner is in default. Thereafter, the Foreign Government Unit Owner shall deposit with the Condominium Board the amount so applied or retained so that such Condominium Board has the full amount of said security on hand at all times. (See the Section of the Plan entitled "Procedure to Purchase" for details.)

Storage Locker Licenses

8. (a) Sponsor is offering Purchasers of Residential Units the opportunity to purchase certain Storage Lockers pursuant to the terms of a license ("Storage Locker License") for the exclusive use of Purchaser for so long as Purchaser owns a Residential Unit in the Building, the form of which is set forth in Part II of the Plan. Although the Storage Locker Area is a Residential Common Element, the Condominium Board has granted Sponsor the exclusive right, without charge, to sell Storage Lockers located therein and retain all proceeds of such sales. The Condominium will not be entitled to any of the proceeds from the sale of the Storage Lockers. The Condominium Board has the right to impose monthly license fees and Special Assessments in connection with the Storage Locker Licenses. Purchasers should note that the licensing of a Storage Locker does not require the issuance of a TCO or FCO. Purchasers purchasing a Storage Locker prior to Closing shall be required to consummate the purchase of the Residential Unit and the Storage Locker License simultaneously at Closing even though a TCO has not been issued for the Storage Locker Area. In such event, the proceeds from the sale of the Storage Locker will be held in escrow by Escrow Agent until such time as a TCO has been issued for the Storage Locker Area. (See the Section of the Plan entitled "Terms of Sale" for details.)

(b) Sponsor reserves the right to offer as many Storage Lockers as it determines and to withhold one or more for future sale. In addition, Sponsor has the right to limit the number of Storage Lockers sold to any single Purchaser of a Residential Unit or to make bulk sales, as it deems fit. Until such time as

Sponsor has entered into Purchase Agreements with respect to the sale of all Storage Lockers, Sponsor reserves the right to withdraw the offering of Storage Lockers and/or to reduce the number of Storage Lockers offered for sale. After such time that Sponsor has entered into Purchase Agreements with respect to the sale of all Storage Lockers, Sponsor may withdraw or reduce the offering of Storage Lockers by amendment to the Plan, and Sponsor shall have the right to utilize such Storage Locker Area for any use as determined by Sponsor in its sole discretion. In the event of such withdrawal or reduction, Purchasers who have entered into Purchase Agreements for Storage Lockers shall not be relieved of any of their obligations under their respective Purchase Agreements as a result of such withdrawal or reduction, including, without limitation, the obligation to purchase the Residential Unit, except that Sponsor shall direct Escrow Agent to return to Purchaser the Down Payment paid by Purchaser with respect to the Storage Locker License, together with any interest accrued thereon. The Purchase Agreement provides that in entering into a Purchase Agreement for a Storage Locker, Purchaser agrees to the foregoing. Purchasers should not purchase a Residential Unit in reliance on the use or availability of any Storage Locker and Sponsor does not make any representation of the availability of any particular Storage Locker for purchase. (See the Purchase Agreement in Part II of the Plan.)

(c) A Residential Unit Owner wishing to purchase a Storage Locker from Sponsor after the Closing of Title to the Residential Unit shall be required to pay Attorney for Sponsor a fee of $500 in connection with the issuance of the Storage Locker License.

(d) A Storage Locker may be used only for the storage of personal effects of a Residential Unit Owner, and in no event shall any food or other perishable item, or any flammable or explosive item or any item which would impose a health or safety threat or cause noxious odors, dirt or other sanitary problems or create a nuisance, be stored therein. Sponsor, however, shall have the right to use any unassigned Storage Locker for any purpose permitted by Law or to change the permitted use of any unassigned Storage Locker, subject to the provisions of the By-Laws. Each Residential Unit Owner will be required to maintain insurance for the Storage Locker in amounts sufficient to cover the property located therein.

(e) Sponsor may, without the consent of either the Condominium Board or the Unit Owners, use any Unsold Storage Locker for any purpose permitted by Law or to change the permitted use of an Unsold Storage Locker, subject to the provisions of the By-Laws. A Storage Locker may not be licensed independently of a Residential Unit. If the Condominium Board terminates a Storage Locker License or a Residential Unit Owner surrenders a Storage Locker License without assigning the Storage Locker License to another Residential Unit Owner, the Condominium Board shall have the right to issue a new Storage Locker License to another Residential Unit Owner, in its sole discretion. Upon the issuance of a Storage Locker License to a Residential Unit Owner (by assignment or otherwise), such Storage Locker License shall be assignable as set forth above without the consent of the Condominium Board provided written notification of such assignment is delivered to the Condominium Board. Neither Sponsor nor the Condominium Board shall have any obligations or liabilities with respect to private assignments between Unit Owners.

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

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

Non-Resident Manager

9. (a) There will be a full-time manager for the Building who will not reside in the Building. However, Sponsor will comply with Law, including the Administrative Code of the City of New York, § 27-2052 et seq., with respect to the availability of the superintendent, which states that the owner of a multiple

dwelling shall provide adequate janitorial services. See Description of Property and Improvements – Services and Facilities.

(b) See the Section of the Plan entitled "Schedule B – Budget for First Year of Condominium Operation" for details.

No Bond or Other Security Posted

10. No bond or other security has been posted by Sponsor to secure Sponsor's obligation under the Plan. To the best of Sponsor's knowledge, as of the Filing Date of the Plan, Sponsor has sufficient resources to fund its obligations set forth in the Plan, however the subsequent ability of Sponsor to perform its obligations will depend upon Sponsor's financial condition at such time. No representation is made that Sponsor will be financially able to perform any or all of such obligations at any point in time in the future. (See the Section of the Plan entitled "Rights and Obligations of Sponsor" for details.)

Services, Facilities and Amenity Areas

11. (a) Purchasers are advised that some of the services and facilities described in the Plan (such as a full staff of Building personnel and usage of certain amenity areas) may not be available immediately after the First Unit Closing, however all services and facilities will be available no more than 12 months thereafter, subject to Force Majeure. Purchasers should also be aware that the hours and dates for move-ins, move-outs and/or alterations, as well as the use of the passenger and/or service elevators, will be restricted during the period that Sponsor is performing work in the Building. Additionally, until the Building is fully occupied, the hours and duties of the Building staff may be reduced. Notwithstanding the foregoing, the interim level of staffing will at all times during this period be commensurate with the levels of occupancy in the Building and shall be adequate to properly maintain the Building. However, at all times after the First Unit Closing of a Residential Unit, the residential lobby will be attended 24 hours a day, 7 days a week, and there will be at least 1 porter servicing the Building.

(b) Purchasers will not be entitled to any credit or abatement against the Purchase Price or Common Charges if any services and/or Facilities are not available for use on or after Purchaser's Closing. If the Common Charges collected exceed the expenses of the Condominium, the excess amount will be kept in the Condominium's operating account for use to be determined by the Condominium Board, in its sole discretion.

(c) There will also be various amenities for the benefit of the Residential Unit Owners, including a fitness center, swimming pool, whirlpool, steam room, rain shower, changing rooms, a half-court basketball court, a children's room, a game room and a party room/lounge, located in a neighboring building to be known as The 301 East 80th Street Condominium. The amenities located therein will be available to Residential Unit Owners who enter into a license agreement with the condominium board of such condominium to use such amenities for a fee. Pursuant to the terms of the license agreement, Residential Unit Owners and permitted tenants of the Building shall be permitted to access and utilize the amenities on the same terms and conditions as residential unit owners and permitted tenants of The 301 East 80th Street Condominium. The amenities will be able to accommodate both Residential Unit Owners and residential unit owners and permitted tenants of the building located at 301 East 81st Street.

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

Temporary Certificate of Occupancy

12. (a) Purchasers are advised that in New York City, newly constructed buildings are sometimes offered as condominium projects without a final certificate of occupancy ("FCO") covering the

entire building but with only a temporary certificate of occupancy ("TCO"), and sometimes with several successive TCOs. Certificates of occupancy are generally governed by Section 301 of the New York Multiple Dwelling Law and local building codes and rules. Both TCOs and FCOs are issued by the Buildings Department. A TCO is intended to indicate that the property is safe for occupancy, but means that not all of the construction work and/or inspections have been performed, or that not all of the required documents have been submitted to the DOB. All TCOs have an expiration date. A TCO typically expires 90 days after the date of issuance. When a TCO expires and is not renewed, it may be difficult or impossible to buy insurance, refinance, or sell units. In New York City, it is common for sponsors to commence unit closings when some or all units are covered by a TCO rather than a FCO. Sponsor anticipates this scenario will occur. Sponsor will undertake the responsibility for extending each TCO prior to its expiration, and ultimately for obtaining a FCO covering the entire Building within 2 years from the date of the issuance of the first TCO, subject, however, to (i) Force Majeure, (ii) actions by Unit Owners or tenants of Unit Owners, (iii) work undertaken in a Unit by a Unit Owner, except in instances where Sponsor or Sponsor-controlled Condominium Board have given its consent to a Unit Owner to perform alterations, (iv) work undertaken in Common Elements by the Condominium Board after Sponsor no longer controls the Condominium Board or (v) any other cause over which Sponsor has no control. In addition, in the event the Commercial Unit is sold as a "white-box" space, work undertaken by the Commercial Unit Owner may delay the issuance of the FCO. Sponsor does not make any representation or guarantee that the Buildings Department will issue the FCO within such 2 year period. Notwithstanding the foregoing, Sponsor and its principals are obligated to procure the FCO for the Building, and shall exercise best efforts to obtain the FCO within such 2 year period while keeping the TCO current. Unit Owners and the Condominium Board shall be obligated to cooperate with, and refrain from obstructing, Sponsor in these undertakings.

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

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

(b) No Closing of a Residential Unit will occur prior to the issuance of a TCO for the particular Residential Unit.

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

(d) The actual date for the First Unit Closing is not guaranteed or warranted, and may be earlier or later depending on the progress of construction and compliance with the other prerequisites recited in the Section of the Plan entitled "Terms of Sale." Purchaser acknowledges that construction may be delayed by late delivery of material or equipment, labor difficulties, unavailability of Building trades, casualty, inclement weather and other events beyond Sponsor's reasonable control. Purchaser further acknowledges that the Units in the Building will be completed at varying times over a period that could extend well beyond the First Unit Closing. The order in which these Units will be completed is in the discretion of Sponsor. Purchaser acknowledges that except as otherwise provided in the Plan, Purchaser shall not be excused from paying the full Purchase Price, without credit or set-off, and shall have no claim against Sponsor for

damages or losses, in the event that the First Unit Closing occurs substantially later than the projected date or the time to complete or to close title to the Unit is delayed or is postponed by Sponsor.

Ongoing Construction

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

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

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

(d) The Building will contain certain major mechanical equipment, including, but not limited to, elevator machine rooms, fans, pumps, and emergency generator, (collectively, "Equipment") located on the main roof, mechanical rooms, cellar and/or subcellar which may cause noise and vibration throughout the Building. As a result, Residential Units and Terraces in close proximity may be affected. Notwithstanding the foregoing, any such noise or vibration shall not violate any applicable building code.

(e) The Condominium Board and Sponsor have the right to operate the emergency generator as necessary, as well as to activate the emergency generator for testing on a periodic basis, normally

once per month. During such testing periods, which may occur at any time, Residential Unit Owners may experience excessive noise and vibration, which may exceed applicable NYC noise requirements.

(f) While Units are being offered for sale or lease by Sponsor or its designees, there will be a greater number of visitors to the Building than would otherwise be the case. No representation or warranty is made and no assurance is given as to when such selling or leasing activity will terminate. Neither Sponsor or its designee nor the Managing Agent shall be liable or responsible for any personal injury or for any loss or damage to personal property which may result from the failure of the Condominium's security systems and procedures, including, without limitation, those procedures with regard to any delivery of packages, provided that any such failure is not caused by the negligence of Sponsor or its designees, the Managing Agent or their respective agents.

(g) As is typical and customary in newly constructed buildings, the Building will be subject to normal settling, deflection, expansion and shifting. Sponsor will not be obligated to correct, and will not be liable to the Condominium Board or any Unit Owner as a result of any immaterial conditions resulting from construction, including without limitation, minor gapping in the flooring, uneven ceilings or floors, sticking doors, drywall cracks and floor buckling resulting from such conditions. Additionally, Purchasers should note that since the ceramic, marble, stone and wood finishing installed throughout the Units (in areas including, but not limited to, flooring, walls, countertops, backsplash and vanity tops) are cut from different slabs and are comprised of natural materials, there will be variations in the tone and color of such finishes.

(h) See the Section of the Plan entitled "Rights and Obligations of Sponsor" for further details concerning the disclosures set forth in paragraphs (a) through (g) above.

Commercial Unit

14. (a) The Condominium will contain 1 Commercial Unit. The Commercial Unit is not being offered for sale as of the Filing Date. However, the Commercial Unit, or any additional condominium units created as a result of a subdivision of the Commercial Unit, may be offered for sale at any time by a duly filed amendment to the Plan or pursuant to a "No-Action," "No Jurisdiction," or similar ruling issued by the Department of Law, which states that the Department of Law will not take enforcement action based on the transaction described in the application occurring without the filing of an offering plan pursuant to Section 352-e of the GBL.

(b) No representation is made (i) with respect to the future ownership or tenancies of all or any portion of the Commercial Unit and (ii) that the owners, tenants, occupants, or other users of the Commercial Unit will be agreeable to Residential Unit Owners, their Permitted Users, or any other parties. No representation is made with respect to the uses to which any portion of the Commercial Unit may be put at any time, except that each of the Commercial Unit may be used for any purpose permitted by Law except for the following Prohibited Uses: (1) an establishment which displays, sells, rents or offers for sale or rent any pornographic material; adult bookstore or facility selling or displaying pornographic books, literature, or videos (materials shall be considered "adult" or "pornographic" for such purpose if the same are not available for the sale or rental to children under 18 years old because they explicitly deal with or depict human sexuality), excluding any establishment for which the sale or rent of such products constitutes a de minimis space in such establishment (2) so-called head shop or other similar establishment which stocks, displays, sells, rents or offers for sale or rent any drug-related paraphernalia or merchandise or material commonly used or intended for use with or in consumption of any narcotic, dangerous drug or other controlled substance, including, without limitation, any hashish pipe, water pipe, bong, cilium, pipe screens, rolling papers, rolling devices, coke spoons or roach clips, (3) selling, leasing or displaying of new or used automobiles, trucks, trailers, or recreational vehicles, (4) automotive parts, lube and oil or repair shop, (5) Bingo or similar games of chance, (6) check cashing store (except as is typical in connection with the operation of a financial services institution), (7) church, mosque, temple or other place of religious worship or meeting hall, (8) dumping, disposing, incinerating or

reducing of garbage (exclusive of dumpsters for temporary storage of garbage and any garbage compactors, in each case which are routinely emptied so as to minimize offensive odors), (9) manufacturing, assembling, displaying or selling fireworks, ammunition or explosives, (10) funeral home or mortuary, (11) dormitory use, (12) a so-called "flea market," (13) so-called gentleman's club featuring topless waitresses, nude dancing or private "one-on-one" booths or rooms, (14) illicit non-therapeutic massage parlor, (15) off-track betting parlor or other gambling facility, (16) circus, carnival or amusement park, or other similar entertainment facility, (17) pawn shop, (18) shooting gallery, (19) substance abuse rehabilitation or detoxification recovery center, or treatment center, welfare or mental health facility or similar agency, whether public or private, which provides services to clients on the premises of the Unit, (20) tattoo parlor, (21) "Odd Job" or "Odd Lot" type discount store or as a so-called "99 cent store" or "dollar store" type discount store or as a "going out of business" type store, (22) so-called "bodega" type store or 24-hour convenience-type store , (23) office, store, reading room, headquarters, center or other facility principally devoted or opposed to the promotion, advancement, representation, purpose or benefit of: (i) any political party, political movement or political candidate or (ii) any religion, religious group or religious denomination, (24) an arcade, (25) a mall or mini-mall, (26) nail salon, (27) sports bar; (28) dry cleaning plant, central laundry or laundromat (excluding a drop-off dry cleaning store and/or an "organic" (non-chemical) process dry cleaner) (29) psychic, hypnotist, tarot card or palm reading business or similar establishment, (30) business practicing satanic or cult ritualistic activities including so-called "devil worship," black magic or rites of passage involving self-mutilation or degradation, (31) an International Organization unless such International Organization waives its sovereign or diplomatic immunity in accordance with Article 31 of the Declaration, (32) employment agency, except for executive placement firms, legal and other professional search firms,, (33) a pre-school, kindergarten, elementary school or high school, (34) a legal services office or legal clinic, (35) a jewelry or crafts exchange (e.g. a retail center with independent vendor booths), (36) a nightclub, cabaret, discotheque or dance club (whether open to the general public or "members-only") which uses live or amplified music, (37) a pet shop, pet grooming salon, boarding kennel, veterinarian's office or pet hospital, or (38) a medical laboratory. The uses of the Commercial Unit may generate noise, traffic, fumes, odors, vibrations, or other disturbances over which the Condominium Board and the Residential Unit Owners will have no control. Residential Unit Owners will not have any interest in the rents, profits or revenues generated from the business, rental, or other use of any space in any Commercial Unit.

(c) The Commercial Unit Owner shall have the right, without the approval of the Condominium Board, Managing Agent, other Unit Owners, or Mortgage Representatives, if any and without amendment to the Plan, to (i) subdivide and/or combine the Commercial Unit and/or (ii) change any Commercial Unit in size by relocating a boundary wall between Commercial Units. In the event of a subdivision, combination, and/or change in size of any Commercial Unit, the Commercial Unit Owner shall additionally have the right to reapportion among the affected Commercial Units its respective Common Interests. Any additional condominium units created as a result of a subdivision of a Commercial Unit will retain the same rights, privileges, and benefits afforded the original Commercial Unit Owner and will be subject to the same obligations imposed on the original Commercial Unit Owner, as set forth in the Condominium Documents. Notwithstanding the foregoing, in the event of any subdivision of the Commercial Unit, all Commercial Unit Owners shall have the right to designate, collectively, no more than 1 Commercial Member to the Condominium Board.

(d) The Commercial Unit Owner 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 shall have the right and an easement, as applicable, subject to prior written approval of Sponsor for so long as Sponsor continues to own

at least one (1) Unsold Unit, and thereafter without the approval of the Condominium Board, Managing Agent, other Unit Owners, or Mortgage Representatives, if any:

(1) to erect, maintain, repair and replace one or more signs, awnings, canopies and lighting ("Signage"), of such size and content as such Commercial Unit Owner shall determine in the windows of the Commercial Unit and on the exterior of the Commercial Unit extending up to the bottom of the second floor slab, 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 except that, no Signage may block any windows of a Residential Unit, or include (i) blinking, neon, or strobe-type lighting, (ii) loudspeakers or other devices by which music or announcements of any kind may emanate from the Signage or the Commercial Unit, or (iii) any lighting which will shine or reflect into the windows of any Residential Unit;

(2) to use the sidewalk adjacent to such Commercial Unit for any purposes permitted by Law, including, without limitation, food and beverage services and the placement of outdoor seating, tables, lighting and signage on such sidewalk, provided that the entrances to the Building are not impeded by such use. In the event the Commercial Unit Owner or its Permitted User utilizes a sidewalk adjacent to the Commercial Unit for any purpose, the maintenance, replacement, and repair of the sidewalk during the period of use, together with all costs and expenses associated therewith, shall be the sole responsibility of the Commercial Unit Owner. In the event the Condominium Board is assessed for the cost of repair or replacement of a portion of the sidewalk utilized by the Commercial Unit Owner or its Permitted User, or any fines or violations are imposed with respect to the use thereof, any funds expended by the Condominium Board to effectuate such repairs or replacement, and/or to pay such fines and/or to cure such violations, shall be deemed to be additional Common Charges payable solely by the Commercial Unit Owner.

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

Special Allocation of Certain Common Expenses

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

Apportionments with the Condominium

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

Window Treatments

17. (a) The By-Laws require all Residential Unit Owners to clean the interior windows in their respective Units.

(b) In order to preserve the architectural harmony of the Building, all window treatments in the Residential Units must contain a white backing facing the outside of the Building so that when the shades are down or curtains drawn, the effect from the outdoors is a visually harmonious white appearance. Neither the interior nor the exterior glass surfaces of any windows located in any Residential Unit may be altered, colored or painted and no neon or colored lights (including, but not limited to, neon or colored holiday lights) may emanate therefrom and neither the windows, window frames nor mullions may be modified, altered or replaced without the consent of the Board. No sheets, cardboard, or other similar makeshift window coverings shall be permitted on either a temporary or permanent basis.

Effectiveness of the Plan

18. Pursuant to Law, Sponsor may declare the Plan effective by entering into Purchase Agreements for the sale of a minimum of 15% of the Residential Units offered for sale (i.e. 5 Residential Units based on 32 Residential Units offered for sale). Notwithstanding the fact that not all purchasers used for purposes of declaring the Plan effective may actually close, Sponsor will re-declare the Plan effective if all Purchase Agreements are either rescinded or terminated prior to the date of the First Unit Closing, regardless of whether the Declaration has been recorded. (See the Section of the Plan entitled "Effective Date" for details.)

Purchase Agreement Not Contingent on Financing

19. (a) Although a Purchaser may obtain financing from any lending institution or other source, Purchaser's obligation to purchase a Residential Unit is not contingent on Purchaser obtaining financing. Neither Sponsor nor Selling Agent makes any representation as to the availability or terms of any form of financing. While the First Unit Closing is projected to occur on or around May 1, 2020, neither Sponsor nor Selling Agent makes any representation as to the actual closing date, which could occur prior to or after May 1, 2020, for any particular Unit. In addition, as set forth in the Plan and the Purchase Agreement, Sponsor has the right to adjourn the Closing Date from time to time and Purchasers should be aware that if the Closing Date is adjourned, Purchaser's financing terms may be Adversely Affected, the interest rate may increase and the loan commitment could expire. Sponsor shall have no liability as a result of any scheduling or adjournment of Closing beyond the expiration of a loan commitment. (See the Section of the Plan entitled "Procedure to Purchase" for details.)

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

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

(d) See the Sections of the Plan entitled "Introduction," and "Procedure to Purchase."

Special Rights of Sponsor

20. (a) Sponsor shall have an exclusive perpetual 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 private Terraces and Storage Lockers 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, at Sponsor's sole discretion, to permit any one or more of such easements to be utilized by the Commercial Unit Owner. Sponsor reserves the right to install additional fireplace flues and mechanical equipment on the roof of the Building. (See the Section of the Plan entitled "Rights and Obligations of Sponsor" for details.)

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

(c) During the Sponsor Control Period, Sponsor shall have the right, in its sole and absolute discretion, to cause the Condominium Board to waive the collection of some or all of the Condominium Common Charges from Unit Owners from the date of the First Unit Closing up until such time as Sponsor chooses (the "Waiver Period"); provided, however, that Sponsor shall be solely responsible for payment of all actual expenses to operate the Condominium in accordance with Law during the Waiver Period (the "Waiver Period Operating Expenses"). In connection with the Waiver Period, (i) Sponsor will disclose the implementation of such Waiver Period in the amendment to the Plan that discloses the occurrence of the First Unit Closing; (ii) Sponsor will file an amendment to the Plan disclosing the expiration of the Waiver Period at least 30 days prior to such expiration; (iii) during any such Waiver Period, Sponsor will timely pay all expenses of the Condominium, including but not limited to insurance premiums and any reserve fund payments required by lenders to the extent otherwise included in Schedule B; (iv) upon the commencement of the collection of Common Charges, there will not be an assessment for any item set forth in the approved budget for the Condominium; and (v) Sponsor will remain obligated to update the budget for the Condominium, as provided in the Declaration and By-Laws. (See the Section of the Plan entitled "Rights and Obligations of Unit Owners," subsection "Common Charges: Determination and Assessment" for details.)

(d) Sponsor reserves the right to make any changes in the proposed Condominium Documents and modifications to the Plans and Specifications as may be necessary in Sponsor's sole discretion to conform to Law or to expedite the sale of Units, or due to Structural, architectural or mechanical considerations provided, however, that any such amendments, additions, or changes shall not materially and Adversely Affect a Unit Owner or Purchaser, increase any obligation of a Unit Owner or Purchaser to any adverse and material degree and any substitution of appliances, equipment or materials shall be of substantially equal or better quality. Any such material and adverse modification, addition or change will be reflected in a duly filed amendment to the Plan. There is a rebuttable presumption that an increase or decrease in the square footage of a Unit, as set forth in Schedule A, by 5% or less is not material. Sponsor's sole obligation if the square footage of the Unit as set forth in Schedule A is decreased by more than 5% shall be to offer the materially Adversely Affected Purchaser(s) the right, for at least 15 days, to rescind their Purchase Agreements and receive a refund of their Down Payments together with any interest earned thereon. (See the Sections of the Plan entitled "Changes in Prices and Units" for details.)

(e) No amendment, modification, addition or deletion of the terms of the Declaration, By-Laws or any Residential Rules and Regulations (other than those required by Law) shall be effective (a) against Sponsor unless Sponsor has given its prior written consent, or (b) to Adversely Affect the Commercial Unit Owner unless the Commercial 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.)

Rights of the Condominium Board

21. Pursuant to Real Property Law 339-kk, set forth in Part II of the Plan, if a Unit Owner shall at any time lease the Residential Unit and shall default in the payment of any Common Charges or additional Common Charges, the Condominium Board may, at its option, so long as such default shall continue, demand and receive from the tenant the rent due or becoming due from such tenant to the Unit Owner, and apply the amount to pay sums due and to become due from the Unit Owner to the Condominium. Any payment by a tenant to the Condominium shall constitute a discharge of the obligation of such tenant to the Unit Owner, to the extent of the amount so paid. The acceptance of rent from any tenant shall not be deemed a consent to or approval of any leasing by the Unit Owner, or a release or discharge of any of the obligations of the Unit Owner hereunder. In the event the tenant fails to pay the rent to the Condominium after demand by the Condominium Board, the Condominium Board shall have the right to commence summary eviction proceedings in the name of or on behalf of the Unit Owner, against the tenant. All costs and expenses incurred by the Condominium Board (including attorneys' fees, costs and disbursements) in connection therewith, shall be borne by the Unit Owner and shall constitute Common Charges payable by such Unit Owner.

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

Lot Line Windows

22. Lot line windows exist in the following Residential Units along the east façade of the Building: Unit B on the 10th thru 12th, 14th floors, Residential Unit A on the 16th, PH17th, PH18th, PH19th, and PH20th / PH21st floors. While such windows provide views, light and air to spaces in the Residential Unit, they cannot be utilized to meet light and ventilation required by the Building Code of the City of New York. Residential Units having lot line windows have other windows which satisfy requirements for the lawful use of such Units for habitation. Lot line windows are considered amenities that potentially can be lost. Should an abutting property owner redevelop such property with one or more buildings of different configurations, it may be necessary to close the affected lot line windows and seal them in a manner and with such materials as are acceptable to the Department of Buildings and the Condominium. The cost to close-up any lot line windows, if necessary, shall be borne by the affected Residential Unit Owner (including Sponsor with respect to Unsold Residential Units), which cost is currently estimated to be approximately $3,000 per window. Neither Sponsor, Sponsor's architect, the Condominium Board nor any other Person who took part in this offering will have any liability or obligation if the closing-up of any or all lot line windows is required.

Lot line windows exist in the following Residential Units along the north façade of the Building: Unit C on the 3rd thru 6th floors, Unit B on the 7th thru 14th floors and Unit A on the 10th thru 16th, PH-17th, PH-18th, PH-19th, and PH-20th / PH-21st floors, however these windows are protected by a light and air easement and will be used to satisfy light and air requirements under the Building Code of the City of New York. (See the "Description of Property and Specifications" and the "Floor Plans" set forth in Part II of the Plan for details.)

Future Construction

23. No representation is made that future construction in the neighborhood surrounding the Property will not result in obstruction of the views from any windows and/or Terrace in the Building, and Sponsor shall have no liability on account of any such obstruction. (See the Section of the Plan entitled "Location and Area Information" for details.)

Unit Measurements

24. (a) Floor Plans depicting proposed layouts of Units and the Storage Lockers appear in Part II of the Plan. Each Unit is measured horizontally from the exterior side of the exterior walls (columns, mechanical pipes, shafts, shaft ways, chases, chase ways and conduits are not deducted from measurement of each Unit) to the centerline of the partitions separating one Unit from another Unit, or separating one Unit from corridors, stairs, elevators and other mechanical equipment spaces or any Common Elements not within a Unit or to the exterior side of the opposite exterior walls. As shown on the Floor Plans set forth in Part II of the Plan, the measurement of Units PH17 includes the elevator lobby, the corridor adjacent to the fire stairs and the trash room inside the Unit.

(b) As is customary in New York City, the square footage of the Units as measured in accordance with the foregoing method will significantly exceed the usable floor space of each Unit. (See the Notes to Schedule A in Part I of the Plan and the "Description of Property and Specifications" set forth in Part II of the Plan for details.)

Window Guards / Legally Compliant Window Stops

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

Development Rights

26. Sponsor does not anticipate that any Development Rights will remain upon completion of the Building. However, if the applicable provisions of the Zoning Resolution change in the future, such changes may generate transferable Development Rights which will not be included in the Property and shall be the exclusive property of Sponsor. Sponsor cannot represent the amount of transferable Development Rights that could result from such changes. Neither the Condominium Board nor any Unit Owner (other than Sponsor or a Development Rights Owner) shall have any right or interest in any Development Rights. If any Development Rights are transferred to an adjoining premises, the light and air of the Building and

views from Units and/or Terraces may be affected. Sponsor shall have no liability in the event of such diminution of views. Notwithstanding the foregoing, Development Rights may not be used to expand the size, height, bulk or density of any portion of the Property after the recording of the Declaration. (See the Section of the Plan entitled "Rights and Obligations of Sponsor" and the Declaration in Part II of the Plan for details.)

Marketing Materials

27. In no event shall the presence of any furniture, furnishings, finishes, equipment or decorations, wall coverings, window treatments, carpeting and the like ("FFE") in any portion of the Building or Residential Units set forth in any marketing materials and/or advertisements, and/or websites used in connection with the sales and marketing of the Residential Units imply or represent that any such FFE will be located within any portion of the Building or Residential Units. The presence of FFE in such marketing materials is for illustrative purposes only. In addition, marketing materials may use designations, labels or nomenclature to describe certain areas or rooms within Residential Units that differ from, but are consistent with, 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, however, in no event shall any such designation, labels or nomenclatures conflict with the legally permitted uses of such areas or rooms. The use of such illustrations, renderings, designations, labels or nomenclature is for marketing purposes only and does not obligate Sponsor to deliver such Common Elements, rooms or Residential Units designed or fitted out in the manner depicted or implied in the marketing materials. Sponsor reserves the right to utilize the furniture, furnishings and equipment throughout various parts of the Building which were used in the Sales Center and/or model units. (See "Rights and Obligations of Sponsor, Sales Center/Model Unit/Marketing Materials.")

Wood Materials

28. Purchasers should note that natural materials used as finishes have certain inherent risks associated with such use. It is currently anticipated that Residential Units will be delivered with 1/2" thick solid wood floors (or an equivalent type of wood flooring) in living rooms, certain bedrooms, dining rooms and kitchens, which may require special finishing and maintenance procedures in order to preserve the appearance and quality of the wood, and therefore, all wood flooring must be maintained in accordance with the manufacturer's recommendations. Purchasers are encouraged to visit the National Wood Flooring Association (www.nwfa.org) for details. (See the Sections of the Plan entitled "Rights and Obligations of Sponsor" and "Rights and Obligations of Unit Owners" for further details.)

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

29. Consistent with current case law in the First Department (which includes Manhattan), the principals of Sponsor expressly disclaim the existence of any private right of action for contract claims by individual unit owners (or a board on their behalf) in connection with or arising solely from such principals' execution of the Certification of Sponsor and Principal, absent liability under another statute or under an alter-ego or other veil-piercing theory. See the Purchase Agreement in Part II of the Plan.

Insurance

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

not increase. Sponsor will amend the Plan and Schedule B to disclose any change in the cost of insurance premiums for the Condominium during the First Year of Condominium Operation. Sponsor does not make any representation that the insurance limits set forth in Schedule B will meet the requirements of a lender who finances the purchase of a Unit. If Purchaser's lender requires additional insurance, Purchaser will be obligated to obtain such supplemental insurance at Purchaser's sole cost and expense.

(b) The Condominium Board is not required to obtain or maintain any insurance with respect to any property contained within any Unit (other than the Structural walls, ceilings and floors and interior walls and partitions). Each Unit Owner will be required to carry and maintain insurance covering such Unit Owner's Unit and the Limited Common Elements appurtenant thereto, if any, at such Unit Owner's sole cost and expense, in the estimated coverage and cost of which shall be determined by the Condominium Board in its sole discretion. Such insurance must include: (i) coverage for elements of the Unit including but not limited to interior fit-out work, flooring, fixtures, wall coverings and appliances; (ii) coverage for all equipment and personal property in the Unit; and (iii) liability coverage for occurrences in or about the Unit. Evidence of such insurance must be provided by the Purchaser at the Closing of title of each Unit and thereafter, whenever requested by the Condominium Board or Managing Agent. See Section 5.4 of the By-Laws.

(c) The building is not located in a flood zone.

(d) See "Footnotes to Schedule B."

Restriction on Advertising or Selling Residential Unit Within One Year of Sponsor Sale

31. As set forth in the Purchase Agreement and the By-Laws, a Residential Unit Owner who acquired a Residential Unit from Sponsor ("Sponsor Sale") is prohibited from (a) listing the Residential Unit for sale with any broker or placing or authorizing any listing in any broker's listing system or other listing service or from advertising or otherwise offering, promoting or publicizing the availability of the Residential Unit for sale for 12 months after Closing, without Sponsor's prior written consent, which consent may be withheld or delayed, in Sponsor's sole and absolute discretion; or (b) entering into a contract or other agreement for the sale of the Residential Unit or reselling the Residential Unit prior to the first anniversary of the Closing of the Sponsor Sale, except to such Residential Unit Owner' s Family Member(s), or a trust for the benefit of such Family Member(s) or to an entity or individual that owns more than 50% of the legal and beneficial interest of such Residential Unit Owner or to an entity with respect to which such Residential Unit Owner (individual or otherwise) owns more than 50% of the legal and beneficial interest thereof, or to a Permitted Mortgagee or its nominee, who has acquired title to any Residential Unit at a foreclosure sale of its Permitted Mortgage or by deed in lieu thereof delivered in a bona fide transaction. The foregoing restriction shall not apply from and after the date that Sponsor has conveyed title to all of the Residential Units. See Section 7.14 of the By-Laws.

Prohibition Against Advertising Residential Unit For Sale Prior to Closing

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

Geographic Targeting Order

33. The Director of the Financial Crimes Enforcement Network ("FinCEN") of the U.S. Department of the Treasury issued a Geographic Targeting Order (the "GTO") effective March 1, 2016. The GTO requires title insurance companies to collect and report information regarding the persons involved in residential real estate transactions where: (i) the purchaser is a legal entity as defined in the GTO; (ii) the purchaser purchases residential real property located in the Boroughs of Brooklyn, Queens, Bronx, Manhattan or Staten Island; (iii) the total purchase price of the property is $300,000.00 or more; (iv) such purchase is made without a bank loan or other similar form of external financing; and (iv) the purchase is made at least in part, using currency or a cashier's check, a certified check, a traveler's check, a personal check, a business check, a money order in any form, a fund's transfer, or virtual currency ("Covered Transaction"). The GTO affects all residential real property closings occurring on or after September 22, 2017 until the expiration of the Order (currently, May 15, 2019), which date is subject to change by FinCEN. The GTO requires title insurance companies to collect and report information about the persons involved in certain residential real estate transactions. Although the terms of the extended GTO are confidential, Purchaser shall comply in all respects with Purchaser's title insurance company's request(s) for information pursuant to the GTO, at Purchaser's sole cost and expense. Purchaser's failure to comply with such requests or to otherwise comply with the GTO shall not relieve Purchaser of Purchaser's obligation to Close Title to the Unit on the scheduled Closing Date. A copy of the GTO can be found at https://www.fincen.gov/news/news-releases/fincen-reissues-real-estate-geographic-targeting-orders-and-expands-coverage-12. In the event the GTO is amended at any time prior to and including the Closing Date to define a "Covered Transaction" as one in which the purchase price is less than $300,000.00, the foregoing obligation of Purchaser shall apply and this Purchase Agreement shall be deemed amended to require Purchaser to comply with such amended GTO in all respects.

Prohibition Against Smoking in Common Elements

34. All Residential Unit Owners are prohibited from smoking in or around any of the Common Elements, and within 15 feet of any Building entrance. Smoking in violation of this rule shall be deemed to constitute a nuisance pursuant to the By-Laws. The term "smoke" or "smoking" shall include carrying, burning, or otherwise handling or controlling any lit or smoldering product containing tobacco or other flammable substance, including, but not limited to, cigarettes, cigars, or pipes. See the Section of the Plan entitled "Rights and Obligations of Unit Owners."

Emergency Generator

35. (a) Sponsor shall install an emergency generator to provide electrical power to certain Common Elements, and to a limited extent, to the Residential Units. The emergency generator is not capable of running all systems in the Building. Neither Sponsor nor the Condominium Board shall be liable to any Unit Owner or Permitted User on account of loss or damage to a Unit Owner's or Permitted User's Unit or contents thereof on account of the failure of the emergency generator to provide emergency power to Units in the Building in the event of a power outage. See the "Description of the Property and Specifications" in Part II of the Plan for further details.

(b) The Condominium Board and Sponsor have the right to operate the emergency generator as necessary, as well as to activate the generator for testing on a periodic basis, normally once per month. During such testing periods, which may occur at any time, Residential Unit Owners may experience excessive noise and vibration, which may exceed applicable NYC noise requirements.

Odor and Noise Between Units or Units and Common Elements

36. Purchasers are advised that the Building will be located in an urban environment and is a multi-family dwelling. It is common for odors and noise to travel between Units and carry from Units into Common Elements and vice versa. Sponsor is not responsible for, makes no guarantees regarding and shall

have no liability to Unit Owners with respect to the level of noise or odors from outside of or within the Building or resulting from the operation of the Building or the Units. The presence or transmission of noises and odors shall not be deemed to be a construction defect. The Residential Rules and Regulations, annexed to the By-Laws as set forth in Part II of this Plan, provide that no Residential Unit Owner shall play any musical instrument, phonograph, radio, television set, or other loudspeaker in such Unit Owner's Unit or its appurtenant Residential Limited Common Elements, if any, between 10:00 P.M. and the following 9:00 A.M. The Condominium Board has the right to amend the Residential Rules and Regulations, restricting the levels of noise allowed within the Building, and to levy and authorize collection of fines against Unit Owners for violations of the Residential Rules and Regulations (any such fines and fees shall be deemed to constitute Common Charges payable by Unit Owners of the Unit against which they are levied). Please refer to the Description of the Property and Improvements in Part I of this Plan.

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

INTRODUCTION

Nature of the Transaction

1562/1564 Second Realty LLC ("Sponsor") is a limited liability company organized and existing under the laws of the State of New York. Sponsor acquired fee title to the Property on February 1, 2016. The Property was previously used for residential purposes.

Sponsor presents this offering plan, as the same may be amended from time to time ("Plan") for the establishment of condominium ownership of the Land and Building pursuant to the Condominium Act. The Condominium will be known as The 301 East 81st Street Condominium and located at 301 East 81st Street, New York, New York 10075 ("Property").

The principals of Sponsor are Terrence Lowenberg and Todd Cohen. See the Sections of the Plan entitled "Identity of Parties" and the "Certification of Sponsor and Principals" in Part II of the Plan for details.

The Condominium will consist of: (a) 32 Residential Units, (b) 1 Commercial Unit, and (c) 15 Storage Lockers. The Residential Units and the Commercial Unit are collectively referred to as the "Units."

The Offering Plan

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

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

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

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

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

The Property

The Building will be constructed with 19 above-grade construction levels, 1 sub-cellar, a cellar and a roof (together, the Building"). Based upon the current construction schedule, Sponsor contemplates that, unless delayed by events caused by Force Majeure, construction of the Building will be sufficiently completed to permit closings of Residential Units to begin on or about May 1, 2020. The actual date for the First Unit

Closing is not guaranteed or warranted, and may be earlier or later depending on the progress of construction and compliance with the other prerequisites set forth in the Section of the Plan entitled "Terms of Sale." Sponsor has the right to change the projected First Year of Condominium Operation from time to time by an amendment to the Plan. However, if the First Unit Closing does not occur within 12 months after the date set forth in Schedule B for the First Year of Condominium Operation in effect on the date a Purchaser and Sponsor entered into a Purchase Agreement (i.e. the date on which the Purchase Agreement is signed by all necessary parties), Sponsor will offer affected Purchasers a right to rescind their Purchase Agreements for 15 days from the Presentation Date of the amendment disclosing the fact that the First Unit Closing has not occurred by such date. Any affected Purchasers electing rescission will have their Down Payment returned together with any interest earned thereon.

Purchasers should note that even after the First Unit Closing, the remaining Residential Units will be completed at different times over a period that may extend significantly beyond the date of the First Unit Closing if a TCO has not been issued for such Residential Units or for the floor on which such Residential Units are located. The order in which these Units will be completed is in the discretion of Sponsor. Provided that Sponsor is diligently pursuing the completion of construction and the issuance of at least a Temporary Certificate of Occupancy for the remaining Unsold Residential Units and is otherwise in compliance with its obligations under the Plan, Sponsor will have no liability to any Purchaser, nor will any Purchaser be entitled to any right of rescission, credit, offset or reduction in the Purchase Price or otherwise be relieved from any obligations under the Purchase Agreement, if the closing of title to any particular Residential Unit after the First Unit Closing is delayed or postponed by Sponsor. PROSPECTIVE PURCHASERS SHOULD THEREFORE CAREFULLY CONSIDER THE POSSIBILITY OF SUCH DELAYS IN THEIR DETERMINATION AS TO WHETHER TO PURCHASE A UNIT.

Notwithstanding the foregoing, in the event the actual or anticipated commencement date of the First Year of Condominium Operation is to be delayed by 6 months or more, Sponsor will amend the Plan to include a revised budget with updated projections. If the Common Charges in the amended budget exceed those in the latest budget set forth in the Plan by 25% or more, Sponsor will, in the amendment disclosing such updated budget, offer all affected Purchasers the right, for 15 days, to rescind their Purchase Agreements and receive a refund of their Down Payments, together with any interest earned thereon (provided, however, that after the Plan has been declared effective and the amendment disclosing the same has been accepted by the Department of Law, a Purchaser who is in default under the Purchase Agreement beyond the expiration of any applicable grace period will not have the right to rescind).

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

Offering of Residential Units for Sale

Sponsor hereby offers the Residential Units for sale pursuant to the Plan. Sponsor reserves the unconditional right to make Bulk Sales of Residential Units. Purchasers of Bulk Sales of Residential Units shall be bound by Sponsor's representations in the Plan with regard to Sponsor's commitment to sell Residential Units. The Purchase Prices for each of the Residential Units are listed in the Section of the Plan entitled "Schedule A - Purchase Prices and Related Information" ("Schedule A"). THESE PRICES HAVE BEEN SET BY SPONSOR AND ARE NOT SUBJECT TO APPROVAL BY THE DEPARTMENT OF LAW OR ANY OTHER GOVERNMENTAL AGENCY.

Offering of Storage Lockers for Sale

Sponsor hereby offers Purchasers of Residential Units the opportunity to purchase certain Storage Lockers pursuant to the terms of a license ("Storage Locker License") for the exclusive use of Purchaser for so long as Purchaser owns a Residential Unit in the Building, the form of which is set forth in Part II of

the Plan. Although the Storage Locker Area is a Residential Common Element, the Condominium Board has granted Sponsor the exclusive right, without charge, to sell Storage Lockers located therein and retain all proceeds of such sales. The Condominium will not be entitled to any of the proceeds from the sale of the Storage Lockers. The Condominium Board has the right to impose monthly license fees and Special Assessments in connection with the Storage Locker Licenses. Purchasers should note that the licensing of a Storage Locker does not require the issuance of a TCO or FCO. Purchasers purchasing a Storage Locker prior to Closing shall be required to consummate the purchase of the Residential Unit and the Storage Locker License simultaneously at Closing even though a TCO has not been issued for the Storage Locker Area. In such event, the proceeds from the sale of the Storage Locker will be held in escrow by Escrow Agent until such time as a TCO has been issued for the Storage Locker Area.

Sponsor reserves the right to offer as many Storage Lockers as it determines and to withhold one or more for future sale. In addition, Sponsor has the right to limit the number of Storage Lockers sold to any single Purchaser of a Residential Unit or to make bulk sales, as it deems fit. Until such time as Sponsor has entered into Purchase Agreements with respect to the sale of all Storage Lockers, Sponsor reserves the right to withdraw the offering of Storage Lockers and/or to reduce the number of Storage Lockers offered for sale. After such time that Sponsor has entered into Purchase Agreements with respect to the sale of all Storage Lockers, Sponsor may withdraw or reduce the offering of Storage Lockers by amendment to the Plan, and Sponsor shall have the right to utilize such Storage Locker Area for any use as determined by Sponsor in its sole discretion. In the event of such withdrawal or reduction, Purchasers who have entered into Purchase Agreements for Storage Lockers shall not be relieved of any of their obligations under their respective Purchase Agreements as a result of such withdrawal or reduction, including, without limitation, the obligation to purchase the Residential Unit, except that Sponsor shall direct Escrow Agent to return to Purchaser the Down Payment paid by Purchaser with respect to the Storage Locker License, together with any interest accrued thereon. The Purchase Agreement provides that in entering into a Purchase Agreement for a Storage Locker, Purchaser agrees to the foregoing. Purchasers should not purchase a Residential Unit in reliance on the use or availability of any Storage Locker and Sponsor does not make any representation of the availability of any particular Storage Locker for purchase.

A Residential Unit Owner wishing to purchase a Storage Locker from Sponsor after the Closing of Title to the Residential Unit shall be required to pay Attorney for Sponsor a fee of $500 in connection with the issuance of the Storage Locker License.

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

Offering of Commercial Unit for Sale

The Commercial Unit is not being offered for sale as of the Filing Date. Sponsor reserves the right to offer the Commercial Unit for sale at any time by a duly filed amendment to the Plan or pursuant to a "No-Action," "No Jurisdiction," or similar ruling issued by the Department of Law, which states that the Department of Law will not take enforcement action based on the transaction described in the application occurring without the filing of an offering plan pursuant to Section 352-e of the GBL.. All terms of sale or transfer with respect to the Commercial Unit are freely negotiable without resort to the form Purchase Agreement set forth in Part II of the Plan, including, without limitation, the amount and timing of payment of the Down Payment, payment of use and occupancy fees from the date of Closing until the Condominium Board's imposition of Common Charges, terms of sale and insurance coverage requirements. THE OFFERING PRICE OF THE

COMMERCIAL UNIT WILL BE DETERMINED BY SPONSOR AND WILL NOT BE SUBJECT TO APPROVAL BY THE DEPARTMENT OF LAW OR ANY OTHER GOVERNMENTAL AGENCY.

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

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

Conveyance of Title

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

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

Sponsor shall be entitled to adjourn the Closing to remove or correct any defect in title which is not set forth in Schedule A. However, if such defect existed at least 10 days prior to the Closing and Purchaser, or Purchaser's attorney, failed to send Attorney for Sponsor written notice of such defect in title at least 10 days prior to the Closing of Title, then, for purposes of Article 13 of the Purchase Agreement, Purchaser shall be deemed at fault for not having sent timely notice, and the Closing adjournment to allow Sponsor to correct or remove such title defect shall be considered as being at the request of Purchaser. Notwithstanding the foregoing, delivery of a title report to Attorney for Sponsor at least ten (10) days prior to the Closing shall be deemed Purchaser's written notice of any title defects noted in such title report.

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

Sponsor intends, in good faith, to sell rather than rent Residential Units after Consummation of the Plan. However, Sponsor reserves the unconditional right to rent Residential Units rather than sell Residential Units after Consummation of the Plan. Because Sponsor is not limiting the conditions under which it will rent rather than sell Residential Units, Sponsor is not committed to sell more Residential Units than the 15%

necessary to declare the Plan effective and, therefore, Sponsor may control the Board for an indeterminate period of time and owner-occupants may never gain effective control and management of the Condominium.

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

Sponsor reserves the right to offer the Residential Units in such order of priority as it may determine, and to withhold one or more Residential Units for future sale or rental. In addition, Sponsor has the right to limit the number of Residential Units sold to any Purchaser and to make Bulk Sales of Residential Units. The Purchaser of such Residential Units shall be bound by Sponsor's representations in the Plan with regard to Sponsor's commitment to sell Residential Units. The term "Bulk Sales" shall mean the transfer of 10 or more Residential Units or 20% of the total number of Residential Units in the Condominium, whichever is less.

Sponsor has procured financing for the construction of the Building ("Construction Loans"). The current holder of the Construction Loans is Bank of the Ozarks ("Construction Lender") having an office at 8300 Douglas Ave., Suite 900, Dallas, Texas 75225. The Construction Lender shall, subject to Sponsor's satisfaction of the release conditions in the Construction Loan documents, release the liens of the Construction Loans from each Unit at each Closing until the Construction Loans have been satisfied. The Construction Loans do not permit Sponsor to rent Residential Units without the prior written consent of the Construction Lender, which consent shall not be unreasonably withheld, conditioned or delayed. However, Sponsor may not execute a lease for all or a substantial portion of the Property during the term of the Construction Loan.

Basic Aspects of Condominium Ownership

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

Subject to certain conditions contained in the By-Laws, each Unit Owner may mortgage the Unit with such lender and in such amount as the Unit Owner chooses. However, Sponsor does not make any representations about the financeability of any Unit. There are no limitations or restrictions upon the rights of

Sponsor to mortgage Unsold Residential Units or the rights of the Commercial Unit Owner to mortgage the Commercial Unit. Each Unit is separate and will not be subject to the lien of any mortgage placed by other Unit Owners on their respective Units.

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

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

Each Unit will be taxed as a separate tax lot for real estate tax purposes and a Unit Owner will not be responsible for the payment of, nor will the Unit be subjected to, any lien arising from the non-payment of real estate taxes assessed against any other Unit. In the event the Units have not been separately assessed for real estate tax purposes prior to the First Unit Closing (or by the closing date for other Units following the First Unit Closing), Sponsor will have paid the real estate taxes through the end of the tax payment period in which the closing occurs. By way of illustration, if a closing occurs on May 2, 2020, Sponsor will have paid the real estate taxes for the Property through July 1, 2020. At Closing, Purchaser shall adjust real estate taxes with Sponsor from the date of the Closing through the end of the tax payment period in which the Closing occurs.

The Condominium Board shall also collect from each Purchaser at Closing, the amount necessary to cover the six (6) month tax period subsequent to the tax period in which the Closing occurs (the "Future Real Estate Tax Payment"). By way of illustration, if the Closing occurs on May 2, 2020, Purchaser shall pay to the Condominium Board at Closing the Future Real Estate Tax Payment for July 1, 2020 through December 31, 2020. Each Unit Owner shall pay the Future Real Estate Tax Payment based on the Unit's Percentage of Common Interest which payment shall be considered additional Common Charges. The Managing Agent, on behalf of the Condominium Board, shall hold such funds in a separate escrow account for the purpose of paying the future real estate taxes on the Property when they become due and payable. At the time such real estate taxes become due and payable, Sponsor shall pay over to the Condominium Board Sponsor's proportionate share of the Future Real Estate Tax Payment for any Unsold Units owned by Sponsor.

The Condominium Board will pay such real estate taxes to the Department of Finance of the City of New York ("Finance Department") when due. In the event the actual real estate taxes due for the six (6) month tax period subsequent to the First Unit Closing are greater than the amounts collected from Purchasers as described above, each Unit Owner shall pay its pro rata share of the additional amount required promptly upon demand. If any Unit Owner (including Sponsor with respect to any Unsold Units) fails to pay such Unit Owner's pro rata share of such real estate taxes upon demand, the Condominium Board shall have the right to place a lien on such Unit for unpaid Common Charges. During the Sponsor Control Period, Sponsor shall cause the Condominium Board to file a lien for unpaid Common Charges against any Unit owned by Sponsor in which Sponsor is more than 30 days in arrears. In the event the actual real estate taxes due for the six (6) month tax period subsequent to the First Unit Closing are less than collected from Purchasers as described above, Sponsor, on behalf of the Condominium Board, will direct the Managing Agent to refund to each Unit Owner the appropriate pro rata share of such excess collections.

In the event the Units are separately assessed and individual tax bills are issued by the Finance Department prior to the date the real estate taxes are due, Sponsor, on behalf of the Condominium Board, will

direct the Managing Agent to make refunds to each Unit Owner, as appropriate. In such event, Sponsor and Unit Owners shall be required to pay their respective tax bills directly to the Finance Department. Thereafter, the Unit Owners will pay real estate taxes for their respective Units directly to the taxing authority.

In the opinion of Tax Counsel to Sponsor, which opinion is set forth in full in Part II of the Plan, a Residential Unit Owner who itemizes deductions may be eligible, under current Law, to deduct from income for income tax purposes, real estate taxes and interest paid on the Unit Owner's mortgage, subject to certain exceptions and limitations discussed in the "Attorney's Income Tax Opinion" set forth in Part II of the Plan. (See the Section of the Plan entitled "Income Tax Deductions to Unit Owners and Tax Status of the Condominium" for details.)

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

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

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

Certain budgeted items (See the "Notes to Schedule B" for details) are allocated between the Units on a special basis which reflects actual benefit and/or use associated with that particular item of expense or exclusive control of particular Common Elements in accordance with Section 339-m of the Condominium Act. The Condominium Board may not modify these allocations without the consent of the Commercial Unit Owner. In the opinion of Sponsor's budget expert, as set forth in the Certifications of Budget Expert set forth in Part II of the Plan, the allocated Common Charges payable by the Commercial Unit Owner are sufficient to cover the expenses fairly attributable to the Commercial Unit. Unit Owners will have no interest in any rents, net profits or revenues derived from the rental or use of any Unit owned by another. The aggregate Common Interest of all Units equals 100%. The aggregate Residential Common Interests of all Residential Units equals 100%. The percentage of Common Interests are the basis for determining a Unit Owner's share of distribution upon termination of the Condominium with Unit Owners then sharing pro rata in the proceeds of the Condominium. Each Unit's Common Interest and Residential Common Interest, as applicable, and estimate of the Common Charges that will be payable by the Unit Owner during the First Year of Condominium Operation of the Property subsequent to the First Unit Closing are set forth in the Section of the Plan entitled "Schedule A – Purchase Prices of Units and Related Information."

After the Closing of Title to a Unit, a Unit Owner will be solely responsible for maintaining casualty insurance with respect to the Unit, including, without limitation, the flooring, fixtures, furniture, furnishings, equipment, appliances and personal property located within the Unit, any Residential Limited Common Elements appurtenant thereto, and any Storage Locker licensed by the Unit Owner, as well as liability insurance

with respect to occurrences in or about the Unit, any Residential Limited Common Elements appurtenant thereto, and any Storage Locker licensed by the Unit Owner. The Condominium Board will be solely responsible for maintaining casualty and liability insurance with respect to the Common Elements (except for Storage Lockers), in accordance with the provisions of the By-Laws. (See the Section of the Plan entitled "Rights and Obligations of the Condominium Board/Summary of By-Laws" for details.)

Each Purchaser of a Unit will be required to make a non-refundable contribution to the Working Capital Fund of the Condominium at Closing, in an amount equal to 2 months' Common Charges with respect to the Unit based on the Condominium budget in effect as of the Closing Date. The payment of the Working Capital Contribution shall be required of all Purchasers of Units purchased from Sponsor. (See the Section of the Plan entitled "Working Capital Fund and Apportionments" for details.)

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

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

A Storage Locker may be used only for the storage of personal effects of a Residential Unit Owner, and in no event shall any food or other perishable item, or any flammable or explosive item or any item which would impose a health or safety threat or cause noxious odors, dirt or other sanitary problems or create a nuisance, be stored therein. Sponsor, however, shall have the right to use any unassigned Storage Locker for any purpose permitted by Law or to change the permitted use of any unassigned Storage Locker, subject to the provisions of the By-Laws. Each Residential Unit Owner will be required to maintain insurance for the Storage Locker in amounts sufficient to cover the property located therein.

Sponsor may, without the consent of either the Condominium Board or the Unit Owners, use any Unsold Storage Locker for any purpose permitted by Law or to change the permitted use of an Unsold Storage Locker, subject to the provisions of the By-Laws. A Storage Locker may not be licensed independently of a Residential Unit. If the Condominium Board terminates a Storage Locker License or a Residential Unit Owner surrenders a Storage Locker License without assigning the Storage Locker License to another Residential Unit Owner, the Condominium Board shall have the right to issue a new Storage Locker License to another Residential Unit Owner, in its sole discretion.

With certain exceptions, as set forth in the By-Laws, any sale or rental of a Residential Unit will be subject to a right of first refusal by the Condominium Board to acquire or lease such Residential Unit or to produce a third party to acquire or lease such Residential Unit on the same terms as were offered to the owner

of such Residential Unit. Sponsor and the Commercial Unit Owner may sell or lease their respective Units, or portions thereof, without any restriction or limitation. Since the Condominium Board does not have the right to approve or disapprove potential Purchasers of Residential Units, the Condominium Board is unable to limit the number of Purchasers who purchase Residential Units for investment or resale rather than for personal occupancy and there may always be a substantial percentage of Residential Unit Owners who are not occupants. It is possible that Residential Unit Owners who occupy Residential Units may have different interests than those Residential Unit Owners who do not occupy Residential Units. (See the Section of the Plan entitled "Rights and Obligations of Unit Owners" subsection "Sales and Leases of Units" for details.)

Each Residential Unit Owner has exclusive use, subject to any and all Residential Rules and Regulations implemented by the Condominium Board, of any Residential Limited Common Element appurtenant to such Residential Unit Owner's Residential Unit, as shown on the Floor Plans included in Part II of the Plan, and is responsible for all normal maintenance, repairs and replacements thereto. However, the costs and expenses of any Structural or extraordinary repairs or replacements to any Residential Limited Common Element (including any leaks which are not caused by the negligence of the Residential Unit Owner having access to same) shall be charged to all Residential Unit Owners as a Residential Common Expense. The type, size, weight, location and quantity of plantings and other installations to be placed on Terraces shall be subject to the prior approval of the Condominium Board and shall be in compliance with Law.

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

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

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DEFINITIONS

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

"Additional Down Payment" shall mean a Down Payment in an amount equal to 10% of the Purchase Price required to be delivered by Purchaser before the earlier to occur of (i) 6 months after the date on which a Purchase Agreement is executed by Sponsor and Purchaser, or (ii) 15 days after the Presentation Date of an amendment declaring the Plan effective.

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

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

"Attorney for Sponsor" shall mean Seiden & Schein, P.C., having an office at 570 Lexington Avenue, 14th Floor, New York, New York 10022.

"Building" shall mean the building located at 301 East 81st Street, New York, New York 10075.

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

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

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

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

"Commercial Member" shall mean the 1 member of the Condominium Board who shall be designated in accordance with the By-Laws by the Commercial Unit Owner.

"Commercial Unit" shall mean the Commercial Unit designated as such in the Declaration together with its Common Interest. In the event of subdivision of the Commercial Unit, all such Commercial Units are, collectively, referred to as the "Commercial Unit."

"Commercial Unit Owner" shall mean the Unit Owner of a Commercial Unit at the time in question. In the event of subdivision of the Commercial Unit, all such Unit Owners are, collectively, referred to as the "Commercial Unit Owner."

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

"Common Elements" shall mean all portions of the Property other than the Units. Common Elements are comprised of General Common Elements, Residential Common Elements and Residential Limited Common Elements.

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

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

"Condominium" shall mean The 301 East 81st Street Condominium which will be established pursuant to the terms of the Declaration and which is governed pursuant to the terms of the By-Laws.

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

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

"Condominium Documents" shall mean the Declaration, the By-Laws, the Residential Rules and Regulations and the Floor Plans.

"Consummation of the Plan" shall mean the occurrence of the First Unit Closing.

"Declarant" shall mean 1562/1564 Second Realty LLC and its successors and assigns.

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

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

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

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

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

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

"Escrow Agent" shall mean Seiden & Schein, P.C., having an office at 570 Lexington Avenue, 14th Floor, New York, New York 10022.

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

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

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

"Final Certificate of Occupancy" or "FCO" shall mean the final certificate of occupancy for the Building issued by the Buildings Department.

"First Annual Meeting" shall mean the first annual meeting of the Residential Unit Owners, which shall be held within 2 years of the First Unit Closing.

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

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

"Floor Plans" shall mean the floor plans 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 or amended floor plans thereto.

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

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

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

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

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

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

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

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

"Land" shall mean the land located in the Borough of Manhattan on the Tax Map of the Division of Land Records of The City of New York as Block 1543, Lot 1 and more particularly described in Exhibit A to the Declaration.

"Law" shall mean any of the following which are applicable at the time in question: laws, ordinances and codes of any or all of the Federal, New York State, New York City, County and Borough governments, including, without limitation, the Buildings Department, the rules, regulations, orders and directives of any or all departments, subdivisions, bureaus, agencies, or offices thereof or of any other governmental, public

or quasi-public authorities having jurisdiction over the Property and/or the Condominium and/or the direction of any public officer pursuant to Law.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"Residential Members" shall mean the 5 members of the Condominium Board who shall be elected or designated in accordance with the By-Laws by the Residential Unit Owners.

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

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

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

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

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

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

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

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

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

"Sponsor" shall mean 1562/1564 Second Realty LLC and its successors and assigns as well as any Person(s) designated by Sponsor, in a writing to the Condominium Board or by amendment to the Plan, to retain Sponsor's rights under the Plan and the Condominium Documents.

"Sponsor Control Period" shall mean the period ending on the later to occur of: (i) the date upon which Sponsor shall own Unsold Residential Units having an aggregate Residential Common Interest of ten percent (10%) or less, or (ii) five (5) years from the First Unit Closing, unless Sponsor otherwise exercises its right to relinquish control of the Condominium Board.

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

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

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

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

"Structural" shall mean concrete floors and ceiling slabs, foundation, retaining walls (if any), pilings, columns, beams, girders, shear walls, roofs, exterior walls and all other elements contributing to the Building's physical support, soundness, integrity and weather-tightness.

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

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

"Title Company" shall mean Kensington Vanguard National Land Services, having an office at 39 West 37th Street, 3rd Floor, New York, NY 10018 (telephone: (212) 532-8686, or any successor Title Company at the time in question.

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

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

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

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

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

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

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

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

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DESCRIPTION OF PROPERTY AND IMPROVEMENTS

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

Location

The Property is located at 301 East 81st Street in the Borough of Manhattan, City and State of New York.

Improvements - General Description of Units and Amenities

The Condominium will consist of 32 Residential Units, 1 Commercial Unit, and 15 Storage Lockers located within a structure comprising twenty-one (21) above-grade marketing levels, one (1) cellar and one (1) sub-cellar. There will be no designated 2nd floor or 13th floor. The marketing floors will be designated as sub-cellar, cellar, first (or ground floor), 2nd through 12th and 14th through PH-21.

There will also be various amenities for the benefit of the Residential Unit Owners, including a fitness center, swimming pool, whirlpool, steam room, rain shower, changing rooms, a half-court basketball court, a children's room, a game room and a party room/lounge, located in a neighboring building to be known as The 301 East 80th Street Condominium. The amenities located therein will be available to Residential Unit Owners who enter into a license agreement with the condominium board of such condominium to use such amenities for a fee. Pursuant to the terms of the license agreement, Residential Unit Owners and permitted tenants of the Building shall be permitted to access and utilize the amenities on the same terms and conditions as residential unit owners and permitted tenants of The 301 East 80th Street Condominium.

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

Residential Units

There will be 32 Residential Units located on the 3rd floor through 12th floor, 14th floor through 21st floor, the square footages of which are set forth on Schedule A. the sub-cellar, cellar and roof will contain mechanical equipment.

Purchasers are urged to consult the Floor Plans and Description of Property and Specifications contained in Part II of the Plan for details regarding the Residential Units.

Storage Lockers

Storage Lockers will be located in the Storage Locker Area of the Building on the sub-cellar, as shown on the Floor Plans set forth in Part II of the Plan. The approximate square footages and Purchase Prices of the Storage Lockers are set forth on Schedule A.

A Storage Locker may be used only for the storage of personal effects of a Residential Unit Owner, and in no event shall any food or other perishable item, or any flammable or explosive item or any item which would impose a health or safety threat or cause noxious odors, dirt or other sanitary problems or create a nuisance, be stored therein. Sponsor, however, shall have the right to use any unassigned Storage Locker for any purpose permitted by Law or to change the permitted use of any unassigned Storage Locker, subject to the provisions of the By-Laws. Each Residential Unit Owner will be required to maintain insurance for the Storage Locker in amounts sufficient to cover the property located therein.

Sponsor may, without the consent of either the Condominium Board or the Unit Owners, use any Unsold Storage Locker for any purpose permitted by Law or to change the permitted use of an Unsold Storage Locker, subject to the provisions of the By-Laws. A Storage Locker may not be licensed independently of a Residential Unit. If the Condominium Board terminates a Storage Locker License or a Residential Unit Owner surrenders a Storage Locker License without assigning the Storage Locker License to another Residential Unit Owner, the Condominium Board shall have the right to issue a new Storage Locker License to another Residential Unit Owner, in its sole discretion.

Although the Storage Locker Area is a Residential Common Element, the Condominium Board has granted Sponsor the exclusive right, without charge, to sell Storage Lockers located therein and retain all proceeds of such sales. The Condominium will not be entitled to any of the proceeds from the sale of the Storage Lockers. The Condominium Board has the right to impose monthly license fees and Special Assessments in connection with the Storage Locker Licenses. Purchasers should note that the licensing of a Storage Locker does not require the issuance of a TCO or FCO. Purchasers purchasing a Storage Locker prior to Closing shall be required to consummate the purchase of the Residential Unit and the Storage Locker License simultaneously at Closing even though a TCO has not been issued for the Storage Locker Area. In such event, the proceeds from the sale of the Storage Locker will be held in escrow by Escrow Agent until such time as a TCO has been issued for the Storage Locker Area.

Sponsor reserves the right to offer as many Storage Lockers as it determines and to withhold one or more for future sale. In addition, Sponsor has the right to limit the number of Storage Lockers sold to any single Purchaser of a Residential Unit or to make bulk sales, as it deems fit. Until such time as Sponsor has entered into Purchase Agreements with respect to the sale of all Storage Lockers, Sponsor reserves the right to withdraw the offering of Storage Lockers and/or to reduce the number of Storage Lockers offered for sale. After such time that Sponsor has entered into Purchase Agreements with respect to the sale of all Storage Lockers, Sponsor may withdraw or reduce the offering of Storage Lockers by amendment to the Plan, and Sponsor shall have the right to utilize such Storage Locker Area for any use as determined by Sponsor in its sole discretion. In the event of such withdrawal or reduction, Purchasers who have entered into Purchase Agreements for Storage Lockers shall not be relieved of any of their obligations under their respective Purchase Agreements as a result of such withdrawal or reduction, including, without limitation, the obligation to purchase the Residential Unit, except that Sponsor shall direct Escrow Agent to return to Purchaser the Down Payment paid by Purchaser with respect to the Storage Locker License, together with any interest accrued thereon. The Purchase Agreement provides that in entering into a Purchase Agreement for a Storage Locker, Purchaser agrees to the foregoing. Purchasers should not purchase a Residential Unit in reliance on the use or availability of any Storage Locker and Sponsor does not make any representation of the availability of any particular Storage Locker for purchase.

A Residential Unit Owner wishing to purchase a Storage Locker from Sponsor after the Closing of Title to the Residential Unit shall be required to pay Attorney for Sponsor a fee of $500 in connection with the issuance of the Storage Locker License.

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

Commercial Unit

The Condominium will contain 1 Commercial Unit. The Commercial Unit is not being offered for sale as of the Filing Date of the Plan. However, the Commercial Unit, or any additional condominium units

created as a result of a subdivision of the Commercial Unit, may be offered for sale at any time by a duly filed amendment to the Plan or pursuant to a "No-Action," "No Jurisdiction," or similar ruling issued by the Department of Law, which states that the Department of Law will not take enforcement action based on the transaction described in the application occurring without the filing of an offering plan pursuant to Section 352-e of the GBL.

The Commercial Unit Owner shall have the right, without the approval of the Condominium Board, Managing Agent, other Unit Owners, or Mortgage Representatives, if any and without amendment to the Plan, to (i) subdivide and/or combine the Commercial Unit and/or (ii) change the Commercial Unit in size by relocating a boundary wall between Commercial Units. In the event of a subdivision or combination of the Commercial Unit, the Commercial Unit Owner shall have the right to reapportion to the newly created condominium unit(s) its respective Common Interests. Any additional condominium units created as a result of a subdivision of the Commercial Unit will retain the same rights, privileges, obligations and benefits afforded the Commercial Unit Owner under the Condominium Documents.

Purchasers should refer to the Section of the Plan entitled "Commercial Unit" for a detailed description of the Commercial Unit.

Construction Data for Units and Common Elements

Sponsor has engaged SLCE Architects as architect of record and design architect and MG Engineering P.C., as mechanical engineer. The Plans and Specifications have been prepared by such architects and engineers. (See the Section of the Plan entitled "Identity of Parties" for further detail.)

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

The Building will contain certain major mechanical equipment, including, but not limited to, elevator machine rooms, fans, pumps, and emergency generator, (collectively, "Equipment") located on the main roof, mechanical rooms, cellar and/or sub-cellar which may cause noise and vibration throughout the Building. As a result, Residential Units and Terraces in close proximity may be affected. Notwithstanding the foregoing, any such noise or vibration shall not violate any applicable building code.

The Condominium Board and Sponsor have the right to operate the emergency generator as necessary, as well as to activate the emergency generator for testing on a periodic basis, normally once per month. During such testing periods, which may occur at any time, Residential Unit Owners may experience excessive noise and vibration, which may exceed applicable NYC noise requirements.

Based upon the current construction schedule, Sponsor contemplates that, unless delayed by events caused by Force Majeure, construction of the Building will be sufficiently completed to permit closings of Residential Units to begin on or about May 1, 2020. The actual date for the First Unit Closing is not guaranteed or warranted, and may be earlier or later depending on the progress of construction and compliance with the other prerequisites set forth in the Section of the Plan entitled "Terms of Sale." Sponsor has the right to change the projected First Year of Condominium Operation from time to time by an amendment to the Plan. However,

if the First Unit Closing does not occur within 12 months after the date set forth in Schedule B for the First Year of Condominium Operation in effect on the date a Purchaser and Sponsor entered into a Purchase Agreement (i.e. the date on which the Purchase Agreement is signed by all necessary parties), Sponsor will offer affected Purchasers a right to rescind their Purchase Agreements for 15 days from the Presentation Date of the amendment disclosing the fact that the First Unit Closing has not occurred by such date. Any affected Purchasers electing rescission will have their Down Payment returned together with any interest earned thereon.

Purchasers should note that even after the First Unit Closing, the remaining Residential Units will be completed at different times over a period that may extend significantly beyond the date of the First Unit Closing if a TCO has not been issued for such Residential Units or for the floor on which such Residential Units are located. The order in which these Units will be completed is in the discretion of Sponsor. Provided that Sponsor is diligently pursuing the completion of construction and the issuance of at least a Temporary Certificate of Occupancy for the remaining Unsold Residential Units and is otherwise in compliance with its obligations under the Plan, Sponsor will have no liability to any Purchaser, nor will any Purchaser be entitled to any right of rescission, credit, offset or reduction in the Purchase Price or otherwise be relieved from any obligations under the Purchase Agreement, if the closing of title to any particular Residential Unit after the First Unit Closing is delayed or postponed by Sponsor. PROSPECTIVE PURCHASERS SHOULD THEREFORE CAREFULLY CONSIDER THE POSSIBILITY OF SUCH DELAYS IN THEIR DETERMINATION AS TO WHETHER TO PURCHASE A UNIT.

Notwithstanding the foregoing, in the event the actual or anticipated commencement date of the First Year of Condominium Operation is to be delayed by 6 months or more, Sponsor will amend the Plan to include a revised budget with updated projections. If the Common Charges in the amended budget exceed those in the latest budget set forth in the Plan by 25% or more, Sponsor will, in the amendment disclosing such updated budget, offer all affected Purchasers the right, for 15 days, to rescind their Purchase Agreements and receive a refund of their Down Payments, together with any interest earned thereon (provided, however, that after the Plan has been declared effective and the amendment disclosing the same has been accepted by the Department of Law, a Purchaser who is in default under the Purchase Agreement beyond the expiration of any applicable grace period will not have the right to rescind).

Services and Facilities

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

(a) Residential Lobby

There will be a residential lobby located on the first floor of the Building on 81st Street for the use and enjoyment of the Residential Unit Owners. The residential lobby will contain furniture, furnishings, and a front desk reception area.

(b) Residential Lobby Attendants

A concierge will be stationed in the residential lobby 24 hours a day, 7 days a week.

(c) Building Staff

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

(d) Passenger Elevator Service

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

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

(e) Telecommunications

The Building will be pre-wired for telephone, cable television and internet services to the Residential Units. Residents will be able to subscribe for telephone, television and internet services. Charges for activating cable television, installing and attaching appropriate receptacles, additional installations and monthly usage charges will be determined by and payable directly to the cable company by each resident subscribing for and activating such service. Sponsor reserves the right to enter into an agreement with a service provider to provide a building wide internet access package, the monthly cost of which will be paid by the Condominium Board and billed to each Residential Unit Owner as a Residential Common Expense.

(f) Mail

All incoming mail will be delivered to the Building and will be placed by the United States Postal Service in mail boxes located in the residential lobby of the Building.

(g) Laundry Facilities

Each Residential Unit will contain a washing machine and dryer. In addition, there will be a Residential laundry room located on the sub-cellar of the Building containing washers and dryers.

(h) Refuse Disposal

There will be recycling bins and access to refuse chutes in a trash room located on each floor containing Residential Units. The refuse chutes will lead directly to a compactor located on sub-cellar 2.

(i) Communication Facilities and Intercom System

Each Residential Unit will be equipped with a video intercom telephone system which will enable the occupants to communicate directly with the concierge.

(j) Smoke and Carbon Monoxide Detector/Sprinklers

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

(k) Service Entrance

There will be a service entrance located on the ground floor adjacent to the Residential lobby on East 81st Street.

(l) Recreation Space

A fitness center will be located on the sub-cellar of the Building. There will also be various amenities for the benefit of the Residential Unit Owners, including a fitness center, swimming pool, whirlpool, steam room, rain shower, changing rooms, a half-court basketball court, a children's room, a game room and a party room/lounge, located in a neighboring building to be known as The 301 East 80th Street Condominium. The amenities located therein will be available to Residential Unit Owners who enter into a license agreement with the condominium board of such condominium to use such amenities for a fee. Pursuant to the terms of

the license agreement, Residential Unit Owners and permitted tenants of the Building shall be permitted to access and utilize the amenities on the same terms and conditions as residential unit owners and permitted tenants of The 301 East 80th Street Condominium. The amenities will be able to accommodate both Residential Unit Owners and residential unit owners and permitted tenants of the building located at 301 East 80th Street.

(m) Bicycle Storage Room

A bicycle storage room will be located on the sub-cellar, for the use of the Residential Unit Owners on a first-come, first-served basis. The Condominium Board has the right to impose fees for bicycle storage at the Board's sole discretion.

(n) General

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

Purchasers are advised that some of the services and facilities described in the Plan (such as a full staff of Building personnel and usage of certain amenity areas) may not be available immediately after the First Unit Closing, however all services and facilities will be available no more than 12 months thereafter, subject to Force Majeure. Purchasers should also be aware that the hours and dates for move-ins, move-outs and/or alterations, as well as the use of the passenger and/or service elevators, will be restricted during the period that Sponsor is performing work in the Building. Additionally, until the Building is fully occupied, the hours and duties of the Building staff may be reduced. Notwithstanding the foregoing, the interim level of staffing will at all times during this period be commensurate with the levels of occupancy in the Building and shall be adequate to properly maintain the Building. However, at all times after the First Unit Closing of a Residential Unit, the residential lobby will be attended 24 hours a day, 7 days a week.

Purchasers will not be entitled to any credit or abatement against the Purchase Price or Common Charges if any services and/or Facilities are not available for use on or after Purchaser's Closing. During the Sponsor Control Period, Sponsor shall have the right, in its sole and absolute discretion, to cause the Condominium Board to waive the collection of some or all of the Condominium Common Charges from Unit Owners from the date of the First Unit Closing up until such time as Sponsor chooses (the "Waiver Period"); provided, however, that Sponsor shall be solely responsible for payment of all actual expenses to operate the Condominium in accordance with Law during the Waiver Period (the "Waiver Period Operating Expenses"). In connection with the Waiver Period, (i) Sponsor will disclose the implementation of such Waiver Period in the amendment to the Plan that discloses the occurrence of the First Unit Closing; (ii) Sponsor will file an amendment to the Plan disclosing the expiration of the Waiver Period at least 30 days prior to such expiration; (iii) during any such Waiver Period, Sponsor will timely pay all expenses of the Condominium, including but not limited to insurance premiums and any reserve fund payments required by lenders to the extent otherwise included in Schedule B; (iv) upon the commencement of the collection of Common Charges, there will not be an assessment for any item set forth in the approved budget for the Condominium; and (v) Sponsor will remain obligated to update the budget for the Condominium, as provided in the Declaration and By-Laws. (See the Section of the Plan entitled "Rights and Obligations of Unit Owners," subsection "Common Charges: Determination and Assessment" for details.).

Additionally, as more fully set forth in the Section of the Plan entitled "Rights and Obligations of Sponsor," it is anticipated that for a significant period of time following the First Unit Closing through, including and beyond the Closing of Title to any Residential Unit, work should be expected to be undertaken

and performed by or on behalf of Sponsor to complete construction of the Building, including without limitation, the Residential Units, the amenities and facilities, Storage Lockers, the decoration or finishing of the residential lobby, corridors, elevator finishes and other portions of the Building, including installing light fixtures, landscaping, painting, hanging wall coverings or laying carpeting. All of the foregoing work and conditions may create a noisy or otherwise disruptive condition in the Building. The Condominium Board may refuse to permit a Residential Unit Owner to perform alterations in a Residential Unit until such time as the Building has been completed and a FCO has been obtained. Certain services, such as telecommunications, and other similar services may be provided by outside suppliers and delays in providing these services will not be the responsibility of Sponsor. Such suppliers may not provide these services until occupancy in the Building has reached certain levels. In addition, the presence of scaffolding, hoists or construction elevator shafts or similar temporary construction facilities, may delay the Closing of Title to certain Residential Units or lines of Residential Units until such scaffolding, hoists, elevators or temporary facilities are no longer needed and are removed.

LOCATION AND AREA INFORMATION

Location

The Property is located at 301 East 81st Street in the Borough of Manhattan in the City and State of New York. The Property is bounded by First Avenue and Second Avenue.

Surrounding Area, Shopping, Culture and Recreation

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

There are also many museums, libraries, theaters, and cultural institutions in the New York area. Sponsor is not involved in the development of any condominium or cooperative projects within the immediate vicinity (i.e., within a one-block radius) of the Condominium. Sponsor makes no representations concerning any other construction projects that may be ongoing or planned in the vicinity of the Condominium.

Transportation

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

Transportation to and from the Condominium, and through New York City, is available by taxi, limousine, private automobiles, subway or bus. A number of commercial parking garages are located nearby.

Medical, Educational, and Religious Facilities

A number of medical centers are located within close proximity to the Building, such as New York Presbyterian/Weill-Cornell Medical Center, Memorial Sloan Kettering, Lenox Hill Hospital and NYU Langone Medical Center.

Private schools, public schools and parochial schools on the elementary, middle school and high school levels are located within walking distance of the Condominium. There are many colleges, universities, and other educational centers available in the New York City area. No representation is made concerning the eligibility or admissions requirements of any educational institution.

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

Municipal Services

The City of New York will provide water, sanitation, police and fire services to the Building. The local police station is the 19th Precinct located at 153 East 67th Street, New York, New York 10065. The nearby fire stations are Engine 39, Ladder 16 located at 157 East 67th Street, New York, New York 10065, and Engine 22, Ladder 13, Battalion 10 located at 159 East 85th Street, New York, New York 10028.

Mailing Address

The mailing address for the Building is 301 East 81st Street, New York, New York 10075.

Zoning

The Building is zoned for residential use C1-9, which permits residential and commercial use as of right. The Building is not a landmark and is not located in a landmark district.

General

Sponsor makes no representations to the continued existence of any of the named establishments, neighborhood amenities or transportation lines. Sponsor makes no guarantee or representation as to which school a child residing at the Building may actually attend. Additionally, no representation is made that future construction in the neighborhood surrounding the Building will not result in the obstruction of the views from any window or part of the Building. Therefore, after the Filing Date, Purchasers should perform due diligence with respect to then current neighborhood surroundings.

Neither Sponsor nor its principals own, in whole or part, or have an option or right to acquire, in whole or part, any adjacent areas to the Property which are not fully developed. Sponsor and its principals are not involved in the development of any condominium or cooperative projects within the immediate vicinity (i.e., within a one-block radius) of the Condominium. If Sponsor or its principals acquire, obtain an option to acquire, or become involved in the development of any such adjacent property, Sponsor will amend the Plan disclosing such facts within thirty (30) days of: (i) acquiring any adjacent areas, (ii) obtaining an option of acquire any adjacent areas, or (iii) filing plans and specifications with the Department of Buildings to develop any such adjacent areas.

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SCHEDULE A – PURCHASE PRICES OF UNITS AND RELATED INFORMATION

SCHEDULE A

THE 301 EAST 81ST STREET CONDOMINIUM
301 EAST 81ST STREET
NEW YORK, NEW YORK 10075

OFFERING PRICES AND RELATED INFORMATION

PROJECTED COMMON CHARGES AND REAL ESTATE TAXES ARE FOR THE PROJECTED FIRST YEAR OF CONDOMINIUM OPERATION
May 1, 2020 – April 30, 2021

(1) UNIT	NO. BED-ROOMS	NO. BATHS/HALF BATH	(2) APPROX UNIT SQUARE FOOTAGE	(2) APPROX EXTERIOR SQUARE FOOTAGE*	(3) OFFERING PRICE	(4) RESIDENTIAL COMMON INTEREST	(4) COMMON INTEREST	(5) PROJECTED MONTHLY COMMON CHARGES	(5) PROJECTED ANNUAL COMMON CHARGES	(6) PROJECTED MONTHLY RE TAXES	(6) PROJECTED ANNUAL RE TAXES	(7) PROJECTED TOTAL MONTHLY CARRYING CHARGES
3A	2	2.5	1,541		$3,425,000	2.0988%	1.9865%	$2,160.87	$25,930.41	$2,381	$28,571	$4,542
3B	2	2.5	1,384		$3,225,000	1.8850%	1.7841%	$1,940.71	$23,288.57	$2,138	$25,660	$4,079
3C	2	2	1,263		$2,950,000	1.7202%	1.6281%	$1,771.04	$21,252.50	$1,951	$23,417	$3,722
4A	2	2.5	1,541		$3,500,000	2.1093%	1.9963%	$2,171.62	$26,059.41	$2,393	$28,713	$4,564
4B	2	2.5	1,384		$3,300,000	1.8944%	1.7930%	$1,950.37	$23,404.43	$2,149	$25,788	$4,099
4C	2	2	1,263		$3,000,000	1.7287%	1.6362%	$1,779.85	$21,358.23	$1,961	$23,533	$3,741
5A	2	2.5	1,541		$3,575,000	2.1197%	2.0062%	$2,182.37	$26,188.42	$2,405	$28,855	$4,587
5B	2	2.5	1,384		$3,375,000	1.9037%	1.8018%	$1,960.02	$23,520.29	$2,160	$25,915	$4,120
5C	2	2	1,263		$3,050,000	1.7373%	1.6443%	$1,788.66	$21,463.97	$1,971	$23,650	$3,759
6A	2	2.5	1,541		$3,725,000	2.1301%	2.0161%	$2,193.12	$26,317.43	$2,416	$28,997	$4,610
6B	2	2.5	1,384		$3,525,000	1.9131%	1.8107%	$1,969.68	$23,636.16	$2,170	$26,043	$4,140
6C	2	2	1,263		$3,150,000	1.7459%	1.6524%	$1,797.48	$21,569.70	$1,981	$23,766	$3,778
7A	3	3.5	2,116		$5,000,000	2.9393%	2.7820%	$3,026.21	$36,314.51	$3,334	$40,012	$6,361
7B	3	3.5	2,106		$4,850,000	2.9254%	2.7688%	$3,011.91	$36,142.89	$3,319	$39,823	$6,331
8A	3	3.5	2,116		$5,075,000	2.9537%	2.7955%	$3,040.97	$36,491.65	$3,351	$40,207	$6,392
8B	3	3.5	2,106		$4,925,000	2.9397%	2.7823%	$3,026.60	$36,319.19	$3,335	$40,017	$6,361
9A	3	3.5	2,116		$5,225,000	2.9680%	2.8091%	$3,055.73	$36,668.79	$3,367	$40,403	$6,423
9B	3	3.5	2,106		$5,075,000	2.9540%	2.7958%	$3,041.29	$36,495.50	$3,351	$40,212	$6,392
10A	4	4.5	2,523		$6,100,000	3.5560%	3.3656%	$3,661.09	$43,933.03	$4,034	$48,407	$7,695
10B	2	2.5	1,655		$4,150,000	2.3326%	2.2077%	$2,401.54	$28,818.54	$2,646	$31,753	$5,048
11A	4	4.5	2,523		$6,200,000	3.5731%	3.3818%	$3,678.69	$44,144.25	$4,053	$48,639	$7,732
11B	2	2.5	1,655		$4,225,000	2.3438%	2.2183%	$2,413.09	$28,957.09	$2,659	$31,906	$5,072
12A	4	4.5	2,523		$6,300,000	3.5902%	3.3980%	$3,696.29	$44,355.47	$4,073	$48,872	$7,769
12B	2	2.5	1,655		$4,300,000	2.3550%	2.2289%	$2,424.64	$29,095.64	$2,672	$32,058	$5,096
14A	4	4.5	2,523		$6,700,000	3.6243%	3.4303%	$3,731.49	$44,777.90	$4,111	$49,337	$7,843
14B	2	2.5	1,655		$4,450,000	2.3774%	2.2502%	$2,447.73	$29,372.74	$2,697	$32,364	$5,145
PH15	5	6.5	4,505		$11,300,000	6.5021%	6.1540%	$6,694.28	$80,331.34	$7,376	$88,511	$14,070
PH16	5	6.5	4,505		$11,550,000	6.5326%	6.1829%	$6,725.71	$80,708.48	$7,411	$88,927	$14,136
PH17	4	4.5	3,394	933	$12,000,000	5.2844%	5.0015%	$5,440.58	$65,286.98	$5,995	$71,935	$11,435
PH18	4	4.5	3,371		$10,000,000	4.9110%	4.6481%	$5,056.23	$60,674.73	$5,571	$66,853	$10,627
PH19	3	3.5	2,977	244	$9,500,000	4.4259%	4.1890%	$4,556.75	$54,681.05	$5,021	$60,249	$9,578
PH20	5	6.5	5,383	228	$18,000,000	7.9253%	7.5010%	$8,159.56	$97,914.72	$8,990	$107,885	$17,150
RESIDENTIAL TOTAL			70,265	**1,405**	**184,725,000**	**100.0000%**	**94.6466%**	**$102,956.17**	**$1,235,474.00**	**$113,439.75**	**$1,361,277.00**	**$216,395.92**
Commercial Unit			3,893				5.3534%	$1,408.25	$16,899.00	$5,280.92	$63,371.00	$6,689.17
COMMERCIAL TOTAL			3,893				**5.3534%**	**$1,408.25**	**$16,899.00**	**$5,280.92**	**$63,371.00**	**$6,689.17**
GRAND TOTAL			74,158	**1,405**	**$184,725,000**	**100.0000%**	**100.0000%**	**$104,364.42**	**$1,252,373.00**	**$118,720.67**	**$1,424,648.00**	**$223,085.08**

* Terraces cannot be used as habitable space

SCHEDULE A-1 – PURCHASE PRICES OF STORAGE LOCKERS AND RELATED INFORMATION

SCHEDULE A-1

THE 301 EAST 81ST STREET CONDOMINIUM
301 EAST 81ST STREET
NEW YORK, NEW YORK

Unit	Approx Sq. Ft.	Offering Price
1	23	$40,000
2	21	$40,000
3	21	$40,000
4	21	$40,000
5	19	$40,000
6	29	$65,000
7	26	$65,000
8	19	$40,000
9	22	$40,000
10	18	$40,000
11	25	$65,000
12	22	$40,000
13	20	$40,000
14	33	$65,000
15	18	$40,000
Total	**337**	**$700,000**

Notes to Schedule A

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

2. The square footage of the Units as listed in Schedule A or in the Declaration are approximate and may change due to field conditions, construction variances and reasonable tolerances and were obtained by using the method customarily used in New York City to measure condominium units. There is a rebuttable presumption that an increase or decrease in the square footage of a Unit by 5% or less is not material. Sponsor's sole obligation if the square footage of the Unit as set forth in Schedule A is decreased by more than 5% shall be to offer the materially Adversely Affected Purchaser(s) the right, for at least 15 days, to rescind their Purchase Agreements and receive a refund of their Down Payments together with any interest earned thereon. Each Unit is measured horizontally from the exterior side of the exterior walls (columns, mechanical pipes, shafts, shaft ways, chases, chase ways and conduits are not deducted from measurement of each Unit) to the centerline of the partitions separating one Unit from another Unit, or separating one Unit from corridors, stairs, elevators and other mechanical equipment spaces or any Common Elements not within a Unit or to the exterior side of the opposite exterior walls. The measurement of Unit PH17 includes the elevator lobby of such Unit, the corridor adjacent to the fire stairs and the trash room inside the Unit. As is customary in New York, the square footage of the Units as measured in accordance with the foregoing method will significantly exceed the usable floor space of each Unit. The method of measurement is applicable to all Units. Terraces shown on Schedule A are Residential Limited Common Elements.

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

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

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

5. The estimated monthly Common Charges for each Unit are based on Schedule B - First Year's Budget prepared by Sponsor's Condominium Budget Expert on the assumption that the First Year of Condominium Operation will be the year from May 1, 2020 through April 30, 2021. The actual First Year of Condominium Operation may be earlier or later than such year. In addition to these estimated payments, each Unit Owner will be responsible for real estate taxes on the Unit, mortgage payments under a loan, if any, obtained to finance the purchase of the Unit, the cost of electricity supplied to the Unit which will be separately metered and payable either directly to the utility company or to the Condominium Board for payment to the utility company, the cost of any insurance which the Unit Owner obtains for the Unit and the cost of interior repairs and decorations to the Unit. See the Section of the Plan entitled "Schedule B-1 - Budget for Individual Energy Costs" concerning estimates of certain electric costs for the Residential Units.

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

6. It is estimated that the aggregate real estate taxes payable with respect to the Residential Units for the First Year of Condominium Operation will be approximately $1,361,227, assuming (a) actual assessed valuations for the Residential Units of $1,344,315 for the 2019/2020 tax year and $12,296,315 for the 2020/2021 tax year and reflecting the assessment for a partially constructed property based on the real estate tax projection opinion prepared by Real Estate Tax Counsel dated February 15, 2018 set forth in Part I of the Plan, and (b) a tax rate of 13.000 per $100 of assessed valuation for the 2019/2020 and 2020/2021 tax years. Purchasers should note that once the Building is assessed as being fully constructed, it is estimated that the real estate taxes for the Residential Units will total approximately $1,598,520, assuming a tax rate of 13.000 per $100 of assessed valuation.

In arriving at the assessed valuation for each Unit in the Condominium, the Building is first assessed as an entity. This overall assessment is then apportioned among the Units, each of which will be assigned a tax lot designation once the Declaration has been recorded and the Floor Plans are filed with the Register's office. For purposes of Schedule A, the projected real estate taxes for the Units were based on Common Interest percentages. It is possible that the apportionment will be based in part upon the proportion the offering price as set forth on Schedule A for each Unit bears to the gross sellout price for all Units offered for sale in the Condominium and in part upon extrinsic indicia of value, including location, square footage, amenities, income producing potential and existing leases on particular Units. There is no assurance that the City of New York tax assessor will allocate taxes among Units based upon Common Interest percentages. Although the estimate of New York City real estate taxes is a good faith estimate, it is not possible to estimate same with any degree of certainty. Assessed valuations, apportionment or taxes among the Units and tax rates, when actually established by the City of New York, may be lesser or greater. Accordingly, these estimates are to be considered opinions and are not intended, and should not be construed as, warranties as to future assessed valuations, tax rates or the actual real estate taxes to be assessed. In no event will Sponsor, its principals, Selling Agent, Real Estate Tax Counsel, Income Tax Counsel or any offeror be liable to any Purchaser, nor will any Purchaser have the right to rescind the Purchase Agreement if the assessed valuations, tax rates or taxes, when actually established, are lesser or greater than that projected herein or if the Administrative Code and the applicable rules and regulations of the City of New York are changed in the future.

At such time as the Units have been separately assessed for real estate tax purposes, each Unit will be taxed as a separate tax lot for real estate tax purposes and a Unit Owner will not be responsible for the payment of, nor will the Unit be subjected to, any lien arising from the non-payment of real estate taxes assessed against any other Unit.

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

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

SCHEDULE B – BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION

SCHEDULE"B"
301 East 81st Street Condominium
Projected Budget for First Full Year of Condominium Operation
May 1, 2020 – April 30, 2021

PROJECTED INCOME

Common Charges (1).....	
Residential Unit Common Charges	$ 1,235,474
Commercial Unit Common Charges.....	$ 16,899
TOTAL PROJECTED INCOME	$ 1,252,373

PROJECTED EXPENSES

Wages, Payroll Taxes & Benefits (2)	$ 562,191
Heat, Make Up Air & Hot Water (3).....	$ 109,422
Cooking (4).....	$ 4,362
Electricity (5).....	$ 157,221
Water & Sewer (6).....	$ 42,744
Repairs & Maintenance (7).....	$ 25,000
Services & Supplies (8)	$ 125,500
Insurance (9)	$ 57,846
Management Fee (10)	$ 50,000
Legal & Auditing Fees (11).....	$ 12,000
Administration (12).....	$ 20,000
Reserve Fund (13).....	$ 71,087
Contingency (14)	$ 15,000
TOTAL PROJECTED FIRST YEAR EXPENSES.....	$ 1,252,373

The accompanying notes are an integral part of this Schedule B and should be read in conjunction herewith

Notes to Schedule B

(1) COMMON CHARGES - (Budget - $1,252,373)

The estimated Common Charges to be collected from Unit Owners during the First Year of Condominium Operation are based upon the assumption that the First Year of Condominium Operation will be the twelve months commencing May 1, 2020. The actual first year of operation may be earlier or later.

In the event the projected commencement date of the First Year of Condominium Operation is to be delayed more than six (6) months from the anticipated date of the First Closing, the Plan will be amended to include a revised budget disclosing the then current budget projections. Sponsor will not declare the plan effective if any material changes to the budget are not yet disclosed in an amendment to the plan.

If the Common Charges in the revised budget projections exceed the earlier budget projections by twenty-five percent (25%) or more, the Sponsor will offer all Purchasers the right to rescind their Purchase Agreements and have their Deposits refunded to them in a reasonable period of time that is not less than fifteen (15) days after the date of presentation to exercise the right, whether or not the Sponsor offers to guarantee the earlier budget projections.

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The allocation for the General Common Expenses to be borne by the Commercial Unit has been allocated on the basis of the Commercial Unit's Percentage of Common Interest, 5.3534%, and in certain cases based on the Commercial Unit's usage of a particular expense line item. These percentages are provided in the 339(i) letter dated February 9, 2018 and prepared by Penmark Property Advisors, LLC.

		Residential Unit	**Commercial Unit**
		94.6466%	5.3534%
Projected Income			
Common Charges			
Residential Unit Common Charges	1,235,474	1,235,474	
Commercial Unit Common Charges	16,899		16,899
Total Projected Income	1,252,373	1,235,474	16,899
Projected Expenses			
Wages, Payroll Taxes & Benefits	562,191	561,201	990
Heat, Make Up Air & Hot Water	109,422	109,422	0
Cooking Gas	4,362	4,362	0
Electricity	157,221	156,379	842
Water & Sewer	42,744	42,744	0
Repairs & Maintenance	25,000	23,662	1,338
Services & Supplies	125,500	123,867	1,633
Insurance	57,846	54,749	3,097
Management Fee	50,000	47,323	2,677
Legal & Auditing Fees	12,000	11,358	642
Administration	20,000	18,929	1,071
Reserve Fund	71,087	67,281	3,806
Contingency	15,000	14,197	803
Total Projected First Year Expenses	1,252,373	1,235,474	16,899

(2) SALARIES, PAYROLL TAXES & BENEFITS - (Budget -$562,191)

The budgeted amount includes base wages, worker's compensation and disability insurance, health benefits, payroll taxes and the cost of sick days, holidays and vacation pay for a projected building staff of one non-Resident Manager, 24 hour per day 7 days per week concierge and 2 porters. The projected level of staffing for the Building complies with all applicable housing and labor laws. It is anticipated that such employees will be non-union members.

Position	**Base Wage Rate**
Non-Resident Manager	$80,000 per annum
(6.2) Others (4.2 Concierge, 2 Porters)	$920 per week

The projections allow for 28 sick days, holidays and vacation pay and miscellaneous non-union payroll expenses.

Total Base Wages	$ 405,578
FICA @ 7.65% of Base Wages	$ 31,027
Worker's Compensation @ 5.5% of total wages	$ 22,307
FUI and FUTA-NYS Unemployment, @ $600 per employee	$ 4,800
NYS Disability @ $60 per employee	$ 480
Health Benefit @ $14,000 per employee	$ 98,000
Total Benefit	$ 156,613
TOTAL WAGES, TAXES & BENEFITS	$ 562,191

A portion of the non-Resident Manager's and one porter's time will service the General Common Elements (estimated at 4 hours per week or 10%). The wages, taxes and benefits of these two employees ($18,501) has been allocated to all Units based upon each Unit's percentage of Common Interest.

(3) HEAT, MAKE UP AIR AND HOT WATER - (Budget - $109,422)

The budgeted amount is based upon a letter dated January 16, 2018 from MG Engineering, P.C. located at 116 West 32nd St, New York, NY 10001, Sponsor's Consulting Engineers. It is anticipated that the annual consumption of gas for heating the common areas and Residential Units as well as hot water for the Residential Units will be approximately 77,058 therms at approximately $1.42 per therm for a total cost of $109,422. The Commercial Unit will be separately metered or sub metered for heat and hot water, if necessary. A 10% inflation factor has been included.

It is not possible to predict how closely the budgeted figure will reflect the actual cost of gas for heat and hot water during the First Year of Condominium Operation, because such cost will vary with the level of consumption and the price of gas. Consumption will be affected by the severity of the weather and by any conservation measures adopted by the Condominium Board or individual Unit Owners.

(4) COOKING GAS - (Budget - $4,362)

The Residential Units will not be separately metered for gas to be used for cooking. Based upon a letter dated January 16, 2018 from MG Engineering, P.C., it is estimated that the gas cost for cooking for the Residential Units will be 3,072 therms of gas/year at an approximate rate of $1.42

per therm for a total cost of $4,362. A 10% inflation factor has been included. The Commercial Unit will be separately metered or submetered for gas, if necessary.

(5) ELECTRICITY - (Budget – $157,221)

Based upon a letter dated January 16, 2018 from MG Engineering, P.C., it is estimated that the electrical consumption for the Residential Common Elements will be 655,089 kilowatt hours of electricity, at a rate of approximately $ .24 per kilowatt hour of electricity resulting in an annual cost of $157,221. This is based on common area loads being supplied through a single house meter at Con Edison SC9-1 and the rates are based on the currently effective rates with a 10% inflation factor included.

This estimate includes costs for the common area air conditioning units, distribution pumps, miscellaneous floor loads, elevators and lighting. Electricity costs can vary depending upon consumption and demand factors.

These costs are only the estimated electricity costs for the Common Elements within the building and have been allocated 90 percent to the Residential Common Elements and charged to the Residential Units, with the remaining 10 percent allocated to the General Common Elements within the Condominium and allocated to all units based upon each Unit's Common Interest Percentage.

Each unit will be individually metered or submetered for consumption of electricity within their own units. See Schedule B-1 for the projected individual unit energy costs.

(6) WATER & SEWER - (BUDGET - $42,744)

The Building will have a single main water meter, which will measure actual water usage. Based upon a letter dated January 16, 2018 from MG Engineering, P.C., it is estimated that water and sewer charges for the Residential Units based upon a combined charge of $ 9.87 per 100 Cu. Ft. and an estimated usage of 3,937 C.C.F. will be $38,858 for the First Year of Condominium Operation. A 10% inflation factor has been added.

The Commercial Unit will be separately sub-metered or metered for water and sewer usage and will pay the costs of water and sewer usage directly to the Condominium or taxing authority.

(7) REPAIRS & MAINTENANCE – (Budget - $25,000)

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, heating/air-conditioning units and any Residential Limited Common Elements appurtenant thereto. Repairs and Maintenance have been allocated to all Units based upon each Unit's Common Interest Percentage. This budgeted amount is based upon the budget expert's experience in managing comparable buildings.

(8) SERVICE & SUPPLIES - (Budget - $125,500)

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 Filing 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:

Heating and Cooling System	$ 25,000
Elevator Maintenance	$ 20,000
Sprinkler System/Fire Protective Alarm System	$ 8,000
Exterminator	$ 5,000
Uniform Cleaning & Maintenance	$ 10,000
Water Treatment	$ 10,000
Generator Maintenance	$ 5,000
Miscellaneous Supplies	$ 30,000
Building Link	$ 2,500
Landscaping/Flowers	$ 10,000

The cost for services relating to the sprinkler system/fire protection alarm system, exterminator, water treatment, generator maintenance and $2,500 of the $25,000 of supplies for a total of $30,500 have been allocated to all units within the Condominium based upon each unit's Common Interest Percentage. This budgeted amount is based upon the budget expert's experience in managing comparable buildings.

(9) INSURANCE – (Budget - $57,846)

Based upon the proposal dated September 25, 2017 from Fabricant & Fabricant, having an office address at 1251 Old Northern Blvd, Roslyn, NY 11576 the following insurance coverage will be obtained for the Building for the First Year of Condominium Operation:

COVERAGES:

PROPERTY:

Building	$35,439,950
Replacement Cost Included	
Common Charge/Business Income	$1,000,000 - Deductible $10,000
Flood & Earthquake	$1,000,000

Equipment Breakdown Included

LIABILITY:	
General Aggregate	$2,000,000
Each Occurrence	$1,000,000
Personal & Advertising Injury	$1,000,000
Hired & Non-Owned Auto Liability	$1,000,000
Medical Payments	$ 5,000
Fire Damage Legal Liability	$ 300,000
Employee Benefits Liability	$1,000,000
Directors & Officers Liability	$1,000,000 - Deductible None
Employee Dishonesty	$ 250,000 - Deductible $ 5,000
UMBRELLA:	
Each Occurrence	$100,000,000
Aggregate Limit	$100,000,000
Self Retained Limit	$ 10,000

The annual premium for the above mentioned insurance policy is estimated to be $57,846.00.

The insurance costs are for the entire Condominium and have been allocated to all Units within the Condominium based upon each Unit's Common Interest Percentage.

This budgeted amount represents current insurance premium at current rates. Because conditions in the insurance marketplace are volatile, it is not possible to predict what the premiums and/or deductibles will be for the budget year. Purchasers should be aware of the possible rate and deductible increases.

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

Each individual Unit Owner must obtain additional insurance at his own cost for the following coverage, which is not included in the above coverage:

- fire or casualty losses to the contents of his unit and any replacements, additions, upgraded fixtures and improvements therein; and
- liability for personal injury or property damage as a result of occurrences in his Unit, including water damage legal liability to cover damage arising from leaks or other conditions within the Unit.

(10) MANAGEMENT FEE - (Budget - $50,000)

At or prior to the First Closing, the Condominium will enter into a management agreement with Rose Terra Management, LLC located at 770 Lexington Avenue, New York, NY, 10065 a real estate management firm not affiliated with the Sponsor. The agreement will be for an initial term of 3 years. Thereafter, the agreement will be automatically renewed from month to month, with a 3% increase in base fee but may be cancelled by either party without cause, upon not less than sixty (60) days' prior written notice.

The Managing Agent will receive an annual fee of $50,000 payable in equal monthly installment of $4,166.66. The Managing Agent's fee for the First Year of Condominium Operation is comparable to the "going rate" for similar services in comparable buildings.

The Management Fee has been allocated to each Unit based on each Unit's Percentage of Common Interest Percentage.

See the section of the plan entitled "Management Agreement" for further details.

(11) LEGAL & AUDIT FEES – (Budget - $12,000)??

The Condominium will engage a law firm to act as the attorney for the Condominium for minor miscellaneous legal matters. The estimated cost for these services for the Condominium's first year is $4,500. This budgeted amount is based upon the budget expert's experience in managing comparable buildings.

Based upon a proposal from Greenberg & Brennan, CPA's, P.C., having an address at 325 Seventh Avenue, New York, NY 10001, to provide audited tax returns and financial statement preparation for the Condominium, it is estimated that the first year cost for these services will be approximately $7,500.

These professional fees are for the entire Condominium and have been allocated to all units within the Condominium based upon each Unit's Common Interest Percentage.

(12) ADMINISTRATION – (Budget - $20,000)

The budgeted amount includes anticipated expenses for telephone, cell phones, internet, postage, printing, miscellaneous office supplies, payroll processing costs, permits and fees.

These costs for administration have been allocated to each Unit within the Condominium based upon each Unit's Common Interest Percentage.

(13) RESERVE FUND– (Budget - $71,087)

The Reserve Fund amount is a result of a Reserve Fund Study by Strategic Inspections, LLC using a Property Reserve Analysis System. The Reserve Fund is included in the budget to provide funds for future capital repairs, replacements and improvements of certain common elements and facilities of the building. No representation is made as to the adequacy or anticipated cost or timing or nature of any such capital work or the adequacy of any such reserve.

The Reserve Fund will be allocated to all Unit Owners based on their respective Common Interest Percentage.

(14) CONTINGENCY – (Budget - $15,000)

This expense item is included in the budget to provide funds for unforeseen increases in Residential Common expense and General Common expense. Contingency will be allocated to all Unit Owners based on their respective Common Interest Percentage. This budgeted amount is based upon the budget expert's experience in managing comparable buildings.

(15) TOTAL PROJECTED EXPENSES – (Budget - $1,252,373)

The projections set forth in this budget assume that the First Year of Condominium Operation will cover the period from May 1, 2020 through April 30, 2021.

IN THE OPINION OF PENMARK PROPERTY ADVISORS, LLC, HAVING AN OFFICE AT 1225 FRANKLIN AVENUE, SUITE 325, GARDEN CITY, NY 11530, THE PROJECTED INCOME IS ADEQUATE TO MEET THE ESTIMATED EXPENSES FOR THE FIRST YEAR OF CONDOMINIUM OPERATION. THE BUDGET, HOWEVER, IS NOT INTENDED AND SHOULD NOT BE TAKEN AS A GUARANTEE OR WARRANTY BY ANYONE THAT THE ANNUAL COMMON CHARGES OR COMMON EXPENSES FOR THE FIRST OR ANY SUBSEQUENT YEAR OF OPERATION OF THE PROPERTY BY THE BOARD WILL BE AS SET FORTH IN THE BUDGET. IN FACT, IT IS LIKELY THAT THE ACTUAL INCOME AND EXPENSES FOR THE FIRST YEAR OF CONDOMINIUM OPERATION WILL VARY FROM THE AMOUNTS SHOWN IN THE BUDGET.

SCHEDULE B-1
Projected Individual Energy Costs Budget

MG Engineering P.C., having an office at 116 West 32nd Street, New York, New York 10001 provided the following estimate of annual electric energy costs for lighting and for operating the typical electrical appliances located in each Residential Unit.

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

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SCHEDULE B-1 - PROJECTED INDIVIDUAL ENERGY COSTS BUDGET

MGEngineering, P.C. / we engineer success

301 East 81st Street

1/16/2018

Schedule B-1

Apartment Number	Number of Bedrooms	Square Feet per Apt.	Lighting & Power (kW)	Annual Lighing & Power (kWHrs)	Electric Dryer Load (kW)	Annual Electric Dryer Useage (kWHrs)	Electric Cooking Appliances Load (kW)	Annual Cooking Appliances Usage (kWHrs)	Estimated Clg/Htg Load (kW)	Annual Clg/Htg Usage (kWHrs)	Total Electric Heating (kW)	Annual Htg Power (kWHrs)	Total Annual Usage (kWHRs)	Estimated Annual Electric Cost ($)
3 A	2	1,541	7.8	5,709	0.00	-	0.00	-	1.2	2,811	0.77	1,001	9,522	$2,285
3 B	2	1,384	7.7	5,589	0.00	-	0.00	-	1.0	2,366	0.69	899	8,854	$2,125
3 C	2	1,263	7.5	5,496	0.00	-	0.00	-	0.8	1,754	0.63	821	8,070	$1,937
4 A	2	1,541	7.8	5,709	0.00	-	0.00	-	1.2	2,811	0.77	1,001	9,522	$2,285
4 B	2	1,384	7.7	5,589	0.00	-	0.00	-	1.0	2,366	0.69	899	8,854	$2,125
4 C	2	1,263	7.5	5,496	0.00	-	0.00	-	0.8	1,754	0.63	821	8,070	$1,937
5 A	2	1,541	7.8	5,709	0.00	-	0.00	-	1.2	2,811	0.77	1,001	9,522	$2,285
5 B	2	1,384	7.7	5,589	0.00	-	0.00	-	1.0	2,366	0.69	899	8,854	$2,125
5 C	2	1,263	7.5	5,496	0.00	-	0.00	-	0.8	1,754	0.63	821	8,070	$1,937
6 A	2	1,541	7.8	5,709	0.00	-	0.00	-	1.2	2,811	0.77	1,001	9,522	$2,285
6 B	2	1,384	7.7	5,589	0.00	-	0.00	-	1.0	2,366	0.69	899	8,854	$2,125
6 C	2	1,263	7.5	5,496	0.00	-	0.00	-	0.8	1,754	0.63	821	8,070	$1,937
7 A	3	2,116	8.4	6,150	0.00	-	6.00	548	1.5	3,424	1.06	1,375	11,496	$2,759
7 B	3	2,106	8.4	6,142	0.00	-	6.00	548	1.5	3,507	1.05	1,368	11,565	$2,776
8 A	3	2,116	8.4	6,150	0.00	-	6.00	548	1.5	3,424	1.06	1,375	11,496	$2,759
8 B	3	2,106	8.4	6,142	0.00	-	6.00	548	1.5	3,507	1.05	1,368	11,565	$2,776
9 A	3	2,116	8.4	6,150	0.00	-	6.00	548	1.5	3,424	1.06	1,375	11,496	$2,759
9 B	3	2,106	8.4	6,142	0.00	-	6.00	548	1.5	3,507	1.05	1,368	11,565	$2,776
10 A	4	2,523	8.9	6,462	0.00	-	6.00	548	1.7	3,953	1.26	1,639	12,601	$3,024
10 B	2	1,655	7.9	5,796	0.00	-	0.00	-	1.4	3,201	0.83	1,075	10,072	$2,417
11 A	4	2,523	8.9	6,462	0.00	-	6.00	548	1.7	3,953	1.26	1,639	12,601	$3,024
11 B	2	1,655	7.9	5,796	0.00	-	0.00	-	1.4	3,201	0.83	1,075	10,072	$2,417
12 A	4	2,523	8.9	6,462	0.00	-	6.00	548	1.7	3,953	1.26	1,639	12,601	$3,024
12 B	2	1,655	7.9	5,796	0.00	-	0.00	-	1.4	3,201	0.83	1,075	10,072	$2,417
14 A	4	2,523	8.9	6,462	0.00	-	6.00	548	1.7	3,841	1.26	1,639	12,490	$2,998
14 B	2	1,655	7.9	5,796	0.00	-	0.00	-	1.4	3,201	0.83	1,075	10,072	$2,417
15 A	5	4,505	13.1	9,547	0.00	-	6.00	548	2.3	5,316	2.25	2,927	18,338	$4,401
16 A	5	4,505	13.1	9,547	0.00	-	6.00	548	2.2	5,094	2.25	2,927	18,115	$4,348
17 PH	4	3,394	11.2	8,148	0.00	-	6.00	548	2.0	4,565	1.70	2,205	15,466	$3,712
18 PH	4	3,371	11.1	8,130	0.00	-	6.00	548	2.0	4,676	1.69	2,190	15,544	$3,731
19 PH	3	2,977	9.8	7,171	0.00	-	6.00	548	1.5	3,424	1.49	1,934	13,076	$3,138
20/21 PH	5	5,383	14.0	10,220	0.00	-	6.00	548	2.8	6,569	2.69	3,497	20,834	$5,000

Utilities (electricity and gas) Unit Costs include anticipated increases and a contingency of 10 percent.

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

SEIDEN SCHEIN

Seiden & Schein, P.C.
570 Lexington Avenue, 14th Floor
New York, New York 10022

February 9, 2018

1562/1564 Second Realty LLC
419 Lafayette Street, 5th Floor
New York, New York 10003

Re: The 301 East 81st Street Condominium
301 East 81st Street
New York, New York 10075 ("Property")

Jay G. Seiden
Alvin Schein
Adam A. Levenson
Jane Rosenberg
Jason C. Hershkowitz

Hillary A. Potashnick
Stacy E. Jacobson

Frank D. Baquero
David Shamshovich
Nichole N. Thomas
David W. Lu
Zachary L. Nathanson

Of Counsel:
David F. Yahner

Ladies and Gentlemen:

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

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

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

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

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

Very truly yours,
SEIDEN & SCHEIN, P.C.

By: Alvin Schein

REAL PROPERTY LAW SECTION 339-I COMPLIANCE LETTER

PENMARK
PROPERTY ADVISORS, LLC

February 14, 2018

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

Re: Condominium Offering Plan
301 East 81st Street Condominium
301 East 81st Street
New York, New York

Dear Sir/Madam:

1562/1564 Second Realty LLC ("Sponsor") of the Condominium Offering Plan ("Offering Plan") for the Property retained Penmark Property Advisors, LLC ("Firm") to calculate the percentage of Common Interest in the Common Elements allocated to each Unit in the Property set forth in Schedule A of the Offering Plan.

The Firm is licensed as a real estate brokerage firm in the State of New York. The principals of the Firm have been engaged in the real estate and brokerage business for over 40 years and have been actively associated with sale and management of condominium and cooperative buildings.

The Firm has been advised by Sponsor that the Common Interest of each Unit has been determined in accordance with Real Property Law Section 339-i(1) based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit in accordance with subsection (iv).

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

The Firm certifies that it is not owned or controlled by Sponsor and that it has no financial interest in the offering other than its fee for services rendered in connection with the preparation of this letter. The Firm understands that a copy of this letter is intended to be incorporated into the Offering Plan.

PENMARK PROPERTY ADVISORY, LLC
1225 FRANKLIN AVE, SUITE 325, GARDEN CITY, NY 11530
T: 212 702 8732 C: 516 316 8102 PENMARKPROPERTYADVISORS.COM

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

Very truly yours,

PENMARK PROPERTY ADVISORS, LLC

By: _____
Name: Leslie Bogen Winkler
Title: Manager

COMMERCIAL UNIT

As more particularly described in the Declaration and in the Description of Property and Specifications, each of which are contained in Part II of the Plan, the Condominium will contain 1 Commercial Unit. The Commercial Unit will be initially retained by Sponsor and is not being offered for sale as of the Filing Date. However, the Commercial Unit, or any additional condominium units created as a result of a subdivision of the Commercial Unit, may be offered for sale at any time by a duly filed amendment to the Plan or pursuant to a "No-Action," "No Jurisdiction," or similar ruling issued by the Department of Law, which states that the Department of Law will not take enforcement action based on the transaction described in the application occurring without the filing of an offering plan pursuant to Section 352-e of the GBL.

General

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

No representation is made with respect to the uses to which any portion of the Commercial Unit may be put at any time, except that the Commercial Unit may be used for any purpose permitted by Law except for the following prohibited uses: ("Prohibited Uses"): (1) an establishment which displays, sells, rents or offers for sale or rent any pornographic material; adult bookstore or facility selling or displaying pornographic books, literature, or videos (materials shall be considered "adult" or "pornographic" for such purpose if the same are not available for the sale or rental to children under 18 years old because they explicitly deal with or depict human sexuality), excluding any establishment for which the sale or rent of such products constitutes a de minimis space in such establishment (2) so-called head shop or other similar establishment which stocks, displays, sells, rents or offers for sale or rent any drug-related paraphernalia or merchandise or material commonly used or intended for use with or in consumption of any narcotic, dangerous drug or other controlled substance, including, without limitation, any hashish pipe, water pipe, bong, cilium, pipe screens, rolling papers, rolling devices, coke spoons or roach clips, (3) selling, leasing or displaying of new or used automobiles, trucks, trailers, or recreational vehicles, (4) automotive parts, lube and oil or repair shop, (5) Bingo or similar games of chance, (6) check cashing store (except as is typical in connection with the operation of a financial services institution), (7) church, mosque, temple or other place of religious worship or meeting hall, (8) dumping, disposing, incinerating or reducing of garbage (exclusive of dumpsters for temporary storage of garbage and any garbage compactors, in each case which are routinely emptied so as to minimize offensive odors), (9) manufacturing, assembling, displaying or selling fireworks, ammunition or explosives, (10) funeral home or mortuary, (11) dormitory use, (12) a so-called "flea market," (13) so-called gentleman's club featuring topless waitresses, nude dancing or private "one-on-one" booths or rooms, (14) illicit non-therapeutic massage parlor, (15) off-track betting parlor or other gambling facility, (16) circus, carnival or amusement park, or other similar entertainment facility, (17) pawn shop, (18) shooting gallery, (19) substance abuse rehabilitation or detoxification recovery center, or treatment center, welfare or mental health facility or similar agency, whether public or private, which provides services to clients on the premises of the Unit, (20) tattoo parlor, (21) "Odd Job" or "Odd Lot" type discount store or as a so-called "99 cent store" or "dollar store" type discount store or as a "going out of business" type store, (22) so-called "bodega" type store or 24-hour convenience-type store , (23) office, store, reading room, headquarters, center or other facility principally devoted or opposed to the promotion, advancement, representation, purpose or benefit of: (i) any political party, political movement or political candidate or (ii) any religion, religious group or religious denomination, (24) an arcade, (25) a mall or mini-mall, (26) nail salon, (27) sports bar; (28) dry cleaning plant, central laundry or laundromat (excluding a drop-off dry cleaning store and/or an "organic" (non-chemical) process dry cleaner) (29) psychic, hypnotist, tarot card or palm reading business or similar establishment, (30) business practicing satanic or cult

ritualistic activities including so-called "devil worship," black magic or rites of passage involving self-mutilation or degradation, (31) an International Organization unless such International Organization waives its sovereign or diplomatic immunity in accordance with Article 31 of the Declaration, (32) employment agency, except for executive placement firms, legal and other professional search firms,, (33) a pre-school, kindergarten, elementary school or high school, (34) a legal services office or legal clinic, (35) a jewelry or crafts exchange (e.g. a retail center with independent vendor booths), (36) a nightclub, cabaret, discotheque or dance club (whether open to the general public or "members-only") which uses live or amplified music, (37) a pet shop, pet grooming salon, boarding kennel, veterinarian's office or pet hospital, or (38) a medical laboratory. The uses of the Commercial Unit may generate noise, traffic, fumes, odors, vibrations, or other disturbances over which the Condominium Board and the Residential Unit Owners will have no control. Residential Unit Owners will not have any interest in the rents, profits or revenues generated from the business, rental, or other use of any space in any Commercial Unit.

Rights and Obligations of the Commercial Unit Owner

The Commercial Unit Owner will be obligated to pay its portion of the Common Expenses in accordance with the allocations set forth in the Section of the Plan entitled "Schedule B – Budget for First Year of Condominium Operation" ("Schedule B"). As set forth in the Footnotes to Schedule B, certain budgeted items are allocated between the Residential Units and the Commercial Unit on a special basis which reflects actual benefit and/or use associated with a particular item of expense or exclusive control of particular Common Elements in accordance with Section 339-m of the Condominium Act. In the opinion of Sponsor's budget expert, the allocated Common Charges payable by the Commercial Unit Owner are sufficient to cover the expenses fairly attributable to the Commercial Unit. See "Certification of Budget Expert Concerning the Adequacy of Common Charges Payable by the Commercial Unit Owner" set forth in Part II of the Plan for details. Notwithstanding the foregoing, any dispute between the Commercial Unit Owner and the Condominium Board concerning allocations of Common Expenses shall be submitted to Arbitration in accordance with Article 10 of the By-laws.

The Commercial Unit Owner shall have the right to designate 1 member to the 5-member Condominium Board. The members of the Condominium Board designated by the Commercial Unit Owner may only be removed by the Commercial Unit Owner, who alone will have the right to elect or designate a replacement.

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

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

The Commercial Unit Owner 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.

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

1. to make alterations, additions, improvements, or repairs in or to the interior portions of a Commercial Unit, 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 the Commercial Unit.

without amendment to the Plan, to (i) subdivide and/or combine any Commercial Unit and/or (ii) change any Commercial Unit in size by relocating a boundary wall between Commercial Unit. In the event of a subdivision, combination, and/or change in size of any Commercial Unit, the Commercial Unit Owner shall additionally have the right to reapportion among the affected Commercial Unit its respective Common Interests. Any additional condominium units created as a result of a subdivision of a Commercial Unit will retain the same rights, privileges, and benefits afforded the original Commercial Unit Owner and will be subject to the same obligations imposed on the original Commercial Unit Owner, as set forth in the Condominium Documents. Notwithstanding the foregoing, in the event of any subdivision of a Commercial Unit, all Commercial Unit Owners shall have the right to designate, collectively, no more than 1 Commercial Member to the Condominium Board.

3. 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.

In addition to the foregoing, the Commercial Unit Owner shall have the right and an easement, as applicable, subject to prior written approval of Sponsor for so long as Sponsor continues to own at least one (1) Unsold Unit, and thereafter without the approval of the Condominium Board, Managing Agent, other Unit Owners, or Mortgage Representatives, if any:

4. to erect, maintain, repair and replace one or more signs, awnings, canopies and lighting ("Signage"), of such size and content as such Commercial Unit Owner shall determine in the windows of the Commercial Unit and on the exterior of the Commercial Unit extending up to the bottom of the second floor slab, 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 except that, no Signage may block any windows of a Residential Unit, or include (i) blinking, neon, or strobe-type lighting, (ii) loudspeakers or other devices by which music or announcements of any kind may emanate from the Signage or the Unit, or (iii) any lighting which will shine or reflect into the windows of any Residential Unit.

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

replacement of a portion of the sidewalk utilized by the Commercial Unit Owner or its Permitted User, or any fines or violations are imposed with respect to the use thereof, any funds expended by the Condominium Board to effectuate such repairs or replacement, and/or to pay such fines and/or to cure such violations, shall be deemed to be additional Common Charges payable solely by the Commercial Unit Owner.

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

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

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CHANGES IN PRICES AND UNITS

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 by a duly filed amendment to the Plan, 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 consent of the Purchaser. However, Sponsor reserves the right to decrease Purchase Prices or modify other terms of sale 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. 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. However, the Purchase Prices set forth in Schedule A must be changed by a duly filed amendment to the Plan when the change in Purchase Price (i) is an across the board increase or decrease affecting one or more lines of Units or Unit models; (ii) is to be advertised; or (iii) is a Purchase Price increase for an individual Purchaser.

Sponsor reserves the right to negotiate the terms of the Purchase Agreement with prospective Purchasers on an individual basis. No Purchaser will benefit from any terms and conditions negotiated with any other Purchaser, and a Purchaser's failure to so benefit will not give rise to any right of rescission under a Purchase Agreement.

The location in the Building, approximate size and layout of the Units are shown on the Floor Plans set forth in Part II of the Plan. In order to meet the possible varying demand for number and type of Units, or to meet particular requirements of Purchasers, or for any other reason, Sponsor reserves the right (except to the extent prohibited by Law) at any time and from time to time, before and after the recording of the Declaration, without giving prior notice and without the consent of the Condominium Board, any Unit Owner or mortgagee, to (a) change the size, layout and square footage of, or number of rooms in, any Unsold Residential Unit, (b) change the size and/or number of Unsold Residential Units by dividing one or more such Units into two or more separate Unsold Residential Units, combining separate Unsold Residential Units (including those resulting from such subdivision or otherwise) into one or more Unsold Residential Units, altering any boundary walls between one or more Unsold Residential Units, or otherwise, including incorporating Common Elements (such as a portion of a hallway) which exclusively benefit an Unsold Residential Unit into such Unsold Residential Unit without changing the percentage of Common Interest of such Unit, and (c) if appropriate, reapportion among the Unsold Residential Units affected by any such change, their aggregate Common Interests. In the event of any change pursuant to either (b) or (c) above, such change shall be disclosed in a duly filed amendment to the Plan.

Notwithstanding the foregoing, except for Sponsor's right to combine or subdivide Unsold Residential Units, and to incorporate into any Unsold Residential Unit any portion of the Common Elements adjacent to such Unsold Residential Units (such as common walls or hallways), prior to the First Unit Closing, no material and adverse change, including any increase in the Common Interest by more than 5%, any change in any Unsold Residential Unit's size which decreases the square footage by more than 5%, or the layout of such Unsold Residential Unit, or in the amount or quality of Common Elements directly affecting or servicing an Unsold Residential Unit, will be made with respect to such Unsold Residential Unit for which a Purchase Agreement has been signed and delivered to Sponsor, unless the Adversely Affected Purchaser consents to such changes. There is a rebuttable presumption that a decrease in the square footage of a Unit or increase in the Common Interest, as set forth in Schedule A, by 5% or less is not material. Sponsor's sole obligation if Purchaser's consent is required as a result of such change and Purchaser refuses to consent, shall be to offer the materially Adversely Affected Purchaser(s) the right, for at least 15 days, to rescind their Purchase Agreements and

receive a refund of their Down Payments together with any interest earned thereon. Provided Purchaser's consent is not required, a Purchaser will not be excused from purchasing the Unit and will not have any claim against Sponsor as a result of any such change and such change will not affect a Purchaser's obligations under the Purchase Agreement or the Plan. If Purchaser's consent is required as a result of such change and Purchaser refuses to consent, then in such event, Sponsor's sole obligation shall be to refund to Purchaser all Down Payments made under the Purchase Agreement and any interest earned thereon.

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

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

After the First Unit Closing, unless all Residential Unit Owners consent, no material change will be made in the size (i.e., a material increase or decrease in square footage) and no material adverse change will be made in the quality of Common Elements (i.e., elimination of an amenity described in the Plan) (except for a scenario where Sponsor incorporates Common Elements (such as a portion of a hallway) which exclusively benefit an Unsold Unit into such Unsold Unit without changing the percentage of Common Interest of such Unit). In such event, Sponsor will have the right to amend or to cause the Condominium Board to amend the Declaration to reflect any such material and adverse change and to file such amendment and any necessary plans and specifications in connection therewith.

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

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

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INTERIM LEASES

Sponsor will not permit interim leasing or pre-closing occupancy of Residential Units.

PROCEDURE TO PURCHASE

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

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

Although a Purchaser may obtain financing from any lending institution or other source, Purchaser's obligation to purchase a Unit is not contingent on Purchaser obtaining financing. Any Purchaser who executes a Purchase Agreement and does not obtain financing may lose such Purchasers Down Payment if such Purchaser is unable to otherwise raise the monies for the Balance of the Purchase Price. Purchasers who require financing are advised to consult with a lending institution before signing a Purchase Agreement. Neither Sponsor nor Selling Agent makes any representation as to the availability or terms of any form of financing. While the First Unit Closing is projected to occur on or around May 1, 2020, neither Sponsor nor Selling Agent makes any representation as to the actual closing date, which could occur prior to or after May 1, 2020, for any particular Unit. In addition, as set forth in the Plan and the Purchase Agreement, Sponsor has the right to adjourn the Closing Date from time to time and Purchasers should be aware that if the Closing Date is adjourned, Purchaser's financing terms may be adversely affected, the interest rate may increase and the loan commitment could expire. Sponsor shall have no liability as a result of any scheduling or adjournment of Closing beyond the expiration of a loan commitment.

Purchasers should note that banks and other lenders are imposing various restrictions on purchase financing. Such restrictions include, among others, requiring that a certain percentage of the units in a building or group of buildings be sold before a lender will consider making a loan. Thus, it may be possible for a Purchaser to experience difficulties in obtaining a loan in a building or group of buildings where the percentage of units purchased and owner-occupancy is lower than a lender's particular sales or owner-occupancy minimum. It also may be difficult for a Purchaser to resell a Residential Unit if prospective buyers are unable to obtain a loan due to the same sales or owner-occupancy minimum requirements of lenders. It also may be difficult for a Purchaser to resell a Residential Unit if prospective buyers are unable to obtain a loan due to the same sales or owner-occupancy minimum requirements of lenders. Even after the Building has been submitted to a condominium regime, lenders may still impose minimum sales and/or owner-occupancy requirements before granting a loan. It then may be difficult for a Purchaser to resell a Unit if prospective buyers are unable to obtain a loan due to such minimum sales and/or owner-occupancy requirements.

Purchase Agreements will not be binding on Sponsor until approved and executed by it, and delivered by Sponsor to the Purchaser. Sponsor reserves the right to request thorough identification and financial information (including credit reports, litigation searches and bank statements) concerning any Purchaser, subject to any limitations and requirements imposed by Law. In addition, all Purchasers must provide the Selling Agent, at Selling Agent's request, with necessary authorization for the Selling Agent to conduct a credit and asset check of the Purchaser. Sponsor shall have the right to reject a Purchase Agreement without cause or explanation, provided such rejection is not based upon gender, race, creed, color, national origin, sexual orientation, disability, marital status, ancestry or other grounds proscribed by Law.

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

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

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

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

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

The Director of the Financial Crimes Enforcement Network ("FinCEN") of the U.S. Department of the Treasury issued a Geographic Targeting Order (the "GTO") effective March 1, 2016. The GTO requires title insurance companies to collect and report information regarding the persons involved in residential real estate transactions where: (i) the purchaser is a legal entity as defined in the GTO; (ii) the purchaser purchases residential real property located in the Boroughs of Brooklyn, Queens, Bronx, Manhattan or Staten Island; (iii) the total purchase price of the property is $300,000.00 or more; (iv) such purchase is made without a bank loan or other similar form of external financing; and (iv) the purchase is made at least in part, using currency or a cashier's check, a certified check, a traveler's check, a personal check, a business check, a money order in any form, a fund's transfer, or virtual currency ("Covered Transaction"). The GTO affects all residential real property closings occurring on or after September 22, 2017 until the expiration of the Order (currently, May 15, 2019), which date is subject to change by FinCEN. The GTO requires title insurance companies to collect and report information about the persons involved in certain residential real estate transactions. Although the terms of the extended GTO are confidential, Purchaser shall comply in all respects with Purchaser's title insurance company's request(s) for information pursuant to the GTO, at Purchaser's sole cost and expense. Purchaser's failure to comply with such requests or to otherwise comply with the GTO shall not relieve Purchaser of Purchaser's obligation to Close Title to the Unit on the scheduled Closing Date. A copy of the GTO can be found at https://www.fincen.gov/news/news-releases/fincen-reissues-real-estate-geographic-targeting-orders-and-expands-coverage-12. In the event the GTO is amended at any time prior to and including the Closing Date to define a "Covered Transaction" as one in which the purchase price is less than $300,000.00,

the foregoing obligation of Purchaser shall apply and this Purchase Agreement shall be deemed amended to require Purchaser to comply with such amended GTO in all respects.

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

Based upon the current construction schedule, Sponsor contemplates that, unless delayed by events caused by Force Majeure, construction of the Building will be sufficiently completed to permit closings of Residential Units to begin on or about May 1, 2020. The actual date for the First Unit Closing is not guaranteed or warranted, and may be earlier or later depending on the progress of construction and compliance with the other prerequisites set forth in the Section of the Plan entitled "Terms of Sale." Sponsor has the right to change the projected First Year of Condominium Operation from time to time by an amendment to the Plan. However, if the First Unit Closing does not occur within 12 months after the date set forth in Schedule B for the First Year of Condominium Operation in effect on the date a Purchaser and Sponsor entered into a Purchase Agreement (i.e. the date on which the Purchase Agreement is signed by all necessary parties), Sponsor will offer affected Purchasers a right to rescind their Purchase Agreements for 15 days from the Presentation Date of the amendment disclosing the fact that the First Unit Closing has not occurred by such date. Any affected Purchasers electing rescission will have their Down Payment returned together with any interest earned thereon.

Purchasers should note that even after the First Unit Closing, the remaining Residential Units will be completed at different times over a period that may extend significantly beyond the date of the First Unit Closing if a TCO has not been issued for such Residential Units or for the floor on which such Residential Units are located. The order in which these Units will be completed is in the discretion of Sponsor. Provided that Sponsor is diligently pursuing the completion of construction and the issuance of at least a Temporary Certificate of Occupancy for the remaining Unsold Residential Units and is otherwise in compliance with its obligations under the Plan, Sponsor will have no liability to any Purchaser, nor will any Purchaser be entitled to any right of rescission, credit, offset or reduction in the Purchase Price or otherwise be relieved from any obligations under the Purchase Agreement, if the closing of title to any particular Residential Unit after the First Unit Closing is delayed or postponed by Sponsor. PROSPECTIVE PURCHASERS SHOULD THEREFORE CAREFULLY CONSIDER THE POSSIBILITY OF SUCH DELAYS IN THEIR DETERMINATION AS TO WHETHER TO PURCHASE A UNIT.

Notwithstanding the foregoing, in the event the actual or anticipated commencement date of the First Year of Condominium Operation is to be delayed by 6 months or more, Sponsor will amend the Plan to include a revised budget with updated projections. If the Common Charges in the amended budget exceed those in the latest budget set forth in the Plan by 25% or more, Sponsor will, in the amendment disclosing such updated budget, offer all affected Purchasers the right, for 15 days, to rescind their Purchase Agreements and receive a refund of their Down Payments, together with any interest earned thereon (provided, however, that after the Plan has been declared effective and the amendment disclosing the same has been accepted by the Department of Law, a Purchaser who is in default under the Purchase Agreement beyond the expiration of any applicable grace period will not have the right to rescind).

Following the Plan being declared effective, Sponsor will deliver to each Purchaser a written notice of the time and place of Closing at least 30 days prior to the Closing Date specified therein ("Scheduled Closing Date"). In the event a Purchaser defaults under the Purchase Agreement, TIME BEING OF THE ESSENCE with regard to the obligations of Purchaser thereunder, and Purchaser does not cure such default within thirty (30) days after Sponsor gives written notice to the Purchaser of such default, TIME BEING OF THE ESSENCE with regard to the obligation of Purchaser to cure within such 30 day period, Sponsor may, at its option, terminate the Purchase Agreement by notice of termination to Purchaser and, after serving a second 30-day escrow release notice on Purchaser, retain the Down Payment and all other sums deposited by the Purchaser,

together with interest earned thereon, if any, as liquidated damages. Upon the termination of the Purchase Agreement, Purchaser and Sponsor will be released and discharged of all further liability and obligations thereunder and under the Plan, and the Unit may be sold to another as though the Purchase Agreement had never been made, and without any obligation to account to Purchaser for any of the proceeds of such sale.

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

Each Purchaser shall be responsible for payment of the following fees to Seiden & Schein, P.C., in connection with the Closing of Title to the Unit: (i) the sum of $2,950 per Unit as a closing fee in connection with the Closing of Title to the Unit, which includes processing the Closing of Title to a Storage Locker sold to a Residential Unit Purchaser at the Closing of Title to the Residential Unit, if applicable, plus $350 for preparation of ACRIS forms and title clearance.

A Residential Unit Owner wishing to purchase a Storage Locker from Sponsor after the Closing of Title to the Residential Unit shall be required to pay Attorney for Sponsor a fee of $500 in connection with the issuance of the Storage Locker License.

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

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

Any Purchaser that is a foreign government, a resident representative of a foreign government or other person or entity otherwise entitled to the immunities from suit enjoyed by a foreign government (i.e., diplomatic or sovereign immunity) ("Foreign Government Purchaser") shall be required to expressly and voluntarily waive such immunity and consent to any suit, action or proceeding arising out of or relating to the Purchase Agreement or the Condominium Documents being brought in any State or Federal suit, action or proceeding in the State of New York based on, arising out of or connected with the Purchase Agreement or the Condominium Documents. Any Foreign Government Purchaser shall designate and authorize a lawful agent to receive process for and on behalf of the Foreign Government Purchaser in any State or Federal suit, action or proceeding in the State of New York based on, arising out of or connected with the Purchase Agreement or the Condominium Documents. Such Foreign Government Purchaser will be required to deposit with the Condominium at Closing an amount equal to 2 years' Common Charges with respect to the Unit, based on the Condominium budget in effect as of the Closing Date of the Unit, which will be in addition to the required contribution to the Working Capital Fund. Such amount shall increase from time to time as such Common

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

A Residential Unit Owner who acquired a Residential Unit from Sponsor ("Sponsor Sale") is prohibited from (a) listing the Residential Unit for sale with any broker or placing or authorizing any listing in any broker's listing system or other listing service or from advertising or otherwise offering, promoting or publicizing the availability of the Residential Unit for sale for 12 months after Closing, without Sponsor's prior written consent, which consent may be withheld or delayed, in Sponsor's sole and absolute discretion; or (b) entering into a contract or other agreement for the sale of the Residential Unit or reselling the Residential Unit prior to the first anniversary of the Closing of the Sponsor Sale, except to such Residential Unit Owner' s Family Member(s), or a trust for the benefit of such Family Member(s) or to an entity or individual that owns more than 50% of the legal and beneficial interest of such Residential Unit Owner or to an entity with respect to which such Residential Unit Owner (individual or otherwise) owns more than 50% of the legal and beneficial interest thereof, or to a Permitted Mortgagee or its nominee, who has acquired title to any Residential Unit at a foreclosure sale of its Permitted Mortgage or by deed in lieu thereof delivered in a bona fide transaction. The foregoing restriction shall not apply from and after the date that Sponsor has conveyed title to all of the Residential Units.

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

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

The risk of loss to any Residential Unit by fire or other casualty until the Closing for such Residential Unit is assumed by Sponsor (unless and until Purchaser takes possession of the Residential Unit, at which time such risk, to the extent not covered by existing insurance, shall be assumed by Purchaser), but without any obligation or liability by Sponsor to repair or restore any Residential Unit. In the event of damage or destruction of a Residential Unit due to fire or other casualty prior to the Closing, but subsequent to the signing of a Purchase Agreement, provided Sponsor elects (which election shall be in its sole discretion) to repair or restore the Residential Unit, the Purchase Agreement shall continue in full force and effect, and, thereafter, Purchaser shall not have the right to reject title or receive a credit against, or abatement in, the Purchase Price of the Residential Unit. In such event, Sponsor shall be entitled to a reasonable period of time within which to complete the repair or restoration, and any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss shall, subject to the rights of the Condominium Board and other Residential Unit Owners, belong entirely to Sponsor. In the event of damage or destruction to any Residential Unit by fire or other casualty prior to the Closing, but subsequent to the signing of a Purchase Agreement, if Sponsor notifies Purchaser that it does not elect (which election shall be in its sole discretion) to repair or restore the Residential Unit or if the Unit Owners do not resolve to make such repair or restoration pursuant to the By-Laws (see the Section of the Plan entitled "Rights and Obligations of the Condominium Board/Summary of By-Laws"), the

Purchase Agreement shall be deemed cancelled and of no further force or effect and Sponsor shall return all Down Payments together with any interest earned thereon to Purchaser, whereupon Sponsor and Purchaser shall be released and discharged from all obligations and liability under the Purchase Agreement and the Plan; provided, however, if Purchaser is then in default under the Purchase Agreement (beyond any applicable grace period), Sponsor shall retain all such sums as and for liquidated damages.

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

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

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

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

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

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ESCROW AND TRUST FUND REQUIREMENTS

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

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

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

All Down Payments made by Purchasers prior to the Closing of each individual transaction will be placed in a segregated special escrow account of Seiden & Schein, P.C., the escrow agent ("Escrow Agent"), whose address is 570 Lexington Avenue, 14th Floor, New York, New York 10022 and whose telephone number is (212) 935-1400. As of the Filing Date of the Plan, the attorneys who are signatories on these accounts authorized to withdraw funds, acting singly, are: Jay G. Seiden, Alvin Schein and Adam A. Levenson ("Authorized Signatories"). All Authorized Signatories are admitted to practice law in the State of New York. Neither the Escrow Agent nor any Authorized Signatory is the Sponsor, Selling Agent, Managing Agent, or any principal thereof, or have any beneficial interest in any of the foregoing.

Escrow Agent has established an escrow account entitled "Seiden & Schein, P.C., Escrow Account" ("Escrow Account") at Signature Bank located at 200 Park Avenue South, Suite 501, New York, New York 10003 ("Escrow Bank"). Escrow Bank is authorized to do business in the State of New York.

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

All Down Payments will be placed initially in the non-interest bearing portion of the Escrow Account. Each Purchaser is required to deliver a completed and signed Form W-9 (Request for Taxpayer Identification

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

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

Nothing contained herein shall diminish or impair Sponsor's statutory obligation to each Purchaser pursuant to GBL Section 352-h to hold in trust all deposits, advances or payments made in connection with the offer until Consummation of the transaction with the Purchaser. Consummation of the Plan does not relieve Sponsor of its obligations pursuant to GBL Section 352-h. All Down Payments are and shall continue to be the Purchaser's money, and may not be commingled with any other money or pledged or hypothecated by Sponsor, until such time as Sponsor is entitled to the Down Payments as per GBL § 352-h and GBL §352-e (2-b). Such funds shall not be part of the estate of Sponsor or Escrow Agent upon any bankruptcy, incapacity or death.

Notwithstanding the foregoing, Sponsor reserves the right to amend the Plan to permit Sponsor to utilize Down Payments after Sponsor secures such Down Payments by placing in escrow with Escrow Agent an unconditional irrevocable letter of credit, a surety bond from an institutional lender or recognized bonding company acceptable to the DOL, or an alternative type of security. If Sponsor makes an application to the Department of Law to withdraw the Down Payments from escrow, and secure such Down Payments with an unconditional irrevocable letter of credit, a surety bond from an institutional lender or recognized bonding company acceptable to the DOL, or an alternative type of security, and such application is approved by the Department of Law, following such withdrawal, no interest will be earned on such Down Payments.

The sub-escrow account number and the initial interest rate, if any, will be disclosed to each Purchaser, as appropriate, in a letter from Escrow Agent to each Purchaser sent within 10 business days after the delivery of the Initial Down Payment. If Purchaser does not receive notice that the Initial Down Payment has been placed in the Escrow Account within 15 business days after delivery of the Initial Down Payment, Purchaser may cancel the Purchase and rescind the Purchase Agreement so long as the right to rescind is exercised within 90 days after delivery or crediting of the Initial Down Payment by notice delivered to Sponsor and to Escrow Agent. Complaints concerning the failure to honor such cancellation requests may be referred to the New York State Department of Law, Real Estate Finance Bureau, 28 Liberty Street, New York, New York 10005. Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that

the Initial Down Payment was timely deposited and requisite notice was timely mailed to Purchaser in conformity with the Attorney General's regulations. However, Escrow Agent will not be required to send the aforementioned letter to any Purchaser in connection with any subsequent Down Payments delivered by Purchaser after the Initial Down Payment, including, without limitation, the Additional Down Payment or any funds in connection with any changes in the interest rate.

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

Under current Law, the sub-accounts at the Escrow Bank are insured by the Federal Deposit Insurance Corporation ("FDIC") to a maximum of $250,000 per depositor, per FDIC insured bank, per ownership category. The following are SPECIAL RISKS of this offer: (i) if a Purchaser makes a Down Payment in excess of $250,000 such Down Payment will not be FDIC insured in excess of $250,000; (ii) if a Purchaser has other accounts at the Escrow Bank and the aggregate of the deposits in such account(s) and the Down Payment(s) exceeds $250,000, the amount that exceeds $250,000 may not be FDIC insured, and (iii) while the Down Payment is in the non-interest bearing portion of the Escrow Account, the Down Payment may not be fully FDIC insured even if the Down Payment does not exceed $250,000. No representation is made with respect to any further changes in Law which may increase or decrease such limit.

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

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

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

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

Under no circumstances shall Sponsor seek the release of the Down Payments of a defaulting Purchaser until after Consummation of the Plan. Consummation of the Plan does not relieve Sponsor of its obligations pursuant to General Business Law Section 352-h and General Business Law Section 352-(e)(2-b).

Escrow Agent shall release the Down Payments if so directed:

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

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

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

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

Sponsor will not object to the release of the Down Payments to:

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

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

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

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

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

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

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

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

Sponsor has agreed to indemnify Escrow Agent from all claims, losses, judgments, costs, expenses and damages, including those brought by third-parties, including purchasers, incurred in connection with or arising out of the escrow agreement or the performance or non-performance of Escrow Agent's duties under the Escrow Agreement, except with respect to actions or omissions taken or suffered by Escrow Agent in bad faith or in willful disregard of the Escrow Agreement or involving gross negligence of Escrow Agent. This indemnity includes, without limitation, professional fees, including attorneys' fees, court costs and disbursements, either paid to retain attorneys or representing the value of all legal services rendered by Escrow

Agent to itself and any and all attorneys' and professional fees, court costs, expenses and disbursements incurred by Escrow Agent in connection with a bankruptcy case filed by Sponsor for protection under the United States Bankruptcy Code, the enforcement of any rights, or defense of any claims against Escrow Agent in any bankruptcy proceeding, or any other matter arising in or in connection with Sponsor's bankruptcy case.

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

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

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

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ASSIGNMENT OF PURCHASE AGREEMENTS

No Third-Party Assignment

Purchaser does not have the right to assign the Purchase Agreement without the prior written consent of Sponsor, exercisable in Sponsor's sole discretion. Any purported assignment by Purchaser in violation of the Purchase Agreement shall be a default by Purchaser, entitling Sponsor to the default remedies set forth in the Section of the Plan entitled "Procedure to Purchase," and shall be voidable at the option of Sponsor. Sponsor's refusal to consent to an assignment will not entitle Purchaser to cancel the Purchase Agreement or give rise to any claim for damages against Sponsor. If Sponsor, in its sole discretion, consents to a Purchaser's request for an assignment of the Purchase Agreement, or for the addition, deletion or substitution of names on the Purchase Agreement, then Purchaser shall be required to pay to Seiden & Schein, P.C. a fee of $500, in advance, for preparation of an assignment and assumption agreement. Sponsor shall have the right to reject to a Purchaser's request for an assignment of the Purchase Agreement without cause or explanation, provided such rejection is not based upon gender, race, creed, color, national origin, sexual orientation, disability, marital status, ancestry or other grounds proscribed by Law.

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EFFECTIVE DATE

The offering by Sponsor of the Units under the Plan is contingent upon the Plan being declared effective. The First Unit Closing shall not occur until the Plan has been declared effective. The Plan may be declared effective, at Sponsor's option by (i) an amendment to the Plan or (ii) notice to each Purchaser stating that the Plan is declared effective and submission of an amendment to the Department of Law within 5 days confirming that the Plan was declared effective on a specified date. The Plan may be declared effective, at Sponsor's option, at any time when bona fide purchasers, including investors, have executed Purchase Agreements with respect to not less than 15% of the Residential Units offered for sale (i.e., 5 Units assuming 32 Residential Units offered for sale). Notwithstanding the fact that not all purchasers used for purposes of declaring the Plan effective may actually close, Sponsor will re-declare the Plan effective if all purchase agreements are either rescinded or terminated prior to the date of the First Unit Closing, regardless of whether the Declaration has been recorded. The Plan must be declared effective at such time as Purchase Agreements have been executed and are in effect with respect to 80% of the Units offered for sale (i.e., 27 Units assuming 32 Residential Units offered for sale).

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

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

If the Plan is abandoned and Sponsor has accepted Purchase Agreements, then Sponsor shall file an amendment with the Department of Law abandoning the Plan together with a form RS-3. If Sponsor has accepted Purchase Agreement, all Down Payments, together with any interest earned thereon, will be returned to Purchasers 5 days after the Filing Date of the amendment abandoning the Plan. Upon the return of the Down Payments, as aforesaid, the Purchase Agreement will be null and void and Sponsor will have no further obligation or liability to Purchaser under the Plan or the Purchase Agreement. If the Plan is abandoned and Sponsor has not accepted Purchase Agreements, then Sponsor shall file a form RS-3 with the Department of Law without an amendment, which form RS-3 shall be served simultaneously by Sponsor on all commercial and professional tenants, if any.

TERMS OF SALE

The term "Closing" refers to the conveyance of title to a Unit from Sponsor to Purchaser by the delivery to Purchaser of a deed upon payment by Purchaser to Sponsor of the balance of the Purchase Price for such Unit. The Closing to each Unit shall be held at the office of Seiden & Schein, P.C., 570 Lexington Avenue, 14th Floor, New York, New York or at such other place as Sponsor may designate.

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

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

(b) a TCO or FCO for the Unit is in effect. Issuance of a TCO or FCO for the Unit shall be deemed presumptive evidence of substantial completion of the Unit and is the only construction-related prerequisite that must occur before Sponsor may require the closing of title. A TCO is not required for the closing of Storage Locker Licenses. A Purchaser will be required to consummate the purchase of the Residential Unit and a Storage Locker License simultaneously at Closing even though a TCO has not been issued for the Storage Locker Area. In such event, the proceeds from the sale of the Storage Locker will be held in Escrow by Escrow Agent until such time as a TCO has been issued for the Storage Locker Area. Sponsor does not make any representations about the financeability of any Unit, and a Purchaser will be obligated to close title to the Unit even if the Unit is not financeable.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The risk of loss to any Residential Unit by fire or other casualty until the Closing for such Residential Unit is assumed by Sponsor, but without any obligation or liability by Sponsor to repair or restore any Residential Unit. In the event of damage or destruction of a Unit due to fire or other casualty prior to the Closing, but subsequent to the signing of a Purchase Agreement, provided Sponsor elects (which election shall be in its sole discretion as set forth in the Purchase Agreement) to repair or restore the Residential Unit, the Purchase Agreement shall continue in full force and effect, and, thereafter, Purchaser shall not have the right to reject title or receive a credit against, or abatement in, the Purchase Price of the Residential Unit. In such event, Sponsor shall be entitled to a reasonable period of time within which to complete the repair or restoration, and any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss shall, subject to the rights of the Condominium Board and other Unit Owners, belong entirely to Sponsor. In the event of damage or destruction to any Residential Unit by fire or other casualty prior to the Closing, but subsequent to the signing of a Purchase Agreement, if Sponsor notifies Purchaser that it does not elect (which election shall be in its sole discretion) to repair or restore the Residential Unit or if the Residential Unit Owners do not resolve to make such repair or restoration pursuant to the By-Laws, the Purchase Agreement shall be deemed cancelled and of no further force or effect and Sponsor shall return all Down Payments, together with any interest earned thereon to Purchaser, whereupon

Sponsor and Purchaser shall be released and discharged from all obligations and liability under the Purchase Agreement and the Plan; provided, however, if Purchaser is then in default under the Purchase Agreement (beyond any applicable grace period), Sponsor shall retain all such sums as and for liquidated damages.

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

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

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

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

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

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CLOSING COSTS AND ADJUSTMENTS

Closing Costs

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

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

(b) If Purchaser elects to obtain fee title insurance, Purchaser will pay the premium therefor, which will vary depending upon the amount requested. **Purchasers are free to use a title company of their choice without any penalty**. Kensington Vanguard National Land Services, having an office at 39 West 37th Street, 3rd Floor, New York, NY 10018 (telephone: (212) 532-8686) ("Title Company") has (i) reviewed the Plan and the Condominium Documents and has issued a letter to Sponsor that it is committed to insure that a valid Condominium will be created pursuant to the Condominium Act and (ii) issued the Specimen Title Policy set forth in Part II of the Plan.

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

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

RATE SCHEDULE FOR INSURANCE OVER $1,000,000

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

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(c) If Purchaser elects to simultaneously obtain both fee title insurance and mortgage title insurance, the premium for the fee title insurance will be calculated as described in paragraph (b) above. Title Company has provided Sponsor with the standard mortgage policy rates as set forth below:

SIMULTANEOUS MORTGAGE RATE SCHEDULE

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

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

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

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

[Closing Costs Continue on Following Page]

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

	Purchase Price $500,000 or less	Purchase Price Greater than $500,000
Tentative City Tax:		
Consideration	$400,000	$1,500,000
Tax Rate	x 1%	x 1.425%
Tentative tax	$ 4,000	$ 21,375
Tentative State Tax:		
Net Consideration	$400,000	$1,500,000
Rounded up to nearest $500	$400,000	$1,500,000
Tentative tax ($2 per $500)	$ 1,600	$ 6,000
City Tax:		
Consideration	$400,000	$1,500,000
Tentative taxes	+ 5,600	+ 27,375
Taxable Consideration	$405,600	$1,527,375
Tax Rate	x 1%	x 1.425%
City Tax	$ 4,056	$ 21,765
State Tax:		
Net Consideration	$400,000	$1,500,000
Tentative taxes	+ 5,600	+ 27,375
Taxable Consideration	$405,600	$1,527,375
Rounded up to nearest $500	$406,000	$1,527,500
State Tax ($2 per $500)	$ 1,624	$ 6,110

Thus, the effective RPT tax rate is approximately 1.014% of the Purchase Price where the Purchase Price is $500,000 or less and 1.451% where the Purchase Price is greater than $500,000. A similar position has been taken by the New York State Department of Taxation and Finance and as a result the effective tax rate for the State Transfer Tax is $4.06 per thousand dollars of the Purchase Price where the consideration is $500,000 or less and $4.074 per thousand dollars of the Purchase Price where the consideration is greater than $500,000. When the Purchase Price is equal to or in excess of $1,000,000, payment by Purchaser of the Mansion Tax is not considered additional consideration to Sponsor for purposes of the calculation of the State Transfer Tax. However, where the Purchase Price of the Residential Unit is close to, but less than, $1,000,000.00 and the Purchaser pays the Transfer Taxes, the Mansion Tax may become due and payable as a result of such additional taxable consideration.

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

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

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

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

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

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

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

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

(g) Closing fees payable to Seiden & Schein, P.C., in accordance with the following schedule, all of which fees will be cumulative to the extent applicable to any individual closing:

(1) $2,950 for the preparation of closing documents, calculation of adjustments, preparation of ACRIS transfer documents and attendance at Closing at the offices of Seiden & Schein, P.C., or such other place as Sponsor may designate and supervision of execution of closing documents;

(2) $350 for reviewing and clearing title prior to closing;

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

(4) If through no fault of Sponsor, Purchaser fails to close on the date scheduled for Closing, and Purchased has adjourned the closing on fewer than 5 Business Days prior to the scheduled closing date, then Purchaser shall pay an additional fee of $750 for each rescheduled Closing granted at Purchaser's request to defray the cost of preparing and coordinating the Closing and recalculating the Closing apportionments.

(5) If Purchaser requires that the Closing occur other than at the office of Seiden & Schein, P.C., or such other place as Sponsor may designate, and Sponsor consents to such change (in Sponsor's sole discretion), Purchaser shall pay an additional attendance fee of $1,500 for each Closing held within Manhattan. No Closing will be held in any borough outside Manhattan.

Purchaser may pay more than one fee pursuant to (g) above with respect to a Unit. In addition to an attendance fee in connection with a completed Unit transfer, Seiden & Schein, P.C. shall also be entitled to an attendance fee in the amount set forth above if such firm's representative attends a scheduled Closing but the Closing is adjourned due to Purchaser's failure to comply with Purchaser's closing obligations. In addition, more than one assignment fee shall be payable if Sponsor consents to more than one assignment request.

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

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

(j) If Purchaser is a Foreign Government Purchaser, Purchaser will be required to deposit with the Condominium an amount equal to 2 years' Common Charges with respect to the Residential Unit, based on the Condominium budget in effect as of the Closing Date.

All legal costs, fees and expenses of Seiden & Schein, P.C., other than those specifically set forth above, will be the sole responsibility of Sponsor.

[Example of Estimated Closing Costs on Following Page]

Example of Estimated Closing Costs for a Typical Residential Unit

A numerical example of estimated closing costs and expenses for a single Residential Unit with a Purchase Price of $4,000,000 and a mortgage of $3,000,000 are set forth below by way of illustration only. All tax rates, title insurance premiums and recording rates are subject to change:

ITEM	DESCRIPTION	AMOUNT
Fee Insurance Premium for $4,000,000 of owner's insurance	Fee Insurance Premium	$10, 841
Mortgage Insurance Premium for $3,000,000 of lender's insurance	Mortgage Insurance Premium	$2,072
NYC RPT Tax	NOTE: transfer taxes are based upon bulked-up consideration of $4,073,000-. The NYC RPT rate is 1.425%.	$58,040
NYS Mansion Tax	1% of bulked-up consideration	$40,730
NYS Transfer Tax	The tax rate is $2 for every $500 of bulked-up consideration or fraction thereof.	$16,292
Mortgage Recording Tax	The tax rate is 2.175%. The borrower pays 1.925% - $30. This does not include the lender's ¼ point of mortgage tax in the amount of $7,500.	$57,720
Departmental and Bankruptcy Searches	Title Searches, sales tax and miscellaneous fees	$400
Estimated Recording Fees	(one deed, one mortgage and one condo power of attorney)	$600
Estimated Title Endorsements	5 endorsements at $50 each.	$250
Closing fees to Seiden & Schein, P.C.	Basic closing fee, ACRIS document preparation fee and title clearance	$3,300
Working Capital Contribution	2 months' Common Charges	See Schedule A
Total Estimated Closing Costs	Excluding Working Capital Contribution	$ 190,245

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

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

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

In the event Sponsor obtains a construction or acquisition loan which satisfies certain parameters and pays a mortgage recording tax thereon, it is specifically understood that, any mortgage tax credit shall inure to

the benefit of Sponsor. Accordingly, at Closing, each Purchaser may pay all or a portion of the mortgage recording tax to Sponsor, to the extent of any mortgage tax credit allowed as set forth in sub-paragraph (i).

Closing Adjustments

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

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

(iii) Real Estate Taxes. Each Unit will be taxed as a separate tax lot for real estate tax purposes and a Unit Owner will not be responsible for the payment of, nor will the Unit be subjected to, any lien arising from the non-payment of real estate taxes assessed against any other Unit. In the event the Units have not been separately assessed for real estate tax purposes prior to the First Unit Closing (or by the closing date for other Units following the First Unit Closing), Sponsor will have paid the real estate taxes through the end of the tax payment period in which the closing occurs. By way of illustration, if a closing occurs on May 2, 2020, Sponsor will have paid the real estate taxes for the Property through July 1, 2020. At Closing, Purchaser shall adjust real estate taxes with Sponsor from the date of the Closing through the end of the tax payment period in which the Closing occurs.

The Condominium Board shall also collect from each Purchaser at Closing, the amount necessary to cover the six (6) month tax period subsequent to the tax period in which the Closing occurs (the "Future Real Estate Tax Payment"). By way of illustration, if the Closing occurs on May 1, 2020, Purchaser shall pay to the Condominium Board at Closing the Future Real Estate Tax Payment for July 1, 2020 through December 31, 2020. Each Unit Owner shall pay the Future Real Estate Tax Payment based on the Unit's Percentage of Common Interest which payment shall be considered additional Common Charges. The Managing Agent, on behalf of the Condominium Board, shall hold such funds in a separate escrow account for the purpose of paying the future real estate taxes on the Property when they become due and payable. At the time such real estate taxes become due and payable, Sponsor shall pay over to the Condominium Board Sponsor's proportionate share of the Future Real Estate Tax Payment for any Unsold Units owned by Sponsor.

The Condominium Board will pay such real estate taxes to the Department of Finance of the City of New York ("Finance Department") when due. In the event the actual real estate taxes due for the six (6) month tax period subsequent to the First Unit Closing are greater than the amounts collected from Purchasers as described above, each Unit Owner shall pay its pro rata share of the additional amount required promptly upon demand. If any Unit Owner (including Sponsor with respect to any Unsold Units) fails to pay such Unit Owner's pro rata share of such real estate taxes upon demand, the Condominium Board shall have the right to place a lien on such Unit for unpaid Common Charges. During the Sponsor Control Period, Sponsor shall cause the Condominium Board to file a lien for unpaid Common Charges against any Unit owned by Sponsor in which Sponsor is more than 30 days in arrears. In the event the actual real estate taxes due for the six (6) month tax period subsequent to the First Unit Closing are less than collected from Purchasers as described

above, Sponsor, on behalf of the Condominium Board, will direct the Managing Agent to refund to each Unit Owner the appropriate pro rata share of such excess collections.

In the event the Units are separately assessed and individual tax bills are issued by the Finance Department prior to the date the real estate taxes are due, Sponsor, on behalf of the Condominium Board, will direct the Managing Agent to make refunds to each Unit Owner, as appropriate. In such event, Sponsor and Unit Owners shall be required to pay their respective tax bills directly to the Finance Department. Thereafter, the Unit Owners will pay real estate taxes for their respective Units directly to the taxing authority.

Other Costs

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

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RIGHTS AND OBLIGATIONS OF SPONSOR

Sponsor shall have the following rights and obligations and all Purchasers upon execution of their respective Purchase Agreements will be deemed to have accepted and agreed to abide and be bound by the Plan and accepted amendments thereto, and applicable law and regulations as may be amended, and by the following:

Sponsor reserves the right to make any changes in the proposed Condominium Documents and modifications to the Plans and Specifications as may be necessary in Sponsor's sole discretion to conform to Law or to expedite the sale of Units, or due to structural, architectural or mechanical considerations provided, however, that any such amendments, additions, or changes shall not materially and Adversely Affect a Unit Owner or Purchaser, increase any obligation of a Unit Owner or Purchaser to any adverse and material degree and any substitution of appliances, equipment or materials shall be of substantially equal or better quality. Any such material and adverse modification, addition or change will be reflected in a duly filed amendment to the Plan. There is a rebuttable presumption that an increase or decrease in the square footage of a Unit, as set forth in Schedule A, by 5% or less is not material.

Sponsor has procured financing for the construction of the Building ("Construction Loans"). The current holder of the Construction Loans is Bank of the Ozarks ("Construction Lender") having an office at 8300 Douglas Ave., Suite 900, Dallas, Texas 75225. The Construction Lender shall, subject to Sponsor's satisfaction of the release conditions in the Construction Loan documents, release the liens of the Construction Loans from each Unit at each Closing until the Construction Loans have been satisfied. The Construction Loans do not permit Sponsor to rent Residential Units without the prior written consent of the Construction Lender, which consent shall not be unreasonably withheld, conditioned or delayed. However, Sponsor may not execute a lease for all or a substantial portion of the Property during the term of the Construction Loan.

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

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

Based upon the current construction schedule, Sponsor contemplates that, unless delayed by events caused by Force Majeure, construction of the Building will be sufficiently completed to permit closings of Residential Units to begin on or about May 1, 2020. The actual date for the First Unit Closing is not guaranteed or warranted, and may be earlier or later depending on the progress of construction and compliance with the other prerequisites set forth in the Section of the Plan entitled "Terms of Sale." Sponsor has the right to change the projected First Year of Condominium Operation from time to time by an amendment to the Plan. However, if the First Unit Closing does not occur within 12 months after the date set forth in Schedule B for the First Year of Condominium Operation in effect on the date a Purchaser and Sponsor entered into a Purchase Agreement (i.e. the date on which the Purchase Agreement is signed by all necessary parties), Sponsor will offer affected Purchasers a right to rescind their Purchase Agreements for 15 days from the Presentation Date of the amendment disclosing the fact that the First Unit Closing has not occurred by such date. Any affected Purchasers electing rescission will have their Down Payment returned together with any interest earned thereon.

Purchasers should note that even after the First Unit Closing, the remaining Residential Units will be completed at different times over a period that may extend significantly beyond the date of the First Unit Closing if a TCO has not been issued for such Residential Units or for the floor on which such Residential Units are located. The order in which these Units will be completed is in the discretion of Sponsor. Provided that Sponsor is diligently pursuing the completion of construction and the issuance of at least a Temporary Certificate of Occupancy for the remaining Unsold Residential Units and is otherwise in compliance with its obligations under the Plan, Sponsor will have no liability to any Purchaser, nor will any Purchaser be entitled to any right of rescission, credit, offset or reduction in the Purchase Price or otherwise be relieved from any obligations under the Purchase Agreement, if the closing of title to any particular Residential Unit after the First Unit Closing is delayed or postponed by Sponsor. PROSPECTIVE PURCHASERS SHOULD THEREFORE CAREFULLY CONSIDER THE POSSIBILITY OF SUCH DELAYS IN THEIR DETERMINATION AS TO WHETHER TO PURCHASE A UNIT.

Notwithstanding the foregoing, in the event the actual or anticipated commencement date of the First Year of Condominium Operation is to be delayed by 6 months or more, Sponsor will amend the Plan to include a revised budget with updated projections. If the Common Charges in the amended budget exceed those in the latest budget set forth in the Plan by 25% or more, Sponsor will, in the amendment disclosing such updated budget, offer all affected Purchasers the right, for 15 days, to rescind their Purchase Agreements and receive a refund of their Down Payments, together with any interest earned thereon (provided, however, that after the Plan has been declared effective and the amendment disclosing the same has been accepted by the Department of Law, a Purchaser who is in default under the Purchase Agreement beyond the expiration of any applicable grace period will not have the right to rescind).

Sponsor is obligated to bear all costs and expenses incurred in connection with completing construction of the Building in accordance with the Plans and Specifications. During the course of construction, Sponsor reserves the right, in its sole and absolute discretion, without prior notice to Purchasers or amendment to the Plan to (i) amend from time to time the Plans and Specifications (including changes in layouts and designs) in accordance with the Section of the Plan entitled "Changes in Prices and Units"; and/or (ii) substitute materials, appliances, equipment and fixtures that are of substantially equal or better quality in place of those described in the Plan and the Plans and Specifications. Notwithstanding the foregoing, no such change, including any change in the Common Interest or in the amount or quality of Common Elements directly affecting or servicing a Residential Unit, will be made with respect to such Unsold Residential Unit for which a Purchase Agreement is then in effect which increases or decreases the square footage or Common Interest by more than 5%, or materially changes the unit size, layout or percentage of Common Interest of such Unsold Residential Unit, unless the Purchaser consents to such changes. There is a rebuttable presumption that an increase or decrease in the square footage of a Unit, as set forth in Schedule A, by 5% or less is not material. Sponsor's sole obligation if the square footage of the Unit as set forth in Schedule A is decreased by more than 5% shall be to offer the materially Adversely Affected Purchaser(s) the right, for at least 15 days, to rescind their Purchase Agreements and receive a refund of their Down Payments together with any interest earned thereon. Provided Purchaser's consent is not required, a Purchaser will not be excused from purchasing the Residential Unit and will not have any claim for damages or losses against Sponsor as a result of any such change and such change will not affect a Purchaser's obligations under the Purchase Agreement or the Plan, it being understood that nothing contained in this Section will be construed so as to render Sponsor liable for money damages, nor shall Purchaser have against Sponsor any liability, suit, claim, cause of action, or demand under any legal theory. If Purchaser's consent is required as a result of such change and Purchaser refuses to consent, then in such event, Sponsor's sole obligation shall be to refund to Purchaser all Down Payments made under the Purchase Agreement and any interest earned thereon.

At the First Unit Closing, Sponsor will deliver, assign, or otherwise grant to the Condominium Board, on behalf of all Unit Owners, the right to proceed under any assignable warranties and other undertakings received by Sponsor from contractors, suppliers, or others in connection with the construction

and equipping of the Building, except that assignable warranties and undertakings received by Sponsor which relate to appliances, equipment or fixtures located in any Unit shall be assigned to the Purchaser on the Closing Date, including the warranties and undertakings received by Sponsor which relate to appliances, equipment, or fixtures located in the Units and the Common Elements. Sponsor does not make any representation as to which, if any, of the warranties and other undertakings will continue to remain in force upon the Closing of any particular Unit. Sponsor shall have no liability or responsibility in the event a warrantor is unable, unwilling or for any reason, fails to perform under its warranty.

Purchasers are advised that in New York City, newly constructed buildings are sometimes offered as condominium projects without a final certificate of occupancy ("FCO") covering the entire building but with only a temporary certificate of occupancy ("TCO"), and sometimes with several successive TCOs. Certificates of occupancy are generally governed by Section 301 of the New York Multiple Dwelling Law and local building codes and rules. Both TCOs and FCOs are issued by the Buildings Department. A TCO is intended to indicate that the property is safe for occupancy, but means that not all of the construction work and/or inspections have been performed, or that not all of the required documents have been submitted to the DOB. All TCOs have an expiration date. A TCO typically expires 90 days after the date of issuance. When a TCO expires and is not renewed, it may be difficult or impossible to buy insurance, refinance, or sell units. In New York City, it is common for sponsors to commence unit closings when some or all units are covered by a TCO rather than a FCO. Sponsor anticipates this scenario will occur. Sponsor will undertake the responsibility for extending each TCO prior to its expiration, and ultimately for obtaining a FCO covering the entire Building within 2 years from the date of the issuance of the first TCO, subject, however, to (i) Force Majeure, (ii) actions by Unit Owners or tenants of Unit Owners, (iii) work undertaken in a Unit by a Unit Owner, except in instances where Sponsor or Sponsor-controlled Condominium Board have given its consent to a Unit Owner to perform alterations, (iv) work undertaken in Common Elements by the Condominium Board after Sponsor no longer controls the Condominium Board or (v) any other cause over which Sponsor has no control. In addition, in the event the Commercial Unit is sold as a "white-box" space, work undertaken by the Commercial Unit Owner may delay the issuance of the FCO. Sponsor does not make any representation or guarantee that the Buildings Department will issue a FCO within such 2 year period. Notwithstanding the foregoing, Sponsor and its principals are obligated to procure a FCO for the Building, and shall exercise best efforts to obtain a FCO within such 2 year period while keeping the TCO current. Unit Owners and the Condominium Board shall be obligated to cooperate with, and refrain from obstructing, Sponsor in these undertakings.

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

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

If Sponsor fails to obtain a FCO for the Building prior to the First Unit Closing, Sponsor will be obligated to: (i) direct the Escrow Agent to hold and maintain those monies received pursuant to all Purchase Agreements (see the Section of the Plan entitled "Escrow and Trust Fund Requirements") which would otherwise be payable to Sponsor in the special trust account required by the General Business Law of the State of New York, Sections 352-e(2)(b) and 352(h), provided, however, that if Sponsor's architect, engineer or other qualified expert (collectively, "Sponsor's Representative") certifies that a lesser amount than the amount held in the special trust account is reasonably necessary to complete the work needed to obtain a FCO, then the amount exceeding the sum so certified by Sponsor's Representative shall be released from the special escrow account to Sponsor; or (ii) Sponsor shall deposit with Escrow Agent cash or an

unconditional, irrevocable letter of credit or post a surety bond in an amount Sponsor's Representative, from time to time, certifies is reasonably necessary to complete the work needed to obtain the FCO. The Buildings Department advises Purchasers of houses and apartments who close title with only a TCO in place to consult with their attorneys or engineers for assurance that sufficient funds are escrowed or otherwise secured for Sponsor to obtain the FCO.

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

The Building will contain certain major mechanical equipment, including, but not limited to, elevator machine rooms, fans, pumps, and emergency generator, (collectively, "Equipment") located on the main roof, mechanical rooms, cellar and/or subcellar which may cause noise and vibration throughout the Building. As a result, Residential Units and Terraces in close proximity may be affected. Notwithstanding the foregoing, any such noise or vibration shall not violate any applicable building code.

The Condominium Board and Sponsor have the right to operate the emergency generator as necessary, as well as to activate the emergency generator for testing on a periodic basis, normally once per month. During such testing periods, which may occur at any time, Residential Unit Owners may experience excessive noise and vibration, which may exceed applicable NYC noise requirements.

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

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

Each Residential Unit and the fixtures and personal property contained therein, is being sold and delivered as described in the Plan, and as required by applicable Law and regulations, at the time of transfer of title to such Unit unless Sponsor and the Purchaser otherwise agree in writing. With respect to Residential Units, upon receipt of the Initial Closing Notice, Purchaser shall arrange an appointment with a representative of Sponsor to inspect the Residential Unit within 7 days prior to the Closing Date and shall execute at such time an Inspection Statement acknowledging the Purchaser's acceptance of the Residential Unit in good condition and in accordance with the terms of the Plan. If Purchaser believes that remaining items of work must be completed in the Unit, then Sponsor or its designated representative and Purchaser will at the time of the inspection agree upon and set forth in the Inspection Statement a list of the incomplete work to be completed by Sponsor following the Closing without provision for escrow. Sponsor's obligation under the Inspection Statement shall survive delivery of the deed to the Purchaser. The failure of Sponsor to complete the work under the Inspection Statement prior to Closing shall not be grounds for Purchaser to delay the Closing or to refuse to pay the full Balance of the Purchase Price at Closing. Purchaser shall be obligated to provide Sponsor and its contractors, subcontractors, agents and employees, unrestricted access to the Unit, upon 1 days' notice, and any Residential Limited Common Elements appurtenant thereto after Closing in order to complete the work on the Inspection Statement, failing which Sponsor shall be relieved of its obligations to complete the work set forth on the Inspection Statement. Notwithstanding anything set forth in this paragraph (o), at such time as a TCO for the Unit is issued, Purchaser shall be obligated to close title to the Unit and pay the Balance of the Purchase Price at Closing.

Limited Warranty

Article 36-B of the New York General Business Law ("Housing Merchant Implied Warranty Law") does not apply to this offering as the Building comprises more than 5 stories. Sponsor makes no other warranties, express or implied, in connection with this offering of the Units and all such warranties are excluded, except as provided in the limited warranty ("Limited Warranty") set forth in this Section. Sponsor will correct, repair, or replace any and all defects relating to construction of the Building, Common Elements or the Units or in the installation or operation of any appliances, fixtures, or equipment therein, or will cause the same to be corrected, repaired, or replaced, but only if:

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

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

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

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

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

Common Elements shall be presumptive evidence that the construction of the Common Elements has been substantially completed.

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

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

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

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

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

d. Purchaser, through any act or omission (i) is the cause of such defect, (ii) obstructs, delays, prevents or hinders Sponsor from gaining access to the Unit in order to repair or replace the defect, or (iii) undertakes the repair or replacement of such defect, in which case Sponsor will not be obligated to reimburse Purchaser for any costs or expenses associated with such undertaking.

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

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

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

(ii) resulting from normal wear and tear, natural deterioration, normal settling (including, without limitation, cracks in crown molding, minor gapping in the flooring, uneven ceilings or floors, and floor buckling), deflection, expansion or shifting of the Building; damage to personal property resulting from defects in construction (Unit Owners are responsible for obtaining insurance to cover damage to personal property within their respective Units);

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

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

a. death of trees or landscape improvements, cracks in roof ballast, or exterior façade concrete cracks that do not impair the Structural soundness of the Building, including

cracks or discoloration in exterior walls and paving, leaching or color variation in colored mortar, tiles or pavers, and brick, dimensional variations in brick joints, mortar droppings on bricks, ponding, and/or controlled drainage on roof and Terrace surfaces, Terrace tiles or pavers not laid flat, stained tiles or color variations in tiles or pavers, and cracks in pressure treated wood used, or intended for use, outside the Building;

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

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

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

e. variations in wood floor stains and finishes;

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

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

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

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

However, Sponsor is obligated to construct the Building in accordance with the terms of the Plan and all applicable Laws. Sponsor will be obligated to repair abnormal scratches in plastic laminate, vitreous china, natural stone, wood, porcelain and metallic surfaces by filing or refinishing the same not caused by the use of the Units by Unit Owners, but Sponsor will not be obligated to replace any such surfaces.

THE ITEMS AND CONDITIONS DESCRIBED ABOVE IN (IV) ARE NOT DEFECTS AND MAY BE FOUND IN ANY NEWLY CONSTRUCTED BUILDING. PURCHASERS WHO PURCHASE A UNIT IN THE BUILDING OR IN ANY OTHER NEWLY CONSTRUCTED BUILDING MAY EXPERIENCE SOME OR ALL OF THESE CONDITIONS IN THEIR UNITS OR THE COMMON ELEMENTS. SPONSOR HAS NO OBLIGATION TO CORRECT OR REPAIR ANY OF SUCH ITEMS AND CONDITIONS AND SHALL NOT BE LIABLE TO ANY PURCHASER OR CONDOMINIUM BOARD

THEREFOR. IF PURCHASER OR CONDOMINIUM BOARD DESIRES TO CORRECT OR REPAIR ANY SUCH ITEMS OR CONDITIONS, TO THE EXTENT THEY CAN BE CORRECTED OR REPAIRED, THE PURCHASER OR CONDOMINIUM BOARD MUST PROCEED AT ITS SOLE COST AND EXPENSE AND/OR UTILIZE ANY WARRANTIES OR UNDERTAKINGS ASSIGNED TO IT BY SPONSOR.

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

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

Notwithstanding the foregoing, in the event an Unsold Residential Unit is rented by Sponsor after the First Unit Closing and subsequently sold to the tenant thereof or other Purchaser, such Unit will be sold "as is" in the condition in which it existed as of the Closing Date of such Unit.

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

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.

Sponsor will pay or cause to be paid all contractors, subcontractors and materialpersons and all others involved in the construction and equipping of the Building in accordance with the New York Lien Law, for work performed and fixtures, material and equipment supplied or installed during Sponsor's construction thereof.

No Closing of a Unit will occur prior to the issuance of a TCO for the particular Unit. Sponsor will perform any work and/or supply any material necessary to obtain a FCO for the Building.

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

At or subsequent to the First Unit Closing, Sponsor will deliver to the Condominium Board a complete set of architectural, structural, mechanical, and electrical drawings, and plumbing and sprinkler "as-built" drawings for the Building.

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 and Specifications of the Building as filed with and approved by the municipal or other governmental authority having jurisdiction over the issuance of permits for the construction of the Building and, in addition, such architect or professional engineer shall make periodic inspections at various stages of construction to determine that the Building is built in accordance with the Plans and Specifications.

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

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

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

Pursuant to the provisions of Section 352-e of the New York General Business Law, copies of the Plan and all exhibits or documents referred to herein shall be available for inspection, by Purchasers and by any person who shall have purchased a Unit offered by the Plan or shall have participated in the offering of such Unit, at Sponsor's office and shall remain available for such inspection for a period of 6 years from the date of the recording of the Declaration. In addition, a set of 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 Register's Office when the Declaration is recorded, and an additional set will be furnished to the Condominium Board.

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

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

The risk of loss to any Residential Unit by fire or other casualty until the Closing for such Residential Unit is assumed by Sponsor (unless and until Purchaser takes possession of the Residential

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

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

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

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

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

Sponsor does not anticipate that any Development Rights will remain upon completion of the Building. However, if the applicable provisions of the Zoning Resolution change in the future, such changes may generate transferable Development Rights which will not be included in the Property and shall be the exclusive property of Sponsor. Sponsor cannot represent the amount of transferable Development Rights that could result from such changes. Neither the Condominium Board nor any Unit Owner (other than Sponsor or a Development Rights Owner) shall have any right or interest in any Development Rights. If any Development Rights are transferred to an adjoining premises, the light and air of the Building and views from Units and/or Terraces may be affected. Sponsor shall not be liable to any Unit Owner on account of any such diminution of views. Notwithstanding the foregoing, Development Rights may not be used to expand the size, height, bulk or density of any portion of the Property after the recording of the Declaration.

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

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

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

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

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

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

Use of Unsold Residential Units

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

Sales Center/Model Unit/Marketing Materials

In no event shall the presence of any furniture, furnishings, finishes, equipment or decorations, wall coverings, window treatments, carpeting and the like ("FFE") in any portion of the Building or Residential Units set forth in any marketing materials and/or advertisements, and/or websites used in connection with the sales and marketing of the Residential Units imply or represent that any such FFE will be located within any portion of the Building or Residential Units. The presence of FFE in such marketing materials is for illustrative purposes only. In addition, marketing materials may use designations, labels or nomenclature to describe certain areas or rooms within Residential Units that differ from, but are consistent with, 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, however, in no event shall any such designation, labels or nomenclatures conflict with the legally permitted uses of such areas or rooms. The use of such illustrations, renderings, designations, labels or nomenclature is for marketing purposes only and does not obligate Sponsor to deliver such Common Elements, rooms or Residential Units designed or fitted out in the manner depicted or implied in the marketing materials.

Sponsor reserves the right to utilize the furniture, furnishings and equipment throughout various parts of the Building which were used in the Sales Center and/or model units.

Sponsor's Easement Rights

Sponsor shall have an exclusive perpetual easement (i) to erect, use, lease, maintain, repair, replace and operate (a) antennae, satellite dishes and other communications equipment, and (b) any pipes, risers, ducts, flues and equipment necessary or desirable to provide heat, air-conditioning, exhaust, or ventilation as required or, as permitted by Law, on any part of the roof and/or façade of the Building and elsewhere on the Common Elements (excluding private Terraces and Storage Lockers 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, at Sponsor's sole discretion, shall be entitled to permit any one or more of such easements to be utilized by the Commercial Unit Owner. Sponsor reserves the right to install additional fireplace flues and mechanical equipment on the roof of the Building. Each Unit Owner shall grant to Sponsor, the Condominium Board, the Managing Agent, and the non-resident manager or to any other Person authorized by Sponsor access to the Unit and its appurtenant Limited Common Elements, if any, in the event of an Emergency.

Condominium Name

Pursuant to the Declaration, Sponsor shall own and control all rights to the name of the Condominium and/or the Building until Sponsor no longer owns any Units of the Condominium. In addition, Sponsor shall have the right to utilize other names for the Building or portion thereof for marketing and/or promotional purposes, without the consent of the Condominium Board or the Unit Owners.

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CONTROL BY SPONSOR

Sponsor shall control the Condominium Board until the later of (i) the date upon which Sponsor shall own Unsold Residential Units having an aggregate Residential Common Interest of ten percent (10%) or less, or (ii) five (5) years from the First Unit Closing ("Sponsor Control Period"). Notwithstanding the foregoing, if Sponsor conveys title to all of the Unsold Residential Units, Sponsor or its designee shall relinquish control of the Condominium Board after the conveyance of title to the last Unsold Residential Unit. Because Sponsor is not limiting the conditions under which it will rent rather than sell Residential Units, Sponsor is not committed to sell more Residential Units than the 15% necessary to declare the Plan effective and, therefore, Sponsor may control the Board for an indeterminate period of time and owner-occupants may never gain effective control and management of the Condominium.

Until the First Annual Meeting of the Unit Owners (the "First Annual Meeting"), the Condominium Board shall consist of 2 persons designated from time to time by Sponsor. Accordingly, until the First Annual Meeting and subsequent to the First Annual Meeting but during the Sponsor Control Period, Sponsor will have voting control of the Condominium Board and will thus have control of the maintenance and operation of, and services to be provided by, the Condominium, as well as determining the Common Charges to be paid by Unit Owners.

The First Annual Meeting will be held within 2 years of the First Unit Closing. At such meeting, the incumbent 2 member Condominium Board designated by Sponsor will resign and a new Condominium Board, consisting of 5 members, will be installed, as described below.

At elections of members to the Condominium Board held at and after the First Annual Meeting, but before the expiration of the Sponsor Control Period, Sponsor and/or its designee shall have the right to designate 3 of the 4 Residential Members of the Condominium Board, who may be persons related to and/or affiliated with Sponsor, such designee or other Unsold Unit Owners; and Sponsor, such designee and all other Unit Owners shall have the right to elect the remaining Residential Members of the Condominium Board who shall not be related to or affiliated with Sponsor, such designee or other Unsold Residential Unit Owners. The Commercial Unit Owner shall have the right to designate 1 member of the Condominium Board. Notwithstanding the foregoing, in the event of any subdivision of a Commercial Unit, all Commercial Unit Owners shall have the right to designate, collectively, no more than 1 Commercial Member to 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, except that the Residential Members shall have the powers and duties necessary for, or incidental to, the administration of the affairs of the Residential Section of the Condominium, provided that determinations of the Residential Members do not materially Adversely Affect the use and operation of the Commercial Unit, and the Commercial Member shall have the powers and duties necessary for, or incidental to, the administration of the affairs of the Commercial Unit, provided that determinations of the Commercial Member do not materially or Adversely Affect the use and operation of the Residential Section, or any part thereof.

At elections of members to the Condominium Board held after the expiration of the Sponsor Control Period, but while Sponsor and/or its designee still owns at least 1 Unsold Residential Unit, Sponsor and/or its designee shall have the right to designate at least 1 of the 4 Residential Members of the Condominium Board, who may be a person related to and/or affiliated with Sponsor, such designee or other Unsold Residential Unit Owners; and Sponsor, such designee and all other Residential Unit Owners shall have the right to elect the remaining 3 Residential Members of the Condominium Board in accordance with Article 4 of the By-Laws, who shall not be related to or affiliated with Sponsor, such designee or other Unsold Residential Unit Owners. Board members may not be changed except in accordance with the procedures described in Article 4 the By-Laws.

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

During the Sponsor Control Period, Sponsor may not exercise veto power over expenses described in the First Year's Budget, or over expenses required to comply with any Law applicable to the Condominium, or to remedy any notice of violation entered against the Condominium or to comply with any proper work order by an insurer of the Condominium.

During the Sponsor Control Period, the Condominium Board may not, without the prior written consent of Sponsor: (a) make any addition, alteration or improvement to the Common Elements or to any Unit; or (b) assess any Common Charges or Special Assessments for the creation of, addition to, or replacement of all or part of a working capital, reserve, contingency or surplus fund; or (c) increase or decrease the number, or change the kind of employees from those described in the First Year's Budget; or (d) enter into any service or maintenance contracts for work or otherwise contract for work or otherwise provide services in excess of those described in the First Year's Budget, except as is required to reflect normal annual increases in operating services incurred in the ordinary course of business; or (e) borrow money on behalf of the Condominium; or (f) exercise a right of first refusal to lease or purchase a Unit; provided, however, that (x) Sponsor may not diminish or eliminate services, facilities or any line items described in the First Year's Budget; and (y) Sponsor's written consent is not necessary to perform any function or take any action described in items (a) through (f) above, if, and only if, the performance of such function or the carrying out of such an action is necessary to enable the Condominium Board to (i) comply with Law; or (ii) remedy any notice of violation; or (iii) remedy any work order of the Condominium's insurer or (iv) to ensure the health and safety of the occupants of the Building.

The By-Laws do not include a provision that after the expiration of the Sponsor Control Period, a majority of the Condominium Board must be owner-occupants or members of a Unit Owner's household who are unrelated to Sponsor and its principals. Therefore, Purchasers for their own occupancy may never gain control of the Condominium Board. Owner-occupants and non-resident Unit Owners, including Sponsor, may have inherent conflicts on how the Condominium should be managed because of their different reasons for purchasing, i.e., purchase as a home as opposed to as an investment.

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

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CONDOMINIUM BOARD

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

Sponsor designates the following persons as the initial Condominium Board members (all of whom are experienced in real estate matters, familiar with the Property, and who are affiliated with companies controlled by Sponsor's principals): Terrence Lowenberg and Todd Cohen, who shall serve as President/Secretary and Vice President/Treasurer, respectively. Mr. Lowenberg and Mr. Cohen are principals of Sponsor. Sponsor reserves the right to designate different individuals to serve on the initial Condominium Board in lieu of the above mentioned individuals, and will amend the Plan to reflect such substitution. The initial Condominium Board shall conduct all affairs of the Condominium during the Sponsor Control Period.

The First Annual Meeting will be held within 2 years of the First Unit Closing. t such meeting, the incumbent 2 member Condominium Board designated by Sponsor will resign and a new Condominium Board, consisting of 5 members, will be installed, 4 of whom shall be elected and/or designated in accordance with the terms of the By-Laws by the Residential Unit Owners (including Sponsor) (collectively, the "Residential Members"), and 1 of whom shall be designated by the Commercial Unit Owner (including Sponsor for so long as Sponsor continues to own the Commercial Unit) ("Commercial Member"). Except for members designated by Sponsor and/or the Commercial Unit Owner, all Members of the Condominium Board shall be either: (i) individual Residential Unit Owners or adult Family Members of an individual Residential Unit Owner; or (ii) individual Permitted Mortgagees; or (iii) officers, directors, shareholders, partners, principals, employees, or beneficiaries of corporations, partnerships, fiduciaries, or any other entities that are Residential Unit Owners or Permitted Mortgagees. The number or composition of Condominium Board members may not be changed except in accordance with the procedures described in the By-Laws.

The By-Laws do not include a provision that after the expiration of the Sponsor Control Period, a majority of the Condominium Board must be owner-occupants or members of a Unit Owner's household who are unrelated to Sponsor and its principals. Therefore, Purchasers for their own occupancy may never gain control of the Condominium Board. Owner-occupants and non-resident Unit Owners, including Sponsor, may have inherent conflicts on how the Condominium should be managed because of their different reasons for purchasing, i.e., purchase as a home as opposed to as an investment.

When voting for Residential Members of the Condominium Board, each Residential Unit Owner, (including Sponsor for so long as Sponsor shall own any Unsold Residential Unit) shall be entitled to cast 1 vote for each .0001% of Common Interest attributable to the Residential Unit(s) per Member to be elected.

A Residential Member of the Condominium Board may be removed with or without cause by an affirmative vote of a Majority of Residential Unit Owners who are present at a meeting containing a quorum of Residential Unit Owners, provided, however, that any Residential Member designated by Sponsor may only be removed by Sponsor (if such removal is without cause) or by an affirmative vote of a Majority of Residential Unit Owners who are present at a meeting containing a quorum of Residential Unit Owners (if such removal is for cause, such as bad faith, willful misconduct or gross negligence) and in either event, such Member may only be replaced by an individual designated by Sponsor, and further provided, that the Commercial Member of the Condominium Board may only be removed by the Commercial Unit Owner (if such removal is without cause) or by an affirmative vote of a Majority of Residential Unit Owners who are present at a meeting

containing a quorum of Residential Unit Owners (if such removal is for cause), and in either event, such Commercial Member may only be replaced by an individual designated by the Commercial Unit Owner. No member of the Condominium Board shall continue to serve on the Condominium Board if, during the term of office, such member shall cease to be a Unit Owner or an interested party as described in the By-Laws; provided, however, that these provisions respecting Unit Ownership and occupancy, and Condominium Board membership, shall not apply to members of the Condominium Board designated by Sponsor and/or the Commercial Unit Owner.

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

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

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

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

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RIGHTS AND OBLIGATIONS OF UNIT OWNERS

Sales and Leases of Units

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

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

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

A Residential Unit Owner may only sell or lease the entire Residential Unit. In addition, each conveyance of a Residential Unit by a Residential Unit Owner shall include, as part of the property to be conveyed, the Unit Owner's undivided interest in (a) the Common Elements, (b) the Residential Common

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

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

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

A Residential Unit Owner who acquired a Residential Unit from Sponsor ("Sponsor Sale") is prohibited from (a) listing the Residential Unit for sale with any broker or placing or authorizing any listing in any broker's listing system or other listing service or from advertising or otherwise offering, promoting or publicizing the availability of the Residential Unit for sale for 12 months after Closing, without Sponsor's prior written consent, which consent may be withheld or delayed, in Sponsor's sole and absolute discretion; or (b) entering into a contract or other agreement for the sale of the Residential Unit or reselling the Residential Unit prior to the first anniversary of the Closing of the Sponsor Sale, except to such Residential Unit Owner' s Family Member(s), or a trust for the benefit of such Family Member(s) or to an entity or individual that owns more than 50% of the legal and beneficial interest of such Residential Unit Owner or to an entity with respect to which such Residential Unit Owner (individual or otherwise) owns more than 50% of the legal and beneficial interest thereof, or to a Permitted Mortgagee or its nominee, who has acquired title to any Residential Unit at a foreclosure sale of its Permitted Mortgage or by deed in lieu thereof delivered in a bona fide transaction. The foregoing restriction shall not apply from and after the date that Sponsor has conveyed title to all of the Residential Units.

Sales of Storage Locker Licenses

Sponsor is offering Purchasers of Residential Units the opportunity to purchase certain Storage Lockers pursuant to the terms of a license ("Storage Locker License") for the exclusive use of Purchaser for so long as Purchaser owns a Residential Unit in the Building, the form of which is set forth in Part II of the Plan. Although the Storage Locker Area is a Residential Common Element, the Condominium Board has granted Sponsor the exclusive right, without charge, to sell Storage Lockers located therein and retain all proceeds of such sales. The Condominium will not be entitled to any of the proceeds from the sale of the Storage Lockers. The Condominium Board has the right to impose monthly license fees and Special Assessments in connection with the Storage Locker Licenses. Purchasers should note that the licensing of a Storage Locker does not require the issuance of a TCO or FCO. Purchasers purchasing a Storage Locker prior to Closing shall be required to consummate the purchase of the Residential Unit and the Storage Locker License simultaneously at Closing even though a TCO has not been issued for the Storage Locker Area. In such event, the proceeds from the sale of the Storage Locker will be held in escrow by Escrow Agent until such time as a TCO has been issued for the Storage Locker Area.

Sponsor reserves the right to offer as many Storage Lockers as it determines and to withhold one or more for future sale. In addition, Sponsor has the right to limit the number of Storage Lockers sold to any single Purchaser of a Residential Unit or to make bulk sales, as it deems fit. Until such time as Sponsor has entered into Purchase Agreements with respect to the sale of all Storage Lockers, Sponsor reserves the right to withdraw the offering of Storage Lockers and/or to reduce the number of Storage Lockers offered for sale. After such time that Sponsor has entered into Purchase Agreements with respect to the sale of all Storage Lockers, Sponsor may withdraw or reduce the offering of Storage Lockers by amendment to the Plan, and Sponsor shall have the right to utilize such Storage Locker Area for any use as determined by Sponsor in its sole discretion. In the event of such withdrawal or reduction, Purchasers who have entered into Purchase Agreements for Storage Lockers shall not be relieved of any of their obligations under their respective Purchase Agreements as a result of such withdrawal or reduction, including, without limitation, the obligation to purchase the Residential Unit, except that Sponsor shall direct Escrow Agent to return to Purchaser the Down Payment paid by Purchaser with respect to the Storage Locker License, together with any interest accrued thereon. The Purchase Agreement provides that in entering into a Purchase Agreement for a Storage Locker, Purchaser agrees to the foregoing. Purchasers should not purchase a Residential Unit in reliance on the use or availability of any Storage Locker and Sponsor does not make any representation of the availability of any particular Storage Locker for purchase.

A Residential Unit Owner wishing to purchase a Storage Locker from Sponsor after the Closing of Title to the Residential Unit shall be required to pay Attorney for Sponsor a fee of $500 in connection with the issuance of the Storage Locker License.

A Storage Locker may be used only for the storage of personal effects of a Residential Unit Owner, and in no event shall any food or other perishable item, or any flammable or explosive item or any item which would impose a health or safety threat or cause noxious odors, dirt or other sanitary problems or create a nuisance, be stored therein. Sponsor, however, shall have the right to use any unassigned Storage Locker for any purpose permitted by Law or to change the permitted use of any unassigned Storage Locker, subject to the provisions of the By-Laws. Each Residential Unit Owner will be required to maintain insurance for the Storage Locker in amounts sufficient to cover the property located therein.

Sponsor may, without the consent of either the Condominium Board or the Unit Owners, use any Unsold Storage Locker for any purpose permitted by Law or to change the permitted use of an Unsold Storage Locker, subject to the provisions of the By-Laws. A Storage Locker may not be licensed independently of a Residential Unit. If the Condominium Board terminates a Storage Locker License or a Residential Unit Owner surrenders a Storage Locker License without assigning the Storage Locker License to another Residential Unit Owner, the Condominium Board shall have the right to issue a new Storage Locker License to another Residential Unit Owner, in its sole discretion. Upon the issuance of a Storage Locker License to a Residential Unit Owner (by assignment or otherwise), such Storage Locker License shall be assignable as set forth above without the consent of the Condominium Board provided written notification of such assignment is delivered to the Condominium Board. Neither Sponsor nor the Condominium Board shall have any obligations or liabilities with respect to private assignments between Unit Owners.

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

Use of Units and Common Elements

A Residential Unit shall be used for residential purposes only, including permitted "home occupation" as defined in the Zoning Resolution of the City of New York as may be amended from time to time, and not

more than one family may occupy a Residential Unit at one time. A Residential Unit may not be used for any "dormitory," "bed and breakfast," home exchange or Airbnb-type arrangement, short-term rental/occupancy or sharing arrangement or any transient hotel-type use. A Residential Unit owned or leased by an individual, corporation, partnership, limited liability company, fiduciary or any other entity (including, but not limited to, embassies and consulates of foreign governments) may only be occupied by such individual, an officer, director, stockholder or employee of such corporation, a partner or employee of such partnership, a member of such limited liability company, the fiduciary or beneficiary of such fiduciary, a principal or employee of such other entity, respectively, or by Family Members and guests of any of the foregoing. A Residential Unit may be used for any other purpose, provided such use is permitted by, and complies with Law does not violate the then existing TCO or FCO covering the Building, and the Condominium Board, in its sole discretion, grants written permission for such use.

All or any portion of the Commercial Unit may be used for any purpose permitted by Law, subject however to the provisions of the By-Laws, except that a Commercial Unit may not be used for the Prohibited Uses enumerated in the Declaration and in the Section of the Plan entitled "Commercial Unit."

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

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

No pets other than dogs (not to exceed 2 per Residential Unit), caged birds, cats (not to exceed 2 per Residential Unit and fish, which do not cause a nuisance, health hazard or unsanitary condition, may be kept in a Residential Unit without the consent of the Condominium Board. Each Residential Unit Owner who keeps any type of pet will be required to: (a) indemnify and hold harmless the Condominium, the Condominium Board, all Unit Owners and the Managing Agent from all claims and expenses resulting from acts of such pet; and (b) abide by any and all Residential Rules and Regulations adopted by the Condominium Board with respect thereto, including without limitation, the number of such pets.

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

All Residential Unit Owners are prohibited from smoking in or around any of the Common Elements, and within 15 feet of any Building entrance. Smoking in violation of this rule shall be deemed to constitute a nuisance pursuant to the By-Laws. The term "smoke" or "smoking" shall include carrying, burning, or otherwise handling or controlling any lit or smoldering product containing tobacco or other flammable substance, including, but not limited to, cigarettes, cigars, or pipes.

Mortgage of Residential Units by Residential Unit Owners

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

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

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

Common Charges: Determination and Assessment

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

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

During the Sponsor Control Period, Sponsor shall have the right, in its sole and absolute discretion, to cause the Condominium Board to waive the collection of some or all of the Condominium Common Charges from Unit Owners from the date of the First Unit Closing up until such time as Sponsor chooses (the "Waiver Period"); provided, however, that Sponsor shall be solely responsible for payment of all actual expenses to operate the Condominium in accordance with Law during the Waiver Period (the "Waiver Period Operating Expenses"). In connection with the Waiver Period, (i) Sponsor will disclose the implementation of such Waiver Period in the amendment to the Plan that discloses the occurrence of the First Unit Closing; (ii) Sponsor will file an amendment to the Plan disclosing the expiration of the Waiver Period at least 30 days prior to such expiration; (iii) during any such Waiver Period, Sponsor will timely pay all expenses of the Condominium, including but not limited to insurance premiums and any reserve fund payments required by lenders to the extent otherwise included in Schedule B; (iv) upon the commencement of the collection of Common Charges, there will not be an assessment for any item set forth in the approved budget for the Condominium; and (v) Sponsor will remain obligated to update the budget for the Condominium, as provided in the Declaration and By-Laws.

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

Common Charges: Collection and Lien for Non-Payment

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

No Unit Owner may become exempt from liability for Common Charges by waiving use of any of the Common Elements or by abandonment of the Unit. No Unit Owner, however, will be liable for the payment of any part of the Common Charges subsequent to a permissible sale, transfer or other conveyance of the Unit. In addition, as more specifically set forth in the By-Laws, a Unit Owner may, by conveying the Unit without consideration to the Condominium Board and complying with certain conditions in connection therewith, become exempt from Common Charges thereafter accruing. Such conditions include the payment of all Common Charges and assessments then due and payable with respect to the Unit and such Unit being free and clear of all liens and encumbrances other than Permitted Mortgages.

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

Set forth in Part II of the Plan is a copy of §339-kk of the Real Property Law of the State of New York, which provides, among other things, for the ability of the Condominium to serve a notice to any tenant

occupying a Unit to pay its rent directly to the Condominium if the Unit Owner has failed to pay Common Charges, assessments or late fees within 60 days after the expiration of any grace period.

Repairs to, and Maintenance of, Units and Common Elements

Generally, all painting, decorating, maintenance, repairs and replacements, whether Structural or non-Structural, ordinary or extraordinary, (a) in or to any Unit (other than to the Common Elements contained therein), including all mechanical systems located in the Unit, heating and cooling systems (including HVAC filters and parts), the plumbing, appliances in the Units, the fireplace, firebox, dampers, mantel and flue, if any, and the interior side of entrance doors thereto, and the Terrace doors, shall be performed by the Unit Owner at such Unit Owner's sole cost and expense, (b) in or to the General Common Elements shall be performed by the Condominium Board and the cost and expense thereof will be charged to all Unit Owners as a General Common Expense (c) in or to the Residential Common Elements shall be performed by the Condominium Board and the cost and expense thereof will be charged to all Residential Unit Owners as a Residential Common Expense; and (d) in or to the Residential Limited Common Elements shall be performed (i) by the Condominium Board and the cost and expense thereof will be charged to all Residential Unit Owners as a Residential Common Expense, if involving Structural or extraordinary maintenance, repair or replacement, (except if necessitated by the negligent act or omission of the Unit Owner) or (ii) by the Residential Unit Owner having direct and exclusive access thereto at such Residential Unit Owner's sole cost and expense, if involving painting, decorating, and non-Structural ordinary maintenance, repairs and replacements, including, without limitation, ensuring that Terrace drains are clear of snow, ice and debris, and maintaining any pavers, decking, hose bibs and other installations on such Terrace.

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

The interior and exterior glass surfaces of all windows located in Residential Units shall not be colored or painted. The glass surfaces of all windows located in any Residential Unit are to be washed and cleaned by the Residential Unit Owner at such Residential Unit Owner's sole cost and expense with the exception that the cleaning of the exterior portion of the glass surfaces shall be performed by a professional window washing company engaged by the Condominium Board, the cost and expense of which shall be borne by all Residential Unit Owners as a Residential Common Expense. Residential Unit Owners must provide access to their respective Residential Units and/or appurtenant Terraces for window-washing of the Building, upon request of the Condominium Board or the Managing Agent. The replacement of any glass window located in a Residential Unit because of breakage or otherwise shall be made by the Residential Unit Owner thereof at the sole cost and expense of such Residential Unit Owner, including, without limitation, the expense of an exterior hoist if the replacement window does not fit into the service elevator (unless such breakage is caused by the Condominium Board or any other Unit Owner, in which event such replacement of glass windows will be at the sole cost and expense of the Condominium Board or such other Unit Owner, as the case may be). Prior to the replacement of any glass window, the Residential Unit Owner must obtain the prior approval of the Condominium Board with respect to the type of replacement windows to be installed.

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

In order to preserve the architectural harmony of the Building, all window treatments in the Residential Units must contain a white backing facing the outside of the Building so that when the shades are down or curtains drawn, the effect from the outdoors is a visually harmonious white appearance. Neither the interior nor the exterior glass surfaces of any windows located in any Residential Unit may be altered, colored or painted and no neon or colored lights may emanate therefrom and neither the windows, window frames nor mullions may be modified, altered or replaced without the consent of the Board. No sheets, cardboard, or other similar makeshift window coverings shall be permitted on either a temporary or permanent basis.

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

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

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

Alterations, Additions and Improvements of Units and Common Elements

No Residential Unit Owner, other than Sponsor with respect to Unsold Residential Units, may make any Structural alteration, addition, improvement or repair in or to the Residential Unit or its appurtenant Residential Limited Common Elements, if any, without the prior approval of the Condominium Board but, as more fully set forth in the By-Laws. Except as otherwise permitted in the By-Laws, no Residential Unit Owner may make any alteration, addition, improvement or repair in or to the Common Elements without the prior approval of the Condominium Board.

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

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

Prior to, and as a condition of, the granting of its consent to the making of a Structural alteration, addition, improvement or repair in or to a Residential Unit, or its appurtenant Residential Limited Common Elements each Residential Unit Owner is required by the By-Laws to (i) obtain the approval of the Condominium Board, (ii) obtain the approval of the Condominium Board of the Unit Owner's contractors and suppliers, (iii) obtain such insurance as the Condominium Board may require, (iv) agree to indemnify Sponsor,

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

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

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

Insurance

The Condominium Board is required to obtain and maintain the forms of insurance described in the Section of the Plan entitled "Rights and Obligations of the Condominium Board/Summary of By-Laws." The Condominium Board is not required to obtain or maintain any insurance with respect to any property contained in any Unit or any liability with respect to occurrences in or about any Unit or its Residential Limited Common Elements.

All Unit Owners are required to obtain and maintain (a) casualty insurance with respect to the Unit, including, without limitation, all appliances, equipment, flooring, fixtures, improvements, furniture, furnishings, decorations, belongings, and other personal property of any kind (collectively, "Unit Owner Property") contained in the Unit, any Residential Limited Common Elements appurtenant thereto, and any Storage Locker licensed by the Unit Owner; and (b) liability insurance with respect to occurrences in or about the Unit, any Residential Limited Common Elements appurtenant thereto, and any Storage Locker licensed by the Unit Owner. All certificates of insurance shall name the Condominium Board, the Condominium and Sponsor as additional insureds and shall be delivered to the Condominium at the Closing of Title to the Unit. All such policies shall contain waivers of subrogation, if commercially reasonable, and the liability of the

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

Rights of Access

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

Compliance with Condominium Documents

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

Examination of Books and Records

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

Self-Help

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

General

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

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

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

Condominium Board

The Condominium Board shall initially consist of 3 persons designated from time to time by Sponsor (collectively, the "Members"). The Condominium Board will call the First Annual Meeting to elect a new Condominium Board approximately 30 days after the later to occur of (i) the second anniversary of the First Unit Closing or (ii) the Closing of Title with Purchasers under the Plan to Residential Units representing at least 50% in number of all Residential Units offered for sale. At such meeting, the incumbent Condominium Board shall resign and, subject to the rights of Sponsor and the Commercial Unit Owner to designate members of the Condominium Board, the Residential Unit Owners (including Sponsor) shall elect and/or or designate a new Condominium Board consisting of 5 members. (See the subsection below entitled "Meetings and Votes of Unit Owners" and the Section of the Plan entitled "Control by Sponsor" for details.) Thereafter, at each annual meeting, members of the Condominium Board shall be elected and/or designated and shall serve until the next annual meeting thereof and until a successor has been elected and/or designated.

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

Powers and Duties of and Determinations by the Condominium Board

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

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

During the Sponsor Control Period, Sponsor may not exercise veto power over expenses described in the First Year's Budget, or over expenses required to comply with any Law applicable to the Condominium, or to remedy any notice of violation entered against the Condominium or to comply with any proper work order by an insurer of the Condominium.

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

owning at least 40% of the total Residential Common Interests shall constitute a quorum and a majority of the votes cast at any such meeting at which a quorum is present shall be binding upon all Residential Unit Owners.

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

Officers

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

Repair or Reconstruction after Fire or Other Casualty

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

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 (excluding each Unit as well as any service machinery, appliances, fixtures, furniture, furnishings, decorations, belongings, or other personal property contained therein).

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

If 75% or more of the Building is destroyed or substantially damaged by fire or other casualty and if 75% or more of all Unit Owners do not promptly resolve to proceed with the repair or restoration thereof, the Building will not be repaired and the Property shall be subject to an action for partition instituted by any Unit Owner or lienor, as if owned in common, in which case the net proceeds of sale, together with the net proceeds of insurance policies, shall be divided among all Unit Owners in proportion to their respective Common Interests, provided, however, that no payment shall be made to a Unit Owner until there has first been paid out of the Unit Owner's share of such funds such amounts as may be necessary to discharge all unpaid liens on the Unit (other than mortgages which are not Permitted Mortgages) in the order of the priority of such liens. Any action to terminate the legal status of the Condominium after substantial destruction or a Taking shall require the written consent (which consent shall not be unreasonably withheld, conditioned, or delayed) of the Permitted Mortgagees representing at least fifty-one (51%) percent of the Common Interests of all Units which are subject to Permitted Mortgages or by a majority of the Mortgage Representatives, if any.

Notwithstanding anything contained herein to the contrary, the proceeds of all policies of physical damage insurance maintained by the Condominium Board shall be payable to the Condominium Board in the event of a loss amounting to $1,000,000 or less. In the event that such proceeds are in excess of $1,000,000,

such proceeds shall be payable to a New York City bank or trust company designated by the Condominium Board as insurance trustee pursuant to the provisions of the By-Laws. The insurance trustee shall hold all such proceeds in accordance with Section 254-(4) of the New York Real Property Law.

Insurance

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

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

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

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

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

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

All Unit Owners are required to obtain casualty and liability insurance for their own benefit covering their Units, any Residential Limited Common Element appurtenant thereto and any Storage Locker. All such policies shall contain waivers of subrogation, if available, and the liability of the carriers issuing insurance obtained by the Condominium Board shall not be affected or diminished by reason of such additional insurance carried by any Unit Owner.

Liability of the Condominium Board and Unit Owners

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

Reports to Unit Owners

A financial statement of the Condominium, certified by an independent certified public accountant, shall be submitted by the Condominium Board to all Unit Owners approximately 4 months after the end of each fiscal year, as further described in the section of the Plan entitled "Reports to Unit Owners."

Amendments to Condominium Documents

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

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

Termination of Condominium

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

of the Commercial Unit Owner and at least 80% in Residential Common Interest of all Residential Unit Owners. Such vote shall not be effective, however, without the written consent (which consent shall not be unreasonably withheld, conditioned, or delayed) of the Permitted Mortgagees representing at least fifty-one (51%) percent of the Common Interests of all Units which are subject to Permitted Mortgages or by a majority of the Mortgage Representatives, if any.

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

Residential Units Acquired by Condominium Board

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

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

Procedure to Review Real Estate Tax Assessments

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

Mechanics' Liens

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

Easements

In order to facilitate the operation and maintenance of the Building and the sale or leasing of Units therein, each of the Units will be subject to certain easements, including easements in favor of Sponsor, other Unit Owners and the Condominium Board. These easements, which are more particularly set forth in the Declaration, include an easement of support and necessity in favor of all other Units and their appurtenant Residential Limited Common Elements and the Common Elements, and an easement in favor of each Unit Owner to use, operate, maintain, repair, alter, rebuild, restore and replace the Common Elements provided that such easements shall be exercised in such a manner as will not unreasonably interfere with the use of the Units for their permitted purposes. In addition, as set forth in Articles 10 and 11 of the Declaration, Sponsor and the Commercial Unit Owner have been granted certain easements with respect to the use and operation of their respective Units. As set forth in the "Description of Property and Improvements", subsection "Services and Facilities," pursuant to an easement agreement executed between the Condominium Board and The 301 East 81st Street Condominium Board, residential unit owners and permitted tenants of The 301 East 81st Street Condominium will be permitted to utilize the recreational amenities located in the Building, on the same terms and conditions as residents of the Condominium.

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

The Declaration and the By-Laws

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

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

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

OLSHAN FROME WOLOSKY LLP IS INCOME TAX COUNSEL TO SPONSOR AND NOT THE UNIT OWNERS. TO ENSURE COMPLIANCE WITH REQUIREMENTS IMPOSED BY THE IRS IN CIRCULAR 230, ALL UNIT OWNERS, POTENTIAL UNIT OWNERS AND THE CONDOMINIUM ARE HEREBY INFORMED THAT (I) ANY TAX ADVICE CONTAINED IN THE PLAN AND/OR THE INCOME TAX OPINION IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, FOR THE PURPOSE OF AVOIDING PENALTIES UNDER THE INTERNAL REVENUE CODE, (II) THE ADVICE IS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED IN THE PLAN, AND (III) EACH UNIT OWNER, EACH POTENTIAL UNIT OWNER, AND THE CONDOMINIUM SHOULD SEEK ADVICE BASED ON ITS PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

Deductibility of Mortgage Interest and Real Estate Taxes

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

It is the opinion of Income Tax Counsel that a Residential Unit Owner who uses such Unit Owner's Residential Unit as a personal residence and itemizes such Unit Owner's deductions will, under present Law, for Federal, New York State and New York City income tax purposes, shall be entitled to a deduction for mortgage interest and real estate taxes in the year paid in the case of cash basis taxpayers or accrued in the case of other taxpayers, subject to certain exceptions and limitations which are more particularly discussed in the Attorney's Income Tax Opinion. Purchasers should note that mortgage interest is deductible generally only with respect to secured debt used to acquire or substantially improve a principal or, to a limited extent, second residence (up to a total indebtedness of $750,000, or $375,000 in the case of a married individual filing a separate return). Interest on home mortgage debt in excess of that limitation would not be deductible. Special limitations also apply with respect to the deductibility of points and other prepaid interest, if any, on the mortgage debt. Purchasers should further note that, for a taxable year beginning after December 31, 2017 and before January 1, 2026, the aggregate deduction for state and local real property taxes, state and local personal property taxes, state and local, and foreign, income, war profits, excess profits taxes, and general sales taxes (if elected) for any tax year is limited to $10,000 ($5,000 in the case of a married individual filing a separate return).

Taxation of the Condominium

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

Sponsor anticipates that the Condominium will qualify as a homeowners association. If the Condominium does not qualify as a homeowners association, or if it does but chooses not to make the election noted above, the present state of the law is uncertain as to the tax treatment of any income of the Condominium in excess of appropriate deductions and credits. As discussed in the Attorney's Income Tax Opinion, the tax authorities may take the position that the Condominium is a separate taxable entity and that some or all of such income (including the nonmembership, and possibly membership, income described above less expenses related to such income) is subject to Federal corporate income tax, New York State Corporation Franchise Tax and New York City Corporate Franchise or Unincorporated Business Tax. Alternatively, it is possible that some or all of such income might be reportable directly by the Unit Owners or otherwise treated. The tax treatment of the Condominium may be affected by certain United States Treasury Department regulations relating to entity classification. Schedule B, First Years Budget for Condominium Operation, does not contemplate any substantial income which might be taxable and accordingly does not budget any amounts for taxes for nonmembership or membership income.

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

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

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REAL ESTATE TAXES

The following discussion of projected real estate taxes for the First Year of Condominium Operation was prepared by Sponsor based, in part, upon the Real Estate Tax Projection Opinion prepared by Goldberg Weprin Finkel Goldstein, LLP, real estate tax counsel to Sponsor, a copy of which is set forth in the Section of Part I of the Plan entitled "Opinions of Counsel."

It is estimated that the aggregate real estate taxes payable with respect to the Residential Units for the First Year of Condominium Operation will be approximately $1,361,227, assuming (a) actual assessed valuations for the Residential Units of $1,344,315 for the 2019/2020 tax year and $12,296,315 for the 2020/2021 tax year and reflecting the assessment for a partially constructed property based on the real estate tax projection opinion prepared by Real Estate Tax Counsel dated February 15, 2018 set forth in Part I of the Plan, and (b) a tax rate of 13.000 per $100 of assessed valuation for the 2019/2020 and 2020/2021 tax years. Purchasers should note that once the Building is assessed as being fully constructed, it is estimated that the real estate taxes for the Residential Units will total approximately $1,598,520, assuming a tax rate of 13.000 per $100 of assessed valuation.

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

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

The Unit Power of Attorney which each Purchaser shall be required to sign at Closing, the form of which shall be substantially as set forth in Part II of the Plan, authorizes the Condominium Board to commence, pursue, appeal, settle and/or terminate administrative and certiorari proceedings to obtain reduced real estate tax assessments with respect to the Residential Units, including retaining counsel and taking any other actions which the Condominium Board deems necessary or appropriate in accordance with Section 2.4(A)(xxiii) of the By-Laws.

Each Unit will be taxed as a separate tax lot for real estate tax purposes and a Unit Owner will not be responsible for the payment of, nor will the Unit be subjected to, any lien arising from the non-payment of real estate taxes assessed against any other Unit. In the event the Units have not been separately assessed for real estate tax purposes prior to the First Unit Closing (or by the closing date for other Units following the First Unit Closing), Sponsor will have paid the real estate taxes through the end of the tax payment period in which the closing occurs. By way of illustration, if a closing occurs on May 2, 2020, Sponsor will have paid the real estate taxes for the Property through July 1, 2020. At Closing, Purchaser shall adjust real estate taxes with Sponsor from the date of the Closing through the end of the tax payment period in which the Closing occurs.

The Condominium Board shall also collect from each Purchaser at Closing, the amount necessary to cover the six (6) month tax period subsequent to the tax period in which the Closing occurs (the "Future Real Estate Tax Payment"). By way of illustration, if the Closing occurs on May 2, 2020, Purchaser shall pay to the Condominium Board at Closing the Future Real Estate Tax Payment for July 1, 2020 through December 31, 2020. Each Unit Owner shall pay the Future Real Estate Tax Payment based on the Unit's Percentage of Common Interest which payment shall be considered additional Common Charges. The Managing Agent, on behalf of the Condominium Board, shall hold such funds in a separate escrow account for the purpose of paying the future real estate taxes on the Property when they become due and payable. At the time such real estate taxes become due and payable, Sponsor shall pay over to the Condominium Board Sponsor's proportionate share of the Future Real Estate Tax Payment for any Unsold Units owned by Sponsor.

The Condominium Board will pay such real estate taxes to the taxing authority known as the Department of Finance of the City of New York ("Finance Department") when due. In the event the actual real estate taxes due for the six (6) month tax period subsequent to the First Unit Closing are greater than the amounts collected from Purchasers as described above, each Unit Owner shall pay its pro rata share of the additional amount required promptly upon demand. If any Unit Owner (including Sponsor with respect to any Unsold Units) fails to pay such Unit Owner's pro rata share of such real estate taxes upon demand, the Condominium Board shall have the right to place a lien on such Unit for unpaid Common Charges. During the Sponsor Control Period, Sponsor shall cause the Condominium Board to file a lien for unpaid Common Charges against any Unit owned by Sponsor in which Sponsor is more than 30 days in arrears. In the event the actual real estate taxes due for the six (6) month tax period subsequent to the First Unit Closing are less than collected from Purchasers as described above, Sponsor, on behalf of the Condominium Board, will direct the Managing Agent to refund to each Unit Owner the appropriate pro rata share of such excess collections.

In the event the Units are separately assessed and individual tax bills are issued by the Finance Department prior to the date the real estate taxes are due, Sponsor, on behalf of the Condominium Board, will direct the Managing Agent to make refunds to each Unit Owner, as appropriate. In such event, Sponsor and Unit Owners shall be required to pay their respective tax bills directly to the Finance Department. Thereafter, the Unit Owners will pay real estate taxes for their respective Units directly to the taxing authority.

As of the Filing Date of the Plan, there are no tax certiorari proceedings pending for the reduction of real estate taxes with respect to the Property.

REAL ESTATE TAX PROJECTION OPINION

GOLDBERG WEPRIN FINKEL GOLDSTEIN LLP

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WRITERS DIRECT DIAL (212) 301-6954

February 15th, 2018

Icon Realty Management LLC
419 Lafayette Street, 5th Floor
New York, N.Y. 10019

Re: 301 East 81st Street Condominium
301 East 81st Street
Block: 1544 New Lot: 1
Formerly Lots 1and 104
Borough of Manhattan

Gentlemen:

You have requested our opinion as to the following:

1) An estimate of the possible assessed value and real estate taxes for the property after the construction of the premises and subsequent transfer to a Condominium Association.

2) An estimate of the real estate taxes for the residential and commercial portions of the property after construction and transfer to a Condominium Association.

3) An estimate of the real estate taxes for first year on condominium operations, the period from May 1st, 2020 to April 30th, 2021

The development will encompass New Lot 1. New Lot 1 is the result of the merger of Lots 1, 2, and 104. After the merger the land area will be approximately 5,100 square feet. You plan to construct a 22-story Class-A elevator apartment building approximately 101,668 square feet with 32 residential units and 1 retail unit. There will be 4 two bedroom with two bathroom units approximately 1,263 square feet each, 4 two bedroom with two and one-half bathroom units approximately 1,384 square feet each, 4 two bedroom with three and one-half bathroom units approximately 1,541 square feet each, 4 two bedroom with two and one-half bathroom units approximately 1,655 square feet each, 3 three bedroom with three and one-half bathroom units approximately 2,106 square feet each, 3 three bedroom with three and one-half bathroom units approximately 2,116 square feet each, 1 three bedroom with three and one bathroom unit approximately 2,977 square feet with 242 square feet of outdoor space, 4 four bedroom with four and one-half bathrooms units approximately 2,523 square feet each, 1four bedroom with four and one half bathroom penthouse unit approximately 3,371 square feet, 1four bedroom with four and one half bathroom penthouse unit approximately 3,394 square feet, 2 five bedroom with six and one half bedroom units approximately 4,505 square feet each, and 1 duplex five bedroom with six and one half bathroom penthouse unit

approximately 5,383 square feet. The retail unit will be 4,154 square feet with 2,273 square feet on the ground floor and 1,582 square feet of storage in the cellar. The cost of construction is estimated to be $61,700,000. You plan to begin construction in February 2018.

The setting of an assessed value is a subjective determination of an assessor. In determining the assessed value, the assessor will take into consideration the estimate of rental values, an estimate of expenses for the operation of this property, and a capitalization rate (rate of return). The assessor, armed with this information, will arrive at an assessed value. There is no hard and fast formula for setting an assessed value. Differences in estimating rental value, operating expenses and different capitalization rates will create differences in assessed value. Sometimes these differences, even small differences, can markedly change the assessed values.

The property is assessed in Tax Class 4 for fiscal tax year 2018/2019. After completion of the construction there will be 1 Commercial unit and 28 Residential units. The Commercial unit will be assessed in Tax Class 4, whereas the Residential Units will be assessed in Tax Class 2. Tax Class 2 consists of primarily residential rental, cooperative and condominium buildings with more than 10 units. Tax Class 4 includes all other types of commercial properties (office buildings, factories etc.).

The City assessment policy ratio for properties in Tax Classes 2 and 4 is to assess at 45% of fair market value. Increases in assessed values are unlimited, except for increases due to physical changes, are required to be phased in over a five-year period. These phases in increase in assessed value leads to the transitional assessed value. The taxable value is the lower of the actual or transitional assessed value.

The recent history of assessed valuations of the Property is as follows:

Tax Year 2013/2014	Land	Total
Actual:	$521,596	$1,360,620
Transitional:	$619,066	$1,209,600
Tax Year 2014/2015	**Land**	**Total**
Actual:	$521,135	$2,189,080
Transitional:	$651,095	$1,843,195
Tax Year 2015/2016	**Land**	**Total**
Actual:	$357,994	$730,901
Transitional:	$357,994	$619,807
Tax Year 2016/2017	**Land**	**Total**
Actual:	$375,293	$739,112
Transitional:	$375,293	$604,112
Tax Year 2017/2018	**Land**	**Total**
Actual:	$633,600	$633,600
Transitional:	$491,934	$491,934

Tax Year 2018/2019	Land	Total
Actual:	$950,400	$950,400
Transitional:	$567,682	$567,682

The New York City Department of Finance Real Property Assessment Division currently employs three recognized methods of appraisal in order to arrive at an assessed value. These methods are the cost of construction method, the capitalization of pre real estate tax net income method and the comparable sale price method.

The cost of construction method is based on the idea that the value of a property is reflected by the hard and soft costs of construction, plus the cost of the land.

Capitalization of pre real estate tax net income is based upon the principal idea that the estimated pre real estate tax net income generated by the property, divided by the rate of return (adjusted for the payment of real estate taxes), yields an estimate of market value.

The comparable sale price method arrives at a value by surveying market prices of similar type properties. In setting an assessed value, the assessor will typically use one, two or a combination of all three methods to arrive at an assessed value.

Based upon information provided to us, by your office, we estimate the assessed value of this building after construction is completed and subsequent transfer to an entity owned by a condominium association to be **$12,991,820**.

In preparing our estimate, we have relied upon the cost of construction method to set the assessed value. We believe the cost of construction method is the most reliable method to set an assessed value for a newly constructed building. Set forth below is our analysis and estimate

COST OF CONSTRUCTION

Estimated $270.00 per square foot cost of Construction multiplied by square footage of 101,668 for Full Market Value of New Building	$27,450,360
Estimated $278.50 per square foot fair market value for the land multiplied by lot size of 5,100 = Full Market Value of Land	$ 1,420,350
Fair Market Value of Building Component & Land Component	$28,870,710
Estimated Assessed Value of Building Component & Land Component @ 45% of Market Value	$12,991,820
Estimate Class 2 Tax Rate of 13.00 per hundred multiplied by estimated Assessed Value = estimated Real Estate Taxes rounded	$ 1,688,935

Our analysis was based upon information provided to this firm by your office.

Estimated Real Estate taxes for Residential and Commercial Units of the Condominium

Based upon the information provided to this firm from your office the condominium will be divided as per the following percentage of common interest for the units:

Residential 94.6466%
Commercial 5.3534%
Based upon the above percentage of common interest the real estate taxes would be as follows:

Residential

Residential Component Assessed Value	$12,296,315
Estimate Class 2 Tax Rate of 13.000 per hundred multiplied by estimated Assessed Value = estimated Real Estate Tax rounded	$ 1,598,520

Commercial

Commercial Component Assessed Value	$ 695,505
Estimate Class 4 Tax Rate of 10.70 per hundred multiplied by estimated Assessed Value = estimated Real Estate Tax rounded	$ 74,420

Estimated Real Estate taxes for the first year of operation May 2020 to April 2021

You have requested the estimated real estate taxes for the Condominium for the first year of its operation, the period from May 1st, 2020 to April 30th, 2021. The estimate real estate taxes for the first year of the Condominium operating would be the real estate taxes for fiscal tax year 2019/2020, the period from May 1st, 2020 to June 30th, 2020 and the real estate taxes for fiscal tax year 2020/2021, the period from July 1st, 2020 to April 30th, 2021.

Based on information provide to our office you plan to start construction of the building by February 1, 2018. You plan to complete construction of the building by May 1st, 2020. Based on that information the building will not be completed by the taxable status date of January 5th, 2019. For fiscal tax year 2019/2020 the parcel will valued as a vacant lot. We estimate the assessed value for the property for fiscal tax year 2019/2020 to be $1,420,350. Based on information provide to our office the building will completed for fiscal tax year 2020/2021. We estimate the assessed value for the property for fiscal tax year 2020/2021 to be $13,898,115.

Based upon the information provided to this firm from your office the condominium will be divided as per the following percentage of common interest for the units:

Residential Units:	94.6466%
Commercial Unit:	5.35347%

Based upon the above percentage of common interest the real estate taxes would be as follows:

Estimated First Year of Operation Real Estate Taxes May 1st, 2020 to April 30th, 2021

Residential Units (aggregate)

2019/2020 Residential Units Assessed Value	$ 1,344,315

Estimate Class 2 Tax Rate of 13.000 per hundred multiplied by estimated Assessed Value = estimated Real Estate Tax rounded	$ 174,760
Real Estate Taxes May 1st 2020 to June 30th, 2020	$ 29,127
2020/2021 Residential Units Assessed Value	$12,296,315
Estimate Class 2 Tax Rate of 13.000 per hundred multiplied by estimated Assessed Value = estimated Real Estate Tax rounded	$ 1,598,520
Real Estate Taxes July 1st 2020 to April 30th, 2021	$ 1,332,100
Real Estate Taxes for first year of operation	
May 1stt, 2020 to April 30th, 2021	$ 1,361,227
Commercial Unit	
2019/2020 Commercial Unit Assessed Value	$ 76,037
Estimate Class 4 Tax Rate of 10.70 per hundred multiplied by estimated Assessed Value = estimated Real Estate Tax rounded	$ 8,136
Real Estate Taxes May 1st 2020 to June 30th 2020	$ 1,356
2020/2021 Commercial Unit Assessed Value	$ 695,505
Estimate Class 2 Tax Rate of 10.70 per hundred multiplied by estimated Assessed Value = estimated Real Estate Tax rounded	$ 74,420
Real Estate Taxes July 1st 2020 to April 30th, 2021	$ 62,015
Real Estate Tax for first year of operation	
May 1st, 2020 to April 30th, 2021	$ 63,371

Note: The estimated real estate taxes for the first year on condominium operations, the period from May 1, 2020 to April 30th, 2021 is based upon the building not being ready for occupancy on January 5th 2019, the taxable status date for fiscal tax year 2019/2020. The Department of Finance may deem the building ready for occupancy on the January 5th, 2019. If that is the case it will lead to higher real estate taxes for the first year of operation.

Our analysis was based upon information provided to this firm by your office.

This letter was prepared by the undersigned and based upon information as supplied to him by the sponsor. There has been no independent verification of that information. The opinion expressed in this letter is the opinion of the undersigned and does not necessarily express the opinion of the Department of Finance or the Real Property Assessment Division or any other City department involved in the assessing process.

Conclusions reached by these departments may be different from the undersigned's and may result in a radically different determination. Small differences in income, expenses and capitalization rates can markedly change an estimated assessed value. While we believe our opinions are founded on reasonable assumptions, our opinion is not intended as a representation or warranty.

We consent to the inclusion of this letter in a condominium offering plan.

Very truly yours,
Goldberg Weprin Finkel Goldstein LLP

Arnold Mazel, Partner

AM: sab

ATTORNEY'S INCOME TAX OPINION

O L S H A N

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February 14, 2018

301 East 80th Realty LLC
419 Lafayette Street, 5th Floor
New York, New York 10003

Re: **301 East 81st Street, New York, NY**

Ladies and Gentlemen:

In connection with the offering of Residential Units under a plan entitled Condominium Offering Plan for the 301 East 81st Street Condominium (the "Plan"), you have requested our opinion as Income Tax Counsel to the Plan concerning certain tax matters. Specifically, you have requested our opinion as to the deductibility for federal, New York State and New York City income tax purposes of payments of mortgage interest and real property taxes by individual Residential Unit Owners. You have also asked for our opinion as to the tax status of the condominium association.

All capitalized terms not otherwise defined herein shall have the same meaning ascribed to them in the Plan.

We understand that under the Plan each Residential Unit Owner will hold title to his Residential Unit and an undivided interest in the Common Elements of the Property in fee simple. Under New York State law, each Residential Unit and its interest in the Common Elements will be taxed as a separate parcel for real property tax purposes. Each Residential Unit Owner may place a separate mortgage on his Residential Unit and, by doing so, incur direct liability for the interest payable on such mortgage.

This opinion addresses certain of the federal, New York State and New York City income tax consequences that would result from the ownership of a Residential Unit by an individual who is a resident of New York City for tax purposes, who purchased such Residential Unit on or after the date hereof, and who uses the Residential Unit as a qualified residence. It does not address, among other things, the tax consequences of ownership of a Unit other than a Residential Unit by any person or entity; and does not address the tax consequences of the ownership of Residential Units by corporations, other entities or foreign persons, or individuals who are not residents of New York City; or, except as specifically discussed, by an individual taxpayer in connection with his or her trade or business, for investment, or for the production of income.

In our opinion under present law, subject to the limitations discussed in the following paragraph, interest on a mortgage secured by a Residential Unit paid or accrued by the owner of such Residential Unit who is liable for the interest payment on such mortgage and who uses the

Residential Unit exclusively as his personal residence will be deductible for federal income tax purposes in the appropriate year according to his method of accounting, provided that he itemizes his deductions. In rendering this opinion we assume that such interest is not prepaid, that the mortgage proceeds were used by the Residential Unit Owner to purchase the Residential Unit, that the Residential Unit is the owner's principal residence and that the Residential Unit Owner is an individual.

Except as provided below, residential mortgage interest is deductible if paid or accrued during the taxable year on indebtedness which is secured by either the taxpayer's principal residence, as defined for purposes of exclusion of gain on sale under Internal Revenue Code ("Code") Section 121, or on certain designated second homes. However, a ceiling is placed on the amount of indebtedness which may be taken into account for purposes of this deduction. In general, with respect to indebtedness incurred in purchasing a Residential Unit, this ceiling is $750,000, or $375,000 in the case of a married individual filing a separate return. However, special limitations may apply to the deductibility of points and prepaid interest if any.[1]

It is also our opinion under present law that real property taxes assessed against a Residential Unit Owner's Residential Unit which are paid or accrued by such owner will be deductible for federal income tax purposes in the appropriate year according to his method of accounting, provided he itemizes deductions. Pursuant to changes in the 2017 Tax Cuts and Jobs Act, for a taxable year beginning after December 31, 2017 and before January 1, 2026, the aggregate deduction for state and local real property taxes, state and local personal property taxes, state and local, and foreign, income, war profits, excess profits taxes, and general sales taxes (if elected) for any such taxable year is limited to $10,000 ($5,000 in the case of a married individual filing a separate return).

We note that, with respect to a taxpayer who is subject to the alternative minimum tax, no deduction is allowed for real property taxes paid by such taxpayer and a deduction for mortgage interest is allowed to the same extent as described above.

Subject to certain limitations for high income taxpayers, the amount of mortgage interest and real property taxes described above, that are deductible for federal income tax purposes should also be allowable as deductions for New York State and New York City income tax purposes to a resident individual.

We have reviewed various documents included as exhibits in the Plan relating to the organization of the Condominium Board of 301 East 81st Street Condominium (the "Association"), including the Declaration of Condominium and By-Laws of the Condominium (which are the instruments which will create the Association).

Our opinion has been requested as to whether the Association will be eligible to qualify as a tax-exempt organization for federal income tax purposes. In order for the Association to

[1] The $750,000 and $375,000 will be increased to $1,000,000 and $500,000 respectively for taxable years commencing January 1, 2026. In addition, commencing January 1, 2026, an individual may deduct interest on an additional $100,000 of indebtedness in excess of the $1,000,000 limit mentioned above (or $50,000 of indebtedness in excess of the $500,000 limit in the case of a married individual filing a separate return) as interest on home equity indebtedness.

qualify as an exempt organization for federal income tax purposes under Code Section 528, it must meet the following six conditions:

(1) The Association must be organized and operated to provide for the acquisition, construction, management, maintenance, and care of the Association's property.

(2) Sixty percent (60%) or more of the Association's gross income for the taxable year must consist solely of amounts received as membership dues, fees or assessments from owners of Residential Units.

(3) Ninety percent (90%) or more of the expenditures of the Association for the taxable year must be expenditures for the acquisition, construction, management, maintenance, and care of the Association's property.

(4) No part of the net earnings of the Association may inure to the benefit of any private shareholder or individual, other than by acquiring, constructing, or providing management, maintenance, and care of the Association's property and other than by a rebate of excess membership dues, fees, or assessments.

(5) The Association must qualify as a "condominium management association," which is an organization meeting the requirements of condition (1), above, with respect to a condominium project substantially all the Residential Units of which are used by individuals for residences.

(6) The Association must properly elect to have Code Section 528 apply for the taxable year.

"Substantially all the Units" of a condominium management association will be considered as used by individuals for residences if at least eighty-five percent (85%) of the total square footage of all Units within the project is used by individuals for residential purposes. Units that are used for purposes auxiliary to residential use are considered as used for residential purposes. These auxiliary purposes include laundry areas, storage rooms, and areas used by maintenance personnel. A special limitation is established for transient use. No building or Unit will be considered as used for residential purposes if, for more than one half the days in the Association's taxable year, such Unit or building is occupied by a person or series of persons each of whom occupies the Unit or building for less than thirty days.

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

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

for the taxable years in which such election is in effect, except as noted in the following paragraph.

An effective election will exempt from federal income taxation all amounts received by the Association as exempt function income. This consists of amounts received as membership dues, fees, or assessments from owners of Residential Units. However, the Association will be subject to tax on income which is not exempt function income to the extent such income exceeds expenses properly allocable to such income. Examples of income which is not exempt function income are interest earned on reserve funds, amounts received from persons who are not members of the Association, amounts received for work done on privately owned property which is not Association property, and amounts received from members for special use of the Association's facilities, the use of which is not available to all members as a result of having paid the dues, fees, or assessments required to be paid by all members.

If the Association fails to qualify as a "homeowners association", or if it does but chooses not to make the necessary election, the present state of the law is uncertain as to the tax treatment of any income of the Condominium in excess of appropriate deductions and credits. Tax authorities may take the position that the Condominium is a separate taxable entity and that some or all of its income (including the 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. Alternatively, it is possible that some or all of such income might be reportable directly by the Residential Unit Owners. The tax treatment of the Condominium may be affected by certain United States Treasury Department regulations relating to entity classification.[2]

This opinion deals only with the specific tax matters discussed above, which do not necessarily comprise all tax matters which may be significant to purchasers of Residential Units. We express no views as to any federal, New York State or New York City tax consequences other than as explicitly discussed in this opinion or as to the tax status or tax consequences of the Plan under the laws of any foreign jurisdiction. Accordingly, it is recommended that each prospective purchaser of a Residential Unit consult with his own tax advisor concerning the federal, New York State, and New York City tax consequences of the purchase and ownership of a Residential Unit.

This opinion is based solely on the facts and documents referred to above. No warranties are made that the tax laws upon which counsel bases this opinion will not change. In no event will the Sponsor, counsel to Sponsor, special tax counsel to the Sponsor, the Association, or any other person be liable if, by reason of future changes in fact or applicable law, regulations, decisional law, or Internal Revenue Service rulings, the tax consequences described previously should change.

ALL RESIDENTIAL UNIT OWNERS, POTENTIAL RESIDENTIAL UNIT OWNERS AND THE CONDOMINIUM ARE HEREBY INFORMED THAT (I) ANY TAX ADVICE

[2] To remove doubt in the area, the Association may be able to elect to be treated as a corporation for federal income tax purposes if it files Form 8832 with the IRS within 75 days of its formation.

CONTAINED IN THIS OPINION IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, FOR THE PURPOSE OF AVOIDING PENALTIES UNDER THE INTERNAL REVENUE CODE, (II) THE ADVICE IS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED IN THE PLAN, AND (III) EACH RESIDENTIAL UNIT OWNER, EACH POTENTIAL RESIDENTIAL UNIT OWNER, AND THE CONDOMINIUM SHOULD SEEK ADVICE BASED ON ITS PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

Sincerely yours,

OLSHAN FROME WOLOSKY LLP

WORKING CAPITAL FUND AND APPORTIONMENTS

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

At or subsequent to the First Unit Closing, Sponsor will apportion with the Condominium the following items as of midnight of the day preceding the First Unit Closing, to the extent applicable:

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

(2) deposits with utility companies, if any, and fees for assignable permits and licenses, if any.

(3) charges for electricity and other utilities for the Common Elements.

(4) cost of fuel on hand (plus sales tax), if any.

(5) charges and receipts in connection with service, maintenance and concession contracts.

(6) water charges and sewer rents on the basis of the fiscal or calendar year for which assessed (unless separately assessed to individual Units).

(7) cost of building supplies on hand at Sponsor's cost (including sales tax).

(8) premiums for transferable insurance policies, if any.

(9) janitorial service fees, if any.

(10) management fees.

(11) building supplies (including, but not limited, to uniforms, cleaning supplies, carts, luggage).

(12) other customary closing adjustments.

If any of the foregoing items to be apportioned cannot be adjusted at the First Unit Closing because they are not fully ascertainable, they shall be apportioned and adjusted to the extent reasonably possible at the First Unit Closing, and final adjustment will be made as soon thereafter as the undetermined amounts are ascertained. Except as set forth above, the customs in respect to title closings adopted by the Real Estate Board of New York, Inc., as amended, shall apply to apportionments and the other matters mentioned above.

If the result of Closing adjustments is a net credit in favor of the Condominium, Sponsor will contribute the amount of such net credit to the Working Capital Fund. If the result of Closing adjustments is a net credit in favor of Sponsor, the payment of any net credit shall be evidenced by an unsecured, negotiable promissory note, without interest, to be executed by the Condominium Board and delivered to Sponsor at the First Unit Closing to be repaid on the earlier of (i) the first anniversary of the First Unit Closing, or (ii) when such funds become available. The promissory note may be prepaid by the Condominium in full at any time, or in part from time to time, without penalty.

The Working Capital Fund will be used for working capital, a reserve for repairs or for such other appropriate purposes as will be determined by the Condominium Board and may be augmented by allocations from the monthly Common Charges. While Sponsor controls the Condominium Board, the Working Capital

Fund will not be used to reduce Common Charges. (See the Section of the Plan entitled "Control By Sponsor" for details.)

The Condominium Board will be able to utilize the funds in the Working Capital Fund at any time and, accordingly, no representation can be made and no assurance can be given as to the exact amount of funds available at any specific time. However, in no event shall any portion of the Working Capital Fund be used to pay any Common Charges attributable to Unsold Residential Units. In addition, within 3 months following the end of the Sponsor Control Period, Sponsor shall deliver to the Condominium Board a statement from an officer of Sponsor, certifying in reasonable detail as to any changes in the amount of the Working Capital Fund which have occurred since the First Unit Closing.

No representation is made that the Working Capital Fund will be, or is intended to be, adequate to cover current or future expenses, including repairs, replacements or major improvements, for the first or any subsequent year of Condominium operation. If additional funds are required over and above the Working Capital Fund to cover expenses of the Building operation, it may be necessary to increase Common Charges or make Special Assessments. Neither the Department of Law nor any other government agency has passed upon the adequacy of the Working Capital Fund.

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RESERVE FUND

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

Sponsor makes no representation that the Reserve Fund will satisfy the requirements of a Purchaser's lender. Neither the Department of Law nor any other government agency has passed upon the adequacy of the Reserve Fund. The Reserve Fund cannot be used to reduce projected Common Charges during the Sponsor Control Period.

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MANAGEMENT AGREEMENT

At the First Unit Closing, Sponsor will assign, and the Condominium Board will assume, the Management Agreement for the Condominium between Sponsor and RoseTerra Management, LLC ("Managing Agent"), having an office at 770 Lexington Avenue, New York, New York 10065 ("Management Agreement"). Sponsor may, in the alternative, have the Condominium Board enter into the Management Agreement directly with Managing Agent. Thereafter, the Management Agreement may not be assigned by either party. Notwithstanding the foregoing, the Managing Agent shall have the right to assign the Management Agreement with the consent of the Condominium Board, which consent shall not be unreasonably withheld, to any successor or assignee of Managing Agent that may result from any merger, consolidation or reorganization with, or any sale or assignment to, any entity that shall acquire all or substantially all of Managing Agent's property management business, provided, however, that such successor or assignee agrees to assume and perform all of the terms and conditions of the Managing Agent under the Management Agreement from and after the effective date of such assignment.

The Management Agreement will provide for an initial term of two years commencing on the date of the First Unit Closing ("Commencement Date"). Thereafter, the Management Agreement will continue on a year-to-year basis with a 3% fee increase per year, but may be terminated by either party with or without cause, upon not less than 60 day's prior written notice following the first anniversary following the Commencement Date.

Managing Agent will receive an annual fee, payable in equal monthly installments during the initial term of the Management Agreement of $50,000 per annum. The management fee is comparable to the rate for similar services in comparable buildings. In addition, for services rendered to Residential Unit Owners (other than Sponsor), in connection with processing applications to (i) sell, lease or otherwise transfer Residential Units and obtaining necessary waivers of the right of first refusal by the Condominium Board, (ii) mortgage or refinance of an existing mortgage on a Residential Unit and (iii) alter or renovate a Residential Unit, Managing Agent shall receive a fee from the Residential Unit Owner in such amounts as shall be determined, time to time, by the Condominium Board.

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

(1) billing and collecting Common Charges.

(2) causing the Common Elements to be maintained, repaired and altered in the manner deemed advisable by the Condominium Board.

(3) contracting for necessary services and repairs and purchasing all supplies necessary to properly maintain and operate the Building and its Common Elements.

(4) checking all bills received in connection with the maintenance and operation of the Common Elements and causing all such bills and other expenses to be paid.

(5) supervising, hiring, discharging and paying employees necessary for the proper maintenance and operation of the Building.

(6) rendering monthly statements of receipts and disbursements to Sponsor or other designated entity, upon request.

(7) maintaining payroll records and filing withholding tax statements for employees.

(8) maintaining accurate sets of books for the Condominium Board.

(9) cooperating with the Condominium Board's accountants in preparing and submitting annually to the Condominium Board an operating budget of the anticipated income and expenses for the ensuing year.

(10) attending meetings of the Condominium Board and Unit Owners, and preparing agendas and sending notices relating to such meetings.

(11) causing to be obtained and maintained insurance for the Condominium in amounts deemed advisable by the Condominium Board.

(12) processing applications of Unit Owners for permission to alter the Residential Units.

(13) processing applications for waivers of the right of first refusal.

(14) generally, doing all things deemed reasonably necessary or desirable by the Condominium Board for the proper management of the Building.

Managing Agent, at the expense of the Condominium, will be insured during the term of the Management Agreement under a fidelity insurance policy in favor of the Condominium for any loss resulting from fraudulent or dishonest acts committed by Managing Agent, its directors, officers or employees.

The Management Agreement provides that the Condominium Board shall indemnify Managing Agent with respect to claims in connection with Managing Agent's carrying out the provisions of the Management Agreement or acting under the express or implied directions of the Condominium Board, unless arising from the gross negligence, bad faith or willful misconduct of Managing Agent in carrying out its duties.

Sponsor reserves the right during the Sponsor Control Period to designate any other reputable managing agent to perform all of the duties and services to be performed by Managing Agent under the Plan and if Sponsor does so, Sponsor will cause such other managing agent to accept employment on terms substantially similar to the terms specified above

There are presently no contracts or leases binding on the Condominium for more than five (5) years.

During the Sponsor Control Period, the Plan will be amended if the Condominium Board enters into any management agreement or service contract which is binding on the Condominium for more than five (5) years.

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IDENTITY OF PARTIES

Sponsor

1562/1564 Second Realty LLC is a limited liability company organized under the laws of the State of New York, with an office at 419 Lafayette Street, 5th Floor, New York, New York 10003 ("Sponsor").

The principals of Sponsor who will be actively involved in this offering are Terrence Lowenberg and Todd Cohen, having an office address c/o Sponsor at 419 Lafayette Street, 5th Floor, New York, New York 10003. Mr. Lowenberg and Mr. Cohen are both currently serving as principals of Icon Realty Management in New York City, and are responsible for overseeing daily operations of the management and investment firm. Mr. Lowenberg and Mr. Cohen have been and are currently involved in the acquisition, management, maintenance and conversion of multiple properties, including mixed-use, throughout New York City. Icon Realty Management is a multi-faceted investment and management company, which owns and manages over 1,800 apartment units located throughout New York City including apartments located in the following buildings: 400 East 74th Street, 443 East 78th Street, 228 East 84th Street, 242 East 75th Street and 222 East 81st Street.

Prior Offerings

Neither Sponsor nor the principals of Sponsor have taken part in any public offerings which were initially offered during the past 5 years and neither Sponsor nor the principals of Sponsor own 10% or more of the unsold shares or units of any cooperative, condominium or homeowners association.

There have been no prior felony convictions of Sponsor or the principals of Sponsor and no prior convictions, injunctions and judgments against Sponsor or the principals of Sponsor that may be material to the Plan or an offering of securities generally that occurred within 15 years prior to the Filing Date of the Plan.

Sponsor has designated the Secretary of State for service of process.

Attorneys for Sponsor

Sponsor has retained the law firm of Seiden & Schein, P.C., having an office at 570 Lexington Avenue, 14th Floor, New York, New York 10022 to represent it in connection with the Plan ("Attorney for Sponsor") and to serve as Escrow Agent. Jane Rosenberg, Esq. and Nichole Thomas, Esq. participated in and supervised the preparation of the Plan. Seiden & Schein, P.C. will serve as Escrow Agent and will represent Sponsor in connection with matters relating to the sale and closing of Residential Units.

Sponsor has retained the law firm of Olshan Frome Wolosky LLP, having an office at 65 East 55th Street, 2nd Floor, New York, New York 10022 to prepare the Income Tax Opinion for the Condominium and Unit Owners under the direction of Warren R. Gleicher, Esq.

Sponsor has retained the law firm of Goldberg Weprin Finkel Goldstein, LLP, having an office at 1501 Broadway, 22nd Floor, New York, New York 10036, to provide the Real Estate Tax Projection Opinion set forth in Part I of the Plan.

Selling Agent

Selling Agent for the Condominium will be Douglas Elliman, having an address at 575 Madison Avenue, New York, New York 10022. Selling Agent is a licensed real estate broker which has acted as Selling

Agent for the following condominium projects, among others: 7 Harrison Street, 560 West 24th Street and 152 Elizabeth Street, New York, New York.

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

Managing Agent

RoseTerra Management, LLC, having an office at 770 Lexington Avenue, New York, New York 10065 will be the managing agent for the Building. The Managing Agent has been engaged in the operation and management of over 8,250 units located throughout New York City. A list of properties which have been managed by the Managing Agent include: One Beacon Court and the Aldyn at 60 Riverside Boulevard. Additional information concerning Sponsor's management portfolio can be furnished upon request.

There have been no prior felony convictions of the Managing Agent, or any principals of the Managing Agent; and no prior convictions, injunctions and judgments against the Managing Agent, or any principals of the Managing Agent.

Construction Professionals

Sponsor has retained the following professionals in connection with the construction of the Building:

a) Architect of Record/Design Architect

SLCE Architects, having an office at 1359 Broadway, 14th Floor, New York, New York 10018 is the architect of record for the Building and the design architect ("Architect"). The Architect prepared the Description of Property and Specifications and the Floor Plans of Units set forth in Part II of the Plan and the Floor Plans which will be filed with the Department of Finance of The City of New York required in order to create the Condominium. Architect has been providing architectural services for many years and has been the architect of many buildings, including 520 Park Avenue, New York, New York; 432 Park Avenue, New York, New York; The 157 West 57th Street Condominium, 157 West 57th Street, New York, New York; and 30 East 85th Street, New York, New York.

b) Mechanical Engineer

MG Engineering P.C., having an office at 116 West 32nd Street, New York, New York 10001, is the mechanical engineer for the Building. The Mechanical Engineer has been providing engineering services for many years in the United States and abroad and recently has been the mechanical engineer for the following buildings, among others: 395 Hudson Street New York, NY and 125 Park Avenue, New York, New York.

Condominium Budget Expert

Sponsor has engaged Penmark Property Advisors, LLC, having an address at 828 Hempstead Turnpike, Franklin Square, New York 11010, as Sponsor's Budget Expert. The Budget Expert estimated all amounts of income and expenses in "Schedule B - Estimated Budget for Projected First Year of Condominium Operation" in consultation with Sponsor. The Budget Expert has rendered a certification as to the adequacy of the First Year's Budget and a certification as to the adequacy of the Common Charges payable by the Commercial Unit Owner, which may be found in Part II of the Plan.

Related Parties

Sponsor and its principal have no material affiliation with Selling Agent and no affiliation with Managing Agent, Attorney for Sponsor, the Architects/Engineers or the Budget Expert, the Construction Professionals, or any person or firm who will provide services to the Condominium subsequent to the First Unit Closing. Neither the Condominium Budget Expert, the Construction Professionals nor the Attorneys have any financial interest in the Property, the Units, the Condominium, or this offering, except for their fees for services rendered.

No Pre-Sales

Neither Sponsor nor its principals have entered into contracts or agreements, written or oral, or accepted any Down Payments or advances of funds for the purchase of Units as of the Filing Date of the Plan.

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REPORTS TO UNIT OWNERS

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

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

2. At least 30 days' prior notice of the annual Unit Owners' meeting.

3. A copy of the proposed annual budget of the Condominium at least 30 days prior to the date set for adoption thereof by the Condominium Board. While Sponsor is in control of the Condominium Board, such budget shall be certified in compliance with Section 20.4 of the Regulations of the Department of Law.

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DOCUMENTS ON FILE

Pursuant to the provisions of Section 352-e of the New York General Business Law, copies of the Plan, all documents referred to herein and all Exhibits submitted to the Department of Law in connection with the filing of the Plan shall be kept on file and available for inspection by Purchasers and their attorneys without charge, and for copying at a reasonable charge, at Sponsor's office for a period of 6 years after the First Unit 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 Register's Office following the recording of the Declaration, and an additional set will be furnished to the Condominium Board.

The Declaration and the By-Laws will be recorded in the Register's Office in advance of or concurrently with the First Unit Closing. The recording of all deeds conveying individual Units will also be recorded in the Register's Office.

The Plan may also be borrowed by a prospective Purchaser from the Sponsor upon payment of a three hundred dollar ($300) deposit, which amount will be fully refunded upon either (i) the prompt return of the Plan in good condition or (ii) the execution by the prospective Purchaser of a Purchase Agreement subsequently accepted by Sponsor.

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GENERAL

The Plan does not knowingly omit any material fact or knowingly contain any untrue statement of any material fact. Sponsor believes that the Plan contains a fair summary of the material provisions of the documents referred to in the Plan, including those documents contained in Part II of the Plan. Copies are contained in Part II of the Plan of the forms of Declaration, By-Laws, Purchase Agreement, Residential Unit Deed, Power of Attorney and other documents (which forms may be revised prior to their recordation or the First Unit Closing, as applicable). Statements made in Part I of the Plan as to the provisions of such documents or any other document referred to in the Plan, copies of which are on file with Sponsor, are not necessarily complete. Each such statement is qualified in all respects by the contents of such documents and, in the case of any such document executed by or with the written consent of a Purchaser pursuant to the Plan, any rider or separate agreement changing or adding provisions to such document.

There are no lawsuits or other legal proceedings now pending, or any judgments outstanding, which could materially and Adversely Affect this offering, the Purchasers of Units, the Property, the Condominium or the operation thereof, which are not covered by insurance.

No party other than Purchasers shall have any right or benefit herein or herefrom, including without limitation, the right to insist upon or enforce against Sponsor the performance of all or any of Sponsor's obligations hereunder and no such third party shall be deemed to have received any benefit as a result of any of the provisions of the Plan.

Sponsor reserves the right, from time to time prior to the First Unit Closing, without obtaining the consent of Purchasers or others, to substantially revise the terms and conditions upon which the Residential Units are to be sold, including changes affecting the rights, obligations and liabilities of Sponsor and Purchasers. However, Sponsor may not unilaterally cancel a Purchase Agreement which is in effect, except as therein provided, as in the case of an uncured default, nor unilaterally change the Purchase Price or payment terms contained in such Purchase Agreement. All substantive or material revisions will be contained in a duly filed amendment to the Plan. If there is a substantial amendment to the Plan that materially and Adversely Affects Purchasers, except as otherwise provided herein, Purchasers will have a right of rescission which may only be exercised within 15 days from the Presentation Date of such amendment. Sponsor shall promptly return all Down Payments, together with any interest earned thereon to Purchasers who rescind, except that Sponsor shall retain all Down Payments of any Purchaser who is in default under the Purchase Agreement beyond any applicable grace period.

In accordance with the provisions of the Laws of the State of New York, neither Sponsor nor any selling agent engaged by Sponsor will discriminate against any person in the sale of Units offered by the Plan or in the leasing of any such Residential Units because of such person's race, creed, color, sex, sexual orientation, disability, marital status, age, ancestry, national origin or other ground proscribed by Law.

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

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

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

DEVELOPMENT RIGHTS

Sponsor does not anticipate that any Development Rights will remain upon completion of the Building. However, if the applicable provisions of the Zoning Resolution change in the future, such changes may generate transferable Development Rights which will not be included in the Property and shall be the exclusive property of Sponsor. Sponsor cannot represent the amount of transferable Development Rights that could result from such changes. Neither the Condominium Board nor any Unit Owner (other than Sponsor or a Development Rights Owner) shall have any right or interest in any Development Rights. If any Development Rights are transferred to an adjoining premises, the light and air of the Building and views from Units and/or Terraces may be affected. Sponsor shall have no liability in the event of any such diminution in views. Notwithstanding the foregoing, Development Rights may not be used to expand the size, height, bulk or density of any portion of the Property after the recording of the Declaration. (See the Section of the Plan entitled "Rights and Obligations of Sponsor" in Part I of the Plan and the Declaration in Part II of the Plan for details.)

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SPONSOR'S STATEMENT OF BUILDING CONDITION

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

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PART II

CONDOMINIUM OFFERING PLAN

THE 301 EAST 81ST STREET CONDOMINIUM
301 EAST 81ST STREET
NEW YORK, NY 10075

DESCRIPTION OF PROPERTY AND SPECIFICATIONS

DESCRIPTION OF THE PROPERTY AND SPECIFICATIONS
301 EAST 81ST STREET, NEW YORK, NY

A. *Location and Use of Property*

1.	Address:	301 East 81st Street New York, New York
2.	Block/Lot Number:	Block 1544, Lot: 104
3.	Zoning District:	C1-9
4.	Permissible Uses:	Use Group 1-6; Residential, Commercial This will comply with permissible zoning and use requirements.

B. *Status of Construction*

1.	Class of Construction:	Fireproof, Construction Class 1B, conforming to all applicable regulations of the 2014 Building Code of the City of New York. All structural elements will provide a 2 hour fire resistant rating.
2.	Status of Construction:	The Plans were filed and approved by the Department of Buildings under New Building Application No. 122143377. Construction of the Building is scheduled to start in March 13, 2018 and it is scheduled to be substantially completed on or about May 1, 2020 unless delayed due to strikes, labor disruptions, and late delivery of materials, fire, explosions, inclement weather, or any other causes beyond the control of the Sponsor. This building is a quality housing project in compliance with the requirements. The building complies with the required minimum dwelling unit size is 400 SF. All residential windows are double glazed. The refuse storage and disposal room has a minimum size of 12 SF and a minimum dimension of 3'-0". Required recreation space of 2.8% of the total residential floor area has been provided, 584 SF of indoor recreation space and 1,831 SF of outdoor recreation space. The indoor recreation space provides a window measure not less than 9.5% of the total floor space of the room.
3.	Certificate of	

Occupancy: A Certificate of Occupancy will be issued for the Building. The Sponsor will obtain a Temporary Certificate of Occupancy for each Residential Unit prior to the closing of each Residential Unit.

C. ***Site:***

1. Size: The size of the Lot is 100 feet x 51.17 feet, approximately 5,117 square feet.

2. Number and Use of the Building:

The Building will be comprised of one 19-story structure above grade, with two subgrade levels, plus roofs/bulkhead. The Building will be used primarily for residential purposes with commercial use on the Ground Floor and Cellar Level. The Building will consist of thirty two (32) Residential Units on floors 3rd thru 12th, 14th thru PH-20th/21st.

a. Sub-cellar floor will contain: Fitness center, residential common laundry room, residential storage bin room, bicycle storage and compactor room, chiller room and elevator control room.

b. Cellar floor will contain: Commercial Unit, water and fire pump room, electric switchgear room, gas meter room, telecom room, ATS, storage and employees lockers and bath.

c. Ground floor contain: Commercial Unit, residential lobby, package room and residential lounge/bar.

d. 3rd thru 12th floor, 14th thru 16th floor, PH-17th , PH-18th , PH-19th and PH-20th/21st floor will contain: Thirty two (32) Residential Units.

e. Main roof will contain residential common roof terrace, electrical room and boiler room.

f. Roof bulkhead 1 will contain: Mechanical room and cooling tower.

g. Roof bulkhead 2 will contain: Elevator machine room and mechanical room.

h. Roof over bulkhead 2 will contain: Emergency generator and mechanical equipment.

3. Streets: The Property has frontage on East 81st Street and Second Avenue. The street is paved with asphalt, owned and maintained by The City of New York and are in fair condition.

The street abutting the Property are pitched to drain through catch basins. The catch basins are part of the New York City storm water drainage system.

4. Drives, Sidewalks and Ramps:

The sidewalk abutting the Property will be replaced with new concrete sidewalk running full width of the Property line and pitched for drainage to the curb. Sidewalk curbs will be replaced with new steel-faced concrete curbs. Sidewalk lighting will be provided primarily by existing New York City light poles, owned, operated and maintained by the City of New York. The sidewalks and curb cuts will comply with NYCDOT.

D. ***Utilities:***

1. Electricity:

Electricity will be provided by Consolidated Edison Company ("Con Ed"), a regulated company. The total electricity consumed by the Residential Units shall be master metered with each Residential Unit separately metered by Con Ed for each Residential Unit electric charges. The electricity consumed in the Commercial Unit will be separately metered and paid by the Commercial Unit Owner. The electricity consumed in the Residential Common Elements will be metered by the Con Ed Master Meter and the cost of same will be borne by the Residential Unit as Residential Common Expense.

The electricity consumed in the common elements of the Building will be metered by the Con Ed Master meter and the cost of same will be allocated proportionately to the Residential Units as common charges.

2. Gas:

Gas will be provided by a utility company. The cost of the gas consumed in each Residential Unit including all gas used for cooking purposes and gas fired dryers on floors 15-19 & 21 in each Residential Unit (and fireplaces within certain Residential Units) will be a Residential Common Expense.

3. Water and Sewer:

Water and sewer service will be provided by The City of New York. Water for the Building is master metered. A sub-meter will be provided for the Residential Unit.

4. Telephone:

Telephone service will be provided by a communications or telephone company. Each Residential Unit will be required to request telephone services and pay the telephone charges associated with his or her Residential Unit directly to the Telephone Company. Similarly, the charges with respect to the telephones in the Co Unit will be separately paid for by the Owners of such unit. The telephone charges with respect to the common elements (such as the concierge's desk, maintenance offices and shop, etc.) will be a General Common Expense.

5. Cable & Television:

Cable television service will be provided by a service provider. Each Residential Unit who desires to obtain such service will be required to request cable and television services and pay the monthly service directly to the cable company. Cable TV outlets will be provided.

E. ***Sub-Soil Conditions:***

1. Foundation: The Building foundations consist of shallow foundations including strip footings, spread footings, and a mat bearing on bedrock with a bearing capacity of 40 to 60 tons/ft^2. Permanent post-tensioned tie-down anchors are also incorporated into the foundation system to counter uplift forces. The foundation is also designed to resist hydrostatic forces including pressure slabs are incorporated into the foundation to resist hydrostatic uplift forces corresponding to a design groundwater pressure of 36 ft (NAVD88). The foundation is also fully encapsulated in a sheet membrane waterproofing system up to grade to prevent any seepage into the Building.

2. Subsurface Conditions: The subsurface conditions within the development area are generally characterized by layers of fill overlying bedrock. In some cases highly fractured bedrock may be present atop more competent rock, which typically consists of mica schist with quartzite intrusions. The fill material contains concentrations of metals above the New York State Department of Environmental Conservation (NYSDEC) Unrestricted Use Soil Cleanup Objectives (SCOs). A solvent-like odor and gray staining were encountered in the soil from 11 to 12 feet bgs in the northeastern portion of the development areas. The top of competent bedrock is estimated to be at about el +36 ft (NAVD88). Groundwater is anticipated to be perched on top of bedrock within the project site, and is estimated to fluctuate between elevations el +37.0 and +37.7 ft (NAVD88), unless bedrock is higher.

3. Foundation Movement: There has not been any movement or settlement of new or existing foundations above the Limit Levels outlined in the project specifications.

4. Groundwater: Groundwater has been observed to be perched on top of bedrock as well as been observed to seep through the bedrock in localized areas. The rate of groundwater flow is not significant and corrective actions are not required at this time.

5. Flooding: There is no danger of flooding from either the water table or other bodies of water. Additionally there is no potential for mudslides or erosion. The site is not located in an area designated as a flood zone

F. ***Landscaping:***

1. Trees: There will be a total of five (5) abutting the property. Sizes and type of trees will be in accordance with The Parks Department requirements.

2. Fencing: None

3. Gates: None

4. Garden walls: None

5. Retaining walls: None

6. Display Pool & Fountains: None

G. *Building Height:*

1. Total Height: Approximately 216'-0" from ground floor residential lobby finished level to the top the main roof finished level.

2. Number of Floor: There will be two Cellar levels (Sub-cellar and Cellar).

The Building will consist of 19 construction levels above grade with 2 subgrade levels plus roofs/bulkhead. Floors will be designated for marketing purposes as shown below:

Construction Floor	Marketing Floor
Sub-Cellar	Sub-Cellar
Cellar	Cellar
Ground Floor	Ground Floor
2nd Floor	3rd Floor
3rd Floor	4th Floor
4th Floor	5th Floor
5th Floor	6th Floor
6th Floor	7th Floor
7th Floor	8th Floor
8th Floor	9th Floor
9th Floor	10th Floor
10th Floor	11th Floor
11th Floor	12th Floor
12th Floor	14th Floor
13th Floor	15th Floor
14th Floor	16th Floor
15th Floor	PH 17 Floor
16th Floor	PH 18 Floor
17th Floor	PH 19 Floor
18th Floor	PH 20 Floor(Duplex lower level)
19th Floor	21st Floor (Duplex upper level)
Main roof	Main Roof
Roof bulkhead 1	Roof Bulkhead 1
Roof bulkhead 2	Roof Bulkhead 2

3. Mechanical Equipment Rooms: Mechanical equipment rooms are located in the sub cellar, cellar, main roof, roof bulkhead 1 and roof bulkhead 2. The sub cellar contains the chiller room, compactor room, and elevator control room. The cellar

contains the water and fire pump room, electric switchgear room, ATS room, gas meter room, and telecom room. The main roof holds the boiler room and electric closets. Bulkhead 1 holds a mechanical room and bulkhead 2 has a mechanical room and elevator machine room.

4. Parapet Height: The parapet and/or railing assemblies will extend a minimum of 3'-6" above the roofs or terrace finishes.

H. Structural System:

1. Foundation: The Building's foundations consist of spread footings resting bedrock with a bearing capacity of 60 tons/ft^2.

Foundation walls, columns and shear walls are supported by reinforced concrete spread footings bearing on bedrock. No sub-grade drainage system will be provided for the foundation of the building.

Slab on grade will consist of structural pressure slab with tie-down anchors will be installed to resist underground hydrostatic pressure. The underground perimeter walls will consist of reinforced concrete foundation walls.

2. Superstructure: The structure will be comprised of cast in place reinforced concrete flat slab system supported by interior and perimeter reinforced concrete columns and reinforced concrete shear walls engineered in accordance with the 2014 New York City Building Code. The lateral-load resisting system for the tower consists of a reinforced concrete core wall system supplemented by a single wing wall extended from the core out to the west side of the Building. Typical residential floor assembly will consist of an 8" thick concrete slab and wood floor with acoustical underlayment.

3. Exterior Wall Construction: Exterior walls will be masonry or limestone cavity walls, consisting of nominal 4 inch face brick or nominal 4" limestone, cavity space with 2" insulation, nominal 6 inch concrete block, metal studs with insulation and 5/8" thick gypsum board finish. The exterior wall assembly will have a minimum of R-15. Exterior walls shall comply with New York City Law 11. Inspection of exterior walls shall be conducted at least once every five (5) years.

4. Windows:

a. Exterior windows shall be thermally broken insulated painted aluminum/glass Skyline Windows, or approved equal. Both fixed or casement windows of aluminum construction with baked on paint finish and glazed with factory-assembled 1 1/4" insulating glass units. The window materials will have a 5 year warranty from the window manufacturer. Insulating glass and aluminum

finish failure will have an industry standard 10 year warranty. All sills will be of limestone material.

b. All operative windows will be provided with limit stops to prevent window from being opened more than 4" (as approved by the Department of Health).

c. Aluminum swing terrace doors will be provided for all Residential Units with terraces.

d. Lot Line Windows: Along east side of the Building:

(i) Lot line windows are provided on the east side of the Building in Residential Unit B – 10th thru 12th, 14th floors, Residential Unit A – 15th-16th, PH17th, PH18th, PH19th, and PH20th / PH21st floors.

(ii) Lot line windows will have the tempered glass and will be protected with sprinklers.

(iii) Lot line windows will not be used to satisfy NYC Building Code requirement for light and air. In the event that the adjacent Building located east or west of the property is renovated, enlarged or reconstructed, at any time in the future, lot line windows are subject to infill (protected) with fire rated construction by the Condominium Board.

e. Lot line windows: Along north side of the Building:

(i) Lot line windows are provided on the north side of the Building in Residential Unit C – 3rd thru 6th floors, Residential Unit B - 7th thru 14th floors and Residential Unit A 10th thru 16th, PH-17th, PH-18th, PH-19th, and PH-20th / PH-21st floors.

(ii) Lot line windows will have tempered glass and will be protected with sprinkler.

(iii) Lot line windows will be used to satisfy NYC Building Code requirement for light and air (Light and air easement agreement).

5. Storefront: Aluminum/Glass thermally broken storefront system will be provided on the ground floor of Residential lobby, Residential service lobby and Commercial Unit by Kawneer, or approved equal.

6. Landmark Status: None.

7. Parapets and Coping: Parapets will be masonry cavity wall construction with aluminum railings, and will be a minimum of 3'-6" above roofs or terrace finishes.

8. Chimneys and Caps: Four (4) fireplaces flues provided. All flues will terminate above main roof. Fireplaces will be provided all Residential Units on PH-17th floor, PH-18th floor, PH-19th floor and PH-20th floor. Fireplaces will be gas burning. Fireplaces will be Heat N Glo Slimline SL 750 or of equal or better quality.

Boilers for space heating and water heaters for domestic hot water heating will be provided with direct vented system: UL1738 listed double wall construction vents for condensing boilers: Inner Shell: AL294C or equivalent; Outer Jacket 441L stainless steel or equivalent.

9. Terraces & Gardens: Terraces will be provided in Residential Units: PH-17th, PH-19th and PH-20th floor. All terraces will be shown as accessory space in the Certificate of Occupancy. All terraces will have concrete pavers which will comply with the roofing warranty. Parapet and or aluminum railing assemblies will extend minimum of 3'-6" above the terrace floor finishes. Railings will not create a ladder effect. Copings at terraces will be of masonry material. Terrace doors will be thermally broken insulated painted aluminum/glass doors by Skyline Windows, or approved equal. No separations are required at terraces.

10. Exterior Entrances: The primary residential entrance to the residential lobby is on East 81st Street. The primary residential entrance will be lockable painted aluminum/glass doors by Kawneer, or approved equal. The vestibule doors will also be painted aluminum/glass storefton doors by Kawneer, or approved equal. There are no exterior stairs or railings.

There is a residential service entrance located adjacent to the lobby entrance that serves as a service entrance and means of egress for the Building. The residential service entrance will have a lockable pair of hollow metal door.

Entrance for the Commercial Unit is located on 2nd Avenue. The commercial unit main entrance will be aluminum/glass storefront doors by Kawneer, or approved equal. The retail service entrance will be a hollow metal door with locks provided.

Lighting at the exterior will be custom LED light fixtures by Remains, or approved equal.

11. Roof and Roof Structures: The roofing system will be an Insulated Roof Membrane Assembly (IRMA) comprised of waterproofing installed below extruded polystyrene board installed below concrete pavers or stone ballast as manufactured by American Hydrotech or equal. Insulation of R-Value 20 will be provided in accordance with the NYS Energy Conservation Code.

There will be sufficient number of roof drains for each area requirement drainage. Each cast iron roof drain will be designed with an emergency

overflow roof drain of the same capacity. Both roof drains shall be Zurn 1010C and 1070C respectively.

All interior storm piping shall be no hub cast iron and comply with CISPI 310.

Stair and elevator Bulkheads will be constructed of concrete floor and concrete roof. Bulkhead will be enclosed with masonry walls.

The roofing will be warranted by the roofing manufacturer (roofing material and installation) for a period of ten years. Commencement date will be approximately be October of 2019. Aluminum or stainless steel flashing will be provided.

Painted aluminum ladders and roof hatches will be provided for access to the bulkhead roofs. Painted aluminum railings will be provided.

The rooftop will be used as an accessory to residential space in the Certificate of Occupancy. The main roof terrace will be approximately 1,811 square feet. The flooring will be concrete pavers.

There are no skylights provided at any of the roofs.

12. Yard and Courts: There are no yards provided.

There are no courts provided.

13. Fire Escapes: None.

14. Interior Stairs: Egress stair A will serve the ground floor thru roof bulkhead 2 (EMR), egress stair B will serve the cellar thru roof bulkhead 2 (EMR). A pair of egress stairs (C & D) serving ground floor, cellar and sub-cellar.

The stairs will be constructed of precast concrete. The stairs have 2 hour rated fire resistant enclosures will be constructed of reinforced concrete and/or concrete block and/or gypsum wall board (approved masonry equivalent) and will be painted. Steel pipe handrails will be provided per code.

15. Interior Doors, Frames Partitions: The entrance door and frame to each Residential Unit will be wood door with hollow metal frame, 1 ½ hour F.P.S.C., STC 35. Residential Unit interior doors will be solid core painted wood and frame. Partitions between two Residential Unit and public corridor will be provided with 2 hour fire rated and STC 50.

All other public corridor doors will be F.P.S.C. 1 ½ hour rated wood door with hollow metal door frame.

All back of house doors and frames will be painted hollow metal, 1½ hour fire rated self-closing.

16. Elevators: Residential Passenger Elevator:

a. Passenger elevator and Passenger/service elevator for the Residential Section of the Building are as follows:

Quantity/Capacity/Speed:

i. One (1) passenger/elevator. 2,500 pounds approximately 16 persons (based on 150 lbs. per person). 350 FPM.

Floors served: Sub-cellar floor to Main roof
Machine Type: Gearless overhead traction

ii. One (1) passenger/service elevator. 3,500 pounds, approximately 23 persons (based on 150 lbs. per person). 350 FPM.

Floors Served: Sub-cellar floor to Main roof
Machine Type: Gearless overhead traction

iii. Elevator Cabs:
Interior of Passenger Elevator and passenger/service cabs will be custom design. The interior finish will consist of stone flooring, wood veneer wall panel, at side walls and back wall, metal doors and front wall, metal or wood ceiling. Lighting in the elevator cabs will consist of recessed down lights and/or cove lighting. The elevators and elevator cabs will be supplied by ThyssenKrupp or approved equal. All elevators will be tied to the fire alarm system.

b. Residential Service Elevator:

i. One (1) service elevator. 4,000 pounds approximately 26 persons (based on 150 lbs. per person). 100 FPM.

Floors Served: Sub-cellar to Ground Floor
Machine Type: Machine room less traction

I. Auxiliary Features:

1. Laundry Room: A common laundry room will be located at the sub-cellar floor serving the Residential Unit Owners. The laundry room will contain coin operated washers and two (2) gas-fired coin operated dryers. Dryers will be mechanically ventilated and exhaust to the exterior. The laundry room will be part of the Residential Common Elements of the Building and the costs and expenses to operate and maintain (including electric, gas, water and heat) will be included in the Residential Common Expense. Clothes

dryers within the residential units shall be either electric non-vented or gas-fired and vented to the outdoors via a common dryer exhaust system.

2. Refuse Disposal: Access to the refuse chute will be provided on 3rd thru 12th, 14th thru PH-20th floors. Refuse closet will be located off the public corridor. The metal chute will be enclosed in concrete block and gypsum board. The refuse chute will lead to a refuse compactor located at the sub-cellar level. The compactor will be manufactured by International Dynetics Corporation or approved equal. The compacted bags will be stored in the compactor room until they are transferred to street level, the New York City Department of Sanitation will pick up the bags from the sidewalk curb outside the Building.

3. Mail/Package Room: The concierge will receive and hold mail and package, a package room for storing packages will be provided on the ground floor.

4. Bicycle Room: A bicycle room will be located on the sub-cellar level for use by Residential Unit Owners. The bicycle room is approximately 226 square feet with a capacity of approximately 17 bicycles.

5. Storage Bins: A total of fifteen (15) individual storage bins approximately 18 to 33 square feet will be on sub-cellar level and will be licensed to Residential Unit Owners. Storage bins will have a minimum ceiling height of 7'-0" high and shall be furnished with heavy duty wire mesh partitions and doors.

J. ***Plumbing and Drainage:***

1. Water Supply:

a. A 4" domestic water service with a curb valve is connected to the street water main in 2nd Avenue. The service line is extended to the Water Meter Room located in the cellar where it is provided with a reduced pressure zone (RPZ) type backflow preventer and a meter.

b. One (1) set of triplex water booster pumps will serve the entire Building. System will include pressure switch and hydro pneumatic tank to maintain system pressure. Triplex domestic water booster pumps shall be SYNCROFLO Model 180TMSL104-VFD-GAF. Pressure reducing valves are provided where pressure exceed 85psig.

c. The cooling tower serving the Building will be sub-metered and provided with an RPZ (reduced pressure backflow preventer) at the roof level mechanical room.

d. The domestic water distribution from the booster pumps is divided into three (3) pressure zones with each zone having minimum and maximum pressures of 30psig and 85psig.

e. The domestic hot water for the Residential Units use is generated from the gas-fired water heaters located on the roof level

mechanical room. The make and model number for the water heaters is to be determine.

f. The hot water piping system parallels the cold water distribution for each zone. The hot water piping is provided with an HWAT type maintenance cable.

g. The domestic hot water temperature to all fixtures will be 120 degree Fahrenheit and controlled by a mixing valve at the water heater.

h. Flow conservation devices will be provided on all water supplies to all showers in the Residential Units.

i. Backflow preventers and vacuum breakers will be provided as required to protect the domestic water supply.

j. Air chambers are provided at the top of all risers and throughout the piping systems to prevent water hammering.

k. The cold, hot and hot water circulation piping 2" and less is copper type 'L' with 95-5 solder joints. Piping 2-1/2" and larger shall be copper type 'L' with silver brazed joints.

l. The cold water service and combined fire standpipe/sprinkler services pipes are ductile iron material.

m. All water risers will be provided with valves.

n. Expansion compensators and loops will be provided on hot and hot water circulation piping system.

o. Hot and cold water piping will be insulated with a minimum of 1" fiberglass insulation.

p. Future commercial spaces shall be provided with a 2" valve and capped cold water outlet. The future tenant shall provide sub-metering upon connecting to the base Building system.

2. Fire Protection System:

a. A single 6" water service from 2nd Avenue serves an automatic fire pump. The fire pump capacity is 500 GPM and is provided with a jockey pump to maintain pressure in the systems. Pumps are located in the cellar and shall serve the Building fire protection system.

b. The fire pump supplies two (2) 6" risers located in the stairs. One (1) riser is a dedicated fire standpipe and one (1) riser is a combined fire standpipe and sprinkler riser. Each riser is provided with 2-1/2" fire hose valve connection with cap and chain on every floor landing. Sprinkler floor control valve assemblies are

provided on the combined riser landings throughout the Building. The pipe material is black steel pipe.

c. A standard Fire Department hose cabinet will be provided in the Residential Lobby and one every tenth floor above the lobby within 15 feet of the standpipe riser.

d. Sprinklers will be provided throughout the Building except for residential toilet rooms under 55 square feet and closets under 12 square feet. In addition, the refuse chute on every other floor starting with the top floor will be provided with a sprinkler head, and on each vestibule chute area a head will be provided. The sprinkler system is supplied from the combined fire standpipe and sprinkler system.

e. The fire pump system is designed to provide a minimum residual pressure of 65psig to serve fire hose valves and sprinkler heads on individual floors. On floors where the static pressure exceeds 175psig, pressure regulating valves shall be provided on the sprinkler system and pressure restricting valves will be provided fire hose valves.

f. All sprinkler heads used shall be listed by an approved agency. Upright, pendent, sidewall and flush type heads will be provided in all other areas. All unfinished areas without ceilings shall be provided with upright heads. In all finished areas with hung ceiling the heads will be flush type concealed heads with plates or sidewall heads. The sprinkler system will be designed for light and ordinary hazard occupancies.

3. Water Storage Tank: None

4. Water Pressure: Domestic water pressure is maintained by a triplex booster water pump system.

5. Sanitary Sewage System:

a. A complete sanitary drainage system will convey all soil and waste from plumbing fixtures, drains and equipment. The sanitary system is designed for gravity flow through vented branches, stacks and Building drains. Drainage piping to fixtures located in the cellar and areas will flow by gravity to a duplex sewage ejector including all remote fixtures that cannot drain by gravity on the ground floor. The ejector discharge pipe will connect on the downstream side of the Building's combined sanitary house trap. Duplex sewage ejector pumps shall be FLYGT Model NP3085 Impeller 462.

b. Sanitary piping above ground is cast iron piping with no-hub fitting and galvanized steel pipe. Piping below grade is cast iron service weight pipe.

c. The sanitary service point on entry is located in the cellar level at 2nd Avenue. The Building sanitary system is independent of the Building storm system and combines only at the service point of entry.

d. Plugged sanitary and vent outlets shall be provided for future retail tenants.

e. Any required grease traps for any future commercial kitchen shall be provided by the future tenant.

6. Permits Required:

a. Plumbing, sewer and gas.

b. Sprinkler

c. Standpipe

7. Storm Drainage System:

a. A complete storm water drainage system designed for gravity flow conveys storm water drainage from the Building roof, and each terrace to a detention tank on the cellar level. The detention tank will be constructed with concrete integrated with the building structure. The interior of the tank will be waterproofed. The tank foot print is 122 square feet.

b. The detention tank has an approximate 2,965 gallon capacity and is design in accordance with the New York City Department of Environment Protection requirements. Tank discharge is gravity through a restricted orifice.

c. The storm water system is independent from the Building sanitary system and combines at the service point of entry at the cellar level on 2nd Avenue. The sewer will flow to the existing combined street sewer in 2nd Avenue.

d. There shall be at least one (1) primary drain and one (1) overflow drain for each roof or paved drainage area.

e. The piping material above the floor will be cast iron with no-hub joints or galvanized steel. Piping below the sub-cellar slab will be cast iron with hub joints. Sump pumps and sewage ejector discharge piping will be galvanized steel pipe up to the first turn.

K. ***Heating:***

1. Method:

A central heating plant, located in the main roof boiler room, will consist of three (3) boilers, AERCO model BMK-2000, each rated at 1,846 MBH output. Each boiler is rated at a maximum input of 2,000 MBH with an AHRI efficiency of 94.6%. The boilers comes with a 10-year full warranty. Hot water shall be used for residential apartment heating at local four (4) pipe perimeter fan coil units. Additionally, tempering of outdoor

air for residential apartment make-up air will be accomplished by means of gas-fired heating sections in rooftop mounted make-up air handling units.

2. Residential Unit Space Heating:

a. The heating system for the Residential Units will be in the form of four (4) pipe hot water fan coil units and is designed to maintain an indoor temperature of 72 degree Fahrenheit in winter when the outdoor temperature is 0 degree Fahrenheit. The design is based on International Environmental Corp. Model CPY ceiling hung units and Model FHY floor mounted console units with capacities and sizes as indicated on the plans. The fan coil units come with a 1-year parts only warranty.

b. All controls are electric or electronic. The fan coil units serving the Residential Units are controlled by individual wall mounted 7-day programmable thermostats to maintain space temperature. These remote thermostats shall be provided for each fan coil unit.

c. Make-up air to each Residential Unit shall be pre-conditioned to 70 deg. F. via a gas-fired make-up air unit located at the roof level.

d. Individual electric heater mats will be provided for all master bathrooms and bathrooms located at an exterior wall. Electricity costs shall be borne by the Residential Unit owner on which such electric heater is located. The design is based on Raychem QuickNet a TycoThermal Product.

e. The system is designed to meet the New York City Building and Energy Codes.

3. Heating of Public Space:

a. Heating of the Common Elements (including amenities spaces) shall be provided via four (4) pipe hot water fan coil units and is designed to maintain an indoor temperature of 68-70 deg. F. in winter when the outdoor temperature is 0 deg. F.

b. Common elements for the sub-cellar, cellar and above the ground floor such as the tops of exits to the roof will be heated with electric resistance type heaters, fan forced unit heaters or cabinet heaters.

c. Public stair bulkhead and other miscellaneous common areas requiring heat during the winter season will be heated with electric resistance type heaters.

4. Insulation:

a. Ductwork supplying air for heating interior spaces shall be provided with 1-1/2" thick mineral-fiber blanket insulation. Minimum R-value for duct insulation will be R-8.

b. Piping containing hot water for heating interior spaces shall be provided with 1-1/2" thick cellular glass insulation with a thermal conductivity of 0.27.

5. Domestic Hot Water Heating:

a. Domestic hot water will be generated at the roof level mechanical room. Two (2) gas fired, 100 gallon storage type heaters manufactured by PVI Conquest condensing type, model 30 L 100A-GCL.

L. Gas Supply:

The two (2) gas services are supplied by Consolidated Edison and utilized for cooking, coin laundries, and gas-fired roof top units make-up generator. The first gas service will be provided with two (2) meters; one (1) meter serving the residential loads (cooking, fire place, residential and coin operated laundries, etc.) and one (1) meter serving the mechanical heating equipment and domestic hot water heaters. The second gas service will be provided with one (1) meter and will be dedicated to serve the emergency generator. Gas booster pumps will be provided for the mechanical equipment meter and emergency generator meter. Pipe material is black steel pipe. Space shall be allocated in the gas meter room for additional future retail tenant gas meter.

M. Air Conditioning:

1. Method:

A central cooling plant, located in the sub-cellar chiller room, consisting of modular water cooled electric chiller, roof mounted cooling tower, pumps, auxiliaries and pipe distribution to generate chilled water for the air conditioning system. Each module, Climacool UCSW030, is rated at a 31.7 tons. The chiller comes with a 1-year warranty. Chilled water shall be used for residential apartment heating at local four (4) pipe perimeter fan coil units. The outdoor cooling tower and connections to the building structure will be constructed from corrosion resistant materials. All equipment will be provided with spring vibration isolators.

CH-1:	Full Load Efficiency	=	0.74 kW/ton
	Part Load Efficiency (IPLV)	=	0.59 kW/ton

Additionally, tempering of outdoor air for Residential Unit make-up air will be provided by indoor water-cooled DX air handling units. All equipment will be provided with spring vibration isolators.

MUA-1:	Energy Efficiency Rating (EER)	=	17.1
MUA-2:	Energy Efficiency Rating (EER)	=	16.9

Corridor ventilation will be provided by indoor water-cooled DX air handling units or rooftop mounted air-cooled dx air handling units. The outdoor rooftop units and connections to the building structure will be constructed from corrosion resistant materials. All equipment will be provided with spring vibration isolators.

RTU-1: Energy Efficiency Rating (EER) = 12.7

2. Residential Unit Cooling:

a. The Residential Common Elements of the Building will be provided with both four (4) pipe chilled water fan coil units and two (2) pipe cooling-only fan coil units capable of maintaining inside temperatures of 75 deg. F. and 50% relative humidity when outside temperatures are 95deg. F. D.B. and 75 deg. F. W.B.

b. The Residential lobby and amenities spaces will be provided with four (4) pipe chilled water fan coil units as described above.

c. Each AC unit will be provided with shut off valves and factory mounted controls. The capacities are as follows:

Type FCU-A:	Cooling	=	10.6 MBH
	Heating (375cfm)	=	13.6 MBH
Type FCU-B:	Cooling	=	16.1 MBH
	Heating (580cfm)	=	19.4 MBH
Type FCU-C:	Cooling	=	24.0 MBH
	Heating (890cfm)	=	30.9 MBH
Type VFCU-A:	Cooling	=	10.8 MBH
	Heating (400cfm)	=	12.2 MBH
Type VFCU-B:	Cooling	=	13.6 MBH
	Heating (525cfm)	=	16.8 MBH
Type VFCU-C:	Cooling	=	18.6 MBH
	Heating (700cfm)	=	20.8 MBH

3. Public Space Cooling:

a. Cooling: The Fitness Center and Recreation Space shall be served by chilled water AC units with hot water heating coil sections. The Telecom room and Compactor room shall be served by cooling only fan coil units.

b. The Residential Passenger Elevator machine Room and service elevator machine room shall be provided with single-split air-cooled DX air conditioning systems.

e. Louvers at the ground floor shall be provided at the Commercial Unit for future connection by its tenant for air-cooled air conditioning system.

4. Chilled water piping insulation:

a. Piping containing chilled water for cooling interior spaces shall be provided with 1-1/2" thick cellular glass insulation with a thermal conductivity of 0.27.

N. Ventilation:

1. Make-up air for the Residential Condo Unit's will be provided by two (2) 100% outdoor air handling unit with energy recovery ventilation provided on each intake. Heat shall be transferred between the apartment make-up air and toilet exhaust air to minimize the overall energy input required.

2. All Residential Unit powder rooms and small bathrooms shall be exhausted at a minimum rate of 50cfm. All Residential Units master bathrooms shall be exhausted at a minimum rate of 125cfm. Residential Unit kitchens shall be exhausted at a minimum rate of 50cfm when kitchen exhaust hoods are not in operation. When kitchen exhaust hoods are in operation, exhaust rates shall be as follows:

Range Size	Exhaust Air Flowrate
36" to 48"	600cfm
60"	1,200cfm

A central roof-mounted kitchen exhaust fan shall be provided to maintain exhaust flowrates at all times. A variable frequency drive shall be with each kitchen exhaust fan to adjust the exhaust flowrate depending on the number of kitchen exhaust hoods in operation (regulated via a duct mounted static pressure sensor). Note that each kitchen exhaust hood shall be provided with a local factory mounted booster fan.

3. Dryers within the Residential Units from 15th thru PH-20th floor will be provided with exhaust duct riser with roof mounted exhaust fan venting to the outdoors.

4. The mechanical spaces, electrical spaces, fire pump room and other back-of-house spaces shall be ventilated with a heating and venting unit and an associated general exhaust fan. Intake and exhaust louvers shall be provided at the Cellar Garden area with the necessary separation distances as required by the NYC Building code.

5. An intake air louver shall be provided at the Commercial Unit. This louver shall be blanked off for future connection by the Commercial Unit Owner's tenant.

6. A vertical exhaust duct riser shall be provided for the Refuse rooms at each floor. Each refuse room shall be exhaust at a rate of 100cfm. Exhaust shall also be provided for the main Compactor Room. The exhaust riser shall terminate at a central roof-mounted exhaust fan discharging to the outdoors.

7. Mechanical ventilation systems will be sized and configured to produce a maximum noise level of NC-40 within the residential units.

O. *Electric System:*

1. Electric service will be provided by Con Edison at 208 volts, 3 phases, and 4 wires to electric service switchboard and distribution panels throughout the Building. All distribution feeders to be conduit (EMT or RGS, where required) and wire (THHN).

2. Service is as follows: 4,000 amps provided for the Building's electrical requirements.

   a. Service Switch #1 rated at 600 Amps, 120/208 Volt, three phase, 4 wire with 2 sets of 4#350KCMIL in (2) 3-1/2"C dedicated to the Fire Pump.

   b. Service Switch #2 rated at 1200 Amps, 120/208 Volt, three phase, 4 wire with 3 sets of 4#600KCMIL in (3) 4"C dedicated for house loads at the roof level including common area lighting and mechanical equipment.

   c. Service Switch #3 rated at 2000 Amps, 120/208 Volt, three phase, 4 wire with 3 sets of 4#600KCMIL in (3) 4"C dedicated for house loads including elevators, common area lighting, mechanical equipment and amenity spaces.

   d. Service Switches #4 rated at 2500 Amps, 120/208 Volt, three phase, 4 wire with 6 sets of 4#600KCMIL in (6) 4"C dedicated to the electrical distribution associated with the Residential Units (Meter Banks MB-1, MB-8, MB-11 and MB-15).

   e. Combination Trans 'S' C.T. (current transformer) cabinet and Service Switch #5, rated at 600 Amps, 120/208 Volt, three phase, 4 wire with 2 sets of 4#350KCMIL in (2) 3-1/2"C dedicated to the electrical distribution associated with the future Commercial tenant.

   f. Service Switch #6 rated at 30 Amps, 120/208 Volt, three phase, 4 wire with 4#8AWG in 3/4"C dedicated for cable television service.

3. Panelboards. The unit panel boards include 20A, 1P breakers for lighting, receptacles, 20A, 2P breaker for indoor air conditioning unit, 20A, 1P for electric washer/ gas dryer, 30A, 2P for electric washer/dryer and 30A, 2P breaker for Oven (Typical floor) and 40A, 2P breaker for Oven (Penthouse units).

4. Service to individual units: Each Unit will be individually metered by Con Ed direct metering. The Residential Units from 3rd thru 7th floors meter bank (MB-1) will be located in the cellar of the Building in main electrical service room. All other Residential Units from 8th thru 12th, 14th floors meter banks will be located on floors 9th, 12th and PH-17th (MB-8, MB-11 and MB-15). Each unit will have a minimum 120/208 volt, 200 amp power panel of either single phase or three phase depending on the service type delivered to the unit, and associated riser equipped with circuit breakers in accordance with NYC Code requirements. All distribution feeders to be conduit (EMT or RGS, where required) and wire (THHN) to serve each floor.

5. The Building will be provided with a suitable electrical grounding and bonding system that will include bonding of the service neutral to earth ground potential and earth grounding electrodes that consist of metal underground utility water piping to the Building. Metal components of the Building, including the interior water and gas piping systems, that could become accidentally energized will be grounded to earth potential for safety purposes.

6. Adequacy:

   a. Service: Electrical circuiting will be provided in accordance with NYC Code.

   b. Lighting and fixtures: Bathrooms, some halls and foyers in the Residential Units have ceiling or wall mounted light fixtures. The lighting will meet and exceed code requirements. Units' lighting types will be LED, as indicated on drawings and in lighting fixture schedule.

   c. Closets in bedrooms, unit's entry and AV closets will not be provided with lighting.

   d. Convenience outlets, appliance outlets: Electrical outlets will be provided in accordance with NYC Code.

   e. Panel provided for each Residential Unit has adequate capacity to accommodate general purpose lighting and receptacles, appliance, air conditioning & miscellaneous equipment.

      3rd thru 5th floors (A & B Line) and 6th - 12th, 14th floors (B Line Only) Typical Units – bus rating 200 Amp, 1 Phase, 3 Wire, 42 Circuits
      6th thru 12th, 14th floors (A Line Only) Typical Units – bus rating 200 Amp, 3 Phase, 4 Wire, 42 Circuits
      15th & 16th - floor Units – bus rating 225 Amp, 3 Phase, 4 Wire, 42 Circuits (2 section), as indicated on drawings.
      PH-17th & PH-19th - Penthouse floor Units – bus rating 225 Amp, 3 Phase, 4 Wire, and 42 Circuits
      PH-20th/21st - Penthouse floor Unit – bus rating 225 Amp, 3 Phase, 4 Wire, 42 Circuits (1 panel per floor), as indicated on drawings.

7. The following receptacles shall be provided in each Residential Unit:

   a. Arc Fault Circuit Interrupters (AFCI)

   b. Ground Fault Circuit Interrupters (GFCI).

   c. Tamper-Resistant.

   d. Water-Resistant receptacles for exterior use.

   e. Three-Four-way switches will be provided in each apartment for lighting control where required.

8. Emergency Generator:

a. Natural gas fueled engine, Generac SG350, rated at 350kW/438kVA, 120/208V, three phase, and 60 Hz generator set to serve emergency, standby and optional loads, as required by code. The code required emergency electrical loads will be connected to the emergency distribution system via a number of Automatic Transfer Switches (ATS) for automatic transfer of power source from normal (utility) to emergency (generator). These loads include:

b. Gas Booster and UPS for Gas Booster.

c. Elevator motor, sump pumps, air conditioning and lighting in the elevator machine room and cab.

d. Exit Signs and Egress lighting in common areas of the Building.

e. Fire Alarm system.

f. Domestic water and ejector pumps.

g. Selected receptacle in each unit located with a designated enclosed circuit breaker (designated for emergency use only in each apartment) will be connected to the emergency generator and operate during the generator operation in power failure or interruption.

h. The generator will operate upon normal (utility) power failure detected by ATS's and within the code required response time; for emergency loads within 10 seconds and standby loads within 60 seconds.

i. Generator unit with acoustical skintight weatherproof enclosure will be located on the roof over Bulkhead will be provided with internal spring vibration isolators.

j. 5 Year warranty

9. Commercial Unit: Commercial unit will be provided with 600 Amps, 120/208 Volt, three phase service, 4 wire with 2 sets of 4#350KCMIL in (2) 3-1/2"C. Feeders to be THHW or THHN type wire in EMT conduit.

P. ***Television Reception Facility:***

Wiring will be installed in each Residential Units to obtain cable television service from Time Warner Cable or other service provided. The Building will be pre-wired for telephone services. A jack will be located in the living room, bedroom and kitchen of each Residential Units.

Q. ***Public Area Lighting:***

Adequate lighting will be provided in all public areas. Lighting will be furnished to the public areas of the Building through fluorescent or LED fixtures. All public area lighting complies with all applicable codes. Lights will be Focal Point, or approved equal and custom fixtures by Remains.

R. ***Garage:*** None

S. ***Swimming Pool:*** None

T. ***Recreation Facilities:***

1. Fitness Center: A fitness center with a Yoga studio will be provided on the sub-cellar level. It is approximately 1,745 square feet. The Exercise equipment will include: treadmills, recumbent bike, free weights, adjustable bench, and upper/lower body arc trainer (Sponsor reserve right to substitute equipment). Proper lighting and ventilation will be provided in for this space. Athletic rubber flooring will used throughout the fitness center.

2. Resident's Lounge: Will be located on the Ground Floor available for use by Residential Unit Owners for social events. It is approximately 584 square feet.

3. Roof Terrace: An outdoor roof terrace will be provided on main roof level approximately 1,811 SF.

U. ***Permits and Certificates:***

All required Permits will be obtained and all required inspection will be completed prior to obtaining a Certificate of Occupancy.

Recurrent Inspections:
Fire Panel and all detectors – 2 inspection per year
Elevators – 1 yearly inspection and 1 inspection every 5 years
Sprinklers and Standpipe – 1 yearly inspection and 1 5 year inspection
Boilers – 1 yearly inspection
Local Law 11 (LL11) façade inspection – 1 inspection every 5 years

V. ***Violations:***

None

Sponsor will cure any outstanding violations prior to the closing.

W. ***Residential Units Information:***

1. Residential Unit Schedule:

Floor	Unit	Unit Description: Number of Bedroom and Bathroom	Remarks

		2BR 2B	2BR 2.5B	3BR 3.5B	4BR 4.5B	5BR 6.5B	
3rd – 6th	A		●				
	B		●				
	C	●					
7th – 9th	A			●			
	B			●			
10th	A				●		
	B		●				
11th – 12th, 14th	A				●		
	B		●				
15th – 16th	A					●	
PH17th	A				●		Terrace
PH18th	A				●		
PH19st	A			●			Terrace
PH20th/21st (Duplex)	A					●	Terrace

2. Finish Schedule –Typical Residential Unit

LOCATION	FLOOR	BASE	WALLS	CEILING	REMARKS
Living Room Dining Room, Bedroom,	Wood	Wood	Paint	Paint	
Foyer, Interior Halls Den, Alcove	Wood	Wood	Paint	Paint	
Master Bathroom	Stone	Stone	Stone / Paint	Paint	
Secondary Bathroom	Stone	Stone	Stone Tile / Paint	Paint	
Powder Room	Stone	Stone	Stone / Paint	Paint	
Kitchen	Wood	Wood	Paint	Paint	
Laundry	Porcelain Tile	Porcelain Tile	Paint	Paint	

Note: Wood floor assembly in Residential Units consist of minimum ½" thick solid wood with 2 layers of plywood sub-flooring and resilient flooring underlayment.

Walls and ceilings will receive primer and paint by Benjamin Moore, or approved equal. Finished coats will be as recommended by the manufacturer.

3. Plumbing Fixtures Schedule – Typical Residential Unit

Master Bathroom

ITEM	MANUFACTURER	MODEL NO.	SIZE	REMARKS
Lavatory	Urban Archaelogy	UA3162WT	Custom	White
Water Closet	Kallista	P70330	29 5/8" x 15 5/8"	White
Bath Tub	Kohler	K-820-G0-0	66"x31.5"x22"	White

Secondary Bathroom

ITEM	MANUFACTURER	MODEL NO.	SIZE	REMARKS
Lavatory	Kohler	K-2209	15"	White
Water Closet	Toto	M5854114	27 5/8" x 15 7/8"	White
Bath Tub	Kohler	K-1121	60"x30"x19"	White

Powder Room

ITEM	MANUFACTURER	MODEL NO.		REMARKS
Lavatory	Kohler	K-2209	15"	White
Water Closet	Kallista	P70330-00	29 5/8" x 15 5/8"	White

4. Kitchen Appliances Schedule

APARTMENT UNIT	ITEM	SIZE	MANUFACTURER	MODEL NO.	FINISHED
	Refrigerator/	36"	Sub-Zero	IC-36RID	Custom Panel

Units A, B, C 3rd thru 6th floors; Unit B – 10th thru 12th, 14th floors	Freezer				
	Range	36"	Wolf	DF 366	Stainless Steel
	Microwave	24"	Wolf	MDD-24 TE/S/TH	Stainless Steel
	Dishwasher	24"	Miele	G 4975 SCVI	Custom Panel
	Wine Cooler	24"	Sub-Zero	424 G/O	Custom Panel
Unit A – 10th floor	Refrigerator/ Freezer	36"	Sub-Zero	IC-36RID	Custom Panel
	Range	36"	Wolf	DF 366	Stainless Steel
	Microwave	30"	Wolf	MDD-30 PE/S/PH	Stainless Steel
	Wall Oven	30"	Wolf	SO-30 TE/S/TH	Stainless Steel
	Dishwasher	24"	Miele	G 4975 SCVI	Custom Panel
	Wine Refrigerator	18"	Sub-Zero	IW-18	Custom Panel
Unit A – 7th thru 12th, 14th floors; Unit B – 7th thru 9th floors	Refrigerator/ Freezer	48"	Sub-Zero	648 PROG	Stainless Steel/Glass
	Range	36"	Wolf	DF 366	Stainless Steel
	Microwave	30"	Wolf	MDD-30 PE/S/PH	Stainless Steel
	Wall Oven	30"	Wolf	SO-30 TE/S/TH	Stainless Steel
	Dishwasher	24"	Miele	G 4975 SCVI	Custom Panel
	Wine Refrigerator	18"	Sub-Zero	IW-18	Custom Panel
Unit A – 15th, 16th floors; Unit PH-20th floor	Refrigerator	36"	Sub-Zero	IC-36RID	Stainless Steel
	Freezer	24"	Sub-Zero	IC-24FI	Stainless Steel
	Range	48"	Wolf	DF 486G	Stainless Steel
	Microwave	30'	Wolf	MDD-30 PE/S/PH	Stainless Steel
	Wall Oven	30"	Wolf	SO-30 TE/S/TH	Stainless Steel

	Dishwasher	24"	Miele	G 4975 SCVI	Custom Panel
	Wine Refrigerator	18"	Sub-Zero	IW-18	Custom Panel
	Refrigerator Drawer	27"	Sub-Zero	ID-27R	Custom Panel
Unit PH-17th, PH-18th floors	Refrigerator	48"	Sub-Zero	648 PROG	Stainless Steel/Glass
	Range	48"	Wolf	DF 486G	Stainless Steel
	Microwave	30"	Wolf	MDD-30 PE/S/PH	Stainless Steel
	Wall Oven	30"	Wolf	SO-30 TE/S/TH	Stainless Steel
	Dishwasher	24"	Miele	G 4975 SCVI	Stainless Steel
	Wine Refrigerator	18"	Sub-Zero	IW-18	Custom Panel
	Refrigerator Drawer	30"	Sub-Zero	ID-30R	Custom Panel
Unit PH-19th floor	Refrigerator	48"	Sub-Zero	BI-48 SID/O	Custom Panel
	Range	48"	Wolf	DF 486G	Stainless Steel
	Microwave	30"	Wolf	MDD-30 PE/S/PH	Stainless Steel
	Wall Oven	30'	Wolf	SO-30 TE/S/TH	Stainless Steel
	Dishwasher	24"	Miele	G 4975 SCVI	Custom Panel
	Wine Refrigerator	18"	Sub-Zero	IW-18	Custom Panel
	Refrigerator Drawer	27"	Sub-Zero	ID-27R	Custom Panel

Kitchen countertops will be stone and cabinets will be by Peacock.

5. Laundry Appliances Schedule: - Typical Residential Unit

ITEM	MANUFACTURER	MODEL NO.	FINISH
Washing Machine	LG	WM3370HWA	White
Dryer	Whirlpool	WED7990FW	White

X. *Finish Schedule:*

Residential Public Space, Typical 3rd – PH 21st Floors

SPACES	FLOOR	WALLS	BASE	CEIILING	REMARKS
Elevator Lobby	CPT	P	WD	P	
Public Corridor	CPT	P	WD	P	
Stairs	DP	P	P	P	
Service Hall	DP	P	P	P	

Abbreviation of Finishes:

AT	Acoustic Tile
CPT	Carpet
DP	Deck Paint
P	Paint
PT	Porcelain Tile
WC	Wall covering
WD	Wood

Y. *Safety and Warning Devices:*

1. Fire and/or smoke safety devices installed in Residential Units, Commercial Unit, and common areas:

    a. Hardwired smoke detectors/carbon monoxide detectors will be installed in all Residential Units in all sleeping rooms and outside of each sleeping area in the immediate vicinity of the sleeping rooms.

    b. Fire alarm strobe lights and audible (horn) alarm will be installed as per New York City Building Code for the retail space.

    c. Fire alarm control panels as per New York City Building Code.

2. Fire Alarm System is provided with central station notification. The Fire Command Station and Fire Control Panel are located in the Ground Floor Lobby

a. The Building is provided with an automatic sprinkler alarm/smoke detection system (Edwards System Technologies Model EST-3x or equal) with paging speakers in all apartments and stairwells. The system will monitor the water flow and tamper switches associated with the sprinkler system. Elevator lobby, elevator machine rooms and top of elevator shafts are provided with system type smoke detectors as well as electrical, mechanical, telephone and similar rooms. The system is connected to Central Office for FDNY notification.

b. A separate Temporal 3 fire alarm systems consisting of smoke detection, and sprinkler tamper and water flow switch monitoring for the retail space as per New York City Building Code.

2. Residential Unit Smoke Detection System:

a. Each Residential Unit will contain a combination Smoke/Carbon Monoxide detector BRKSC9120b.s, or equal, located in the bedrooms and 15 feet from entrance to each sleeping area. The detector is wired to a 120-volt local power supply and is self-contained with its own sounding device.

Z. Additional Information on Floor Areas and Dimension of Units:

1. Approximate total area of Residential Unit:

The square foot area of Residential Units are measured from the exterior face of the exterior walls to the midpoint of the interior partitions separating one Residential Unit from another Residential Unit and measured to the midpoint of interior partition or midpoint of concrete shear wall separating one Residential Unit from public corridor, elevator lobby, stairs or any Common Elements or Limited Common Elements. Mechanical pipes, shafts and structural columns and walls are not deducted.

Area of elevator lobby/corridor is included on the Residential Unit square footage at floors PH17th, PH18th, PH19th and PH20th.

2. Approximate room dimensions of Residential Unit:

All interior dimensions are maximum and are from either the window or drywall to the opposing window or drywall or to the front of kitchen island, or to the edge of the kitchen island, as applicable, and are taken approximately through the center of each space. Dimension include columns, sills, and furred out mechanical systems, exclude closets, bathrooms and cutouts, which will reduce the useable stated dimensions and useable square footage of such rooms. Where

dimensions vary within a room, plans and dimensions may contain minor variations from floor to floor.

3. Floor to ceiling heights of Residential Units:

Measured vertically, each Apartment Unit will consist of the volume from the top of the concrete floor slab (located under the finished flooring and/or sub-floor materials) to the underside of the concrete slab above.

The clearance from top of floor slab to the underside of slab heights in the Residential Unit will be approximately 9'-7" on floors 3rd thru 5th; 10'-5 1/2" on floor 6th & 9th; 9'-10" on floors 7th, 8th, 10th thru 12th; 10'-10" on floor 15th; 10'-8" on floor 16th; 11'-4" on floors 14th, PH 17th thru PH-19th; 11'-3" on floor PH-20th; 10'-4" on floor PH-21st. Residential Unit with slab drop ceiling: approximately 10'-0" at Residential Unit on floor 16th at north and south portion; approximately 10'-6" at Residential Unit on floor PH-19th at west and south portion. Foyer, interior hallway, kitchen, bathroom and closet and areas within the Residential Unit will have hung ceiling to accommodate facilities located above the ceiling or otherwise to respond to field condition. Sponsor reserves the right to make changes due to unforeseen conditions in accordance with the Offering Plan.

4. All dimensions and square foot area indicated on the unit plans are approximate and subject to normal construction variances and tolerances.

AA. ***Substitutions:***

Where materials, appliances, equipment, fixtures and other construction and design details are specified in this report, sponsor has reserved the right to substitute in their place similar materials, appliances, equipment and/or fixtures of substantially equal or better quality and may utilize different materials, appliances, equipment and/or fixtures in sponsor's model apartment.

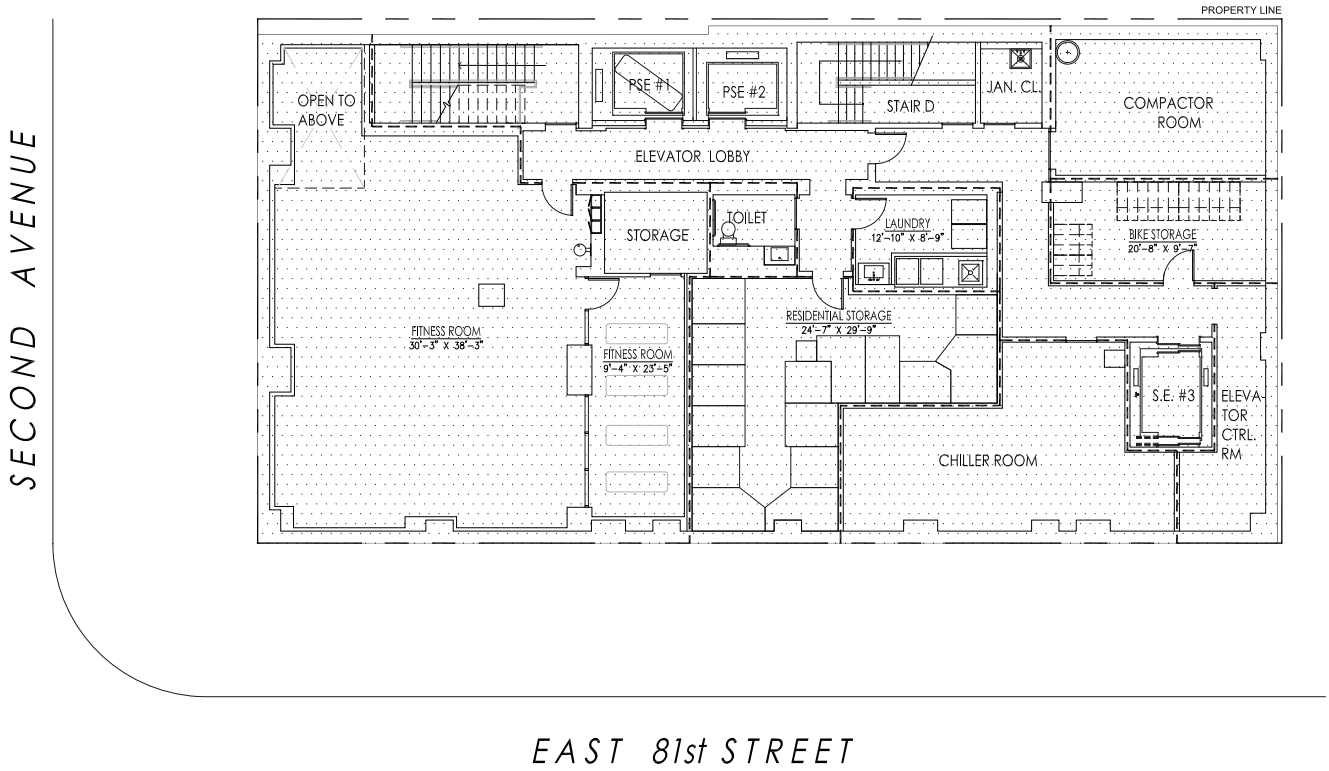
The foregoing constitutes a true, correct and complete Description of Property by our firm for the Property located at 301 East 81st Street, New York, New York.

Dated: 09-25-18

Mario Yao, AIA, Partner

REGISTERED ARCHITECT
MARIO YAO
No. 029129
STATE OF NEW YORK

FLOOR PLANS



Area: (Approx.) 2,750 Square Feet
Fitness Room
Yoga Room
Residential Storage
Laundry
Bike Storage

SUB-CELLAR PLAN

KEY
- GENERAL COMMON ELEMENT
- RESIDENTIAL COMMON ELEMENT
- RESIDENTIAL LIMITED COMMON ELEMENT
- * LOT LINE WINDOW

301 East 81st Street

0 15' 30'

GENERAL NOTE:
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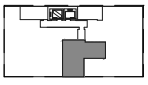
RESIDENTIAL STORAGE PLAN
SUBCELLAR



KEY PLAN

301 East 81st Street

0 7.5' 15'

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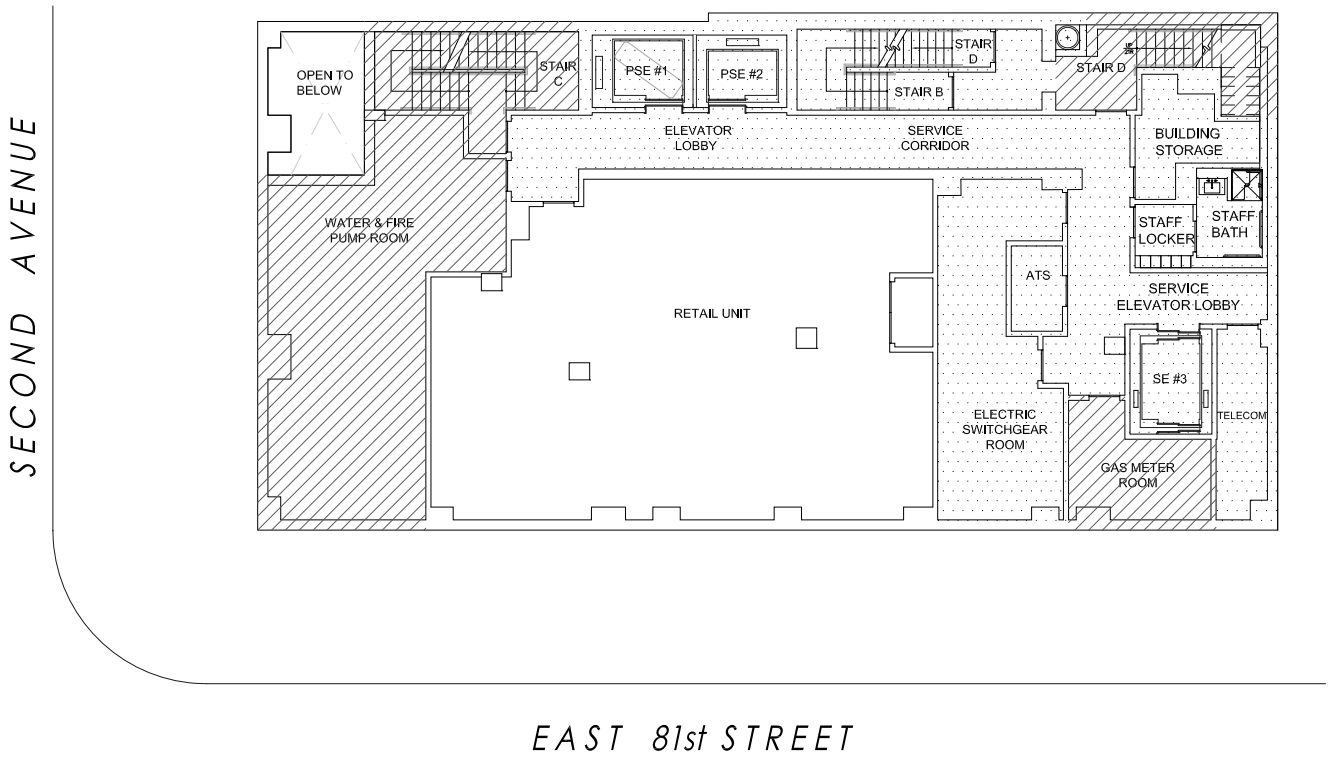

CELLAR FLOOR PLAN

KEY

- GENERAL COMMON ELEMENT
- RESIDENTIAL COMMON ELEMENT
- RESIDENTIAL LIMITED COMMON ELEMENT
- * LOT LINE WINDOW

301 East 81st Street

0 15' 30'

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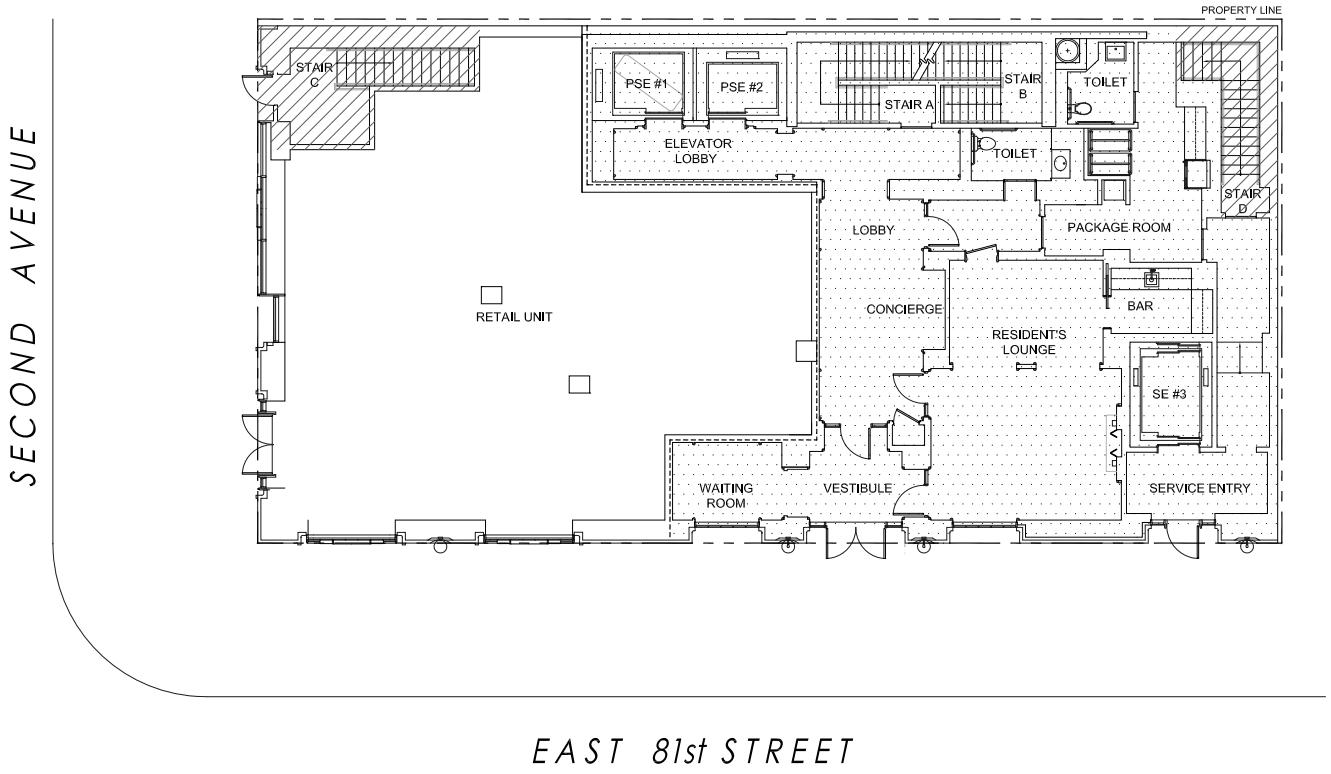

GROUND FLOOR PLAN

KEY

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- RESIDENTIAL LIMITED COMMON ELEMENT
- * LOT LINE WINDOW

301 East 81st Street

0 15' 30'

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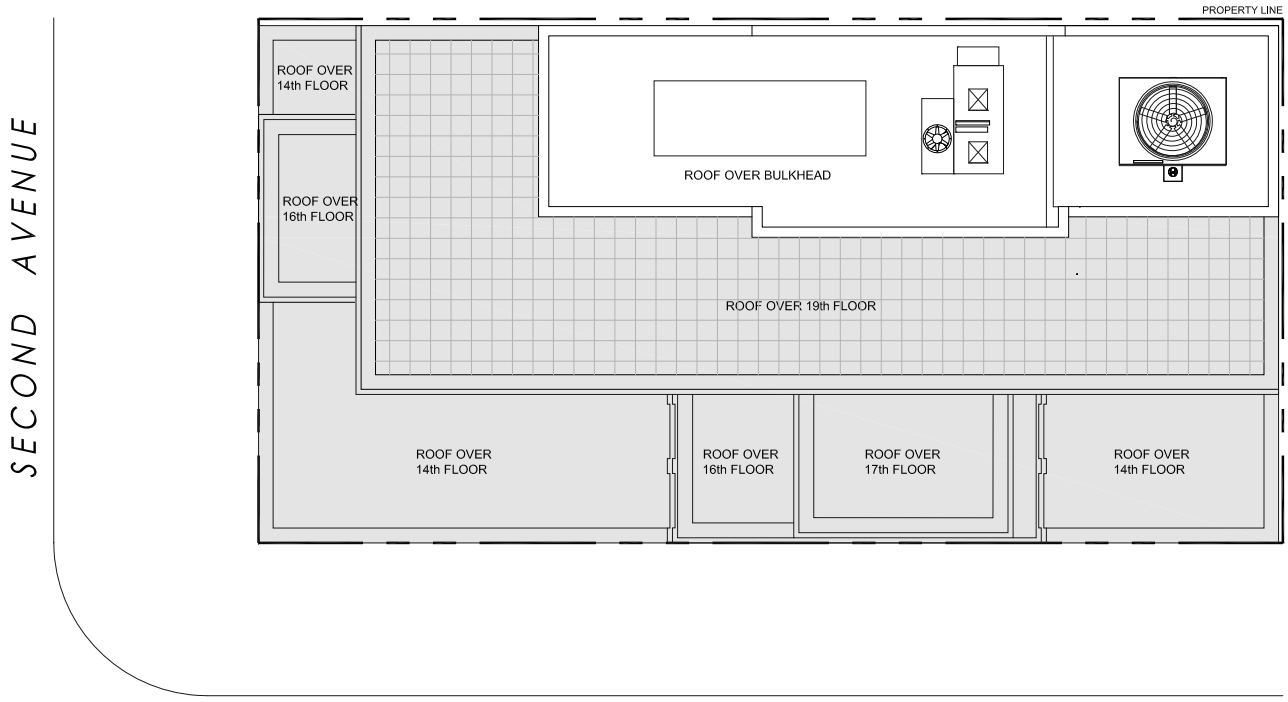

OVERALL ROOF PLAN

KEY

- GENERAL COMMON ELEMENT
- RESIDENTIAL COMMON ELEMENT
- RESIDENTIAL LIMITED COMMON ELEMENT
- * LOT LINE WINDOW

301 East 81st Street

0 15' 30'

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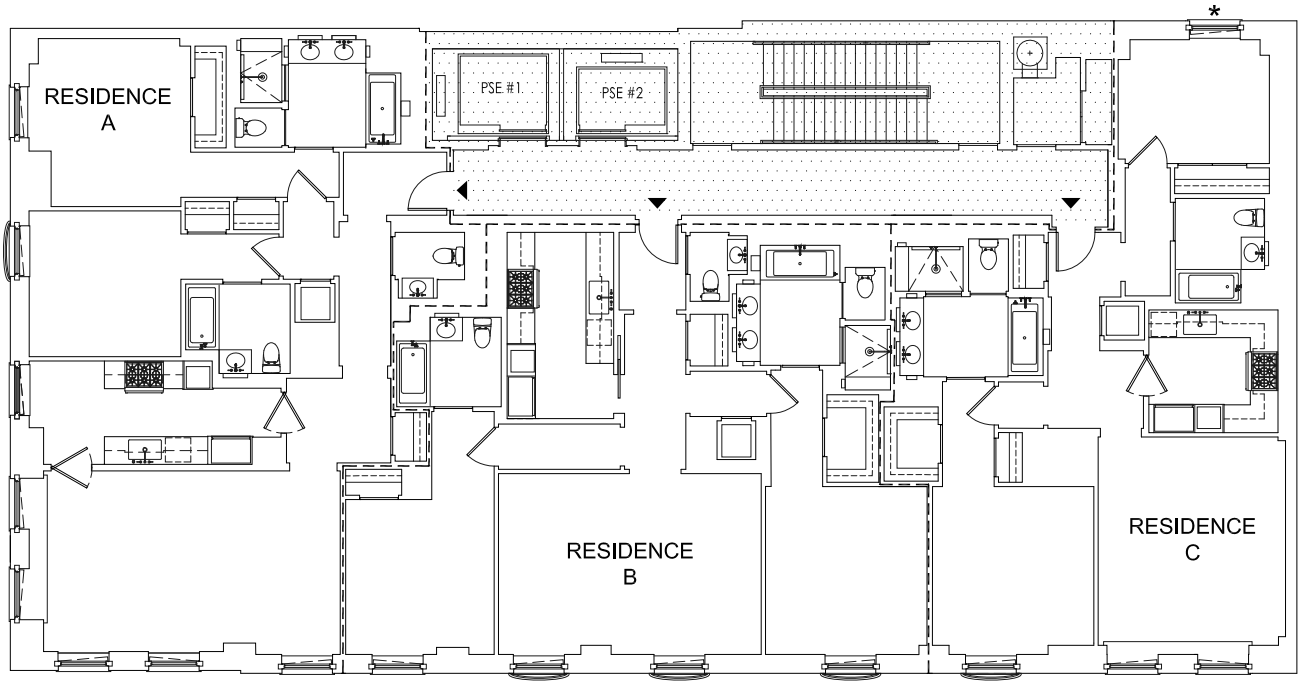


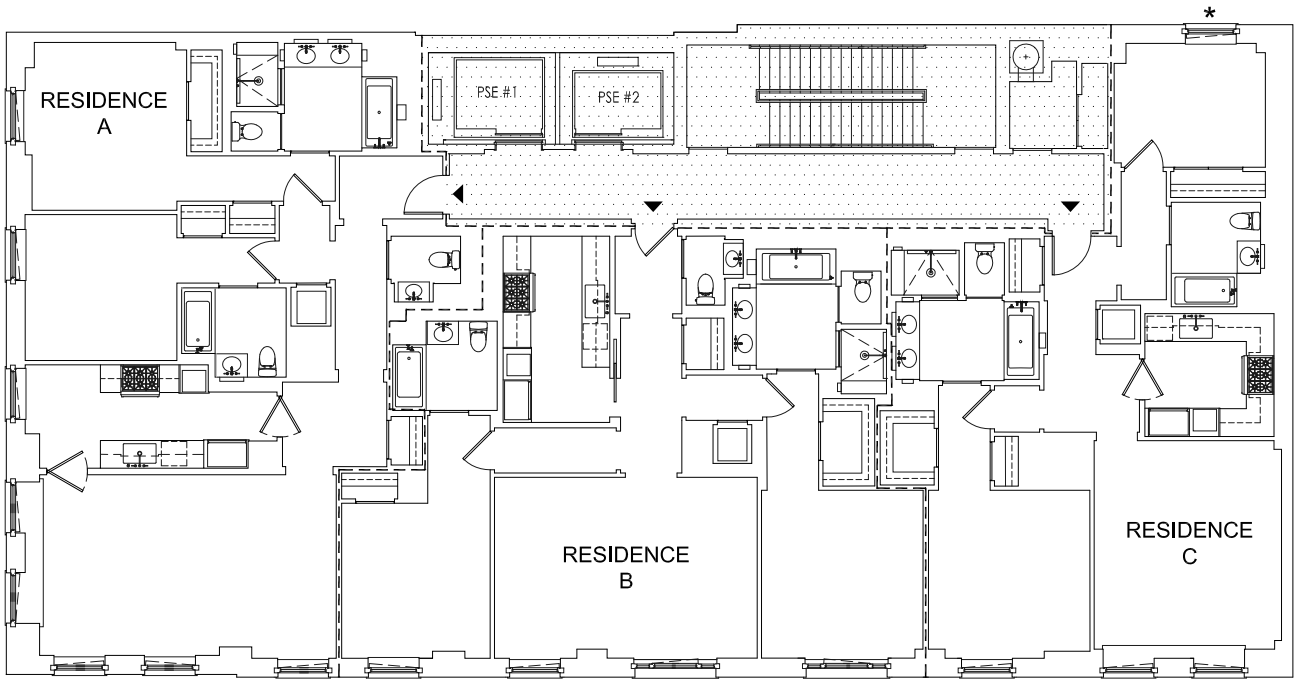
KEY

- GENERAL COMMON ELEMENT
- RESIDENTIAL COMMON ELEMENT
- RESIDENTIAL LIMITED COMMON ELEMENT
- * LOT LINE WINDOW

301 East 81st Street

0 7.5' 15' 30'

FLOOR 3



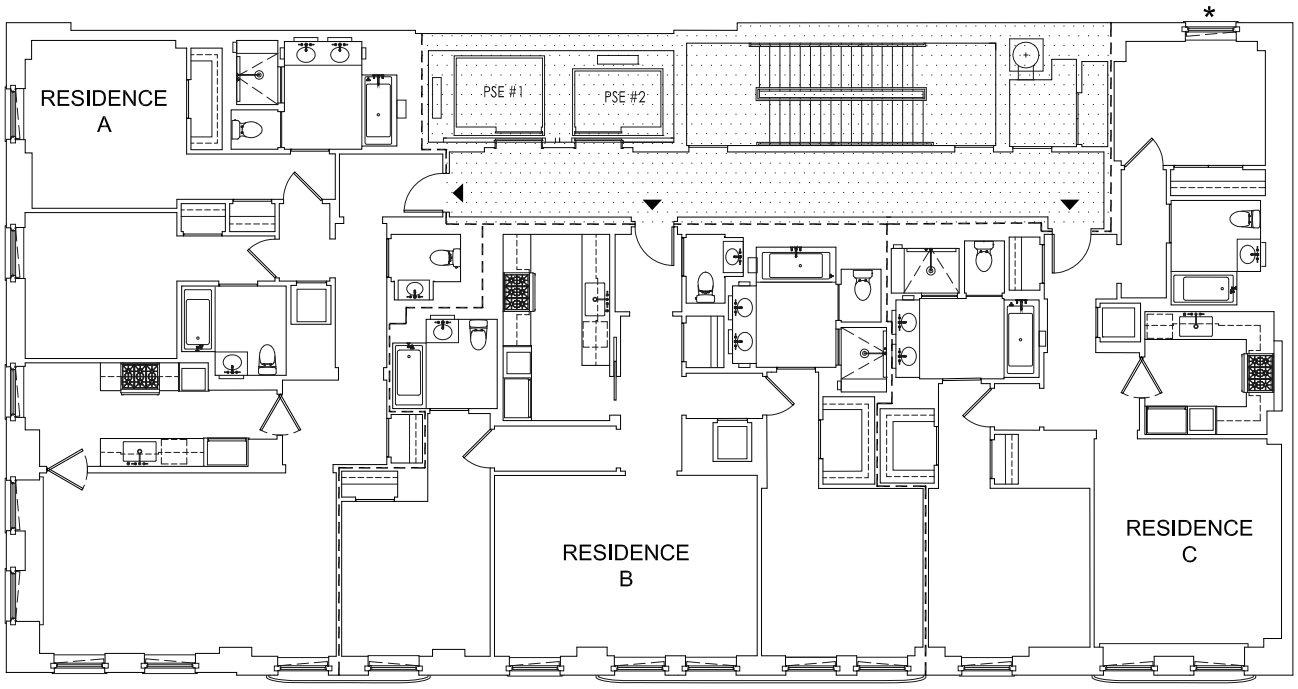
KEY

- GENERAL COMMON ELEMENT
- RESIDENTIAL COMMON ELEMENT
- RESIDENTIAL LIMITED COMMON ELEMENT
- * LOT LINE WINDOW

301 East 81st Street

0 7.5' 15' 30'

FLOOR 4, 5



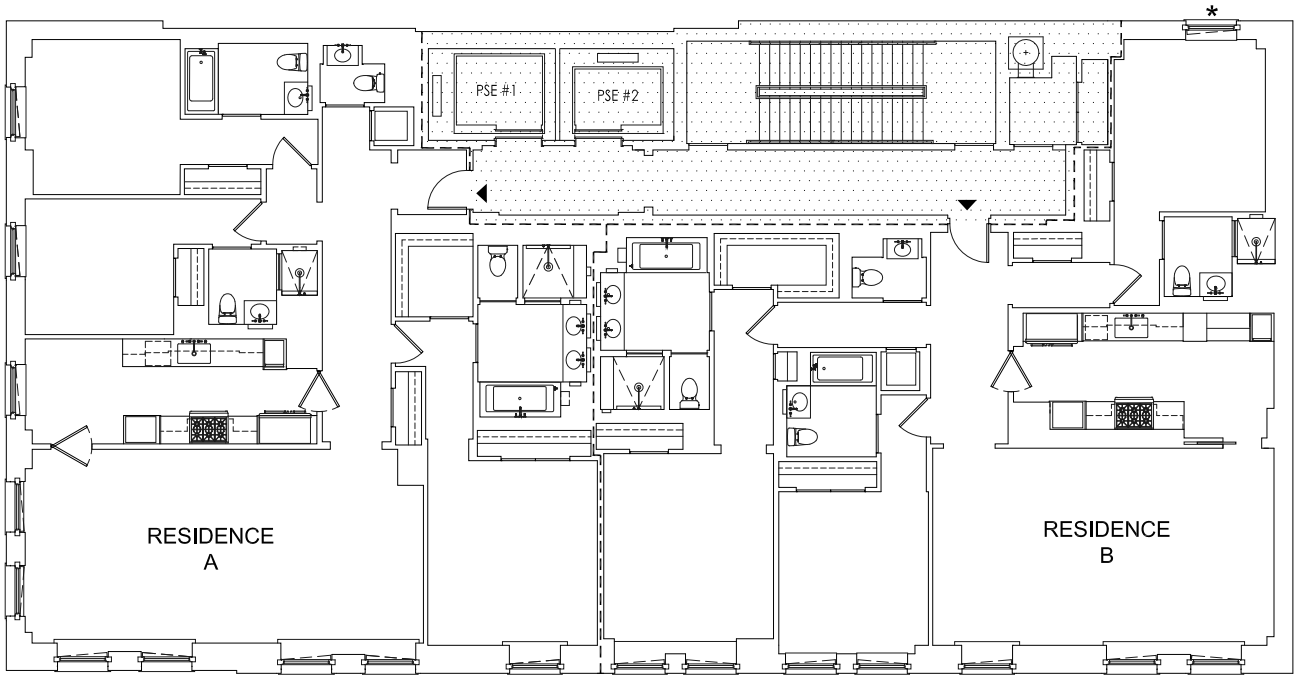
KEY

- GENERAL COMMON ELEMENT
- RESIDENTIAL COMMON ELEMENT
- RESIDENTIAL LIMITED COMMON ELEMENT
- * LOT LINE WINDOW

301 East 81st Street

0 7.5' 15' 30'

FLOOR 6



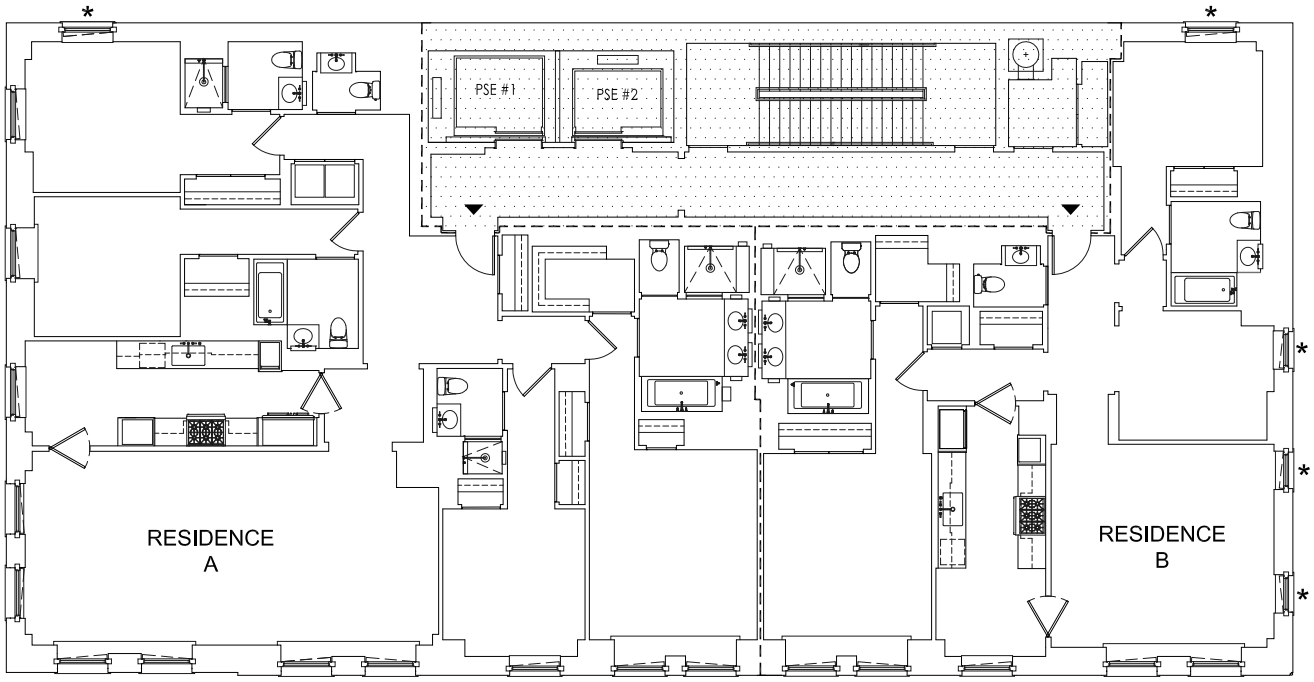
KEY

- GENERAL COMMON ELEMENT
- RESIDENTIAL COMMON ELEMENT
- RESIDENTIAL LIMITED COMMON ELEMENT
- * LOT LINE WINDOW

301 East 81st Street

0 7.5' 15' 30'

FLOOR 7, 8, 9



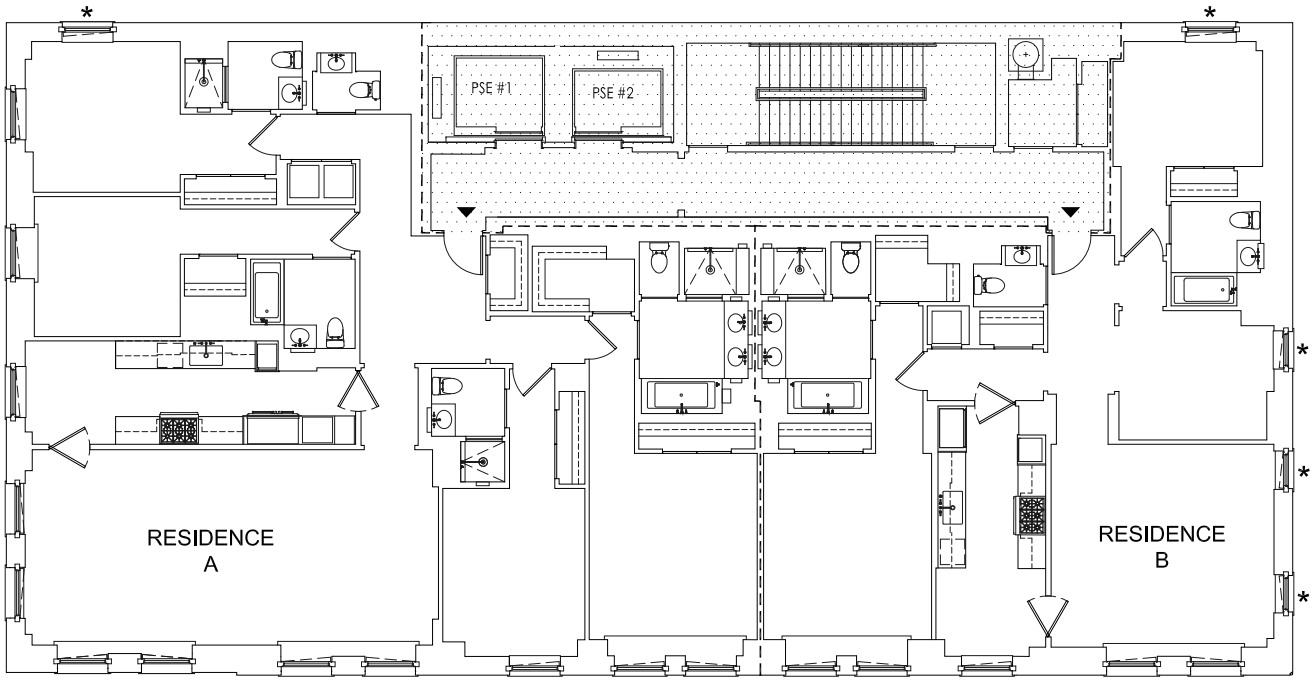
KEY

- GENERAL COMMON ELEMENT
- RESIDENTIAL COMMON ELEMENT
- RESIDENTIAL LIMITED COMMON ELEMENT
- * LOT LINE WINDOW

301 East 81st Street

0 7.5' 15' 30'

FLOOR 10



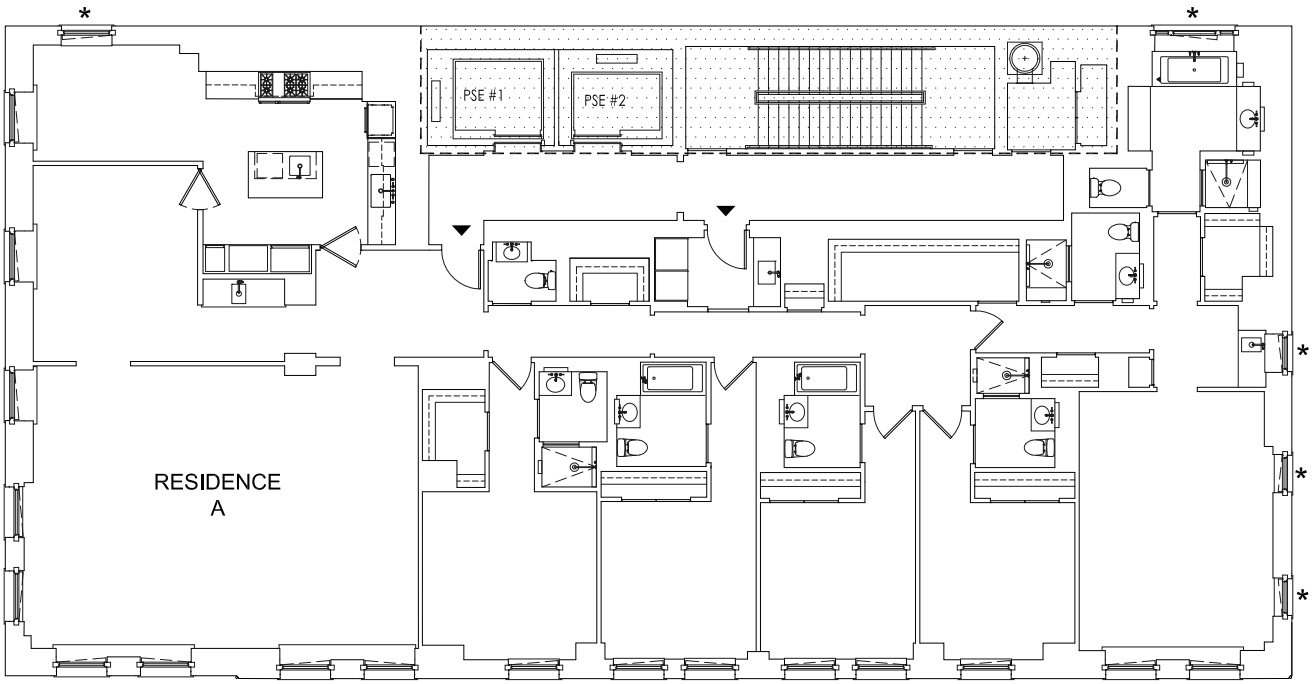
KEY

- GENERAL COMMON ELEMENT
- RESIDENTIAL COMMON ELEMENT
- RESIDENTIAL LIMITED COMMON ELEMENT
- * LOT LINE WINDOW

301 East 81st Street

0 7.5' 15' 30'

FLOOR 11 12 14



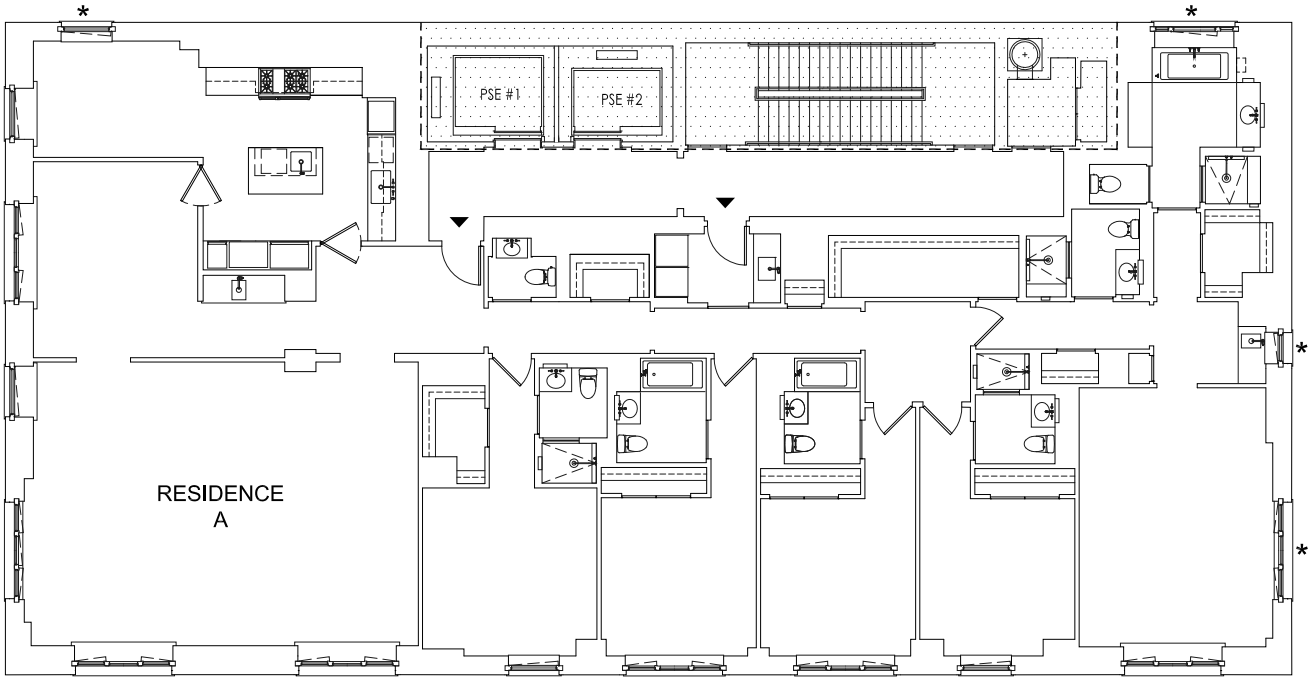
KEY

- GENERAL COMMON ELEMENT
- RESIDENTIAL COMMON ELEMENT
- RESIDENTIAL LIMITED COMMON ELEMENT
- * LOT LINE WINDOW

301 East 81st Street

0 7.5' 15' 30'

FLOOR 15



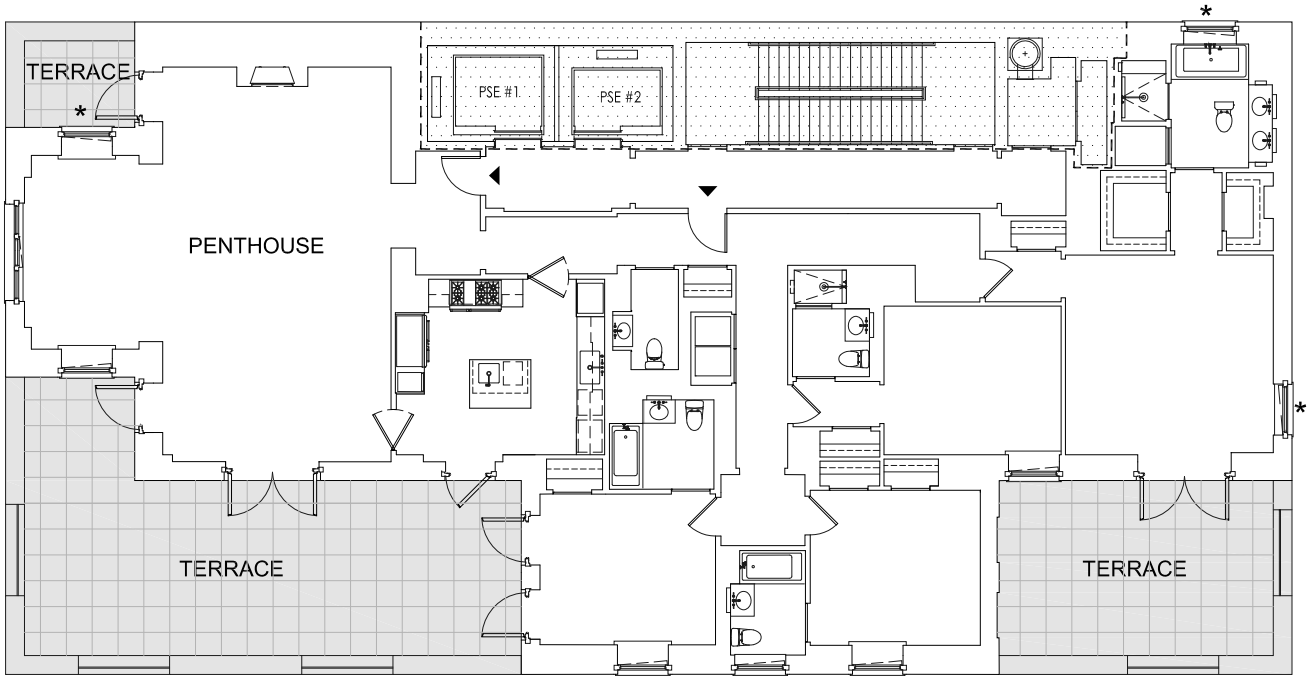
KEY

- GENERAL COMMON ELEMENT
- RESIDENTIAL COMMON ELEMENT
- RESIDENTIAL LIMITED COMMON ELEMENT
- * LOT LINE WINDOW

301 East 81st Street

0 7.5' 15' 30'

FLOOR 16



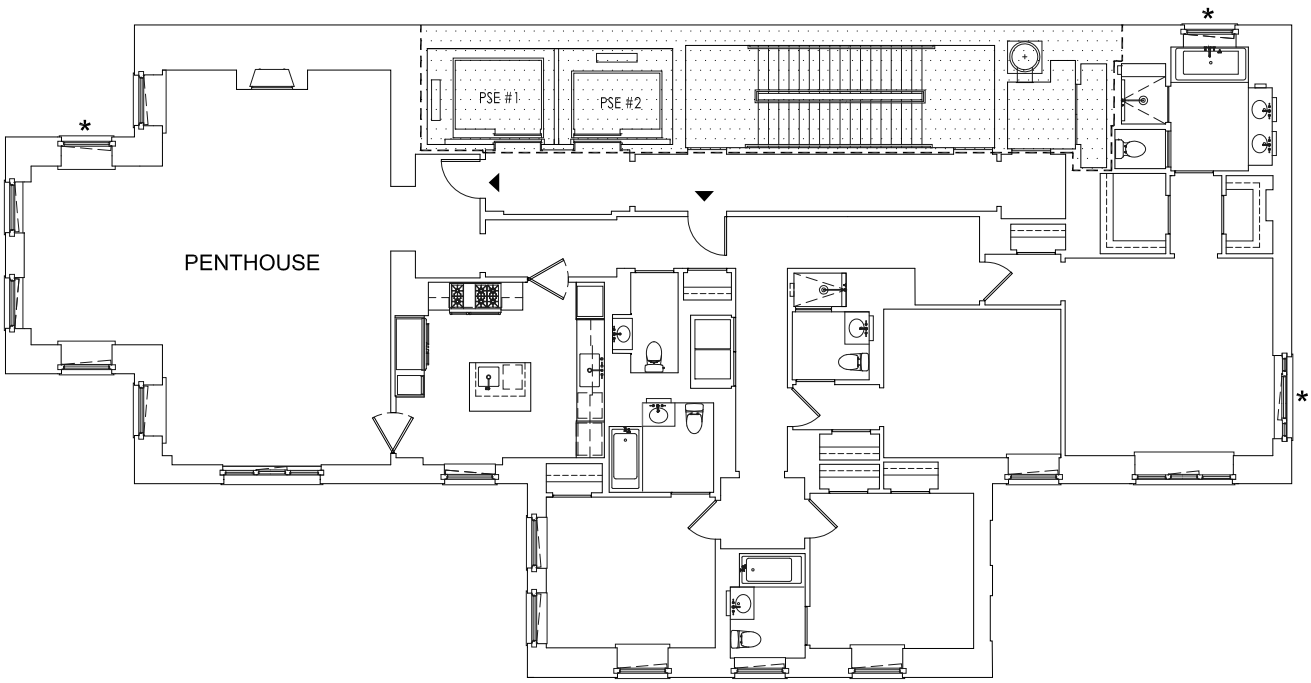
KEY

- GENERAL COMMON ELEMENT
- RESIDENTIAL COMMON ELEMENT
- RESIDENTIAL LIMITED COMMON ELEMENT
- * LOT LINE WINDOW

301 East 81st Street

0 7.5' 15' 30'

FLOOR 17



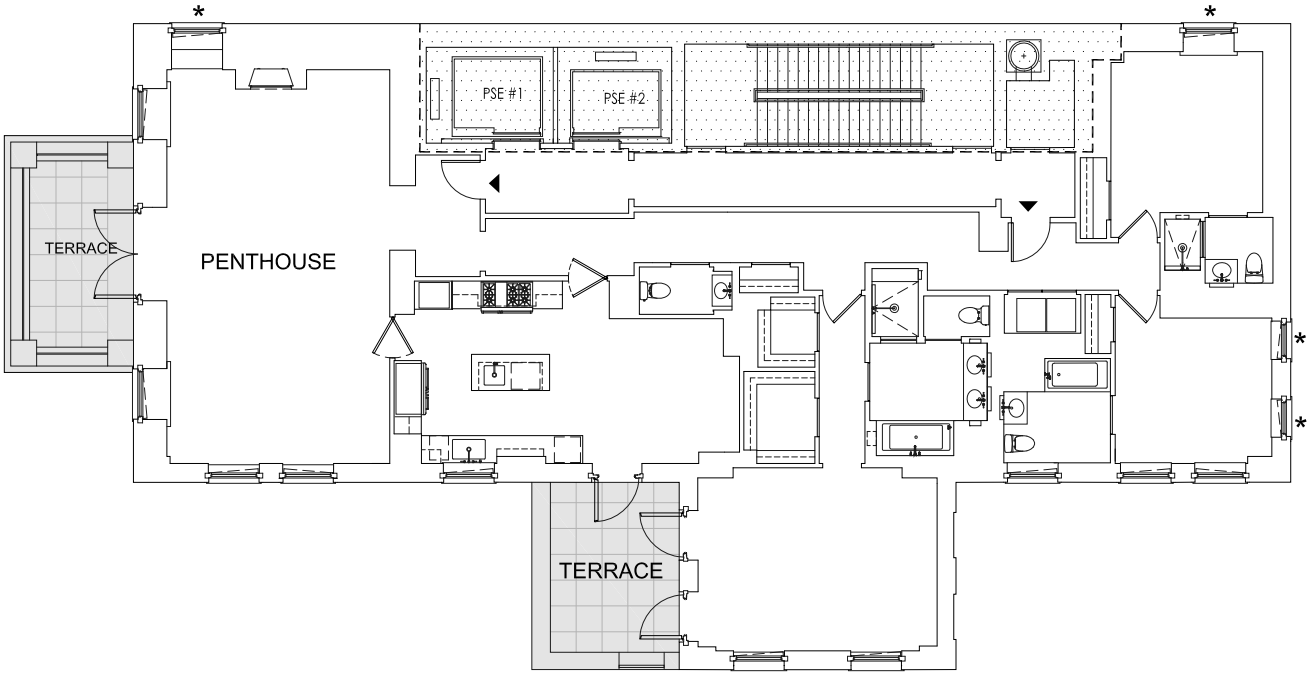
KEY

- GENERAL COMMON ELEMENT
- RESIDENTIAL COMMON ELEMENT
- RESIDENTIAL LIMITED COMMON ELEMENT
- * LOT LINE WINDOW

301 East 81st Street

0 7.5' 15' 30'

FLOOR 18



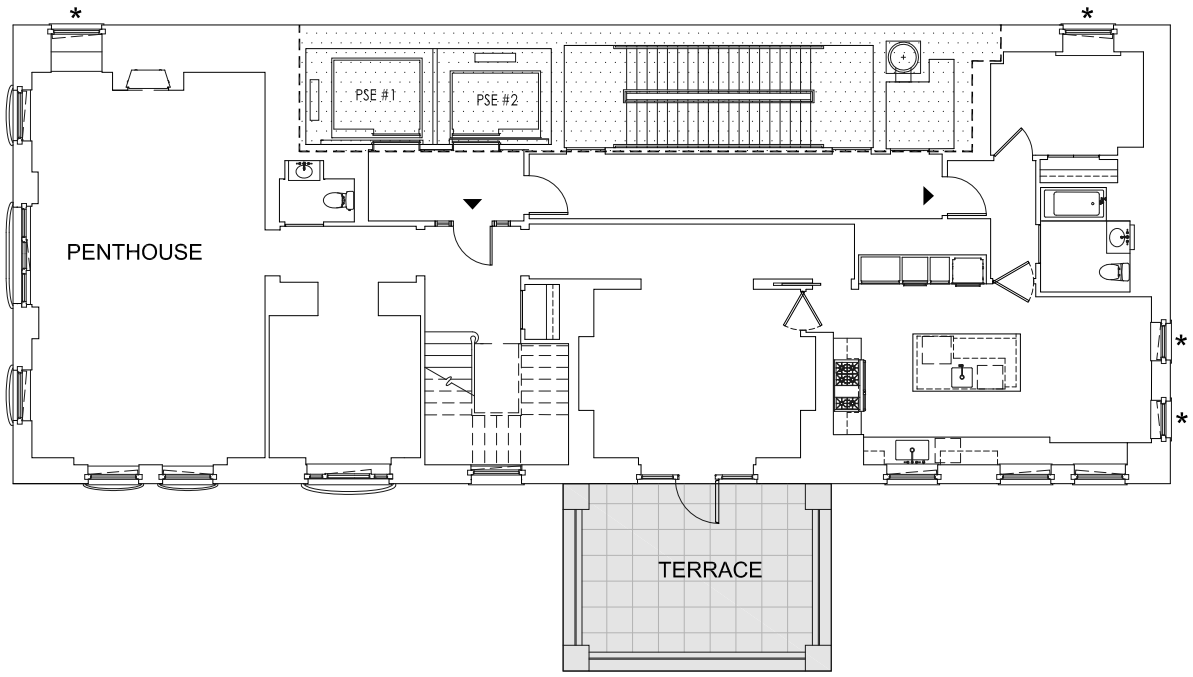
KEY

- GENERAL COMMON ELEMENT
- RESIDENTIAL COMMON ELEMENT
- RESIDENTIAL LIMITED COMMON ELEMENT
- * LOT LINE WINDOW

301 East 81st Street

0 7.5' 15' 30'

FLOOR 19



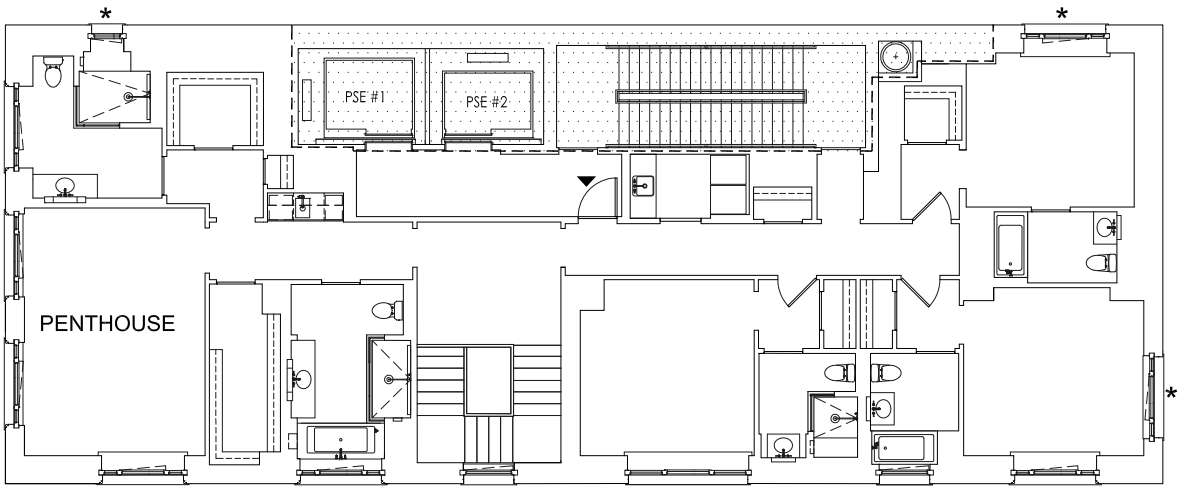
KEY

- GENERAL COMMON ELEMENT
- RESIDENTIAL COMMON ELEMENT
- RESIDENTIAL LIMITED COMMON ELEMENT
- * LOT LINE WINDOW

301 East 81st Street

0 7.5' 15' 30'

FLOOR 20



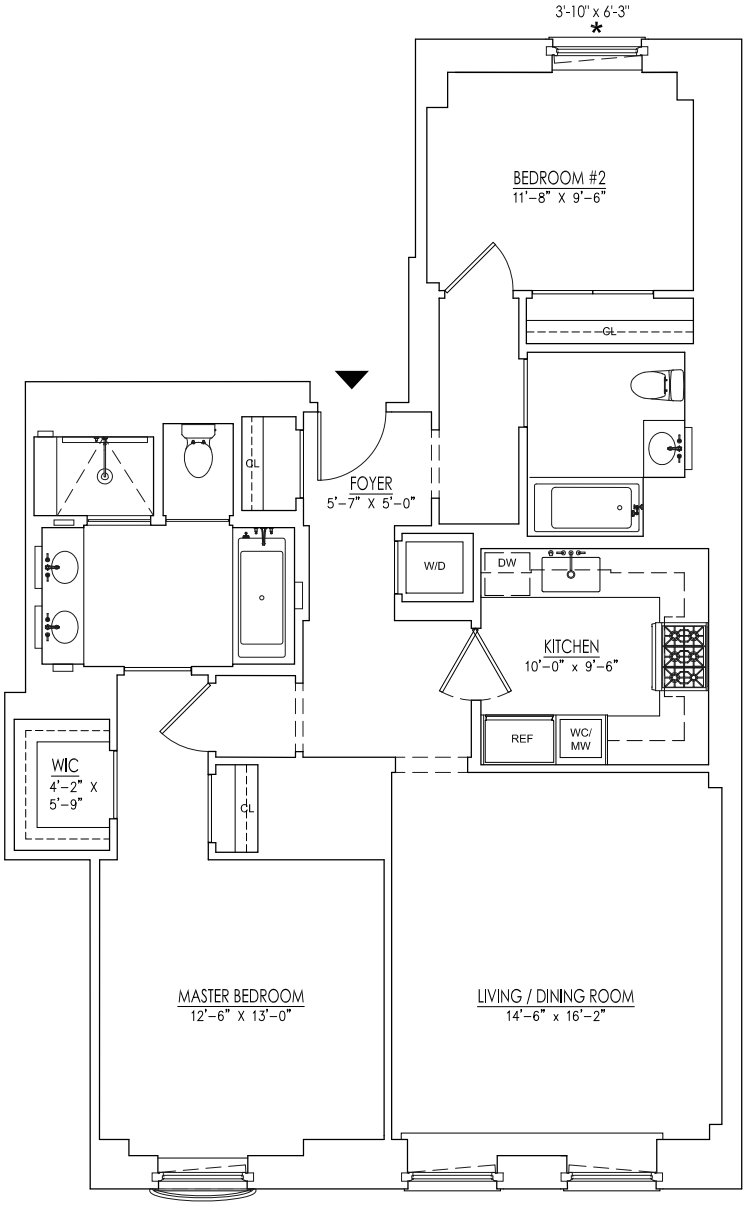
KEY

- GENERAL COMMON ELEMENT
- RESIDENTIAL COMMON ELEMENT
- RESIDENTIAL LIMITED COMMON ELEMENT
- * LOT LINE WINDOW

0 7.5' 15' 30'

301 East 81st Street

FLOOR 21



*LOT LINE WINDOW

0 1' 4' 10' 20'

301 East 81st Street

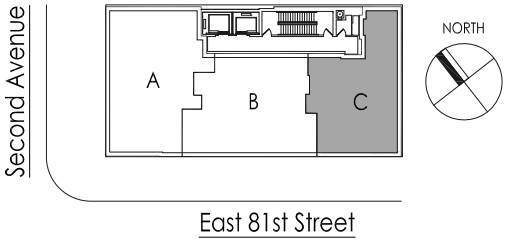
Residence C

Floors: 3rd

Area: (Approx.) 1,263 Square feet

2 Bedroom

2 Bathroom



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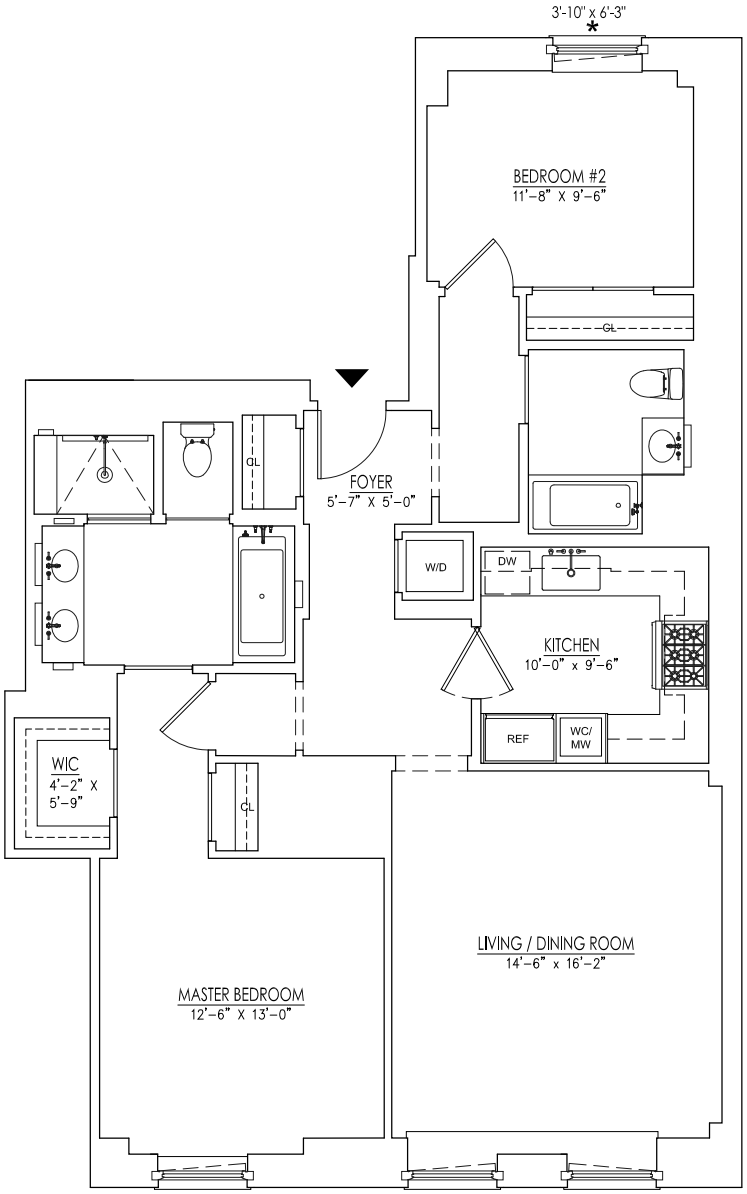


*LOT LINE WINDOW

0 1' 4' 10' 20'

301 East 81st Street

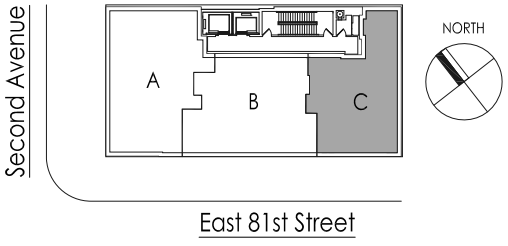
Residence C

Floors: 4th-5th

Area: (Approx.) 1,263 Square feet

2 Bedroom

2 Bathroom



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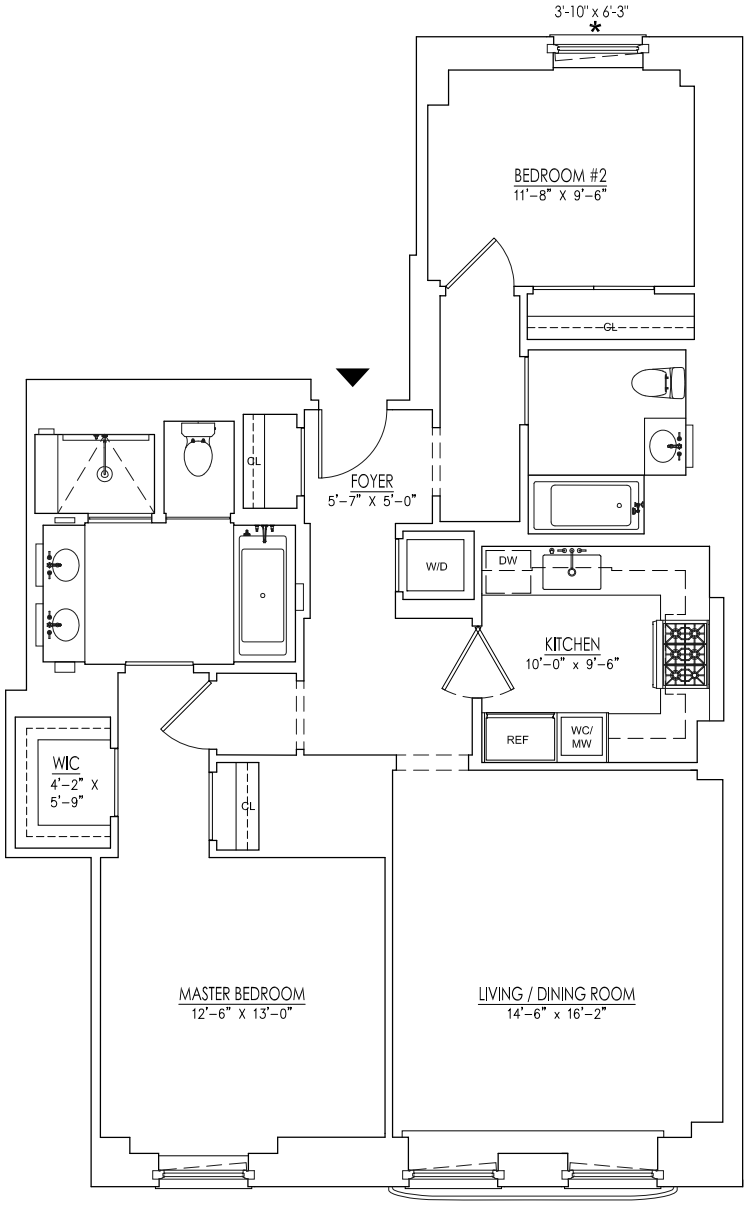


*LOT LINE WINDOW

0 1' 4' 10' 20'

301 East 81st Street

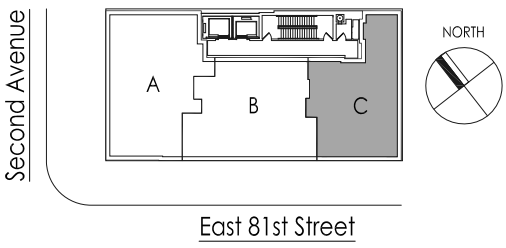
Residence C

Floors: 6th

Area: (Approx.) 1,263 Square feet

2 Bedroom

2 Bathroom



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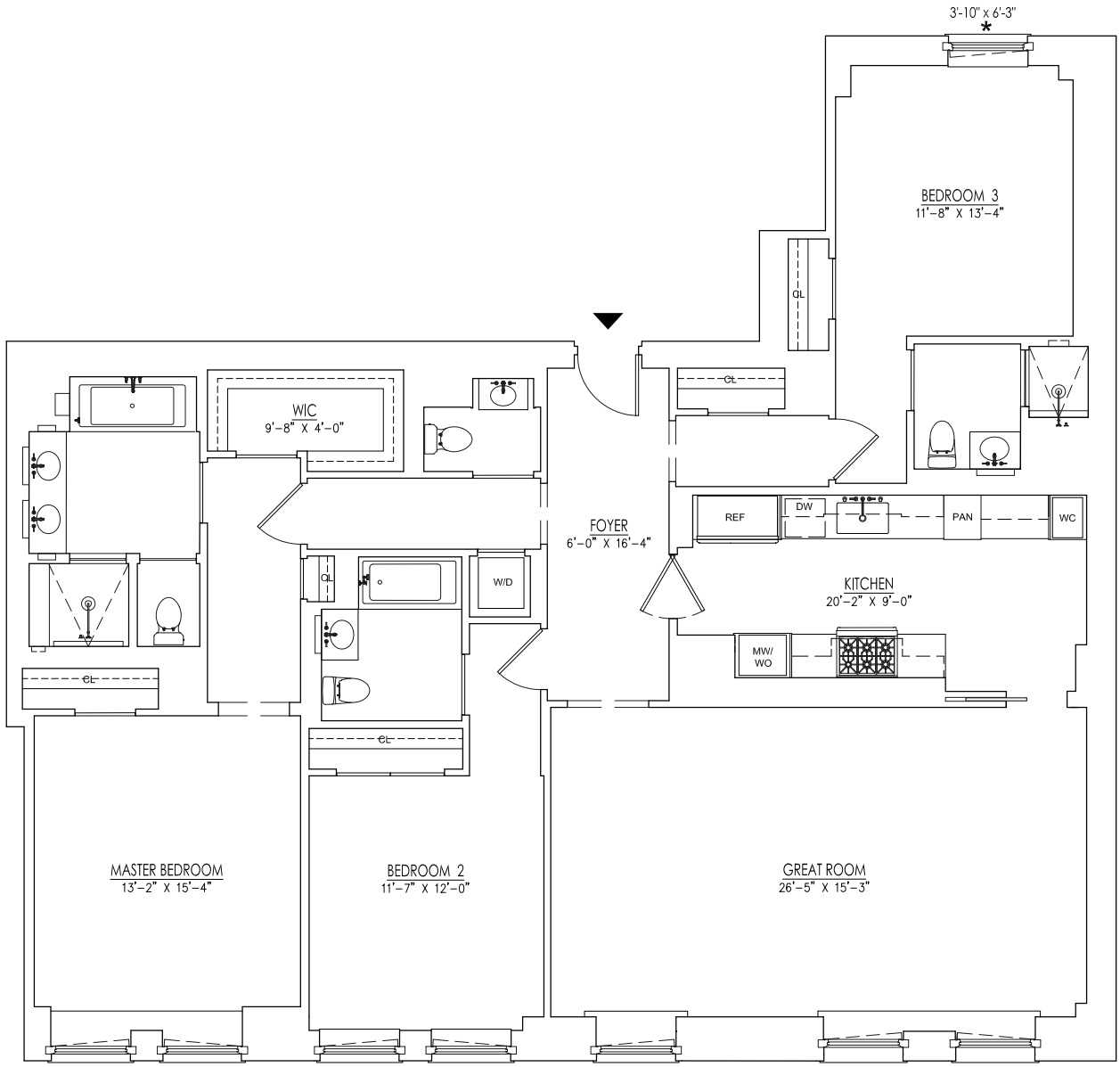


*LOT LINE WINDOW

0 1' 4' 10' 20'

301 East 81st Street

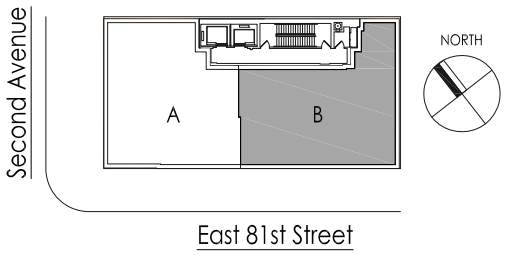
Residence B

Floors: 7th-9th

Area: (Approx.) 2,106 Square feet

3 Bedroom

3.5 Bathroom



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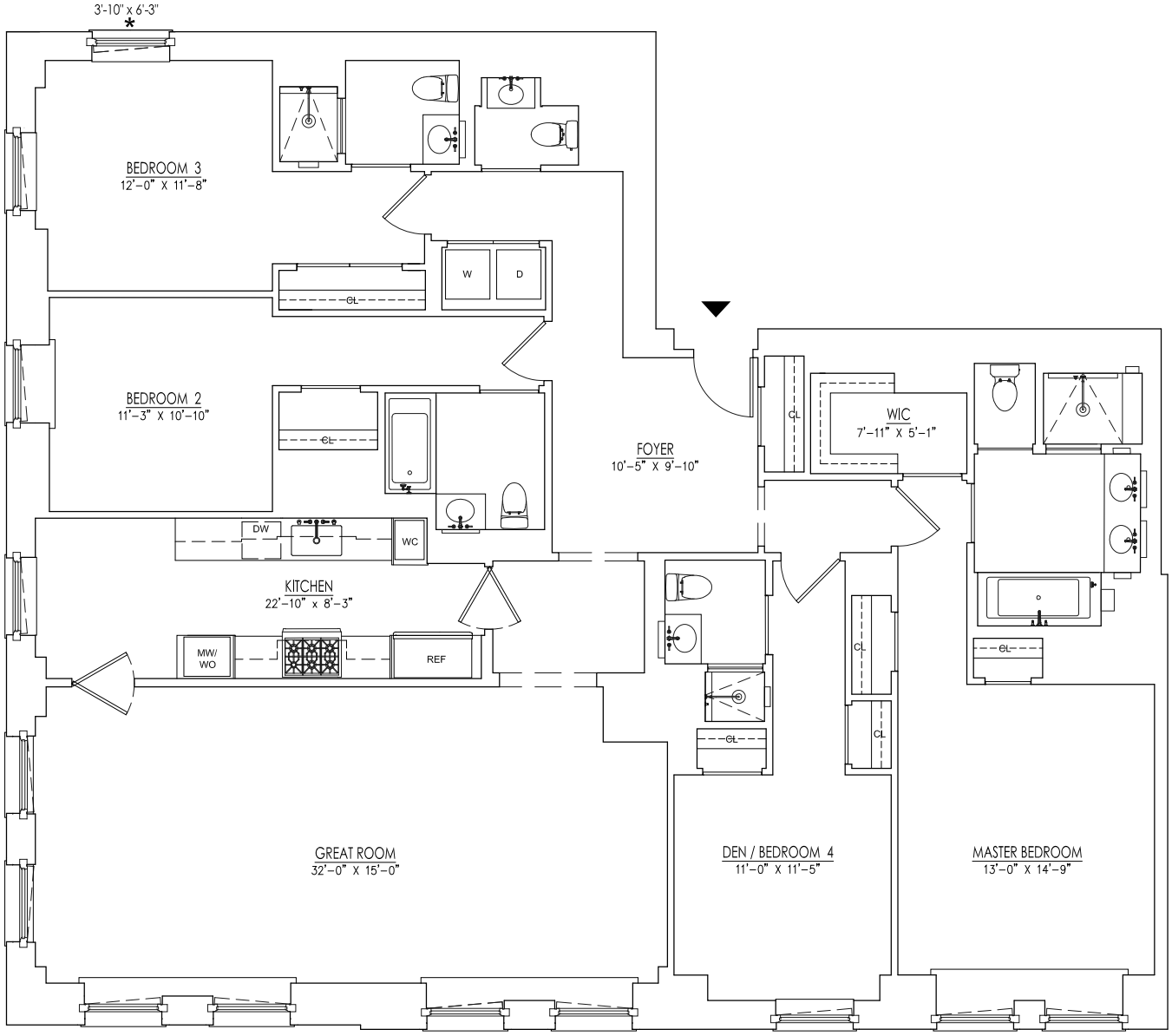


*LOT LINE WINDOW

0 1' 4' 10' 20'

301 East 81st Street

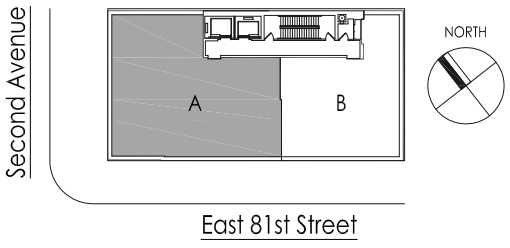
Residence A

Floors: 10th

Area: (Approx.) 2,523 Square feet

4 Bedroom

4.5 Bathroom



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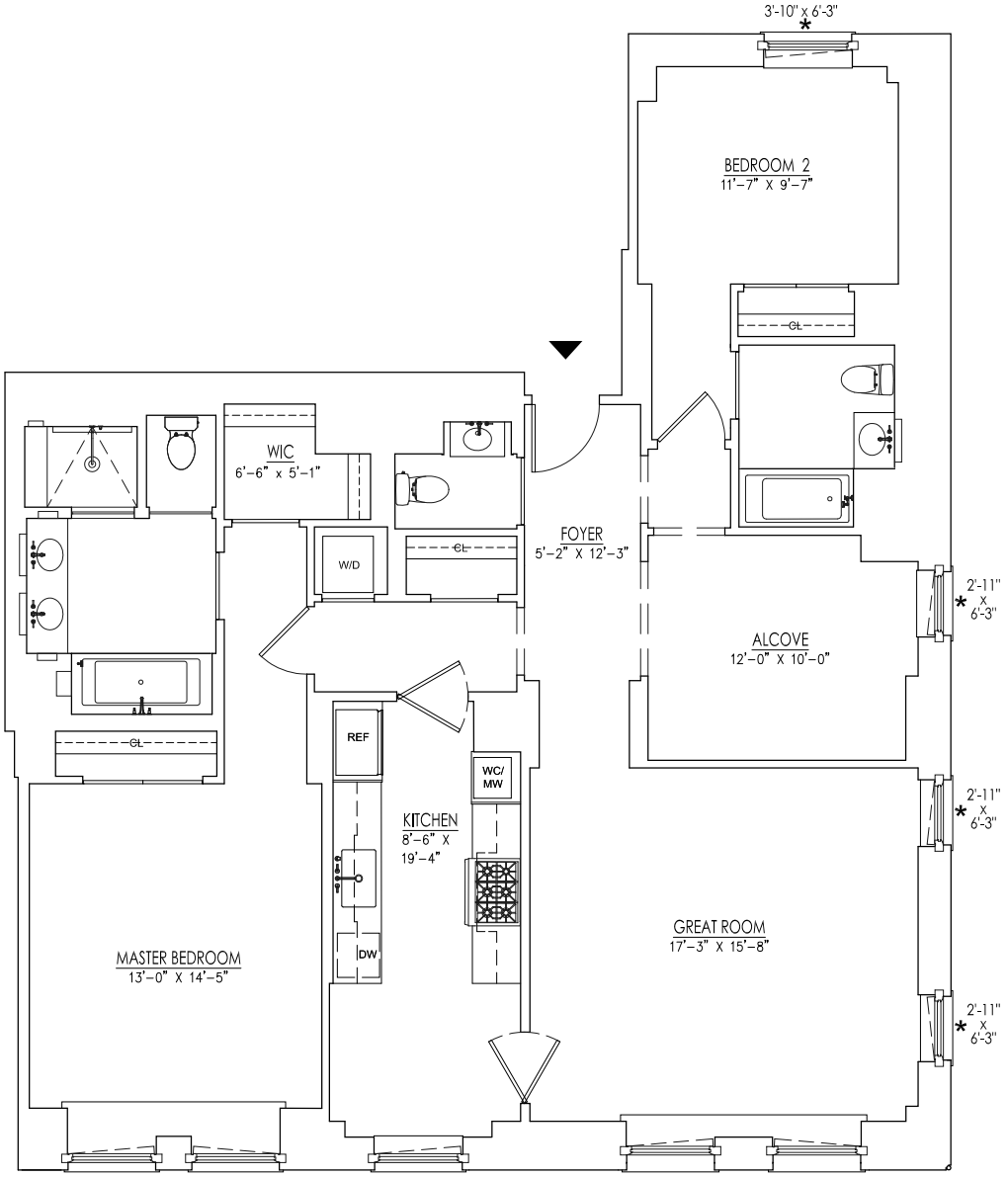


*LOT LINE WINDOW

0 1' 4' 10' 20'

301 East 81st Street

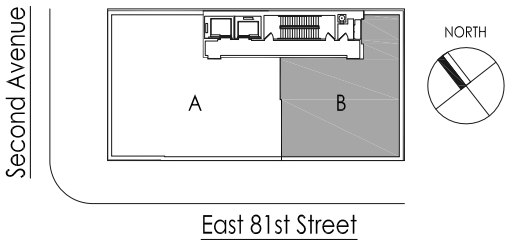
Residence B

Floors: 10th, 11th, 12th, 14th

Area: (Approx.) 1,655 Square feet

2 Bedroom

2.5 Bathroom



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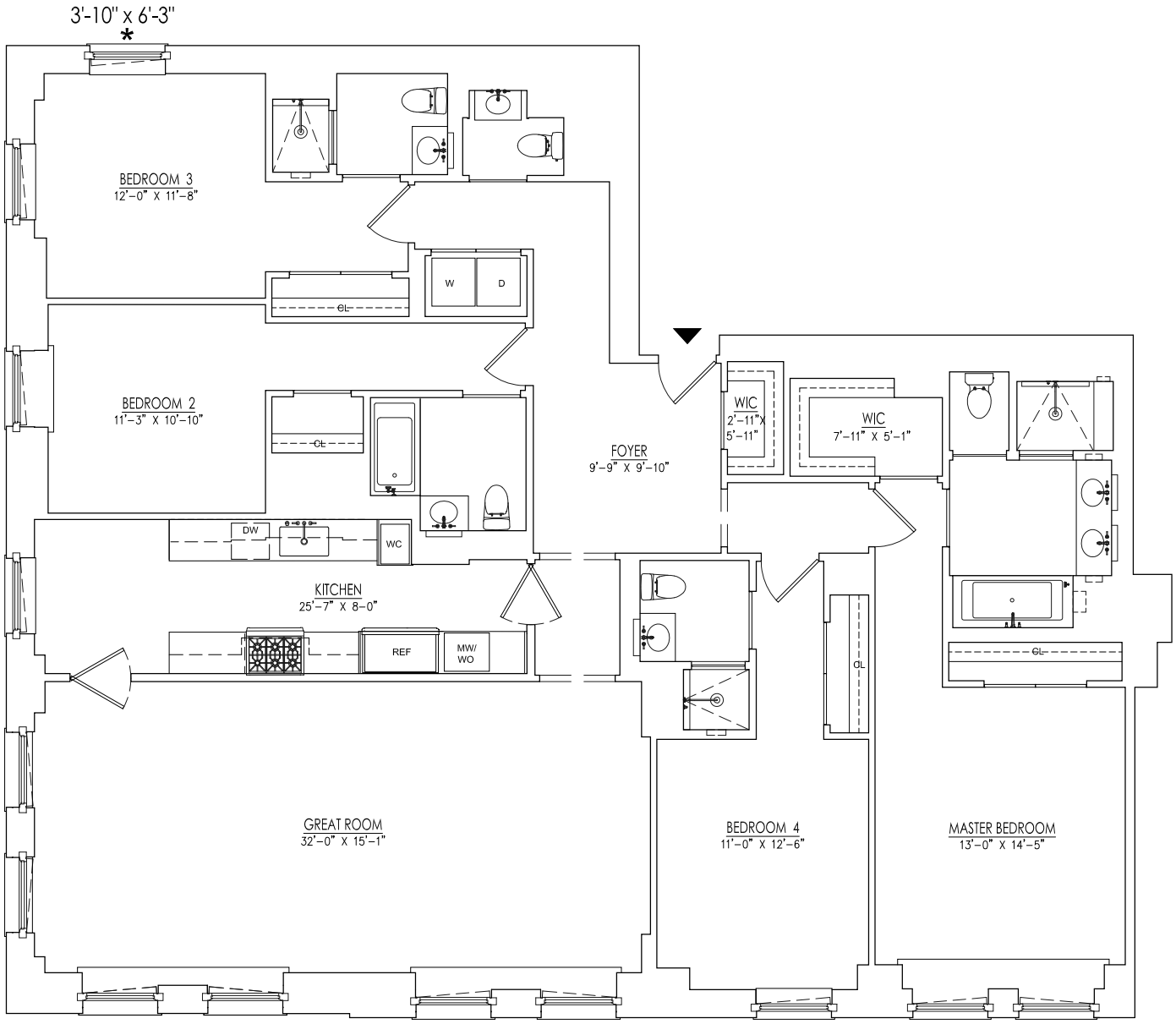


*LOT LINE WINDOW

0 1' 4' 10' 20'

301 East 81st Street

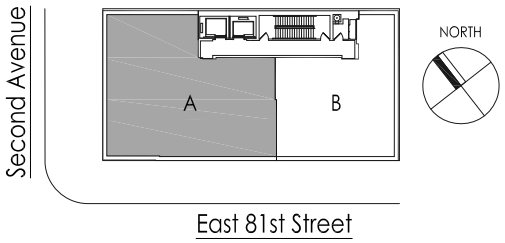
Residence A

Floors: 11th, 12th, 14th

Area: (Approx.) 2,523 Square feet

4 Bedroom

4.5 Bathroom



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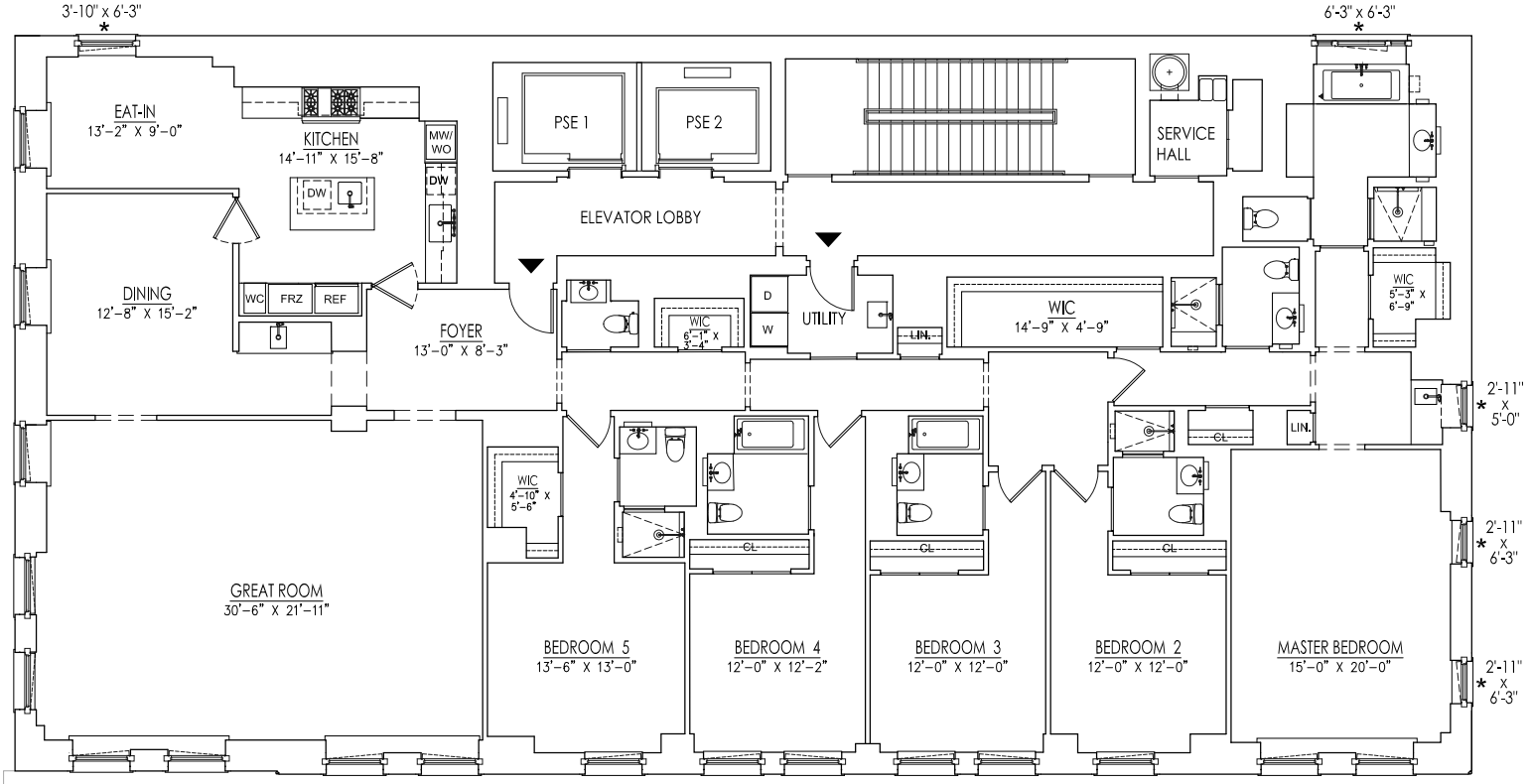


*LOT LINE WINDOW

0 1' 4' 10' 20'

301 East 81st Street

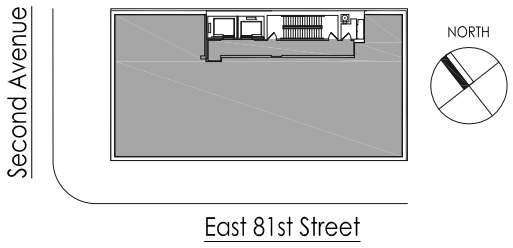
Residence

Floors: 15th

Area: (Approx.) 4,505 Square feet

5 Bedroom

6.5 Bathroom



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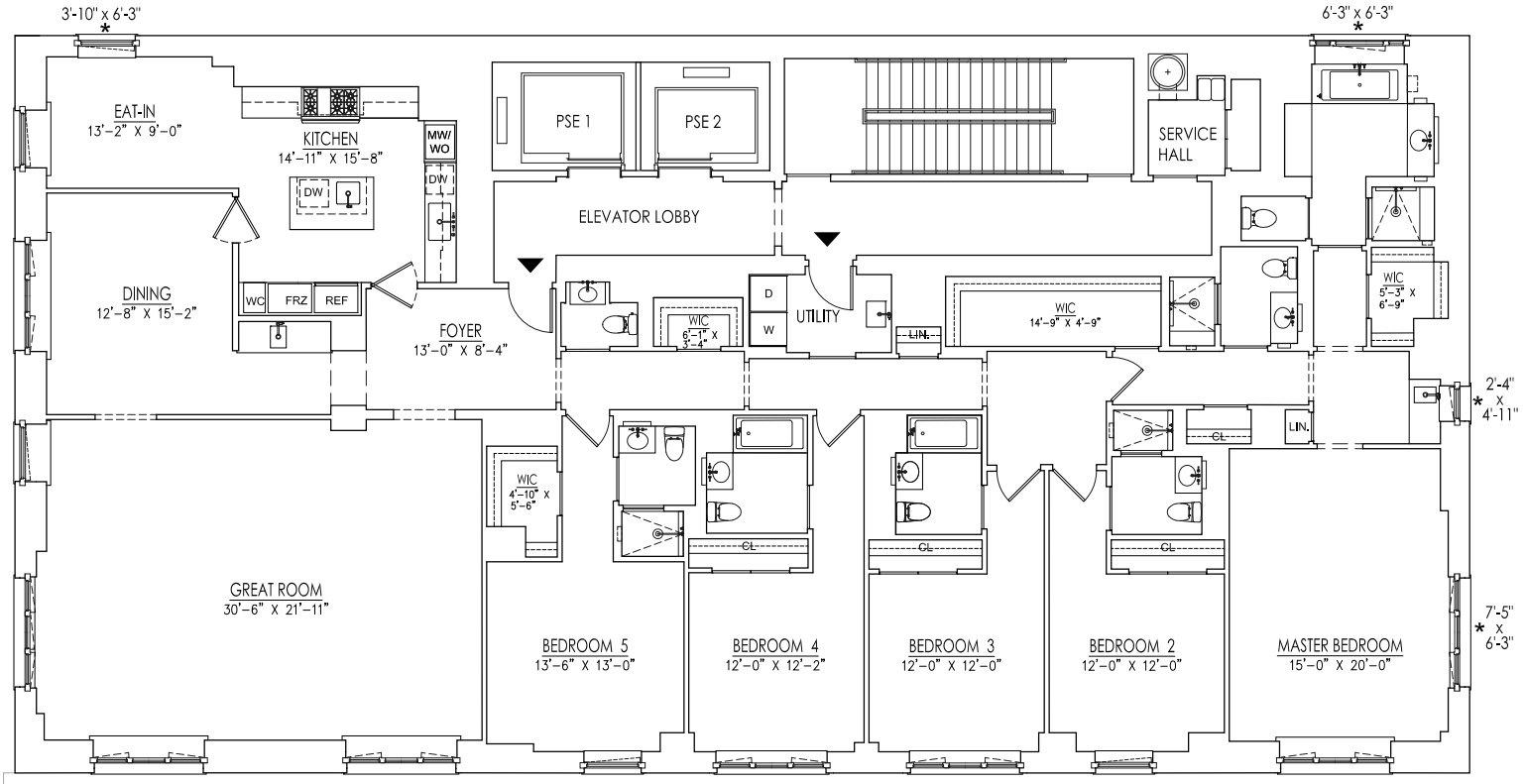


*LOT LINE WINDOW

0 1' 4' 10' 20'

301 East 81st Street

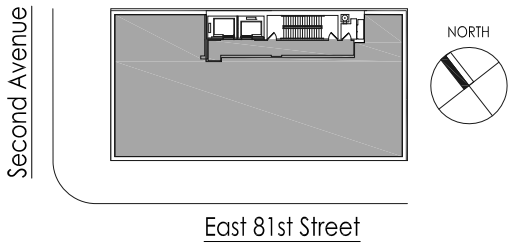
Residence

Floors: 16th

Area: (Approx.) 4,505 Square feet

5 Bedroom

6.5 Bathroom



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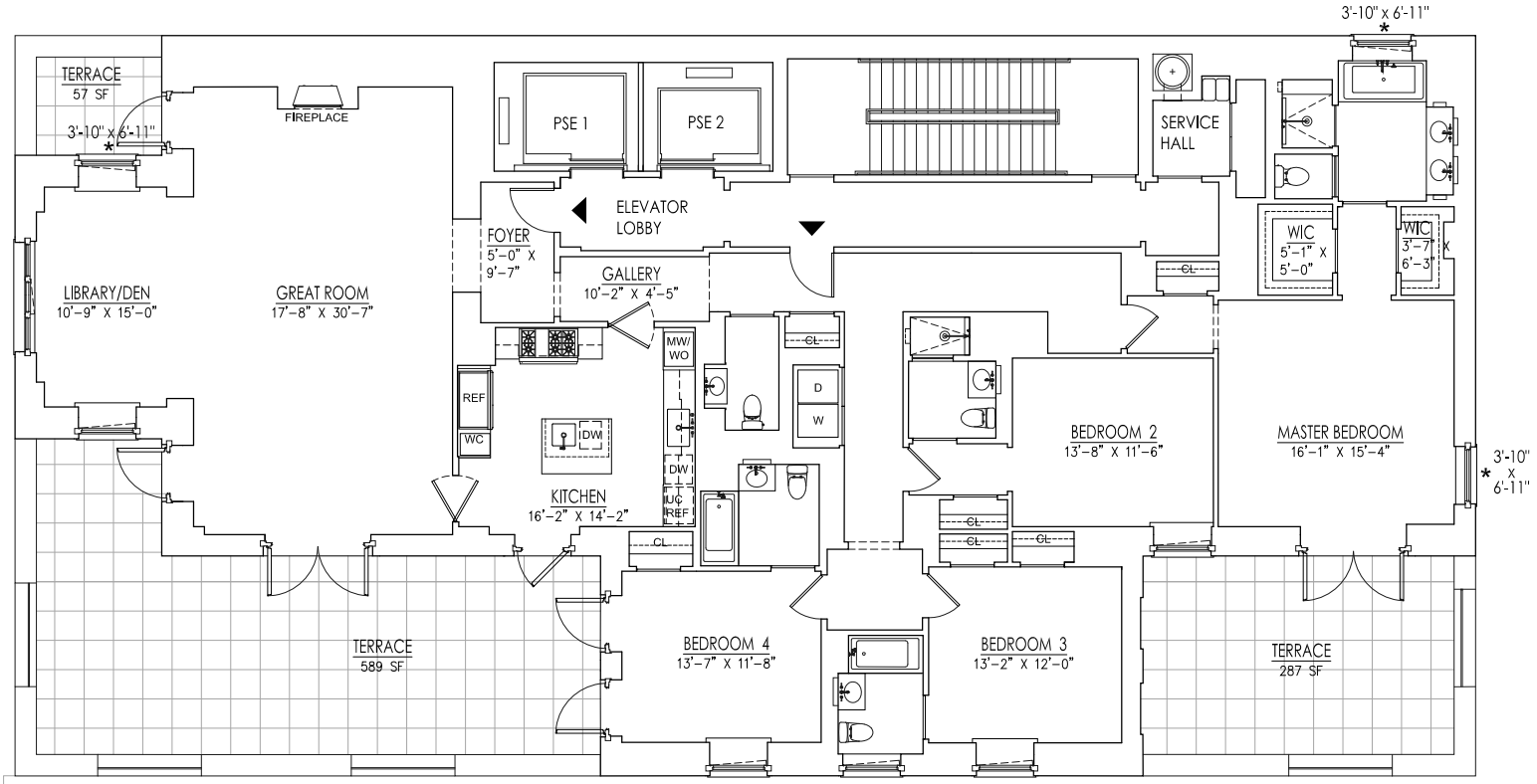


* LOT LINE WINDOW

0 1' 4' 10' 20'

301 East 81st Street

Residence

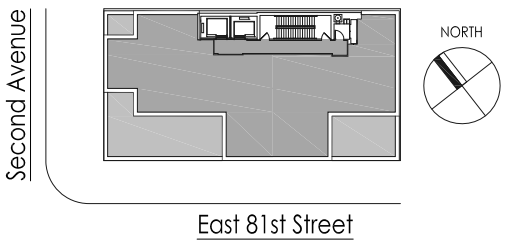
Floors: 17th

Area: (Approx.) 3,394 Square feet

Terrace: 933 Square feet

4 Bedroom

4.5 Bathroom



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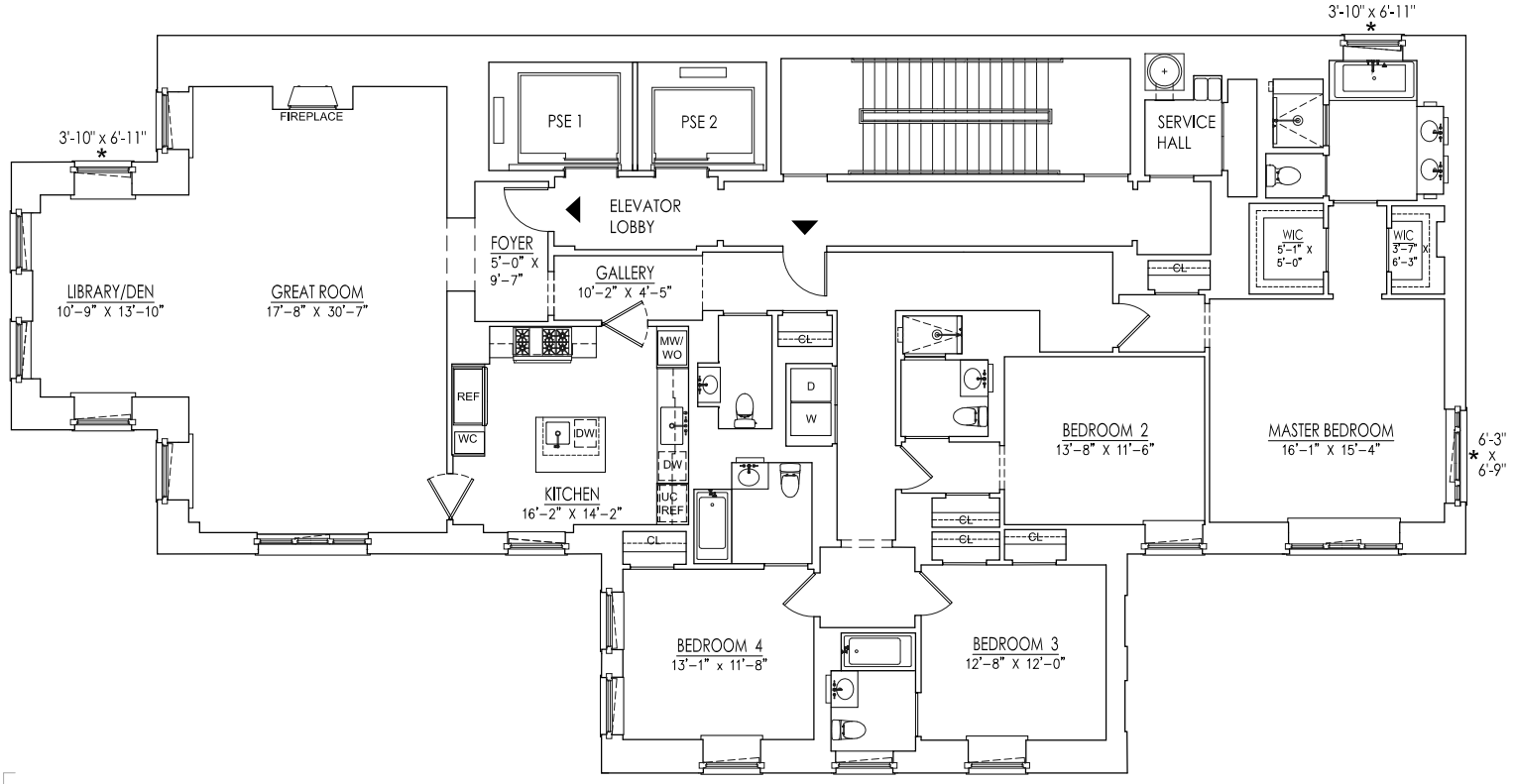

*LOT LINE WINDOW

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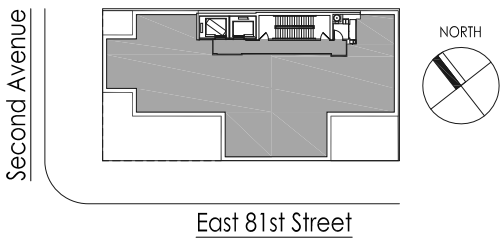


301 East 81st Street

Residence

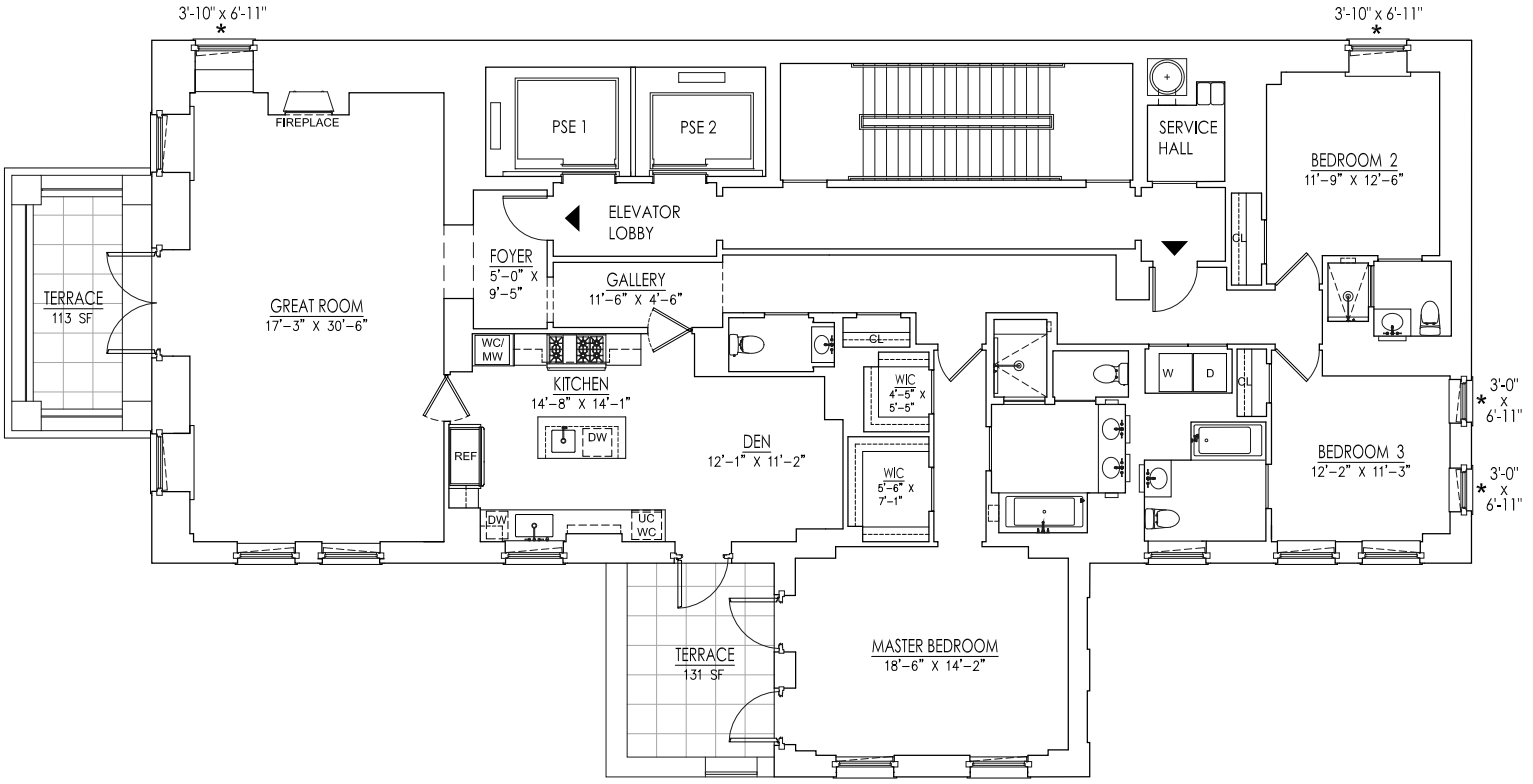
Floors: 18th

Area: (Approx.) 3,371 Square feet

4 Bedroom

4.5 Bathroom

All dimensions are maximum and are measured from either the window or drywall to (i) the opposing window or drywall or (ii) the front of the kitchen island, or (iii) the edge of the kitchen island, as applicable, and are taken approximately through the center of each space. Dimensions include columns, sills, and furred out mechanical systems, exclude closets, bathrooms and cutouts, and are subject to normal construction variances and tolerances. Plans and dimensions may contain minor variations from floor to floor. Square footage exceed the usable floor area. Sponsor reserves the right to make changes in accordance with the terms of the Offering Plan.



*LOT LINE WINDOW

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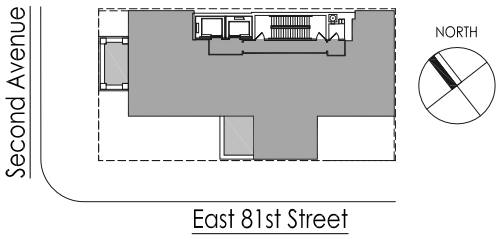

301 East 81st Street

Residence
Floors: 19th
Area: (Approx.) 2,977 Square feet
Terrace: 244 Square feet
3 Bedroom
3.5 Bathroom

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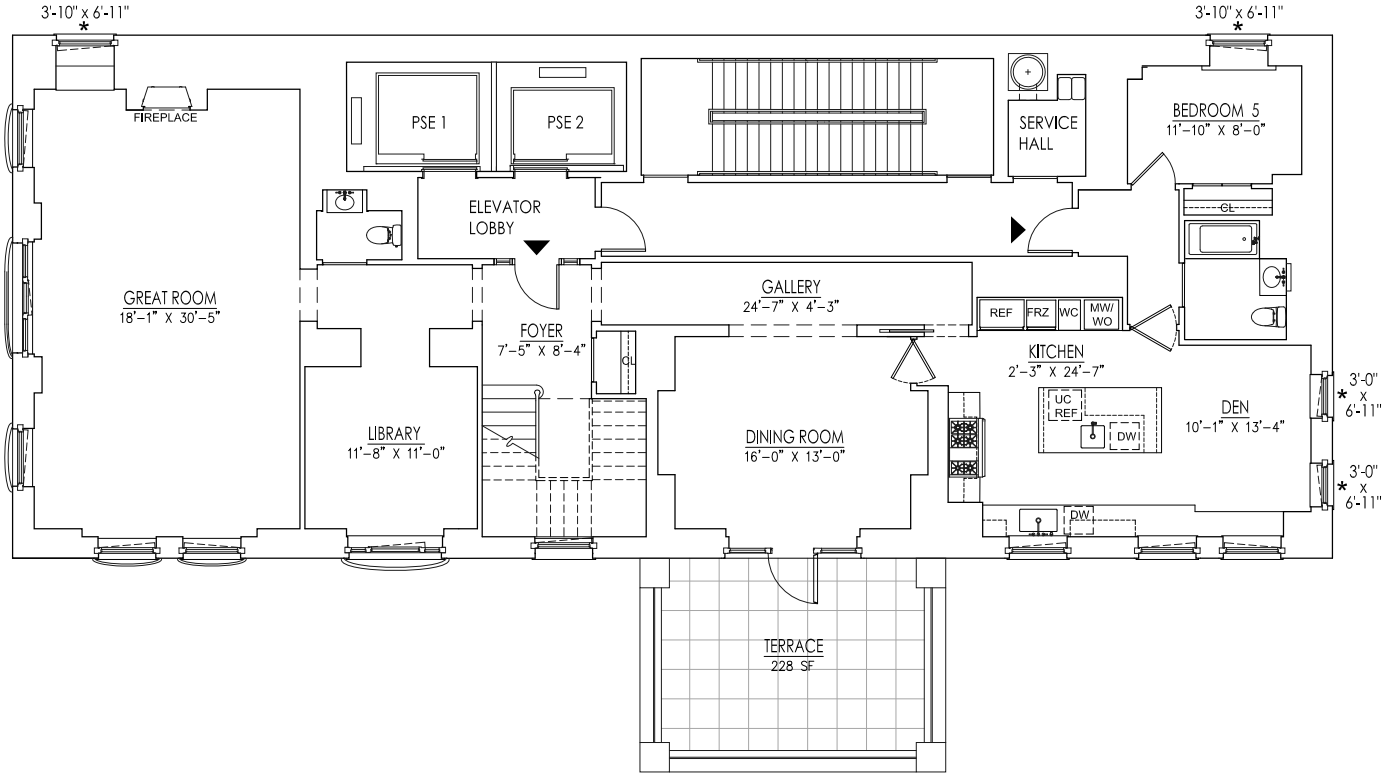


*LOT LINE WINDOW

0 1' 4' 10' 20'

301 East 81st Street

Residence PH - DUPLEX

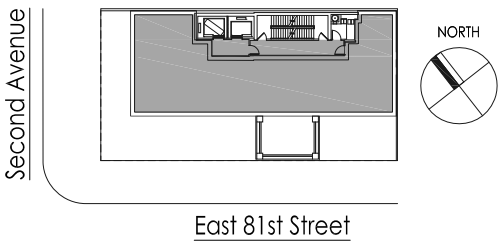
Floors: 20th - Lower Level

Area: (Approx.) 2,667 Square feet

Terrace: 228 Square feet

5 Bedroom

6.5 Bathroom



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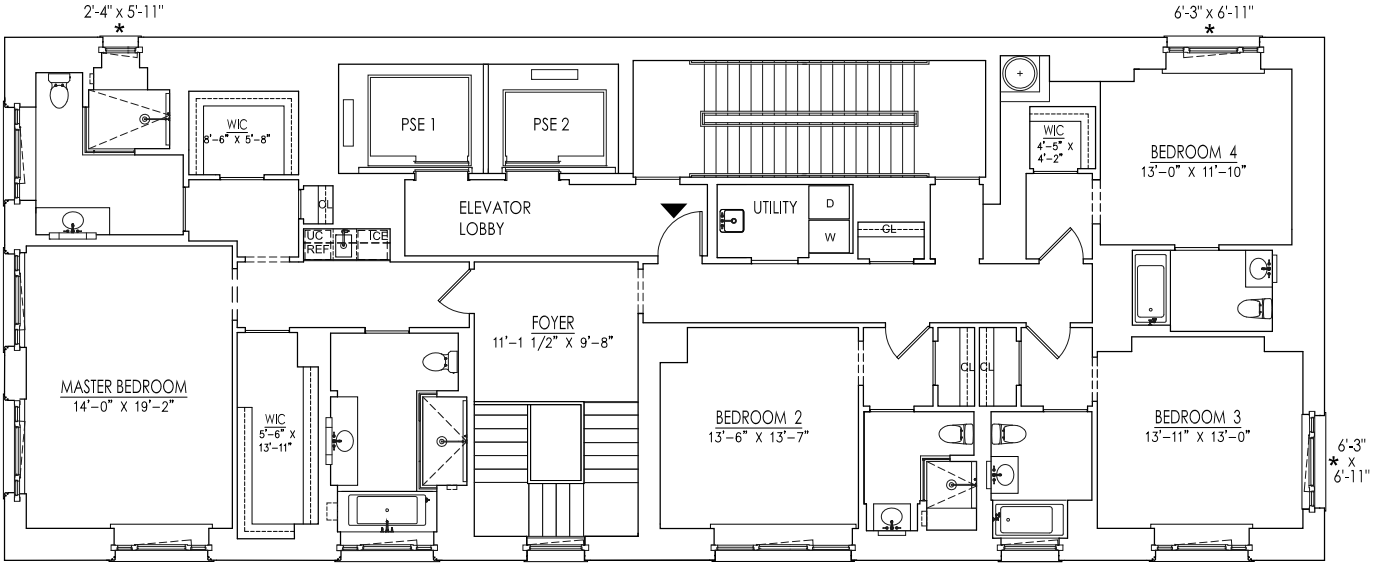


*LOT LINE WINDOW

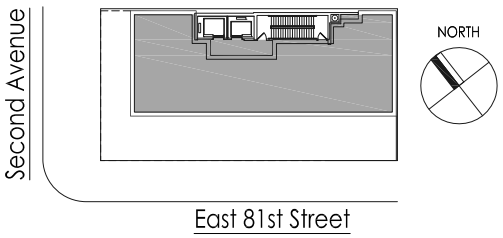
0 1' 4' 10' 20'

301 East 81st Street

Residence PH - DUPLEX

Floors: 21st - Upper Level

Area: (Approx.) 2,716 Square feet



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PURCHASE AGREEMENT

301 EAST 81ST STREET CONDOMINIUM

PURCHASE AGREEMENT

301 EAST 81ST STREET, NEW YORK, NEW YORK 10075

Contract Date: _____

Residential Unit Number: _____ **Percentage of General Common Interest: _____%**

Storage Bin Number: _____

Purchaser(s) Name(s):

(1) _____ (2) _____

Purchaser(s) Mailing Address(es):

(1) _____ (2) _____

_____ _____

Selling Agent: Douglas Elliman, LLC

Broker (if any): _____

Purchaser's Attorney: _____

Address of Purchaser's Attorney: _____

_____

Telephone: (____) _____ - _____ **Email: _____**

Purchase Price for Residential Unit: $_____

10% Initial Down Payment for Residential Unit: $_____

10% Additional Down Payment for Residential Unit: $_____

Purchase Price for Storage Bin: $_____

10% Initial Down Payment for Storage Bin: $_____

10% Additional Down Payment for Storage Bin: $_____

Balance Due at Closing: $_____

TABLE OF CONTENTS

Section		Page
1.	THE PLAN	1
2.	DEFINITIONS	1
3.	PURCHASE PRICE	1
4.	DOWN PAYMENTS TO BE HELD IN TRUST	2
5.	CLOSING DATE AND PLACE	2
6.	CLOSING DOCUMENTS	3
7.	STATUS OF TITLE	3
8.	CLOSING ADJUSTMENTS	4
9.	MORTGAGE TAX CREDIT	5
10.	CLOSING COSTS	5
11.	AGREEMENT NOT A LIEN OR ENCUMBRANCE	5
12.	DEFAULT BY PURCHASER	6
13.	AGREEMENT SUBJECT TO PLAN BEING EFFECTIVE	7
14.	SPONSOR'S INABILITY TO CONVEY THE UNIT	7
15.	FIXTURES, APPLIANCES AND PERSONAL PROPERTY	7
16.	CONSTRUCTION	7
17.	INSPECTION OF THE UNIT	8
18.	DAMAGE TO THE UNIT	9
19.	NO REPRESENTATIONS	9
20.	PROHIBITION AGAINST ADVERTISING	9
21.	BROKER	10
22.	AGREEMENT MAY NOT BE ASSIGNED	10
23.	BINDING EFFECT	10
24.	NOTICES	11
25.	JOINT PURCHASERS	11
26.	LIABILITY OF SPONSOR	11
27.	FURTHER ASSURANCES	11
28.	AGREEMENT NOT CONTINGENT UPON FINANCING	12
29.	COSTS OF ENFORCING AND DEFENDING AGREEMENT	12
30.	SEVERABILITY	12
31.	STRICT COMPLIANCE	12
32.	WAIVER OF JURY	12
33.	ENTIRE AGREEMENT	13

34. CERTAIN REFERENCES 13
35. CAPTIONS 13
36. SUCCESSORS AND ASSIGNS 13
37. CONFIDENTIALITY 13
38. LETTER OF CREDIT IT LIEU OF DOWN PAYMENTS IN ESCROW 13
39. NO ORAL CHANGES 13
40. PERFORMANCE 14
41. COUNTERPARTS 14
42. GOVERNING LAW/JURISDICTION AND VENUE/AGENT FOR SERVICE OF PROCESS 14
43. WAIVER OF DIPLOMATIC OR SOVEREIGN IMMUNITY. 14
44. PURCHASER'S REPRESENTATIONS 15
45. BUILDING SMOKING POLICY 16
46. CERTIFICATION OF SPONSOR AND PRINCIPALS 16

SCHEDULE A – PERMITTED ENCUMBRANCES

SCHEDULE B – RIDER TO PURCHASE AGREEMENT RE: ESCROW PROVISIONS

PURCHASE AGREEMENT

RESIDENTIAL UNIT NUMBER _____

THE 301 EAST 81ST STREET CONDOMINIUM
301 EAST 81ST STREET
NEW YORK, NY 10075

AGREEMENT, made as of _____, _____, between Sponsor and Purchaser.

W I T N E S S E T H :

1. THE PLAN

Purchaser acknowledges having received and read a copy of the Offering Plan for The 301 East 81st Street Condominium and all amendments thereto, if any, filed prior to the date hereof with the Department of Law of the State of New York (hereinafter, collectively, referred to as the "Plan") at least 3 business days prior to Purchaser's signing this Agreement. If Purchaser has not received and read the Plan and all amendments thereto at least 3 business days prior to Purchaser's signing this Agreement, Purchaser shall have the right to rescind this Agreement, by sending written notice of such rescission to Sponsor by certified or registered mail, return receipt requested, or by personal delivery, in either case within 7 days from the date Purchaser delivers an executed Purchase Agreement together with the Initial Down Payment to Selling Agent. The Plan is incorporated herein by reference and made a part hereof with the same force and effect as if set forth at length. In the event of any inconsistency between the provisions of this Agreement and the Plan, the provisions of the Plan will govern and be binding, unless otherwise provided in a rider to this Agreement. Purchaser hereby adopts, accepts and approves the Plan (including, without limitation, the Declaration, By-Laws and Residential Rules and Regulations contained therein) and agrees to abide and be bound by the terms and conditions thereof, as well as all amendments to the Plan duly filed by Sponsor.

2. DEFINITIONS

Terms used herein which are also used in the Plan shall have the same meanings as they do in the Plan, unless the context requires otherwise.

2.1 "Sponsor" means 1562/1564 Second Realty LLC, having an address at 419 Lafayette Street, 5th Floor, New York, NY 10019. Sponsor's taxpayer identification number is 30-0830391.

2.2 "Attorney for Sponsor" means Seiden & Schein, P.C., having an address at 570 Lexington Avenue, 14th Floor, New York, New York 10022; Attention: Jane Rosenberg, Esq. Telephone number: (212) 935-1400. Fax number: (212) 593-4545. E-mail address: jrosenberg@seidenschein.com.

2.3 "Escrow Agent" means Attorney for Sponsor.

2.4 "Title Company"" shall mean Kensington Vanguard National Land Services, having an office at 39 West 37th Street, 3rd Floor, New York, NY 10018 (telephone: (212) 532-8686, or any successor Title Company at the time in question.

3. PURCHASE PRICE

3.1 Upon and subject to the terms and conditions set forth herein, Sponsor agrees to sell and convey, and Purchaser agrees to purchase the Unit, together with the Common Interest appurtenant thereto.

The Purchase Price is payable as follows:

(a) The Initial Down Payment is due upon Purchaser's signing and submitting this Agreement, by check (subject to collection), receipt of which is hereby acknowledged.

(b) The Additional Down Payment is due by check due and payable on a date which is the earlier of (i) six (6) months from the date of this Agreement or (ii) fifteen (15 days) following the Presentation Date of the amendment to the Plan which declares the Plan effective, subject to collection. The Initial Down Payment and the Additional Down Payment are hereinafter collectively referred to as the "Down Payment." If Purchaser is signing this Agreement after the Plan is declared effective, both the Initial Down Payment and Additional Down Payment shall be due upon Purchaser's signing this Agreement.

(c) The Balance of the Purchase Price is payable on the delivery of the deed as hereinafter provided.

3.2 Purchaser must deliver the payment of any Down Payment or the Balance of the Purchase Price by official bank check unless Sponsor offers, in Sponsor's sole discretion, to accept a wire transfer. All instruments (a) in payment of any Down Payment shall be made payable directly to the order of "Seiden & Schein, P.C., as Escrow Agent" or wired directly to the escrow account maintained by Escrow Agent pursuant to the Plan, as applicable, or (b) in payment of the Balance of the Purchase Price shall be made payable directly to the order of 1562/1564 Second Realty LLC or wired to one or more accounts as directed by Sponsor. All instruments are accepted by Sponsor subject to collection. All checks must be drawn on or issued by a bank or trust company which is a member of the New York Clearinghouse Association. A return of any check delivered in payment of the Initial Down Payment, for insufficient funds or for any other reason, shall constitute a non-curable default under this Agreement, rendering this Agreement void *ab initio* and of no further force or effect, in which event Purchaser and Sponsor shall each be released and discharged of all further liability and obligations under this Agreement and the Unit may be sold to another as though this Agreement had never been made, unless otherwise indicated in writing by Sponsor or Attorney for Sponsor. A return of any check delivered in payment of the Additional Down Payment or the Balance of the Purchase Price, for insufficient funds or for any other reason, shall constitute a default under this Agreement, entitling Sponsor, at its option, to exercise the remedies set forth in Article 13 hereof. With respect to wire transferred funds, any wiring fees charged by the initiating and/or receiving bank shall be paid by Purchaser. FUNDS DRAWN ON OUT-OF-STATE OR FOREIGN BANKS WILL NOT BE ACCEPTED.

4. DOWN PAYMENTS TO BE HELD IN TRUST

All Down Payments made pursuant to this Agreement are subject to the requirements of Sections 352-e (2) (b) and 352-h of the New York General Business Law and the Attorney General's regulations promulgated pursuant thereto. All monies received from Purchaser towards a Down Payment shall be delivered to Escrow Agent and shall be held in accordance with the Section of the Plan entitled "Escrow and Trust Fund Requirements" a copy of which is annexed hereto as Schedule C and made a part hereof. By signing this Agreement, Purchaser will not object and will be deemed to have agreed, without the need for a further written agreement, to the release of all Down Payments to Sponsor in the event Sponsor and Purchaser close title under this Agreement. In the event Sponsor cannot convey title to the Unit to Purchaser by reason other than Purchaser's default, all Down Payments shall be returned to Purchaser, within 30 business days of Sponsor's notification to Purchaser that it cannot convey title.

5. CLOSING DATE AND PLACE

5.1 The Closing of Title shall be held at the offices of Seiden & Schein, P.C., 570 Lexington Avenue, 14th Floor, New York, New York 10022 (or such other place in the City and State of New York as Sponsor may designate to Purchaser) and on such date and hour as Sponsor may designate to Purchaser on not less than 30 days' prior notice ("Initial Closing Notice"). After the Initial Closing Notice, Sponsor may, from time to time, adjourn and reschedule the date and hour for Closing at any time on notice to

Purchaser, which new Closing notice shall fix a new date, hour and place for the Closing. The rescheduled Closing shall not be earlier than: (a) the date set forth in the Initial Closing Notice or, (b) 5 days from the date of Sponsor's Closing adjournment notice. These notice provisions may be modified or waived by an agreement signed by Sponsor and Purchaser. If Sponsor consents to close at any other location as an accommodation to Purchaser, Purchaser shall pay to Attorney for Sponsor at Closing an extra fee as set forth in the Plan.

5.2 The term "Closing Date" "Closing" "Closing of Title" or words of similar import, whenever used herein, shall mean the conveyance of title to the Unit from Sponsor to Purchaser.

5.3 The Closing of Title shall only occur with or after compliance with the prerequisites to Closing and the Section of the Plan entitled "Terms of Sale."

6. CLOSING DOCUMENTS

6.1 At the Closing of Title, Sponsor shall deliver to Purchaser a bargain and sale deed with covenants against grantor's acts conveying fee simple title to the Unit to Purchaser, subject only to the liens, encumbrances, and title conditions set forth on Schedule A annexed hereto and made a part hereof. The deed shall be prepared by Sponsor substantially in the form set forth in Part II of the Plan and shall be executed and acknowledged by Sponsor in form for recording. Purchaser shall pay all New York State and New York City real property transfer taxes, and Sponsor and Purchaser shall duly complete and execute before a notary public the New York City and New York State Transfer Tax Return Forms and any other forms then required by Law, all of which shall be prepared by Sponsor.

6.2 At the Closing of Title, Purchaser shall execute and acknowledge a power of attorney to the Condominium Board prepared by Sponsor substantially in the form set forth in Part II of the Plan.

6.3 At the Closing of Title, Sponsor shall deliver to Purchaser a certification stating that Sponsor is not a foreign person in compliance with IRS Section 1445 as amended, or any successor provision or regulation promulgated thereunder.

6.4 At the Closing of Title, Sponsor and Purchaser shall execute and acknowledge in form for recording such other documents that are reasonably necessary or customary in connection with the conveyance of a condominium unit, including, but not limited to, title affidavits, transfer tax forms, reporting information in respect of real estate transactions, smoke detector affidavit and window guard notices.

6.5 The executed deed, transfer tax forms and power of attorney shall be delivered at the Closing to the representative of the title company insuring Purchaser's title (or, if no such representative is present, then to Attorney for Sponsor) for recording in the Office of the City Register, which recording shall be at Purchaser's expense. After being recorded the deed shall be returned to Purchaser and the power of attorney shall be returned to the Condominium Board.

6.6 Purchaser's payment of the Balance of the Purchase Price and acceptance of a deed to the Unit shall constitute Purchaser's recognition that Sponsor has satisfactorily performed those obligations stated in the Plan and this Agreement to be performed by Sponsor prior to closing. However, nothing herein contained shall excuse Sponsor from performing those obligations (if any) expressly stated herein or in the Plan to be performed subsequent to the Closing, and nothing herein shall be in derogation of the rights of purchasers under Article 23-A of the General Business Law, the Plan, and Part 20 of the Regulations issued by the Department of Law.

7. STATUS OF TITLE

7.1 At the Closing of Title, Sponsor shall convey to Purchaser and Purchaser shall accept such fee simple title to the Unit as the Title Company will approve and insure without additional premium to Purchaser, provided that the only liens and encumbrances affecting title shall be those set forth in Schedule A annexed hereto and made a part hereof and those expressly agreed to by Purchaser. Any lien and encumbrance or

condition which is not set forth in Schedule A annexed hereto shall not be an objection to title if (a) the instrument required to remove it of record is delivered at or prior to Closing to the Title Company, together with the attendant recording or filing fee, if any, or (b) the Title Company (or such other title insurance company Purchaser may utilize), is or would be willing, in a fee policy issued by it to Purchaser, to insure Purchaser that it will not be collected out of the Unit if it is a lien, or will not be enforced against the Unit if it is not a lien. Sponsor shall not be obligated to cause Purchaser's title company to omit any exceptions if the Title Company is willing to insure, without additional premium, Purchaser's title with such exception.

7.2 Sponsor shall be entitled to adjourn the Closing to remove or correct any defect in title which is not set forth in Schedule A. However, if such defect existed at least 10 days prior to the Closing and Purchaser, or Purchaser's attorney, failed to send Attorney for Sponsor written notice of such defect in title at least 10 days prior to the Closing of Title, then, for purposes of Article 13 below, Purchaser shall be deemed at fault for not having sent timely notice, and the Closing adjournment to allow Sponsor to correct or remove such title defect shall be considered as being at the request of Purchaser. Notwithstanding the foregoing, delivery of a title report to Attorney for Sponsor at least ten (10) days prior to the Closing shall be deemed written notice of any title defects noted in such title report.

7.3 If, subsequent to the Closing of Title, Purchaser claims that Sponsor did not convey fee simple title to the Unit in accordance with the Plan, Purchaser must first seek recovery against Purchaser's title insurance company before proceeding against Sponsor. Sponsor and Purchaser agree that Sponsor's liability will be limited to any loss or damage not covered by Purchaser's title insurance company. If Purchaser did not obtain title insurance at the Closing, for purposes of this subparagraph, the amount and coverage which Purchaser could have obtained from Purchaser's title insurance company shall be deducted from the loss or damage collectable against Sponsor. This provision shall survive Closing.

7.4 Nothing contained in subparagraphs 8.2 or 8.3 shall be construed to waive any of Purchaser's rights or abrogate any of Sponsor's obligations under the Plan or Article 23-A of the General Business Law.

8. CLOSING ADJUSTMENTS

8.1 The following adjustments shall be made as of midnight of the day preceding the Closing Date with respect to the Unit:

(a) real estate taxes and assessments, if any (including water charges and sewer rents, if separately assessed), on the basis of the period for which assessed; and

(b) Common Charges (if Common Charges have been assessed by the Condominium Board) and assessments for the month in which title closes.

8.2 If the Unit has been separately assessed for real estate taxes but the Closing of Title occurs before the tax rate is fixed, adjustment of real estate taxes shall be based upon the latest tax rate applied to the most recent applicable assessed valuation. Installments for real estate tax assessments due after the Closing, if any, shall be paid by Purchaser and shall not be considered a defect in title. If the Unit has not been separately assessed for real estate taxes as of the Closing Date for the then current tax period, the adjustment under subsection 9.1(a) hereof shall be based upon the assessment for the Property and the percentage interest in the Common Elements appurtenant to the Unit. In addition, Purchaser shall pay the Unit's proportionate share of real estate taxes for the next ensuing tax period and Sponsor or the Managing Agent of the Condominium will pay such real estate taxes directly to the City of New York. Sponsor shall not be obligated to reimburse Purchaser after the Closing on account of any difference between the amount of real estate taxes for the then current tax period paid by Purchaser at Closing calculated according to the above formula and the amount of real estate taxes subsequently billed by the City of New York to such Purchaser (as Unit Owner).

8.3 Purchaser agrees that, if Sponsor obtains a refund for real estate taxes paid (or a credit for such real estate taxes to be paid) on Purchaser's Unit, Purchaser and Sponsor will apportion the refund (as well as

the costs and/or fees for obtaining the refund or credit) based on the percentage of time for which the refund or credit is obtained during which each party hereto owned the Unit in question. The provisions of this subsection shall survive the Closing of Title.

8.4 Provided Sponsor is ready, willing and able to close title in accordance with this Agreement, if Purchaser fails for any reason to close title to the Unit on the originally scheduled Closing Date subject to Sponsor's rights under Section 13.2 of this Agreement, (a) the Closing apportionments described in Section 9.1 of this Agreement will be made as of midnight of the day preceding the originally scheduled Closing Date, regardless of when the actual Closing of Title occurs, and (b) Purchaser will be required to pay to Sponsor, as a reimbursement of Sponsor's increased carrying costs for the Unit by virtue of the delay, and in addition to the other payments to be made to Sponsor under this Agreement and the Plan, an amount equal to 0.03% of the Purchase Price for each day starting from (and including) the originally scheduled Closing Date to (and including) the actual Closing Date. If, through no fault of Purchaser, Sponsor postpones the originally scheduled Closing Date, these provisions shall apply to the rescheduled Closing Date if Purchaser fails for any reason to close title to the Unit on the rescheduled Closing Date.

8.5 Adjustments and apportionments shall be calculated on the basis of the actual number of days in the period for which payments were made or are due, as the case may be. The "Customs in Respect of Title Closings" recommended by The Real Estate Board of New York, Inc., as amended to date, shall apply to the adjustments and other matters therein mentioned except as otherwise provided herein in the Plan.

8.6 Any errors or omissions calculating apportionments at Closing shall be corrected and, any payment shall be made to the proper party promptly after discovery. This provision shall survive the Closing of Title.

9. MORTGAGE TAX CREDIT

In the event a mortgage recording tax credit becomes available pursuant to Section 339- ee(2) of the New York Condominium Act, it is specifically understood that such credit shall enure to the benefit of Sponsor. Accordingly, at Closing, a Purchaser who elects mortgage financing will be responsible to pay the full amount (but not in excess thereof) of the mortgage recording tax chargeable on the entire amount being financed. At the Closing of Title, Sponsor will be reimbursed by Purchaser to the extent of any mortgage tax credit allowed.

10. CLOSING COSTS

In addition to those costs and adjustments described in Articles 9 and 10 herein, Purchaser shall be required to pay the other closing costs which are Purchaser's responsibility as more particularly described in the Section of the Plan entitled "Closing Costs and Adjustments." All such Closing Costs shall be paid by Purchaser, at Closing, by Purchaser's unendorsed personal certified check or by official bank check, in either event drawn upon a bank that is a member of the New York Clearing House Association.

11. AGREEMENT NOT A LIEN OR ENCUMBRANCE

No lien or encumbrance shall arise against the Property or the Unit as a result of this Agreement or any monies deposited hereunder, except as hereinafter set forth. In furtherance and not in limitation of the provisions of the preceding sentence, Purchaser agrees that the provisions of this Agreement are and shall be subject and subordinate to the lien of any mortgage heretofore or hereafter made, including, but not limited to, any construction or Building loan mortgage, and any advances heretofore or hereafter made thereon and any payments or expenses made or incurred or which hereafter may be made or incurred, pursuant to the terms thereof, or incidental thereto, or to protect the security thereof, to the full extent thereof, without the execution of any further legal documents by Purchaser. This subordination shall apply in all cases, regardless of the timing of, or cause for, the making of advances of money or the incurring of expenses. Sponsor shall, at its option, either satisfy such mortgages or obtain a release of the Unit and its undivided interest in the Common

Elements from the lien of such mortgages on or prior to the Closing Date. The existence of any mortgage or mortgages encumbering the Property, or portions thereof, other than the Unit and its undivided interest in the Common Elements, shall not constitute an objection to title or excuse Purchaser from completing payment of the Purchase Price or performing all of Purchaser's other obligations hereunder or be the basis of any claim against, or liability of, Sponsor, provided that any such mortgage(s) is subordinated to the Declaration.

12. DEFAULT BY PURCHASER

12.1 The following shall constitute "Events of Default" hereunder:

(i) Purchaser's failure to close title to the Unit on the scheduled Closing Date; or

(ii) Purchaser's failure to pay when due, or the dishonor of any check delivered by Purchaser to Sponsor in payment of, the Additional Down Payment, the Balance of the Purchase Price, or any closing adjustment, closing cost or fee, including, without limitation, attorneys' fees required to be paid by Purchaser as set forth in the Plan or in this Agreement; or

(iii) Purchaser's failure to pay, perform or observe any of Purchaser's other obligations under this Agreement or the Plan; or

(iv) if Purchaser is permitted to become the tenant or occupant of the Unit, Purchaser's failure to pay rent or to otherwise comply with some other lease or occupancy obligation; or

(v) Purchaser's assignment or transfer of any of Purchaser's property for the benefit of creditors, or Purchaser's filing a voluntary petition in bankruptcy; or

(vi) if a non-bankruptcy trustee or receiver is appointed over Purchaser or Purchaser's property, or an involuntary petition in bankruptcy is filed against Purchaser; or

(vii) if a judgment or tax lien is filed against Purchaser and Purchaser does not pay or bond the judgment or lien; or

(viii) Purchaser's assignment or transfer of this Agreement without the prior written consent of Sponsor; or

(ix) Purchaser's listing the Unit for sale with any broker, placing or authorizing any listing in any broker's listing system or any other listing service or advertising, or otherwise offering, promoting or publicizing the availability of the Unit for sale without Sponsor's prior written consent, which consent may be withheld, conditioned, or delayed in Sponsor's sole and absolute discretion; or

(x) an Event of Default by Purchaser beyond any applicable grace period under a Purchase Agreement between Purchaser and Sponsor for another Unit at the Property.

12.2 **TIME IS OF THE ESSENCE** with respect to Purchaser's obligations to pay the Additional Down Payment, the Balance of the Purchase Price and to pay, perform or comply with Purchaser's other obligations under this Agreement. In the event a Purchaser defaults under the Purchase Agreement, TIME BEING OF THE ESSENCE with regard to the obligations of Purchaser thereunder, and Purchaser does not cure such default within thirty (30) days after Sponsor gives written notice to the Purchaser of such default, TIME BEING OF THE ESSENCE with regard to the obligation of Purchaser to cure within such 30 day period, Sponsor may, at its option, terminate the Purchase Agreement by notice of termination to Purchaser and, after serving a second 30-day escrow release notice on Purchaser, retain the Down Payment and all other sums deposited by the Purchaser, together with interest earned thereon, if any, as liquidated damages. Upon the termination of the Purchase Agreement, Purchaser and Sponsor will be released and discharged of all further liability and obligations thereunder and under the Plan, and the Unit may be sold to another as though the Purchase Agreement had never been made, and without any obligation to account to Purchaser for any of the

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

13. AGREEMENT SUBJECT TO PLAN BEING EFFECTIVE

The performance by Sponsor of its obligations under this Agreement is contingent upon the Plan having been declared effective in accordance with the terms and provisions of the Plan. The Plan may be withdrawn or abandoned by Sponsor only under certain conditions and at certain times, as set forth in the Plan. If the Plan is abandoned or if, after being declared effective, the Plan is not consummated for any reason and Purchaser is not in default under this Agreement beyond any applicable grace period, this Agreement shall be deemed cancelled and all Down Payments, together with any interest earned thereon, shall be returned to Purchaser within 30 days from the filing date of the amendment abandoning the Plan. Upon such return, neither party shall have any further rights, obligations or liability to or against the other and the parties shall be released and discharged from all obligations and liability under this Agreement and the Plan.

14. SPONSOR'S INABILITY TO CONVEY THE UNIT

If Sponsor is unable to deliver title to the Unit to Purchaser in accordance with the provisions of this Agreement and the Plan by reason of a defect in title, substantial damage or destruction of the Building by fire or other casualty, or the taking of any material portion of the Property by condemnation or eminent domain, Sponsor shall not be obligated to bring any action or proceeding or otherwise incur any cost or expense of any nature whatsoever in excess of its obligations set forth in the Plan in order to cure such inability. If Sponsor is not so obligated under the Plan and notifies Purchaser of its election or inability to cure such title defect, and if Purchaser is not in default hereunder, Purchaser's sole remedy shall be to either (a) take title to the Unit subject to such title defect (without any abatement in, or credit against, the Purchase Price, or any claim or right of action against Sponsor for damages or otherwise) or (b) terminate this Agreement. If Purchaser so elects to terminate this Agreement, Sponsor shall, within 30 days after receipt of notice of termination from Purchaser, return to Purchaser all Down Payments and all other sums deposited by Purchaser hereunder, together with interest earned thereon, if any. Upon making such payment, this Agreement shall be terminated and neither party hereto shall have any further rights, obligations or liability to or against the other under this Agreement or the Plan. The foregoing remedy must be exercised by notice of Purchaser in writing to Sponsor within 15 days after the giving of Sponsor's notice of election not to cure such inability, failing which it shall be conclusively deemed that Purchaser elected the remedy described in clause (a) above (i.e., to acquire title subject to such inability).

15. FIXTURES, APPLIANCES AND PERSONAL PROPERTY

Only those fixtures, appliances and items of personal property which are described in the Plan as being included in the Unit are included in this sale. No portion of the Purchase Price shall be attributable to such items.

16. CONSTRUCTION

16.1 The construction of the Building and the Unit, including the materials, equipment and fixtures to be installed therein, shall be substantially in accordance with the Plan and the Plans and Specifications,

subject to the right of Sponsor to amend the Plan and the Plans and Specification in order to substitute materials, equipment or fixtures of equal or better quality, provided that the approval of any governmental authorities having jurisdiction is first obtained (if required). The issuance of a FCO for the Building shall be deemed presumptive evidence that the Building and the Unit have been fully completed in accordance with the Plan and the Plans and Specifications. However, nothing herein contained shall excuse Sponsor from its obligation to correct any defects in construction in accordance with the conditions set forth in the Section of the Plan entitled "Rights and Obligations of Sponsor."

16.2 The construction of the Building and the Unit and the correction of any defects in the construction thereof to the extent required under the Plan are the sole responsibility of Sponsor. Purchaser acknowledges and agrees that Sponsor will not be liable for, and will have no obligation to correct, certain variations from the Plan and Plans and Specifications as indicated in the Section of the Plan entitled "Rights and Obligations of Sponsor" and will only be responsible to correct any construction defects to the extent, and on the terms and conditions, set forth in such Section.

16.3 The closing of title shall occur only after, or concurrently with, compliance with the prerequisites set forth under "Terms of Sale" in Part I of the Plan. As a result, if all such prerequisites are met, Purchaser shall be obligated to close and complete payment of the full Purchase Price (without provision for escrow), notwithstanding any construction items noted on Purchaser's Inspection Statement (as herein defined) remaining for Sponsor to complete and/or correct in accordance with its obligation under the Plan, and notwithstanding the incomplete construction and/or decoration of any other portions of the Building or the Unit.

16.4 The actual date for the First Unit Closing is not guaranteed or warranted, and may be earlier or later depending on the progress of construction and compliance with the other prerequisites recited in the Section of the Plan entitled "Terms of Sale." Purchaser acknowledges that construction may be delayed by late delivery of material or equipment, labor difficulties, unavailability of Building trades, casualty, inclement weather and other events beyond Sponsor's reasonable control. Purchaser further acknowledges that the Units in the Building will be completed at varying times over a period that could extend well beyond the First Unit Closing. The order in which these Units will be completed is in the discretion of Sponsor. Purchaser acknowledges that except as otherwise provided in the Plan, Purchaser shall not be excused from paying the full Purchase Price, without credit or set-off, and shall have no claim against Sponsor for damages or losses, in the event that the First Unit Closing occurs earlier or substantially later than the projected date or the time to complete or to close title to the Unit is delayed or is postponed by Sponsor.

17. INSPECTION OF THE UNIT

17.1 Upon receipt of the Closing Notice, Purchaser shall arrange an appointment with a representative of Sponsor to inspect the interior of the Unit within the 7 days prior to the Closing Date fixed by the Closing Notice. Purchaser or Purchaser's duly authorized agent shall attend such inspection and shall complete, date and sign the Inspection Statement and deliver same to Sponsor's representative at the conclusion of the inspection. Failure of Purchaser either to arrange such appointment or to inspect the interior of the Unit within 7 days prior to the Closing Date fixed by the Closing Notice or to so sign and deliver the completed Inspection Statement shall not excuse Purchaser from appearing at the Closing, paying the Balance of the Purchase Price when due and shall constitute Purchaser's full acceptance of the Unit as is. However, nothing herein shall relieve Sponsor of its obligations as set forth in the Section of the Plan entitled "Rights and Obligations of Sponsor."

17.2 Any work set forth on the Inspection Statement shall be completed by Sponsor as agreed in writing and shall not be grounds for delaying the Closing. Purchaser will be obligated to provide Sponsor and its contractors, subcontractors, agents and employees, unrestricted access to the Unit, upon 1 days' notice, and any Residential Limited Common Elements appurtenant thereto after Closing in order to complete the work on the Inspection Statement, failing which Sponsor shall be relieved of its obligations to complete the work set forth on the Inspection Statement. Sponsor has no obligation under the Plan to deposit any monies in escrow at Closing as a result of any work set forth on the Inspection Statement.

18. DAMAGE TO THE UNIT

If between the date of this Agreement and the Closing of Title the Unit is damaged by fire or other casualty, the following shall apply:

18.1 The risk of loss to the Unit by fire or other casualty until the earlier of Closing of Title or possession of the Unit by Purchaser is assumed by Sponsor; provided that Sponsor shall have no obligation or liability to repair or restore the Unit. If Sponsor elects to repair or restore the Unit (which election shall be made within 60 days of the damage to the Unit), this Agreement shall continue in full force and effect, Purchaser shall not have the right to reject title or receive a credit against, or abatement in, the Purchase Price and Sponsor shall be entitled to a reasonable period of time within which to complete the repair or restoration. Any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss shall, subject to the rights of the Condominium Board and other Unit Owners if the Declaration has theretofore been recorded, belong entirely to Sponsor and, if such proceeds are paid to Purchaser, Purchaser shall promptly upon receipt thereof turn them over to Sponsor. The provisions of the preceding sentence shall survive the Closing of Title.

18.2 In the event Sponsor notifies Purchaser that it does not elect to repair or restore the Unit (which election shall be made within 60 days of the damage to the Unit), or, if the Declaration has been recorded prior thereto, the Unit Owners do not resolve to make such repairs or restoration pursuant to the By-Laws, this Agreement shall be deemed cancelled and of no further force and effect and Sponsor shall return to Purchaser all Down Payments delivered pursuant to this Agreement, together with interest earned thereon, if any, and neither party hereto shall have any further rights, obligations or liability to or against the other hereunder or under the Plan, except that if Purchaser is then in default hereunder (beyond any applicable grace period), Sponsor shall retain all Down Payments and other such sums deposited by Purchaser hereunder, together with any interest earned thereon, as and for liquidated damages.

19. NO REPRESENTATIONS

Purchaser acknowledges that Purchaser has not relied upon any architect's plans, sales plans, selling brochures, advertisements, representations, warranties, statements or estimates of any nature whatsoever, whether written or oral, made by Sponsor, Selling Agent or otherwise, including, but not limited to, any relating to the description or physical condition of the Property, the Building or the Unit, or the size or the dimensions of the Unit or the rooms therein contained or any other physical characteristics thereof, the services to be provided to Unit Owners, the estimated Common Charges allocable to the Unit, the estimated real estate taxes on the Unit, the right to any income tax deduction for any real estate taxes or mortgage interest paid by Purchaser, the right to any income tax credit with respect to the purchase of the Unit, or any other data, except as herein or in the Plan specifically represented. Purchaser has relied solely on Purchaser's own judgment and investigation in deciding to enter into this Agreement and purchase the Unit. No person has been authorized to make any representations on behalf of Sponsor except as herein or in the Plan specifically set forth. No oral representations or statements shall be considered a part of this Agreement. Sponsor does not make any representation as to the work, materials, appliances, equipment or fixtures in the Unit, the Common Elements or any other part of the Property other than as set forth herein or in the Plan. Except as otherwise set forth in the Plan, Purchaser agrees (a) to purchase the Unit, without offset or any claim against, or liability of, Sponsor, whether or not any layout or dimension of the Unit or any part thereof, or of the Common Elements, as shown on the Floor Plans is accurate or correct, and (b) that Purchaser shall not be relieved of any Purchaser's obligations hereunder by reason of any immaterial or insubstantial inaccuracy or error. The provisions of this Article shall survive the Closing of Title.

20. PROHIBITION AGAINST ADVERTISING

Purchaser is prohibited under this Agreement for a period of twelve (12) months from the Closing of Tile to Unit, from taking any of the following actions without Sponsor's prior written consent (provided Sponsor no longer owns any Residential Units), which consent may be withheld, conditioned, or delayed, in

Sponsor's sole and absolute discretion: (i) listing the Residential Unit for sale with any broker or placing or authorizing any listing in any broker's listing system or other listing service or from advertising or otherwise offering, promoting or publicizing the availability of the Residential Unit for sale for 12 months after Closing, without Sponsor's prior written consent, which consent may be withheld or delayed, in Sponsor's sole and absolute discretion; or (ii) entering into a contract or other agreement for the sale of the Residential Unit or reselling the Residential Unit prior to the first anniversary of the Closing of the Sponsor's Sale, except to such Residential Unit Owner' s Family Member(s), or a trust for the benefit of such Family Member(s) or to an entity or individual that owns more than 50% of the legal and beneficial interest of such Residential Unit Owner or to an entity with respect to which such Residential Unit Owner (individual or otherwise) owns more than 50% of the legal and beneficial interest thereof, or to a Permitted Mortgagee or its nominee, who has acquired title to any Residential Unit at a foreclosure sale of its Permitted Mortgage or by deed in lieu thereof delivered in a bona fide transaction. Any such action by Purchaser shall be a default by Purchaser, entitling Sponsor to the default remedies set forth in this Agreement. The provisions of this Article shall survive the Closing of Title.

21. BROKER

Purchaser represents to Sponsor that Purchaser has not dealt with any broker in connection with this transaction other than the Selling Agent and the Co-Broker, if any, named in this Agreement, whose commissions shall be paid by Sponsor. Purchaser shall pay the commission of any broker with whom Purchaser may have dealt, other than the Selling Agent and the Co-Broker. Purchaser agrees that, should any claim be made against Sponsor for commissions by any broker, other than the Selling Agent or the Co-Broker, on account of any acts of Purchaser or Purchaser's representatives, Purchaser will indemnify and hold Sponsor free and harmless from and against any and all liabilities and expenses in connection therewith, including legal fees. The provisions of this Article shall survive the Closing of Title.

22. AGREEMENT MAY NOT BE ASSIGNED

Purchaser does not have the right to assign this Agreement without the prior written consent of Sponsor, in its sole discretion. Any purported assignment by Purchaser in violation of this Agreement will be voidable at the option of Sponsor. Sponsor's refusal to consent to an assignment will not entitle Purchaser to cancel this Agreement or give rise to any claim for damages against Sponsor. If Sponsor, in its sole discretion, consents to a Purchaser's request for an assignment of this Agreement, or for the addition, deletion or substitution of names on this Agreement, then Purchaser shall have such right, provided that (i) Purchaser designates such assignee at least 10 business days prior to the Closing Date; (ii) Purchaser delivers to Attorney for Sponsor the fee set forth in the Plan for its services required in connection with the preparation of the assignment and assumption agreement; (iii) the Closing is not delayed as a result of such assignment, (iv) the assignee of this Agreement assumes in writing, by an instrument prepared by Attorney for Sponsor, the obligations of Purchaser under this Agreement and (v) the assignment is made without consideration. Any purported assignment by Purchaser in violation of this Agreement shall be a default by Purchaser, entitling Sponsor to the default remedies set forth in this Agreement, and shall be voidable at the option of Sponsor.

23. BINDING EFFECT

The submission of this Agreement to Purchaser does not create a binding obligation on the part of Sponsor. This Agreement shall not be binding on Sponsor until a fully executed counterpart hereof has been delivered to Purchaser or Attorney for Purchaser. If this Agreement is not accepted within 30 days from the delivery to Sponsor of this Agreement executed by Purchaser together with the Initial Down Payment by the delivery to Purchaser of a fully executed counterpart, this Agreement shall be deemed rejected and cancelled and all Down Payments shall be returned to Purchaser within 30 days thereafter. Upon such refund being made, neither party shall have any further rights, obligations liability to or against the other hereunder or under the Plan. Prior to Sponsor's countersigning and returning this Agreement to Purchaser, and at any time thereafter, Purchaser agrees upon request to provide Sponsor with written information about Purchaser's

employment, financial and rental/ownership history. Such information obtained prior to countersignature may be used to determine Purchaser's qualification to purchase and own the Unit, but does not constitute a reservation or binding obligation on either the applicant or Sponsor. Sponsor has the right, without incurring any liability, to reject this Agreement without cause or explanation to Purchaser. This Agreement may not be rejected due to Purchaser's race, creed, color, sex, sexual orientation, disability, marital status, age, ancestry, national origin or other ground proscribed by Law.

24. NOTICES

24.1 Any notice, election, demand, request, letter, consent or other communication hereunder or under the Plan shall be in writing and either delivered in person, or sent, postage prepaid, by regular or certified mail return receipt requested or by Federal Express or other reputable overnight courier to Purchaser or Sponsor, with a copy by electronic mail to Attorney for Sponsor or Attorney for Purchaser, as the case may be, at the address given at the beginning of this Agreement. Either party may hereafter designate to the other in writing a change in the address to which notices are to be sent. Except as otherwise expressly provided herein, a notice shall be deemed given on the date when personally delivered, when delivered to the overnight courier, or in the case of mailing, on the date mailed in a prepaid sealed wrapper, except that the date of actual receipt shall be deemed to be the date of the giving of any notice of change of address. Notwithstanding anything to the contrary, notices regarding Closing costs or ministerial matters, may be made by facsimile, electronic mail or telephone to each party's attorneys. Notwithstanding anything to the contrary, notices regarding the scheduling or rescheduling of closings and inspections may be made by telephone. Any notice either of the parties hereto receives from the other party's attorneys shall be deemed to be notice from such party itself.

24.2 Sponsor hereby designates and empowers both the Selling Agent and Attorney for Sponsor, as Sponsor's agents to give any notice to Purchaser under this Agreement (including, without limitation, a notice of default) in Sponsor's name, which notice so given shall have the same force and effect as if given by Sponsor itself.

24.3 Purchaser hereby designates and empowers Attorney for Purchaser, as Purchaser's agent to give any notice to Sponsor under this Agreement in Purchaser's name, which notice so given shall have the same force and effect as if given by Purchaser.

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 be excused from performing any obligation or undertaking provided for in this Agreement for so long as such performance is prevented, delayed or hindered by an act of God, weather, fire, flood, explosion, war, riot, sabotage, epidemics, quarantine, acts of terrorism, freight embargos, inability to procure or general shortage of energy, labor, equipment, facilities, materials or supplies in the open market, failure of transportation, governmental restrictions, preemptions or approvals, strike, lockout, action of labor unions, or any other cause (whether similar or dissimilar to the foregoing) not within the control of Sponsor. Sponsor's time to perform such obligations or undertaking shall be tolled for the length of the period during which such performance was excused.

27. 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.

28. AGREEMENT NOT CONTINGENT UPON FINANCING

The terms and provisions of this Agreement and Purchaser's obligations hereunder are not contingent upon Purchaser securing financing of the Purchase Price (or any portion thereof), and Purchaser understands and agrees that Purchaser's failure to obtain such financing will not relieve Purchaser of Purchaser's obligations hereunder. Purchaser further understands and agrees that if Purchaser chooses to finance the purchase of the Unit through a lending institution and obtain a commitment therefrom, neither a subsequent change in the terms of such commitment, the expiration or other termination of such commitment, the imposition by the lender of any additional fees or charges, nor any change in Purchaser's financial status or condition shall release or relieve Purchaser of Purchaser's obligations pursuant to this Agreement and Sponsor shall have no liability as a result of any scheduling or adjournment of the Closing beyond the expiration of the loan commitment. When requested, Purchaser must provide the Selling Agent with necessary authorization for the Selling Agent to conduct a credit and asset check of the Purchaser.

29. COSTS OF ENFORCING AND DEFENDING AGREEMENT

Purchaser shall be obligated to reimburse Sponsor for any legal fees and disbursements incurred by Sponsor in defending or enforcing Sponsor's rights under this Agreement in the event Sponsor prevails in defending or enforcing Sponsor's rights under this Agreement or in the event of an Event of Default or if Purchaser defaults under this Agreement beyond any applicable grace period, in canceling this Agreement or otherwise defending or enforcing Purchaser's obligations hereunder. In the event Purchaser prevails in defending Purchaser's rights under this Agreement, each party shall pay its own legal fees and disbursements. The provisions of this Section 29 shall survive the Closing of Title or earlier termination of this Agreement.

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 either party to insist upon the strict performance by the other of any of the provisions of this Agreement shall not be deemed a waiver of any of the provisions hereof, and each party, notwithstanding any such failure, shall have the right thereafter to insist upon the strict performance by the other party of any and all of the provisions of this Agreement to be performed by such party.

32. WAIVER OF JURY

Except as prohibited by law, the parties shall, and they hereby do, expressly waive trial by jury in any litigation arising out of, or connected with, or relating to, this Agreement or the relationship created hereby or in the Plan. With respect to any matter for which a jury trial cannot be waived, the parties agree not to assert any such claim as a counterclaim in, nor move to consolidate such claim with, any action or proceeding in which a jury trial is waived.

33. ENTIRE AGREEMENT

This Agreement, together with the Plan, supersedes any and all understandings and agreements between the parties and constitutes the entire agreement between them with respect to the subject matter hereof.

34. CERTAIN REFERENCES

A reference in this Agreement to any one gender, masculine, feminine or neuter, includes the other two, and the singular includes the plural, and vice versa, unless the context otherwise requires. The terms "herein," "hereof" or "hereunder" or similar terms used in this Agreement refer to this entire Agreement and not to the particular provision in which the term is used, unless the context otherwise requires. Unless otherwise stated, all references herein to Articles, Sections, subsections or other provisions are references to Articles, Sections, subsections or other provisions of this Agreement.

35. CAPTIONS

The captions in this Agreement are for convenience of reference only and in no way define, limit or describe the scope of this Agreement or the intent of any provision hereof.

36. SUCCESSORS AND ASSIGNS

The provisions of this Agreement shall bind and enure to the benefit of Purchaser and Purchaser's heirs, legal representatives, successors and permitted assigns and shall bind and enure to the benefit of Sponsor and its successors and assigns.

37. CONFIDENTIALITY

Sponsor and Purchaser hereby acknowledge and agree to keep all of the terms and conditions of this Agreement confidential, except that Sponsor shall be permitted to disclose that a Purchase Agreement has been executed for the Unit and the purchase price thereunder, but not the identity of Purchaser or its principal. Sponsor and Purchaser agree that any information which is required to be disclosed to the parties' respective lawyers, brokers, architects/engineers, accountants, lenders, Escrow Bank and individuals who "need to know" or governmental agencies shall not be deemed to be a breach by Sponsor or Purchaser of the parties undertaking of confidentiality contained in this Agreement. Any failure by Purchaser to keep the terms and conditions of this Agreement confidential shall be a default by Purchaser, entitling Sponsor to the default remedies set forth in this Agreement.

38. LETTER OF CREDIT IT LIEU OF DOWN PAYMENTS IN ESCROW

Purchaser acknowledges and agrees that Sponsor has the right, in its sole discretion, to elect to withdraw the Down Payments and secure it with an unconditional irrevocable letter of credit, a surety bond from an institutional lender or recognized bonding company acceptable to the Department of Law, or an alternative type of security, as more fully set forth in the Plan and Purchaser hereby consents to such withdrawal of funds from escrow.

39. NO ORAL CHANGES

This Agreement cannot be changed or terminated orally. Any changes or additional provisions must be set forth in a rider attached hereto or in a separate written agreement signed by the parties hereto or by an amendment to the Plan.

40. PERFORMANCE

Where this Agreement by its terms requires the payment of money or the performance of a condition on a Saturday, Sunday or public holiday, such payment may be made or condition performed on the next business day succeeding such Saturday, Sunday or such public holiday, with the same force and effect as if made or performed in accordance with the terms of this Agreement.

41. COUNTERPARTS

This Agreement may be executed in any number of original, email, pdf or facsimile counterparts. Each such counterpart shall for all purposes be deemed an original. All such counterparts shall together constitute but one and the same Agreement.

42. GOVERNING LAW/JURISDICTION AND VENUE/AGENT FOR SERVICE OF PROCESS

42.1 This Agreement was negotiated in the State of New York and the Unit to be conveyed pursuant hereto is located in the State of New York, which State the parties agree has a substantial relationship to the parties and to the underlying transaction embodied hereby, and in all respects, including matters of construction, validity and performance, this Agreement and the obligations arising hereunder shall be governed by, and construed in accordance with, the laws of the State of New York applicable to contracts made and performed in such State and any applicable law of the United States of America. Purchaser hereby unconditionally and irrevocably waives any claim to assert that the law of any other jurisdiction governs this Agreement and this Agreement shall be governed by and construed in accordance with the laws of the State of New York.

42.2 Any legal suit, action or proceeding against Sponsor or Purchaser arising out of or relating to this Agreement shall be instituted in any federal or state court in New York County, New York and Purchaser waives any objection which it may now or hereafter have to the laying of venue of any such suit, action or proceeding, and Purchaser hereby irrevocably submits to the jurisdiction of any such court in any suit, action or proceeding. Purchaser does hereby designate and appoint Attorney for Purchaser as its authorized agent to accept and acknowledge on its behalf service of any and all process which may be served in any such suit, action or proceeding in any federal or state court in New York, New York, and agrees that service of process upon said agent at said address and written notice of said service of Purchaser mailed or delivered to Purchaser in the manner provided herein shall be deemed in every respect effective service of process upon Purchaser (unless local law requires another method of service), in any such suit, action or proceeding in the State of New York. Purchaser (i) shall give prompt notice to Seller of any changed address of its authorized agent hereunder, (ii) may at any time and from time to time designate a substitute authorized agent with an office in New York, New York (which office shall be designated as the address for service of process), and (iii) shall promptly designate such a substitute if its authorized agent ceases to have an office in New York, New York or is dissolved without leaving a successor.

43. WAIVER OF DIPLOMATIC OR SOVEREIGN IMMUNITY.

43.1 The provisions of this Article shall survive the Closing of Title or the termination of this Agreement for the purpose of any suit, action, or proceeding arising directly or indirectly, out of or relating to this Agreement or the Condominium Documents.

43.2 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.

43.3 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.

44. PURCHASER'S REPRESENTATIONS

44.1 Purchaser is not now, nor shall be at any time prior to or at the Closing, 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 or lists published by the Office of Foreign Assets Control, Department of the Treasury ("OFAC). Neither Purchaser nor any Person who owns an interest in Purchaser is now nor shall be at any time prior to or at the Closing, a Person with whom a U.S. Person, including "financial institution" as defined in 31 U.S.C. 5312 (a) (z), as periodically amended, is prohibited from transacting business of the type contemplated by this Agreement, whether such prohibition arises under United States law, regulation, executive orders and lists published by OFAC or otherwise.

44.2 Purchaser has taken, and shall continue to take until the Closing, such measures as are required by applicable law to assure that the funds used to pay to Sponsor for the Purchase Price are derived: (i) from transactions that do not violate United States law nor, to the extent such funds originate outside the United States, do not violate the laws of the jurisdiction in which they originated; and (ii) from permissible sources under United States law and to the extent such funds originate outside the United States, under the laws of the jurisdiction in which they originated. Purchaser is, and will at Closing be, in compliance with any and all applicable provisions of the USA PATRIOT Act of 2001, Pub. L. No. 107-56, the Bank Secrecy Act of 1970, as amended, 31 U.S.C. Section 5311 et. seq., the Trading with the Enemy Act, 50 U.S.C. App. Section 1 et. seq., the International Emergency Economic Powers Act, 50 U.S.C. Section 1701 et. seq., and the sanction regulations promulgated pursuant thereto by the OFAC, as well as laws relating to prevention and detection of money laundering in 18 U.S.C. Sections 1956 and 1957.

44.3 The Director of the Financial Crimes Enforcement Network ("FinCEN") of the U.S. Department of the Treasury issued a Geographic Targeting Order (the "GTO") effective March 1, 2016. The GTO requires title insurance companies to collect and report information regarding the persons involved in residential real estate transactions where: (i) the purchaser is a legal entity as defined in the GTO; (ii) the purchaser purchases residential real property located in the Boroughs of Brooklyn, Queens, Bronx, Manhattan or Staten Island; (iii) the total purchase price of the property is $300,000.00 or more; (iv) such purchase is made without a bank loan or other similar form of external financing; and (iv) the purchase is made at least in part, using currency or a cashier's check, a certified check, a traveler's check, a personal check, a business check, a money order in any form, a fund's transfer, or virtual currency ("Covered Transaction"). The GTO affects all residential real property closings occurring on or after September 22, 2017 until the expiration of the Order (currently, May 15, 2019), which date is subject to change by FinCEN. The GTO requires title insurance companies to collect and report information about the persons involved in certain residential real estate transactions. Although the terms of the extended GTO are confidential, Purchaser shall comply in all respects with Purchaser's title insurance company's request(s) for information pursuant to the GTO, at Purchaser's sole cost and expense. Purchaser's failure to comply with such requests or to otherwise comply with the GTO shall not relieve Purchaser of Purchaser's obligation to Close Title to the Unit on the scheduled Closing Date. A copy of the GTO can be found at https://www.fincen.gov/news/news-releases/fincen-reissues-real-estate-geographic-targeting-orders-and-expands-coverage-12. In the event the GTO is amended at any time prior to

and including the Closing Date to define a "Covered Transaction" as one in which the purchase price is less than $300,000.00, the foregoing obligation of Purchaser shall apply and this Purchase Agreement shall be deemed amended to require Purchaser to comply with such amended GTO in all respects.

44.4 The provisions of this Section shall survive the Closing of Title to the Unit or the earlier termination of this Agreement.

45. BUILDING SMOKING POLICY

All residential unit owners are prohibited from smoking in or around any of the common elements, and within 15 feet of any building entrance. smoking in violation of this rule shall be deemed to constitute a nuisance pursuant to the by-laws. the term "smoke" or "smoking" shall include carrying, burning, or otherwise handling or controlling any lit or smoldering product containing tobacco or other flammable substance, including, but not limited to, cigarettes, cigars, or pipes.

46. CERTIFICATION OF SPONSOR AND PRINCIPALS

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

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

PURCHASER(S):

_____
(signature)

_____
(signature)

SPONSOR:

1562/1564 Second Realty LLC

By:_____

SCHEDULE A

PERMITTED ENCUMBRANCES

1. Building restrictions and zoning and other regulations, resolutions and ordinances and any amendments thereto now or hereafter adopted.

2. Any state of facts which an accurate survey or personal inspection of the Property would show, provided such state of facts would not render title uninsurable without additional premium to Purchaser and would not prevent the use of the Unit for dwelling purposes.

3. The terms, burdens, covenants, restrictions, conditions, easements and Residential Rules and Regulations, all as set forth in the Declaration, the By-Laws (and the Residential Rules and Regulations made thereunder), the Power of Attorney from the Purchaser to the Condominium Board, and the Floor Plans as all of the same may be amended from time to time.

4. Consents by Sponsor or any former owner of the Land for the erection of any structure or structures on, under or above any street or streets on which the Property may abut.

5. Any easement or right of use in favor of any utility company for construction, use, maintenance or repair of utility lines, wires, terminal boxes, mains, pipes, cables, conduits, poles and other equipment and facilities on, under and across the Property.

6. Revocability of licenses for vault space, if any, under the sidewalks and streets.

7. Any easement or right of use required by Sponsor or its designee to obtain a temporary, permanent or amended Certificate of Occupancy for the Building or any part of same.

8. Encroachments of stoops, areas, cellar steps or doors, trim, copings, retaining walls, bay windows, balconies, sidewalk elevators, fences, fire escapes, cornices, foundations, footings and similar projections, if any, on, over, or under the Property or the streets or sidewalks abutting the Property, and the rights of governmental authorities to require the removal of any such projections and variations.

9. Leases and service, maintenance, employment, concessionaire and Storage Locker Licenses, if any, of other Units or portions of the Common Elements.

10. The lien of any unpaid Common Charge, real estate tax, water charge or sewer rent, or vault charge, provided the same are adjusted at the Closing of Title.

11. The lien of any unpaid assessment payable in installments (other than assessments levied by the Condominium Board), except that Sponsor shall pay all such assessments due prior to the Closing Date (with the then current installment to be apportioned as of the Closing Date) and the Purchaser shall pay all assessments due from and after the Closing Date.

12. Any declaration or other instrument affecting the Property which Sponsor deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the demolition, construction, alteration, repair or restoration of the Building.

13. Party Wall Agreement recorded in Liber 1210 Cp 284.

14. Declaration of Zoning Lot Restrictions recorded in CRFN 2014000396053.

15. Zoning Lot Development and Easement Agreement recorded in CRFN 2014000396054.

16. Waiver of Declaration of Zoning Lot Restrictions and Consent and Subordination to Zoning Lot Development and Easement Agreement recorded in CRFN 2014000396051.

17. Waiver of Declaration of Zoning Lot Restrictions and Consent and Subordination to Zoning Lot Development and Easement Agreement recorded in CRFN 2014000396052.

18. Tenant-in-common agreement recorded in CRFN 2013000471116.

19. Declaration of Zoning Lot Restrictions recorded in CRFN 2013000510348.

20. Zoning Lot Development and Easement Agreement recorded in CRFN 2013000510349.

21. Waiver of Declaration of Zoning Lot Restrictions and Consent and Subordination to Zoning Lot Development and Easement Agreement recorded in CRFN 2013000510347.

22. Declaration of Zoning Lot Restrictions recorded in CRFN 2014000028366.

23. Zoning Lot Development and Easement Agreement recorded in CRFN 2014000028367.

24. Waiver of Declaration of Zoning Lot Restrictions and Consent and Subordination to Zoning Lot Development and Easement Agreement recorded in CRFN 2014000028365.

25. Declaration of Zoning Lot Restrictions recorded in CRFN 2014000040659.

26. Zoning Lot Development and Easement Agreement recorded in CRFN 2014000040660.

27. Covenants and Restrictions recorded in Liber 1223 Cp 649.

28. Covenants and Restrictions recorded in Liber 1273 Cp 75.

29. Amended and Restated Subordination and Intercreditor Agreement, recorded as CRFN 201600040702.

30. Any violation against the Property (other than the Unit) which is the obligation of the Condominium Board, or another Unit Owner to correct.

31. Standard printed exceptions contained in the form of fee title insurance policy then issued by the Title Company.

32. Any TCO or FCO for the Building, so long as the same permits, or does not prohibit, use of the Unit for its stated purposes.

33. Any encumbrance as to which the Title Company (or such other New York State Land Title Association member title insurance company which insures the Purchaser's title to the Unit) would be willing, in a fee policy issued by it to the Purchaser, to insure the Purchaser that such encumbrance (a) will not be collected out of the Unit if it is a lien or (b) will not be enforced against the Unit if it is not a lien.

34. Any other encumbrance, covenant, easement, agreement, or restriction against the Property other than a mortgage or other lien for the payment of money, which does not prevent the use of the Unit for dwelling purposes.

35. Any encumbrance, covenant, easement, agreement, or restriction against the Property set forth in the form of Unit Owner's Specimen Title Policy prepared by the Title Company set forth in Part II of the Plan, as the same may be updated from time to time prior to the Closing.

SCHEDULE B

RIDER TO PURCHASE AGREEMENT RE: ESCROW PROVISIONS

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

Re: Residential Unit No: _____ ("Unit")
The 301 East 81st Street Condominium
301 East 81st Street
New York, NY 10075 ("Condominium")

1. ESCROW AND TRUST FUND REQUIREMENTS

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

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

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

All Down Payments made by Purchasers prior to the Closing of each individual transaction will be placed in a segregated special escrow account of Seiden & Schein, P.C., the escrow agent ("Escrow Agent"), whose address is 570 Lexington Avenue, 14th Floor, New York, New York 10022 and whose telephone number is (212) 935-1400. As of the date of this Rider, the attorneys who are signatories on these accounts authorized to withdraw funds, acting singly, are: Jay G. Seiden, Esq., Alvin Schein, Esq. and Adam A. Levenson, Esq. ("Authorized Signatories"). All Authorized Signatories are admitted to practice law in the State of New York. Neither the Escrow Agent nor any Authorized Signatory is the Sponsor, Selling Agent, Managing Agent, or any principal thereof, or have any beneficial interest in any of the foregoing.

Escrow Agent has established an escrow account entitled "Seiden & Schein, P.C., Escrow Account" ("Escrow Account") at Signature Bank, located at 200 Park Avenue South, Suite 501, New York, New York 10003 ("Escrow Bank"). Escrow Bank is authorized to do business in the State of New York.

All instruments to be deposited into the Escrow Account shall be made payable directly to the order of "Seiden & Schein, P.C., as Escrow Agent" or wired directly to the Escrow Account maintained by Escrow Agent pursuant to the Plan, as applicable, and shall be accepted subject to collection. Endorsed instruments will not be accepted. All checks must be drawn on or issued by a bank or trust company which is a member of the New York Clearinghouse Association. A return of any check delivered in payment of the Initial Down Payment, for insufficient funds or for any other reason, shall constitute a non-curable default under

the Purchase Agreement, rendering the Purchase Agreement void *ab initio* and of no further force or effect, in which event Purchaser and Sponsor shall each be released and discharged of all further liability and obligations under the Purchase Agreement and the Plan and the Unit may be sold to another as though the Purchase Agreement had never been made. A return of any check delivered in payment of the Additional Down Payment, for insufficient funds or for any other reason, shall constitute a default under the Purchase Agreement, entitling Sponsor, at its option, to exercise the remedies provided therefor under the Purchase Agreement. With respect to wire transferred funds, any wiring fees charged by the initiating and/or receiving bank shall be paid by Purchaser.

Down Payments will be placed in the Escrow Account within 5 business days of proper delivery to Escrow Agent.

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

Nothing contained herein shall diminish or impair Sponsor's statutory obligation to each Purchaser pursuant to GBL Section 352-h to hold in trust all deposits, advances or payments made in connection with the offer until Consummation of the transaction with the Purchaser. Consummation of the Plan does not relieve Sponsor of its obligations pursuant to GBL Section 352-h. All Down Payments are and shall continue to be the Purchaser's money, and may not be commingled with any other money or pledged or hypothecated by Sponsor, until such time as Sponsor is entitled to the Down Payments as per GBL § 352-h and GBL §352-e (2-b). Such funds shall not be part of the estate of Sponsor or Escrow Agent upon any bankruptcy, incapacity or death.

Notwithstanding the foregoing, Sponsor reserves the right to amend the Plan to permit Sponsor to utilize Down Payments after Sponsor secures such Down Payments by placing in escrow with Escrow Agent an unconditional irrevocable letter of credit, a surety bond from an institutional lender or recognized bonding company acceptable to the DOL, or an alternative type of security. If Sponsor makes an application to the Department of Law to withdraw the Down Payments from escrow, and secure such Down Payments with an unconditional irrevocable letter of credit, a surety bond from an institutional lender or recognized bonding company acceptable to the DOL, or an alternative type of security, and such application is approved by the Department of Law, following such withdrawal, no interest will be earned on such Down Payments.

The sub-escrow account number and the initial interest rate, if any, will be disclosed to each Purchaser, as appropriate, in a letter from Escrow Agent to each Purchaser sent within 10 business days after the delivery of the Initial Down Payment. If Purchaser does not receive notice that the Initial Down Payment has been placed in the Escrow Account within 15 business days after delivery of the Initial Down Payment, Purchaser may cancel the Purchase and rescind the Purchase Agreement so long as the right to rescind is exercised within 90 days after delivery or crediting of the Initial Down Payment by notice delivered to Sponsor and to Escrow Agent. Complaints concerning the failure to honor such cancellation requests may be referred to the New York State Department of Law, Real Estate Finance Bureau, 28 Liberty Street, New York, New York 10005. Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Initial Down Payment was timely deposited and requisite notice was timely mailed to Purchaser in

conformity with the Attorney General's regulations. However, Escrow Agent will not be required to send the aforementioned letter to any Purchaser in connection with any subsequent Down Payments delivered by Purchaser after the Initial Down Payment, including, without limitation, the Additional Down Payment or any funds in connection with any changes in the interest rate.

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

Under current Law, the sub-accounts at the Escrow Bank are insured by the Federal Deposit Insurance Corporation ("FDIC") to a maximum of $250,000 per individual Down Payment. The following are SPECIAL RISKS of this offer: (i) if a Purchaser makes a Down Payment in excess of $250,000 such Down Payment will not be FDIC insured in excess of $250,000; and (ii) if a Purchaser has other accounts at the Escrow Bank and the aggregate of the deposits in such account(s) and the Down Payment(s) exceeds $250,000, the amount that exceeds $250,000 may not be FDIC insured, and (iii) while the Down Payment is in the non-interest bearing portion of the Escrow Account, the Down Payment may not be fully FDIC insured even if the Down Payment does not exceed $250,000. No representation is made with respect to any further changes in Law which may increase or decrease such limit.

All Down Payments delivered subsequent to the Initial Down Payment, including, without limitation, the Additional Down Payment, may be delivered by Purchaser to Sponsor or Selling Agent by either personal delivery, delivery by messenger or courier service or mailed by certified mail, return receipt requested, overnight courier or express mail service. Such Down Payments shall be deemed delivered by Purchaser on the date it is actually received by Sponsor or Selling Agent.

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

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

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

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

Under no circumstances shall Sponsor seek the release of the Down Payments of a defaulting Purchaser until after Consummation of the Plan (as such term is defined in the Attorney General's regulations). Consummation of the Plan does not relieve Sponsor of its obligations pursuant to General Business Law Section 352-h and Section 325(e) (2-b).

Escrow Agent shall release the Down Payments if so directed:

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

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

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

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

Sponsor will not object to the release of the Down Payments to:

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

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

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

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

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

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

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

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

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

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

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

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

2. DEFINITIONS

All capitalized terms used in this Rider not defined herein shall have the same meanings ascribed to them in the Purchase Agreement to which this Rider is annexed or in the Plan.

3. CONFLICTS

In the event of any inconsistency between the provisions of this Rider and those contained in the Purchase Agreement to which this Rider is annexed, the provisions of this Rider shall govern and be binding.

4. FULL FORCE AND EFFECT

Except as set forth in this Rider, all of the terms and conditions of the Purchase Agreement remain unchanged and in full force and effect.

5. COUNTERPARTS

This Rider may be executed in any number of original, e-mail, pdf or facsimile counterparts. Each such counterpart shall for all purposes be deemed an original. All such counterparts shall together constitute but one and the same Rider.

PURCHASER(S):

_____
(signature)

_____
(signature)

SPONSOR:

1562/1564 Second Realty LLC

By:_____

ESCROW AGENT:

Executed solely in connection with the provisions set forth in this Escrow Rider.

SEIDEN & SCHEIN, P.C.

By: _____
Name:
Title:

RIDER TO PURCHASE AGREEMENT

RE: STORAGE LOCKER

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

Re: Residential Unit No:_____("Unit")
The 301 East 81st Street Condominium
301 East 81st Street
New York, NY 10075 ("Condominium")

1. STORAGE LOCKER LICENSE

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

1.2 The Purchase Price is payable as follows:

(a) $_____, ("Initial Down Payment"), due upon Purchaser's signing and delivering this Agreement;

(b) $_____, ("Additional Down Payment"), due upon the earlier to occur of (i) 6 months after the execution date of this Agreement or (ii) 15 days after the Presentation Date of an amendment declaring the Plan effective;

(c) $_____, ("Balance of the Purchase Price"), due upon the delivery of the deed to the Unit; and

(d) If Purchaser is signing this Agreement after the Plan is declared effective, the Initial Down Payment and Additional Down Payment shall be due upon Purchaser's signing this Agreement.

2. RE-DESIGNATION OF STORAGE LOCKER

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

3. TEMPORARY CERTIFICATE OF OCCUPANCY

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

4. DAMAGE TO THE STORAGE LOCKER AREA

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

of the Purchase Price of the Unit shall be reduced by the amount of the Down Payments paid pursuant to the terms of this Rider.

5. SPONSOR'S RESERVATION OF RIGHTS; PURCHASER'S ACKNOWLEDGMENT

Until such time as Sponsor has entered into Purchase Agreements with respect to the sale of all Storage Lockers, Sponsor reserves the right to withdraw the offering of Storage Lockers and/or to reduce the number of Storage Lockers offered for sale After such time that Sponsor has entered into Purchase Agreements with respect to the sale of all Storage Lockers, Sponsor may withdraw or reduce the offering of Storage Lockers by amendment to the Plan, and Sponsor shall have the right to utilize such Storage Locker Area for any use as determined by Sponsor in its sole discretion. In the event of such withdrawal or reduction, Purchaser shall not be relieved of any of Purchaser's obligations under the Purchase Agreement to which this Rider is annexed as a result of such withdrawal or reduction, including, without limitation, the obligation to purchase the Residential Unit, except that Sponsor shall direct Escrow Agent to return to Purchaser the Down Payment(s) paid by Purchaser with respect to the Storage Locker License, together with any interest accrued thereon. Purchaser agrees to the foregoing and acknowledges that Purchaser has not agreed to purchase the Unit in reliance on the use or availability of any Storage Locker. Sponsor does not make any representation of the availability of any particular Storage Locker.

6. DEFINITIONS

All capitalized terms used in this Rider not defined herein shall have the same meanings ascribed to them in the Purchase Agreement to which this Rider is annexed or in the Plan.

7. CONFLICTS

In the event of any inconsistency between the provisions of this Rider and those contained in the Purchase Agreement to which this Rider is annexed, the provisions of this Rider shall govern and be binding.

8. FULL FORCE AND EFFECT

Except as set forth in this Rider, all of the terms and conditions of the Purchase Agreement remain unchanged and in full force and effect.

PURCHASER(S):

_____
(signature)

_____
(signature)

SPONSOR:

1562/1564 Second Realty LLC

By:_____

RESIDENTIAL UNIT DEED

RESIDENTIAL UNIT DEED

THIS INDENTURE, made the ____ day of _____, ____, between 1562/1564 Second Realty LLC, having an office at 419 Lafayette Street, 5th Floor, New York, New York 10019 ("Grantor") and _____ having an address at _____ ("Grantee").

W I T N E S S E T H :

That the Grantor, in consideration of Ten and 00/100 ($10.00) Dollars and other good and valuable consideration paid by the Grantee, does hereby grant and release unto the Grantee, the heirs or successors and assigns of the Grantee, forever:

The Condominium Unit ("Unit") known as Residential Unit No. ____ in the building ("Building") known as The 301 East 81st Street Condominium ("Condominium") and by the street number 301 East 81st Street, Borough of Manhattan, County of New York, City and State of New York, said Unit being designated and described by the above Unit number in a certain declaration dated _____, made by Grantor pursuant to Article 9-B of the Real Property Law of the State of New York ("Condominium Act") establishing a plan for condominium ownership of the Building and the land ("Land") upon which the Building is situate (which Land is more particularly described in Exhibit A annexed hereto and by this reference made a part hereof), which declaration was recorded in the Office of the Register of The City of New York of the County of New York ("Register's Office") on _____, as CRFN# _____ ("Declaration"). The Unit is also designated as Tax Lot ____ in Block 1543 of the Borough of Manhattan on the Tax Map of the Division of Land Records of The City of New York and on the Floor Plans of the Building, certified by SLCE Architects on_____, and filed with the Department of Finance of The City of New York on _____, as Condominium Plan No. _____ and also filed in the Register's Office on _____, as CRFN #_____.;

TOGETHER with an undivided _____% interest in the Common Elements (as such term is defined in the Declaration);

TOGETHER with the appurtenances and all the estate and rights of the Grantor in and to the Unit;

TOGETHER with, and subject to, the rights, obligations, easements, restrictions and other provisions set forth in the Declaration and the By-Laws of the Condominium ("By Laws"), as the same may be amended from time to time, all of which constitute covenants running with the Land and shall bind any person having at any time any interest or estate in the Unit, as though recited and stipulated at length herein.

SUBJECT also to such other liens, agreements, covenants, easements, restrictions, consents and other matters of record as pertain to the Unit, to the Land and/or to the Building (which Land and Building are collectively referred to as the "Property").

TO HAVE AND TO HOLD the same unto the Grantee and the heirs or successors and assigns of the Grantee forever.

If any provision of the Declaration or the By-Laws is invalid under, or would cause the Declaration or the By-Laws to be insufficient to submit the Property to, the provisions of the Condominium Act, or if any provision which is necessary to cause the Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from the Declaration or the By-Laws, or if the Declaration and the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, the applicable provisions of the Declaration shall control.

Except as otherwise specifically permitted by the Condominium Board or provided in the Declaration or the By-Laws, the Unit is intended for residential use only.

Grantor represents that the Grantor is the same party as the Grantee of the Property under a deed dated as of October 31, 2016 and recorded in the Register's office on November 17, 2016 as CRFN Nos. 2016000407006.

Grantor covenants that the Grantor has not done or suffered anything whereby the Unit has been encumbered in any way whatever, except as set forth in the Declaration and the By-Laws (and any Residential Rules and Regulations adopted under the By-Laws).

Grantor, in compliance with Section 13 of the Lien Law of the State of New York, covenants that the Grantor will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund for the purpose of paying the cost of the improvement and will apply the same first to the payment of the cost of the improvement before using any part of the same for any other purposes.

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

This conveyance is made in the regular course of business actually conducted by the Grantor.

The term "Grantee" shall be read as "Grantees" whenever the sense of this indenture so requires.

All capitalized terms used herein which are not separately defined herein shall have the meanings given to those terms in the Declaration or the By-Laws of the Condominium.

* * * * *

IN WITNESS WHEREOF, the Grantor and the Grantee have duly executed this Indenture as of the day and year first above written.

GRANTOR:

1562/1564 Second Realty LLC

By:_____

GRANTEE:

_____
(signature)

_____
(signature)

(ACKNOWLEDGEMENTS)

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

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

_____
Notary

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

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

_____
Notary

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

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

_____
Notary

EXHIBIT A

TO RESIDENTIAL UNIT DEED

DESCRIPTION OF THE LAND

The 301 East 81st Street Condominium
301 East 81st Street
New York, New York 10075
Block: 1543

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

BEGINNING at the corner formed by the intersection of the northerly side of East 80th Street with the easterly side of Second Avenue;

RUNNING THENCE easterly, along the northerly side of East 80th Street, a distance of 100 feet;

THENCE northerly and parallel with the easterly side of Second Avenue, a distance of 127 feet 8 ½ inches;

THENCE westerly and parallel with the northerly side of East 80th Street, a distance of 100 feet to the easterly side of Second Avenue;

THENCE southerly, along the easterly side of Second Avenue, a distance of 127 feet 8 ½ inches to the corner formed by the intersection of the northerly side of East 80th Street with the easterly side of Second Avenue, the point or place of BEGINNING.

STORAGE LOCKER LICENSE

STORAGE LOCKER LICENSE

AGREEMENT made this _____ day of _____, _____ ("Storage Locker License") by and between 1562/1564 Second Realty LLC, having an office at 419 Lafayette Street, 5th Floor, New York, NY 10019 ("Sponsor"), and the Condominium Board of The 301 East 81st Street Condominium on behalf of all Unit Owners, having an address at 301 East 81st Street, New York, NY 10075 ("Condominium Board") (Sponsor and the Condominium Board are sometimes collectively referred to as "Licensor") and _____ having an address at _____ ("Licensee");

W I T N E S S E T H :

WHEREAS, The 301 East 81st Street Condominium ("Condominium") is governed by a certain Declaration of Condominium recorded in the Office of the Register of the City of New York, County of New York as the same has been or may be amended from time to time ("Declaration"), the by-laws of the Condominium, as the same has been or may be amended from time to time ("By-Laws") and the Rules and Regulations of the Condominium, as the same has been or may be amended from time to time ("Rules and Regulations") ("Declaration," the "By-Laws" and the "Rules and Regulations" are collectively, referred to as the "Condominium Documents"); and

WHEREAS, the Condominium is located at 301 East 81st Street, New York, NY 10075 ("Property"); and

WHEREAS, Storage Locker [have/has] been installed in a portion of the Property ("Storage Locker Area"); and

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

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

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

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

1. Licensor hereby grants to Licensee, its successors and assigns, a Storage Locker License for the exclusive use of Storage Locker #____ ("Storage Locker License") and Licensee hereby accepts such Storage Locker License from Licensor for a term commencing on the date hereof.

2. The Condominium Board has the right to impose fees on Licensee in accordance with the By-Laws. [OR] [Licensee shall pay a monthly fee to Licensor in the amount of $_____.] Any fee and/or Special Assessment due hereunder or imposed by the Condominium Board in the future, shall constitute "additional Common Charges" under the terms of the Condominium Documents. Licensee's failure to pay the fee and/or Special Assessment due hereunder or imposed by the Condominium Board in the future shall constitute a material default under the terms of the Condominium Documents.

3. The Storage Locker may be used only for the storage of personal effects of a Residential Unit Owner or its Permitted Users and in no event shall any food or perishable items or any flammable or explosive item

or any item which would impose a health or safety threat or cause noxious odors, dirt or other sanitary problems or create a nuisance be stored in the Storage Locker.

4. Except for Sponsor and the Condominium Board, a Residential Unit Owner may not own the Storage Locker without also owning a Residential Unit.

5. Licensee shall not (a) store any property outside of the Storage Locker; or (b) allow any other Person to use the Storage Locker except in accordance with the terms hereof.

6. This Storage Locker License may be assigned by Licensee at any time provided that (i) the assignee is a Residential Unit Owner at the Condominium, (ii) the assignee assumes the obligations hereunder in the form annexed hereto, (iii) the assignee delivers notification of the assignment is delivered in writing to the Condominium Board in compliance with its requirements as the same may be modified from time to time, and (iv) the assignee and the Licensee do not owe any outstanding monies to the Condominium. This Storage Locker License shall automatically terminate at such time as Licensee no longer owns a Residential Unit in the Condominium unless this Storage Locker License is assigned to and assumed by another Residential Unit Owner.

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

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

9. Neither Licensor nor Licensor's agents or employees shall be liable for any theft or damage to any property stored in the Storage Locker Area. Licensee acknowledges that the Storage Lockers and the Storage Locker Area will not be serviced by an emergency generator. In the event of a power outage, any resulting loss or damage will be at the sole cost of the Storage Locker Licensee. Licensor, Licensor's agents or employees, and Sponsor shall not be liable for any loss or damage caused by power outages, temperature fluctuations or other causes in the Storage Lockers and/or the Storage Locker Area.

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

11. If Licensee defaults in Licensee's obligations under this Storage Locker License or under the Condominium Documents, the Condominium Board may, in its sole discretion, elect by notice to Licensee to cancel this License, in addition to the other rights and remedies that the Condominium Board has under the Condominium Documents. If the Condominium Board so elects, Licensee shall have thirty (30) day period, from the giving of notice of cancellation to cure the specified default. If the default is not cured within such thirty (30) days, TIME BEING OF THE ESSENCE, then this License shall be deemed terminated. Upon the termination of this License, the Condominium Board will be released and discharged of all further liability and obligations under this License, and the Storage Locker may be licensed to another as though this License had never been made, and without any obligation to account to Licensee for any of the proceeds.

12. If Licensee defaults in its obligations hereunder or under the Condominium Documents, the Condominium Board may, in addition to the rights and remedies set forth in the Condominium Documents, (i) deny access to and use of the Storage Locker until Licensee cures such default or (ii) if Licensee fails to cure such default within thirty (30) days of written notice by the Condominium Board of such default, terminate this Storage Locker License upon written notice to Licensee.

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

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

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

16. Licensee shall be obligated at its sole cost and expense to obtain and maintain insurance covering the Storage Locker in amounts sufficient to cover the property located therein.

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

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

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

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

21. Either party shall execute, acknowledge and deliver to the other party such instruments and take such other actions, in addition to the instruments and actions specifically provided for herein, as such other party may reasonably request in order to effectuate the provisions of this Storage Locker License or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

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

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

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

Agreed to and Acknowledged by:

LICENSOR:

The 301 East 81st Street Condominium

_____

LICENSEE:

_____

_____

SPONSOR:

1562/1564 Second Realty LLC

By:_____

DECLARATION OF CONDOMINIUM

DECLARATION

Establishing a Plan for Condominium Ownership of the Premises Known as

THE 301 EAST 81ST STREET CONDOMINIUM

and having a street address of

301 EAST 81ST STREET
NEW YORK, NY 10075

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

Name: **The 301 East 81st Street Condominium**

Sponsor: **1562/1564 Second Realty LLC**
419 Lafayette Street, 5th Floor
New York, NY 10019

Date of Declaration:

_____, _____

Prepared by:

SEIDEN & SCHEIN, P.C.
Attorneys At Law
570 Lexington Avenue, 14th Floor
New York, New York 10022
(212) 935-1400

The land affected by the within instrument lies in Block 1543 F/K/A Lot 1, N/K/A Lots _____ - _____ on the Tax Map of the Borough of Manhattan, County of New York, City and State of New York

INDEX TO DECLARATION

Article	Subject	Page
ARTICLE 1	DEFINITIONS	1
ARTICLE 2	SUBMISSION OF THE PROPERTY	1
ARTICLE 3	NAME OF THE CONDOMINIUM	1
ARTICLE 4	THE LAND	1
ARTICLE 5	THE PROPERTY AND THE BUILDING	2
ARTICLE 6	THE UNITS	2
ARTICLE 7	THE COMMON ELEMENTS	3
ARTICLE 8	DETERMINATION OF COMMON INTEREST AND RESIDENTIAL COMMON INTEREST	5
ARTICLE 9	USE OF UNITS AND STORAGE LOCKERS	5
ARTICLE 10	EASEMENTS FOR THE ENJOYMENT OF THE COMMON ELEMENTS	7
ARTICLE 11	OTHER EASEMENTS	8
ARTICLE 12	ALTERATIONS, ADDITIONS, IMPROVEMENTS AND CHANGES TO UNSOLD RESIDENTIAL UNITS AND COMMERCIAL UNIT	11
ARTICLE 13	ACQUISITION OF UNIT BY THE CONDOMINIUM BOARD	13
ARTICLE 14	POWER OF ATTORNEY TO SPONSOR AND THE CONDOMINIUM BOARD	13
ARTICLE 15	TERMINATION OF CONDOMINIUM	14
ARTICLE 16	COVENANT OF FURTHER ASSURANCES	14
ARTICLE 17	COVENANTS RUNNING WITH THE LAND	15
ARTICLE 18	DEVELOPMENT RIGHTS	16
ARTICLE 19	AMENDMENTS TO THIS DECLARATION	17
ARTICLE 20	CONSENTS BY SPONSOR	20
ARTICLE 21	PERSON TO RECEIVE SERVICE	20
ARTICLE 22	INCORPORATION BY REFERENCE	20
ARTICLE 23	WAIVER	20
ARTICLE 24	SEVERABILITY	21
ARTICLE 25	SUCCESSORS AND ASSIGNS	21
ARTICLE 26	CAPTIONS	21
ARTICLE 27	CERTAIN REFERENCES	21
ARTICLE 28	GENERAL	21

Exhibits

A – DESCRIPTION OF THE LAND

B – DESCRIPTION OF THE UNITS

C – DEFINITIONS

D – BY-LAWS OF THE CONDOMINIUM

E – UNIT POWER OF ATTORNEY

DECLARATION

OF

THE 301 EAST 81ST STREET CONDOMINIUM

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

1562/1564 Second Realty LLC, a limited liability company organized under the laws of the State of New York, having an office at 419 Lafayette Street, 5th Floor, New York, NY 10019 ("Sponsor"), does hereby declare as follows:

ARTICLE 1

DEFINITIONS

All capitalized terms used in this Declaration that are not otherwise defined in the Articles hereof shall have the meanings set forth in Exhibit C annexed hereto, unless the context in which they are used shall otherwise require. All capitalized terms used in this Declaration that are defined in any of the Articles hereof shall have the meanings ascribed to them in such Articles, unless the context in which the same are used shall otherwise require. Each of the said capitalized terms shall be applicable to singular and to plural nouns, as well as to verbs of any tense.

ARTICLE 2

SUBMISSION OF THE PROPERTY

2.1 Sponsor hereby submits the Property to the provisions of the Condominium Act and pursuant thereto, does hereby establish a regime for the condominium ownership of the Property as more particularly set forth herein and in the By-Laws.

2.2 Excluded from the Property are any Development Rights, if any, which shall be retained by Sponsor, who shall have the exclusive right to utilize, sell or otherwise transfer any Development Rights. Development Rights shall inure solely to the benefit of Sponsor or other Development Rights Owner.

ARTICLE 3

NAME OF THE CONDOMINIUM

The Condominium shall be known as The 301 East 81st Street Condominium.

ARTICLE 4

THE LAND

Included in the Property is the Land which is more particularly described in Exhibit A annexed hereto.

ARTICLE 5

THE PROPERTY AND THE BUILDING

5.1 Included in the Property are: 32 Residential Units,15 Storage Lockers and 1 Commercial Unit contained in a structure comprising thirty (30) construction levels above-grade, two sub-cellars and one cellar below-grade, and mechanical roof and bulkheads above the roof level. There is no floor 2 designation and no floor 13 designation; therefore the floors will be designated as sub-cellar 2, sub-cellar, cellar, first or ground floor, 3rd through 12th and 14th through PH-31st.

5.1.1 The Residential Units will be located on the 3rd floor through 12th floor, 14th floor through 19th floor, and 21st floor through PH-31st floor.

5.1.2 The Storage Lockers will be located on the subcellar 2 level.

5.1.3 The Commercial Unit will be located on a portion of the first floor.

5.1.4 The 20th floor and the 32nd floor will contain mechanical equipment.

5.2 The Building is classified as being of non-combustible construction, construction class 1-B. The Building structural system consists of drilled steel caisson foundation, masonry bearing walls with cast iron columns, steel beams and structural steel deck. Exterior walls of the lower portion of the Building are brick masonry clad in limestone. The roof consists of a modified bitumen membrane roofing system.

ARTICLE 6

THE UNITS

6.1 Exhibit B annexed hereto sets forth the following data with respect to each Unit necessary for the proper identification thereof: Unit designation; tax lot number; approximate location in the Building; approximate square footage; number of rooms; the portions of the Common Elements to which such Unit has immediate access; and the Common Interest appurtenant to such Unit. The precise location of each Unit is shown on the Floor Plans.

6.2 Each Unit is measured horizontally from the exterior side of the exterior walls (columns, mechanical pipes, shafts, shaft ways, chases, chase ways and conduits are not deducted from such measurement of each Unit) to the centerline of the partitions separating one Unit from another Unit, or separating one Unit from corridors, stairs, elevators and other mechanical equipment spaces or any Common Elements not within a Unit or to the exterior side of the opposite exterior walls. The measurement of Unit PH17 includes the elevator lobby of such Unit, the corridor adjacent to the fire stairs and the trash room inside the Unit.

6.3 Each Unit includes, and each Unit Owner shall be responsible for, the front entrance door and any other entrance doors to the Unit including Terrace doors (including, without limitation, all locks, peepholes, doorknobs and hardware), hallways exclusively serving such Unit (if any), non-load bearing interior walls and partitions, floors and floor coverings and ceilings affixed, attached or appurtenant to the Unit, smoke/carbon monoxide detectors, window panes, window treatments, fireplaces, fireboxes, dampers, mantels and flues, mechanical systems located in the Unit, heating and cooling systems (including HVAC filters and parts), plumbing, gas and heating fixtures and equipment, including but not limited to, refrigerators, dishwashers, washers and dryers, heating, ventilating and air conditioning units (including the internal fans), heating equipment, ranges and other appliances, sinks, bathtubs, water closets and all other Facilities as may be affixed, attached or appurtenant to the Unit and serving the Unit exclusively. Plumbing, gas and heating fixtures and equipment as used in the preceding sentence shall include exposed gas and water pipes from branch or fixture shut-off valves attached to fixtures, appliances and equipment and the fixtures, appliances and equipment to

which they are attached, water spigots located on Terraces, and any special pipes or equipment which a Unit Owner may install within the walls, ceilings, or floors, but shall not include gas, water or other pipes, conduits, wiring or ductwork within the walls, ceilings or floors, unless such installations were made by the Unit Owner after the Unit Owner acquired title to the Unit, in which event Unit Owner shall be responsible for such installations. Each Unit shall also include all lighting and electrical fixtures and appliances within the Unit, including those located on Terraces and any special equipment, fixtures or Facilities affixed, attached or appurtenant to the Unit, to the extent located within a Residential Unit from the electrical panel (including electrical branch wiring but excluding electrical service riders) and serving or benefiting only that Unit.

6.4 The Commercial Unit also includes, in addition to the items listed in Section 6.3 above, to the extent located in such Commercial Unit, and the Commercial Unit Owner shall be responsible for, any elevator, staircase and all related Facilities servicing such Commercial Unit exclusively including, outdoor signage for such Commercial Unit, and the exterior side of all windows in or opening from such Commercial Unit.

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

6.6 Notwithstanding anything contained in this Article to the contrary, each Unit Owner will have the right, subject to the provisions of the By-Laws, exercisable at any time, to install, at such Unit Owner's sole cost and expense, decorations, fixtures and coverings (including, without limitation, painting, finishing, carpeting, pictures, mirrors, shelving and lighting fixtures) on the surfaces of the walls, ceilings and floors that face the interior of such Unit Owner's Unit and (with respect to Residential Units) to a depth of one inch behind such surfaces for the purposes of installing nails, screws, bolts and the like, provided that no such installation shall impair the consistent exterior appearance, the structural integrity, sound integrity and mechanical and electrical systems of such Unit or of the Building or violate Law.

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

ARTICLE 7

THE COMMON ELEMENTS

7.1 The Common Elements consist of the entire Property, including the Land and all parts of the Building and improvements thereon other than the Units. The Common Elements are comprised of the General Common Elements, the Residential Common Elements and the Residential Limited Common Elements. The Common Elements do not include any Development Rights, if any, which shall be initially retained by Sponsor.

7.2 The General Common Elements consist of the Land and those rooms, areas, corridors and other portions of the Building (other than the Units), as well as those Facilities therein, either currently or hereafter existing for the common use of the Units or of the Unit Owners or necessary for, or convenient to, the existence, maintenance, management, operation, or safety of the Property. Without intending to limit the generality of the foregoing in any respect, the General Common Elements include:

(i) the Land (including the landscaping appurtenant thereto) and any improvements thereon, together with all easements, rights and privileges appurtenant thereto, except for the Development Rights.

(ii) all foundations, columns, beams, joists, supports, piles, footings, pillars, girders, load-bearing walls, exterior walls, interior walls, partitions, floor slabs and ceilings, window casements and frames, shading devices in the exterior façade, roofs and ceilings in, on, or under the Building, separating a Unit from a General Common Element, and that portion of all such interior walls,

partitions, floors and ceilings separating a General Common Element or the Commercial Unit from a Residential Unit and/or Residential Common Element and/or a Residential Limited Common Element, from the midpoint of any such wall, partition, floor or ceiling to the boundary line of such General Common Element or the Commercial Unit, as the case may be, to the extent that the same are not expressly included as part of the Residential Common Elements pursuant to the terms of Paragraph 7.3 below or the Residential Limited Common Elements pursuant to the terms of Paragraph 7.4 below or a Unit pursuant to the terms of Article 6 hereof.

(iii) all central and appurtenant installations and Facilities for services such as power, light, telephone, intercom, gas, sewer, plumbing, drainage, hot and cold water distribution, heat, garbage disposal, master and cable television and other mechanical and electrical systems, which service both the Residential Units and the Commercial Unit and/or both the General Common Elements, the Residential Common Elements and the Residential Limited Common Elements, to the extent that the same are not expressly included as a part of the Residential Common Elements pursuant to the terms of Paragraph 7.3 below or the Residential Limited Common Elements pursuant to the terms of Paragraph 7.4 below or a Unit pursuant to the terms of Article 6 hereof.

(iv) all other parts of the Property, and all apparatus and installations now existing or hereafter constructed in the Building or on the Property, either existing for the common use of the Units or the Unit Owners or necessary for, or convenient to, the existence, maintenance, or safety of the Property.

7.3 The Residential Common Elements consist of those portions of the Building, as well as those Facilities therein, either currently or hereafter existing for the exclusive common use of the Residential Units or of the Residential Unit Owners only. Without intending to limit the generality of the foregoing in any respect, the Residential Common Elements include:

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

(ii) fitness center, yoga room, Storage Locker Area, and laundry room located on the subcellar level.

(iii) residential lobby, residential lounge and package room located on the first floor.

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

(v) all central and appurtenant installations and Facilities for services such as power, light, telephone, intercom, gas, sewer, plumbing, hot and cold water distribution, heat, garbage disposal, master and cable television and other mechanical and electrical systems which serve the Residential Units and/or the Residential Common Elements and/or the Residential Limited Common Elements only.

(vi) all interior portions of the Building and all apparatus and installations now existing or hereafter constructed in the Building or on the Property, either existing for the common use of the Residential Units or the Residential Unit Owners or necessary for, or convenient to the existence, maintenance or safety of the Property, to the extent that the same are not expressly included as part of the General Common Elements pursuant to the terms of Paragraph 7.2 above or

the Residential Limited Common Elements pursuant to the terms of Paragraph 7.4 below or a Unit pursuant to the terms of Article 6 hereof.

7.4 The Residential Limited Common Elements consist of all portions of the Land and Building (other than the Units) that are for the use of one or more specified Residential Units to the exclusion of all other Units. Without intending to limit the generality of the foregoing in any respect, the Residential Limited Common Elements include: the Terraces adjoining certain Residential Units more particularly set forth on Exhibit "B" to this Declaration entitled "Description of Units."

7.5 The Common Elements shall remain undivided, and no Unit Owner or any other Person shall bring, or shall have the right to bring, any action for partition or division thereof, except as is expressly permitted pursuant to the terms of Article 15 hereof and Section 5.5 of the By-Laws.

ARTICLE 8

DETERMINATION OF COMMON INTEREST AND RESIDENTIAL COMMON INTEREST

8.1 The undivided percentage interest of each Unit in the Common Elements is based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit in accordance with subsection (iv).

8.2 The percentage interest of all Residential Units in the Residential Common Elements is apportioned in the same proportion that the Residential Units at the date of this Declaration bear to the then aggregate Common Interests of all of the Residential Units in the Condominium.

ARTICLE 9

USE OF UNITS AND STORAGE LOCKERS

9.1 As more particularly set forth in, and subject to the provisions of, the By-Laws, the Residential Units shall be used for residential purposes only (excluding any "dormitory," "bed and breakfast," home exchange or Airbnb-type arrangement, short-term rental/occupancy or sharing arrangement or any transient hotel-type use) and no more than one family may occupy a Residential Unit at any one time. A Residential Unit owned or leased by an individual, corporation, partnership, fiduciary or any other entity (including, but not limited to, the federal or state government and any instrumentality thereof and foreign governments and any embassy, consulate, or other instrumentality thereof) may only be occupied (unless the Condominium Board otherwise consents in writing) by such individual, or by an individual officer, director, stockholder or employee of such corporation, or by an individual partner or employee of such partnership, or by such individual fiduciary (including directors, officers, stockholders or employees of corporate fiduciaries and partners or employees of partnership fiduciaries) or by an individual beneficiary of said fiduciary, or an individual principal or employee of such other entity, respectively, or by Family Members or guests of any of the foregoing; however, the foregoing restrictions shall not apply to Unsold Residential Units.

Upon the prior written consent of Sponsor (1) (with respect to Unsold Residential Units) or the Condominium Board (with respect to sold Residential Units), any Residential Unit may be used for any other lawful purposes, subject, however, to (2) the terms and conditions of the then existing TCO or FCO for the Building and the By-Laws, and (3) applicable Law.

9.2 The Commercial Unit may be used for any purpose permitted by Law, except that the Commercial Unit may not be used for the following Prohibited Uses: (1) an establishment which displays, sells, rents or offers for sale or rent any pornographic material; adult bookstore or facility selling or displaying pornographic books, literature, or videos (materials shall be considered "adult" or "pornographic" for such

purpose if the same are not available for the sale or rental to children under 18 years old because they explicitly deal with or depict human sexuality), excluding any establishment for which the sale or rent of such products constitutes a de minimis space in such establishment (2) so-called head shop or other similar establishment which stocks, displays, sells, rents or offers for sale or rent any drug-related paraphernalia or merchandise or material commonly used or intended for use with or in consumption of any narcotic, dangerous drug or other controlled substance, including, without limitation, any hashish pipe, water pipe, bong, cilium, pipe screens, rolling papers, rolling devices, coke spoons or roach clips, (3) selling, leasing or displaying of new or used automobiles, trucks, trailers, or recreational vehicles, (4) automotive parts, lube and oil or repair shop, (5) Bingo or similar games of chance, (6) check cashing store (except as is typical in connection with the operation of a financial services institution), (7) church, mosque, temple or other place of religious worship or meeting hall, (8) dumping, disposing, incinerating or reducing of garbage (exclusive of dumpsters for temporary storage of garbage and any garbage compactors, in each case which are routinely emptied so as to minimize offensive odors), (9) manufacturing, assembling, displaying or selling fireworks, ammunition or explosives, (10) funeral home or mortuary, (11) dormitory use, (12) a so-called "flea market," (13) so-called gentleman's club featuring topless waitresses, nude dancing or private "one-on-one" booths or rooms, (14) illicit non-therapeutic massage parlor, (15) off-track betting parlor or other gambling facility, (16) circus, carnival or amusement park, or other similar entertainment facility, (17) pawn shop, (18) shooting gallery, (19) substance abuse rehabilitation or detoxification recovery center, or treatment center, welfare or mental health facility or similar agency, whether public or private, which provides services to clients on the premises of the Unit, (20) tattoo parlor, (21) "Odd Job" or "Odd Lot" type discount store or as a so-called "99 cent store" or "dollar store" type discount store or as a "going out of business" type store, (22) so-called "bodega" type store or 24-hour convenience-type store, (23) office, store, reading room, headquarters, center or other facility principally devoted or opposed to the promotion, advancement, representation, purpose or benefit of: (i) any political party, political movement or political candidate or (ii) any religion, religious group or religious denomination, (24) an arcade, (25) a mall or mini-mall, (26) nail salon, (27) sports bar; (28) dry cleaning plant, central laundry or laundromat (excluding a drop-off dry cleaning store and/or an "organic" (non-chemical) process dry cleaner) (29) psychic, hypnotist, tarot card or palm reading business or similar establishment, (30) business practicing satanic or cult ritualistic activities including so-called "devil worship," black magic or rites of passage involving self-mutilation or degradation, (31) an International Organization unless such International Organization waives its sovereign or diplomatic immunity in accordance with Article 31 of the Declaration, (32) employment agency, except for executive placement firms or legal and other professional search firms and other private employment agencies; (33) a pre-school, kindergarten, elementary school or high school, (34) a legal services office or legal clinic, (35) a jewelry or crafts exchange (e.g. a retail center with independent vendor booths), or (36) a nightclub, cabaret, discotheque or dance club (whether open to the general public or "members-only") which uses live or amplified music; (37) a pet shop, pet grooming salon, boarding kennel, veterinarian's office or pet hospital, or (38) a medical laboratory.

9.3 The Storage Lockers may be used only for the storage of personal effects of a Residential Unit Owner or its Permitted Users, and in no event shall any food or other perishable item, or any flammable or explosive item, or any item which would impose a health or safety threat or cause noxious odors, dirt or other sanitary problems or create a nuisance, be stored therein. Sponsor shall have the right to use any unassigned Storage Locker for any purpose permitted by Law or to change the permitted use of any unassigned Storage Locker, subject, however, to the provisions of the By-Laws. Except for Sponsor and the Condominium Board, a Storage Locker may not be licensed independently of a Residential Unit.

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

9.5 All Residential Unit Owners are prohibited from smoking in or around any of the Common Elements, and within 15 feet of any Building entrance. Smoking in violation of this rule shall be deemed to constitute a nuisance pursuant to the By-Laws. The term "smoke" or "smoking" shall include carrying, burning, or otherwise handling or controlling any lit or smoldering product containing tobacco or other flammable substance, including, but not limited to, cigarettes, cigars, or pipes.

9.6 Notwithstanding the foregoing or anything contained in the By-Laws or the Residential Rules and Regulations to the contrary, Sponsor may, without the permission of the Condominium Board, (1) use or grant permission for the use of any Unsold Residential Unit as a professional office or for any other purpose, provided such use is permitted by Law, and does not violate the then existing certificate of occupancy for the Building or any other governmental regulations, (2) use any Unsold Residential Units as model Units and offices for the selling, leasing, management, operation and promotion of the Unsold Residential Units or for any other purpose, subject only to compliance with Law, (3) use any Storage Locker for any purpose permitted by Law, and (4) lease any Unsold Residential Unit to third parties for either long term or short term stays.

ARTICLE 10

EASEMENTS FOR THE ENJOYMENT OF THE COMMON ELEMENTS

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

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

10.3 The Commercial Unit Owner 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 shall have the right and an easement, as applicable, without the approval of the Condominium Board, Managing Agent, other Unit Owners, or Mortgage Representatives, if any, subject only to Sponsor's prior written consent in each instance for so long as Sponsor continues to own an Unsold Unit, to (i) to erect, maintain, repair and replace one or more signs, awnings, canopies and lighting ("Signage"), of such size and content as such Commercial Unit Owner shall determine in the windows of the Commercial Unit and on the exterior of the Commercial Unit extending up to the bottom of the second floor slab, 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 is used, except that no Signage may block any windows of a Residential Unit, or include (x) blinking, neon, or strobe-type lighting, (y) loudspeakers or other devices by which music or announcements of any kind may emanate from the Signage

or the Unit, or (z) any lighting which will shine or reflect into the windows of any Residential Unit; and (iv) use the sidewalk adjacent to such Commercial Unit for any purposes permitted by Law, including, without limitation, food and beverage services and the placement of outdoor seating, tables, lighting and signage on such sidewalk, provided that the entrances to the Building are not impeded by such use. In the event the Commercial Unit Owner or its Permitted User utilizes a sidewalk adjacent to the Commercial Unit for any purpose, the maintenance, replacement, and repair of the sidewalk during the period of use, together with all costs and expenses associated therewith, shall be the sole responsibility of the Commercial Unit Owner. In the event the Condominium Board is assessed for the cost of repair or replacement of a portion of the sidewalk utilized by the Commercial Unit Owner or its Permitted User, or any fines or violations are imposed against the Condominium Board with respect to the use thereof, any funds expended by the Condominium Board to effectuate such repairs or replacement, and/or to pay such fines and/or to cure such violations, shall be deemed to be additional Common Charges payable solely by the Commercial Unit Owner.

10.4 Each Residential Unit Owner whose Residential Unit has one or more appurtenant Residential Limited Common Elements shall have an exclusive easement for the use thereof, subject to the right of the Condominium Board to access Terraces appurtenant to Residential Units for the purpose of cleaning the windows of the Building. To the extent any window cleaning equipment or connections for the installation of window cleaning equipment are installed on such Terraces, the Unit Owners of the appurtenant Residential Units shall be obligated to provide access to the Condominium Board, the Managing Agent and /or a window cleaning company engaged by the Condominium Board or the Managing Agent to perform such window cleaning, and shall be prohibited from removing or altering such equipment or connections. The Residential Units having the same are indicated on Exhibit B.

10.5 Sponsor and its Permitted Users shall have an easement in, over, under, through and upon the General Common Elements and Residential Common Elements (including but not limited to, residential lobbies, hallways and corridors), to use the same, without being subject to any fee or charge, for all purposes and activities in connection with the sale or renting of Unsold Residential Units, including, without limitation, the right to erect, maintain, replace and/or repair any sign and/or lighting permitted by Law on the Property for the purposes of advertising the sale of any Unit, the leasing of space in any Unit or the operation of any business of a tenant or occupant of any Unit.

10.6 The Condominium shall be subject to an easement in favor of the Condominium Board of The 301 East 81st Street Condominium, providing the Residential Unit Owners and permitted tenants of such condominium with an easement of access and use of the recreational amenity areas of the Building and the amenity Facilities located therein, on the same terms and conditions as the Residential Unit Owners and permitted tenants are provided such access and use.

ARTICLE 11

OTHER EASEMENTS

11.1 Subject to the terms of the By-Laws and to the Residential Rules and Regulations, if applicable, each Unit Owner shall have an easement in common with all other Unit Owners to use, maintain, repair, alter and replace all Common Elements located in any of the other Units or elsewhere on the Property which serve such Unit Owner's Unit, including an easement to connect to existing utilities, including without limitation, utilities for gas, electricity, steam and ventilation. Each Unit (including (i) any Common Elements located therein shall be subject to an easement in favor of all Unit Owners to use, maintain, repair, alter and replace all Common Elements located in such Unit or elsewhere on the Property which serve other Units. All easements and rights of access described in this Section shall be exercised by the Condominium Board on behalf of all Unit Owners. The Condominium Board shall have an easement and a right of access to each Unit and to the Common Elements contained therein and appurtenant thereto (including Storage Lockers) to inspect

the same, to remove violations therefrom and to install, operate, maintain, repair, alter, rebuild, restore and replace any of the Common Elements located in, over, under, through, adjacent to, or upon the same, and each Unit and the Common Elements shall be subject to such easement and right of access. Such easements and rights of access shall be exercised by the Condominium Board and/or Sponsor, and each of their Permitted Users, as the case may be, to the extent practicable, in such a manner as will not unreasonably interfere with the use of the Units for their permitted purposes. Such entry shall be permitted on reasonable prior notice based on the nature of the repair or replacement but in no event on less than two days' notice, except that no notice will be necessary in the case of an "emergency" (i.e., a condition requiring repair or replacement immediately necessary for the preservation or safety of the Building or for the safety of occupants of the Building, or other persons, or required to avoid the suspension of any necessary service in the Building). Plans and specifications with respect to any such proposed work shall be submitted by the Unit Owner who has requested that the Condominium Board exercise any such easement or right of access, to the Unit Owner whose Unit is to be accessed and all work is to be prosecuted diligently to completion. Notwithstanding any other provision of this Declaration, the By-Laws or the Residential Rules and Regulations, if applicable, any alterations carried out in connection with the easements granted hereinabove shall be such that neither the configuration nor the usable area of the affected Unit shall be materially Adversely Affected.

11.2 Sponsor for so long as it shall own any Unsold Residential Unit, any Commercial Unit Owner with respect to a Commercial Unit and the Condominium Board, on behalf of all Unit Owners, shall have the right to grant such additional electric, gas, steam, cable television, telephone, water, storm drainage, sewer and other utility easements in, or to relocate any existing utility easements to, any portion of the Property as Sponsor, such Commercial Unit Owner or the Condominium Board, as the case may be, shall deem necessary or desirable for the proper operation and maintenance of the Building or any portion thereof, or for the general health or welfare of the Unit Owners and their Permitted Users, provided that the granting of such additional utility easements or the relocation of existing utilities will not prevent or unreasonably interfere with the normal conduct of business carried on within the Commercial Unit or with the use of the Residential Units for their permitted purposes, and shall not result in the imposition of any mechanic's lien against any of the Units. Any utility company and its employees and agents shall have the right of access to each Unit or the Common Elements in furtherance of such easement, provided such right of access shall be exercised in such manner as shall not unreasonably interfere with the normal conduct of business or with the use of the Units for their permitted purposes. Notwithstanding any other provision of this Declaration, the By-Laws or the Residential Rules and Regulations, any alterations carried out in connection with the easements granted hereinabove shall be such that neither the configuration nor the usable area of the affected Unit shall be materially Adversely Affected. In addition, Sponsor reserves the right to install additional fireplace flues and mechanical equipment on the roof of the Building.

11.3 Sponsor and its Permitted Users for so long as Sponsor shall own any Unsold Residential Unit, shall have an easement for ingress and egress through all of the Common Elements in order to make alterations, additions, or improvements, whether structural or non-structural, interior or exterior, ordinary or extraordinary, in, to and upon the Unsold Residential Units and the Common Elements.

11.4 Each Unit and the Common Elements shall have easements of subjacent support and necessity, and the same shall be subject to such easements in favor of all of the other Units and the Common Elements.

11.5 Sponsor, and its Permitted Users shall have an exclusive easement for so long as Sponsor owns an Unsold Unit to erect, use, lease, maintain, repair, replace and operate (a) antennae, satellite dishes and other communications equipment, and (b) any pipes, risers, ducts, flues and equipment necessary or desirable to provide heat, air-conditioning, exhaust, or ventilation as required or, as permitted by Law, on any part of the roof and/or façade of the Building and elsewhere on the Common Elements (excluding Terraces appurtenant to particular Residential Units and Storage Lockers) and to utilize any risers, conduits, piping, cables, ducts and electrical panels and rooms, telephone/cable panels and rooms in connection therewith. The exercise of the easement and these rights do not require the consent of the Condominium Board or the Unit Owners and shall

be without charge to Sponsor. Any obligations of Sponsor under any lease, license or other right of use granted by Sponsor with respect to the roof and/or the façade of the Building shall be the obligation of Sponsor and not of the Condominium, and any rights of Sponsor, including, without limitation, the right to receive rent or other consideration for such lease, license or other right of use, shall be the right of Sponsor, and not of the Condominium or any other Unit Owner. In connection with such easement and related rights, Sponsor and its Permitted Users shall each have, to the extent necessary or advisable for such erection, use, lease, maintenance, repair, replacement and operation, an easement in common with all Unit Owners for ingress, egress and the use of any Common Elements. The Units shall each be subject to such easement.

11.6 Sponsor and any Development Rights Owner shall have an easement for ingress and egress through all of the Common Elements for any purpose in connection with Sponsor's[or the Development Rights Owner's] utilization, sale or transfer of any Development Rights, including, without limitation, (i) effecting a zoning lot merger or division; or (ii) creating a Combined Zoning Lot or any enlargement or subdivision thereof; or (iii) effecting a sale or transfer of Development Rights in any manner permitted by Law.

11.7 Subject to the terms of the By-Laws, the Commercial Unit Owner shall have an easement to install, operate, maintain, repair, alter, rebuild, restore and replace any pipes, wires, ducts, vents, cables, conduits or other lines, equipment or Facilities forming a part of or relating to the Commercial Unit in, over, under, through or upon the Common Elements or elsewhere on the Property; provided that access to the Common Elements or other portions of the Property in furtherance of such easement shall be exercised in such a manner as will not unreasonably interfere with the use of the Common Elements and such other portions of the Property for their permitted purposes.

11.8 The Condominium and Building shall be designated and known as The 301 East 81st Street Condominium. Sponsor shall own and control all rights and interest, appurtenant to the name of the Condominium and/or the Building and any intellectual property relating thereto, including without limitation, any logos, marks, websites, trademarks, copyrights or names relating to or referring to the name of the Condominium or the Building, unless otherwise prohibited by Law. Only Sponsor shall have the right to change or assign the name of the Condominium until such time as Sponsor has conveyed all the Units in the Condominium. In addition, Sponsor shall have the right to utilize other names for the Building or portions thereof for marketing and promotional purposes without the consent of the Condominium Board or the Unit Owners until such time as Sponsor has conveyed all the Units in the Condominium. Sponsor shall have an exclusive easement for so long as the Condominium shall remain in existence to erect, maintain, repair and replace, from time to time, a plaque and/or sign ("Plaque"), without charge, on the exterior portion of the Building setting forth the name and address of Sponsor, or such other information as Sponsor desires in its sole discretion. Only Sponsor shall have the right to remove the Plaque, unless mandated by Law.

11.9 If (a) any portion of the Common Elements encroaches upon any Unit or upon any other portion of the Common Elements, (b) any Unit encroaches upon any other Unit or upon any portion of the Common Elements or (c) any such encroachment shall hereafter occur as a result of (i) the settling or shifting of the Building, (ii) any alteration, repair or restoration of the Common Elements made by or with the consent (when required by the By-Laws) of the Condominium Board, or made by Sponsor in accordance with this Declaration or the By-Laws or (iii) any alteration, repair or restoration of the Building (or any portion thereof) or of any Unit or Common Element after damage by fire or other casualty or any taking by condemnation or eminent domain proceedings of all any portion of any Unit or the Common Elements; then, in any such event, a valid easement shall exist for such encroachment and for the maintenance of the same as long as the Building shall stand.

11.10 In addition to the specific easements set forth in this Article 11 and in Article 10 hereof, the Property and every portion thereof shall be subject to all easements made with the City of New York or with any utility companies or other Persons in effect prior to the recording of this Declaration.

ARTICLE 12

ALTERATIONS, ADDITIONS, IMPROVEMENTS AND CHANGES TO UNSOLD RESIDENTIAL UNITS AND COMMERCIAL UNIT

12.1 Except to the extent prohibited by Law, Sponsor shall have the right, without the approval of the Condominium Board, Managing Agent, other Unit Owners, or Mortgage Representatives, if any:

(a) to make alterations, additions, improvements, or repairs in or to the interior portions of Unsold Residential Units and their appurtenant Residential Limited Common Elements, whether structural or non-structural, ordinary or extraordinary, including, without limitation, any alterations with respect to the type, number, or layout of rooms in each Unsold Residential Unit.

(b) to amend the Certificate of Occupancy of the Building with respect to the use or number of the Unsold Residential Units.

(c) without amendment to the Plan, to (i) subdivide and/or combine any Unsold Residential Unit and/or (ii) change any Unsold Residential Units in size by relocating a boundary wall between Unsold Residential Units and/or or (iii) otherwise change the size and/or number of Unsold Residential Units, including incorporating Residential Common Elements (such as a portion of a hallway used exclusively by the occupant(s) of such Unsold Residential Unit) which exclusively benefit an Unsold Residential Unit into such Unsold Residential Unit without changing the percentage of Common Interest of such Unit. In the event of a subdivision, combination, and/or change in size of any Unsold Residential Unit, Sponsor shall have the right to (a) reapportion among the resulting Unsold Residential Units their respective Common Interests; and (b) designate portions of any Residential Unit as a Residential Common Element or a Residential Limited Common Element appurtenant to one particular Commercial Unit,

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

(d) no physical modifications shall be made to any other Unit and the Common Interest and Residential Common Interest (other than Unsold Residential Units), as the case may be, or interior dimensions of any other Units (other than Unsold Residential Units) shall not be changed by reason thereof, unless the owner of such other affected Unit shall consent thereto.

(e) Sponsor shall comply with Law and the terms of this Declaration and the By-Laws.

(f) Sponsor shall agree to hold the Condominium Board and all other Unit Owners harmless from any liability arising therefrom.

(g) such alteration, addition, improvement, repair or change shall not jeopardize the soundness, mechanical systems or structural integrity of any part of the Building or the safety of any tenant or other persons at the Property.

Notwithstanding the foregoing, however, the aggregate amounts of both the Common Interests of all the Units and the Residential Common Interests of all Residential Units shall always remain at 100%, and no reapportionment of the Common Interest or Residential Common Interest appurtenant to any Unit, as the case may be, shall be made unless there is first delivered to the Condominium Board a written certification stating that the new Common Interest and, if applicable, Residential Common Interest of the affected Unit has been

based upon the factors set forth in Article 8 hereof. The certification referred to in the preceding sentence shall be delivered by Sponsor or any other Person reasonably acceptable to the Condominium Board. By written permission of the Condominium Board, which permission shall not be unreasonably withheld, conditioned, or delayed, any other Residential Unit Owner may be given with respect to such Residential Unit the same rights and be subject to the same limitations and conditions as are set forth in this Article with respect to Unsold Residential Units. Notwithstanding the other provisions of this Article, no reapportionment of the Common Interests appurtenant to any Residential Unit shall be made unless there is first delivered to the Condominium Board a written certification stating that the new Common Interest of the affected Residential Unit has been based upon the factors set forth in Article 8 hereof. The certification referred to in the preceding sentence shall be delivered by the Residential Unit Owner or any other Person reasonably acceptable to the Condominium Board. The provisions of this Article may not be added to, amended, modified, or deleted without the prior written consent of Sponsor.

12.2 Except to the extent prohibited by Law, the Commercial Unit Owner shall have the right, without the approval of the Condominium Board, Managing Agent, other Unit Owners, or Mortgage Representatives, if any:

(h) to make alterations, additions, improvements, or repairs in or to the interior portions of a 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.

(i) to amend the Certificate of Occupancy of the Building with respect to the use or number of Commercial Units.

(j) without amendment to the Plan, to (i) subdivide and/or combine any Commercial Unit and/or (ii) change any Commercial Unit in size by relocating a boundary wall between Commercial Unit. In the event of a subdivision, combination, and/or change in size of any Commercial Unit, the applicable Commercial Unit Owner shall have the right to (a) reapportion among the resulting Commercial Units their respective Common Interests; and (b) designate portions of any Commercial Unit as a Commercial Common Element to be appurtenant to 2 or more Commercial Units or a Commercial Limited Common Element appurtenant to one particular Commercial Unit,

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

(i) no physical modification shall be made to any other Unit, and the Common Interest and Residential Common Interest, as the case may be, or interior dimensions of any other Unit shall not be changed by reason thereof, unless the owner of such other affected Unit shall consent thereto;

(ii) the Commercial Unit Owner shall comply with Law and the terms of this Declaration and the By-Laws;

(iii) the Commercial Unit Owner shall agree to hold the Condominium Board and all other Unit Owners harmless from any liability arising therefrom; and

(iv) such alteration, addition, improvement, repair or change shall not jeopardize the soundness, mechanical systems or structural integrity of any part of the Building or the safety of any tenant or other persons at the Property.

Any additional condominium units created as a result of a subdivision of the Commercial Unit will retain the same rights, privileges, and benefits afforded the original Commercial Unit Owner and will be subject to the same obligations imposed on the original Commercial Unit Owner, as set forth in this Declaration and

the By-Laws. Notwithstanding the foregoing, in the event of any subdivision of a Commercial Unit, all Commercial Unit Owners shall have the right to designate, collectively, no more than 1 Commercial Member to the Condominium Board.

Notwithstanding the foregoing, however, the aggregate amounts of the Common Interest of all the Units and the Residential Common Interests of all Residential Units shall always remain at 100%, and no reapportionment of the Common Interest appurtenant to the Commercial Unit shall be made unless there is first delivered to the Condominium Board a written certification stating that the new Common Interest has been based upon the factors set forth in Article 8 hereof. The certification referred to in the preceding sentence shall be delivered, at the Commercial Unit Owner's election, by the Commercial Unit Owner, Selling Agent, the Managing Agent, or any other Person reasonably acceptable to the Condominium Board. The provisions of this Article may not be added to, amended, modified, or deleted without the prior written consent of the Commercial Unit Owner.

ARTICLE 13

ACQUISITION OF UNIT BY THE CONDOMINIUM BOARD

If (a) any Residential Unit Owner surrenders the Residential Unit, together with its Appurtenant Interests to the Condominium Board pursuant to the terms of the By-Laws or Section 339-x of the Condominium Act, or (b) the Condominium Board, pursuant to the By-Laws or otherwise, either acquires or leases a Unit, together with its Appurtenant Interests, purchases, a Unit, together with its Appurtenant Interests, at a foreclosure or other similar sale, then, in any such event, title to any such Unit and such Appurtenant Interests shall be held by the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective Common Interests. Any lease or sublease of any Unit leased or subleased by the Condominium Board or its designee shall be held by the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective Common Interests.

ARTICLE 14

POWER OF ATTORNEY TO SPONSOR AND THE CONDOMINIUM BOARD

14.1 Each Unit Owner, by acceptance of a deed or otherwise succeeding to title to a Unit, shall be deemed to have irrevocably nominated, constituted and appointed as such Unit Owner's attorney in-fact, coupled with an interest and with power of substitution, Sponsor, to:

(a) amend the Condominium Documents pursuant to the terms thereof, and to effectuate the rights of Sponsor under the Condominium Documents; and

(b) effectuate Sponsor's or the Development Rights Owner's utilization, sale or transfer of all or any portion of the Development Rights, as set forth in this Declaration.

14.2 Each Residential Unit Owner, by acceptance of a deed or otherwise succeeding to title to a Residential Unit, shall be deemed to have irrevocably nominated, constituted and appointed as such Unit Owner's attorney in-fact, coupled with an interest and with power of substitution, the Persons who shall from time to time constitute the Condominium Board, jointly, to:

(a) employ counsel for purposes of protesting the New York City real property tax assessments with the Tax Commission and commencing, pursuing, appealing, settling and/or terminating administration and tax certiorari proceedings on behalf of the Residential Unit Owners for the reduction of the assessed valuation of their Residential Units, such Residential Unit Owners

agreeing not to protest said assessments and bring such tax certiorari proceedings at their own initiative and on their own behalf;

(b) acquire, lease or license any Residential Unit, together with its Appurtenant Interests whose owner desires to sell, convey, transfer, assign, lease, sublease or surrender the same or acquire any Residential Unit, together with its Appurtenant Interests that becomes the subject of a foreclosure or other similar sale, in the name of the Condominium Board or its designee, corporate or otherwise, on behalf of all Residential Unit Owners;

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

(d) execute, acknowledge and deliver (1) any declaration or other instrument affecting the Property which the Condominium Board deems necessary or appropriate to comply with any Law applicable to the maintenance, demolition, construction, alteration, repair, or restoration of the Property or (2) any consent, covenant, restriction, easement, or declaration, or any amendment thereto, affecting the Property which the Condominium Board deems necessary or appropriate or (3) any protest and tax certiorari proceeding documentation affecting Residential Units.

14.3 In confirmation of the foregoing power of attorney, each Unit Owner, upon the request of either Sponsor or the Condominium Board, shall duly execute, acknowledge and deliver to the requesting party, for recording in the Register's Office, a Unit Power of Attorney, substantially in the form set forth as Exhibit E to this Declaration.

ARTICLE 15

TERMINATION OF CONDOMINIUM

The Condominium shall continue and the Property shall not be subject to an action for partition (unless terminated by casualty loss, condemnation or eminent domain, as more particularly provided in the By-Laws) until such time as the Property is withdrawn from the provisions of the Condominium Act as authorized by a vote of the Commercial Unit Owner and 80% in Residential Common Interest of all Residential Unit Owners. No such vote shall be effective, however, without the written consent (which consent shall not be unreasonably withheld, conditioned, or delayed) of the Permitted Mortgagees representing at least fifty-one (51%) percent of the Common Interests of all Units which are subject to Permitted Mortgages or by a majority of the Mortgage Representatives, if any. In the event the withdrawal is authorized as aforesaid, but only in such event, the Property shall be subject to an action for partition by any Unit Owner or lienor as if owned in common, in which event the net proceeds of sale shall be divided among all Unit Owners in proportion to their respective Common Interests; provided, however, that no payment shall be made to a Unit Owner until there has first been paid from out of such Unit Owner's share of such net proceeds all liens on the Unit (other than mortgages which are not Permitted Mortgages), in the order of priority of such liens.

ARTICLE 16

COVENANT OF FURTHER ASSURANCES

16.1 Except for Sponsor or its designee, any Person who is subject to the terms of this Declaration, whether such Person is a Unit Owner, a Member or officer of the Condominium Board or a Permitted User of either or otherwise, shall, upon prior reasonable written request at the expense of any such other Person requesting the same, execute, acknowledge and deliver to such other Person such instruments, in addition to those specifically provided for herein, and take such other action as such other Person may reasonably request

to effectuate the provisions of this Declaration or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

16.2 Except for Sponsor or its designee, if any Unit Owner, the Condominium Board or any other Person who is subject to the terms of this Declaration fails or refuses, within 10 days (or 60 days, with respect to a Permitted Mortgagee) after request therefor, either (i) to execute, acknowledge or deliver any instrument, or to take any action which the Condominium Board, Unit Owner or other Person is required to execute, acknowledge and deliver or to take pursuant to this Declaration, or (ii) to deliver a written notice to the Person requesting such execution, acknowledgement or delivery, and to the Condominium Board stating the reasons why such Unit Owner, Condominium Board or other Person refuses to execute, acknowledge or deliver such instrument or take such action, then the Condominium Board or other Person is hereby authorized as attorney-in-fact for such Unit Owner, Condominium Board or other Person, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action in the name of such Unit Owner, Condominium Board or other Person and such document or action shall be binding on such Unit Owner, Condominium Board or other Person.

16.3 If any Unit Owner, the Condominium Board or other Person that is subject to the terms of this Declaration fails to execute, acknowledge, or deliver any instrument, or fails or refuses, within 10 days (or 60 days, with respect to a Permitted Mortgagee) after request therefor, to execute, acknowledge or deliver any instrument which such Unit Owner, Condominium Board or other Person is required to execute, acknowledge or deliver pursuant to this Declaration at the request of Sponsor or any Commercial Unit Owner or any Development Rights Owner, solely with respect to utilization, sale or transfer of Development Rights, as the case may be, then Sponsor or the Commercial Unit Owner or the Development Rights Owner, solely with respect to utilization, sale or transfer of Development Rights, as the case may be, is hereby authorized, as attorney-in-fact for the Unit Owner, Condominium Board or other Person, coupled with an interest, to execute, acknowledge and deliver such instrument, in the name of the Unit Owner, Condominium Board or other Person, and such instrument shall be binding on the Unit Owner, Condominium Board or other Person. The Condominium Board shall not unreasonably withhold or delay its consent or approval with respect to any matter contained in this Declaration which requires the consent or approval of the Condominium Board.

ARTICLE 17

COVENANTS RUNNING WITH THE LAND

17.1 All provisions of this Declaration, the By-Laws and the Residential Rules and Regulations which are annexed hereto and made a part hereof, including, without limitation, the provisions of this Article, shall to the extent applicable and unless otherwise expressly herein or therein provided to the contrary, be perpetual and be construed to be covenants running with the Land and with every part thereof and interest therein, and all of the provisions hereof and thereof shall be binding upon and inure to the benefit of the owner of all or any part thereof, or interest therein, and owner's heirs, executors, administrators, legal representatives, successors and assigns, but the same are not intended to create, nor shall they be construed as creating, any rights in or for the benefit of the general public. All present and future owners, tenants, subtenants, licensees, and other occupants of Units shall be subject to and shall comply with the provisions of this Declaration, the By-Laws and the Residential Rules and Regulations, as they may be amended from time to time. The acceptance of a deed or conveyance or the entering into of a lease or the entering into occupancy of any Unit shall constitute an agreement that the provisions of this Declaration, the By-Laws and the Residential Rules and Regulations, as they may be amended from time to time, are accepted and ratified by such owner, tenant or occupant, and all of such provisions shall be deemed and taken to be covenants running with the Land and shall bind any person having at any time any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed or conveyance or lease

17.2 If any provision of this Declaration or the By-Laws is invalid under, or would cause this Declaration and the By-Laws to be insufficient to submit the Property to the provisions of, the Condominium Act, such provision shall be deemed deleted from this Declaration or the By-Laws, as the case may be, for the purpose of submitting the Property to the provisions of the Condominium Act but shall nevertheless be valid and binding upon and inure to the benefit of the owners of the Property and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part thereof and interest therein under other applicable Law to the extent permitted under such applicable Law with the same force and effect as if, immediately after the recording of this Declaration and the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the Land. If any provision which is necessary to cause this Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from this Declaration or the By-Laws, then such provision shall be deemed included as part of this Declaration or the By-Laws, as the case may be, for the purposes of submitting the Property to the provisions of the Condominium Act.

17.3 Subject to Section 17.2, if this Declaration and the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, the provisions of this Declaration and the By-Laws shall nevertheless be valid and binding upon and inure to the benefit of the owners of the Property, and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part thereof and interest therein under applicable Law to the extent permitted under such applicable Law with the same force and effect as if, immediately after the recording of this Declaration and the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the Land.

ARTICLE 18

DEVELOPMENT RIGHTS

18.1 Any Development Rights shall be retained by Sponsor, who shall have the exclusive right to utilize, sell or otherwise transfer any Development Rights. Development Rights shall inure solely to the benefit of Sponsor or other Development Rights Owner. Neither the Condominium Board nor any Unit Owner (other than Sponsor or a Development Rights Owner) shall have any right or interest in any Development Rights.

18.2 In connection with its utilization of Development Rights, Sponsor or Development Rights Owner, among other rights, may cause the Property to be divided into two or more parcels which collectively are referred to as the "Combined Zoning Lot."

18.3 Each Unit Owner by accepting a deed or otherwise succeeding to title to a Unit, and the Condominium Board, shall be deemed to have consented to and agreed that, if Sponsor or a Development Rights Owner seeks to enlarge the Combined Zoning Lot by adding other parcels of real property ("Additional Parcels") so as to create an enlarged Combined Zoning Lot, or seeks to utilize or transfer Development Rights for the purposes and in accordance with the provisions of the Zoning Resolution or other applicable Law, the Condominium Board and the Unit Owner have (i) waived the right to execute any declaration of zoning lot restrictions, zoning lot development agreement, easement for light and air or other document or instrument and the right to appear in opposition before any community board or governmental or quasi-governmental authority to oppose in any manner the utilization, sale or transfer of Development Rights or the establishment of the Combined Zoning Lot or any enlargement, division or proposed use thereof; and (ii) consented as a party in interest, to any declaration or other agreement utilizing the Development Rights in any manner, including by effecting a transfer of Development Rights or a merger or division of any of the parcels comprising the Combined Zoning Lot with any other tax lots in order to form a single zoning lot for the purpose of transferring all or any portion of the Development Rights from Sponsor or a Development Rights Owner.

18.4 Notwithstanding the provisions of the immediately preceding paragraph, each Unit Owner by accepting a deed or otherwise succeeding to title to a Unit, and the Condominium Board, shall be deemed to have granted to Sponsor and any Development Rights Owner an irrevocable power of attorney coupled with an interest, to execute, acknowledge and deliver any such declaration of zoning lot restrictions, zoning lot development agreement, easement for light and air, or other document or instrument necessary or expedient to carry out the exercise of any rights, reserved, retained or granted to Sponsor or Development Rights Owner. Alternatively, upon demand of Sponsor or a Development Rights Owner, each Unit Owner and the Condominium Board shall execute any declaration of zoning lot restrictions, zoning lot development agreement, easement for light and air, or other document or instrument requested by Sponsor or Development Rights Owner in order that (i) Sponsor or Development Rights Owner may effectively utilize, sell or otherwise transfer Development Rights to any Person designated by Sponsor or Development Rights Owner, and (ii) such Person may effectively utilize such Development Rights.

18.5 Notwithstanding the foregoing, neither Sponsor nor any Development Rights Owner may utilize Development Rights to increase the size, height, bulk or density of any portion of the Property.

18.6 All rights and obligations of Sponsor set forth in this Declaration with respect to the Development Rights shall apply equally to any Development Rights Owner.

ARTICLE 19

AMENDMENTS TO THIS DECLARATION

19.1 Subject to the provisions contained herein or in the By-Laws with respect to amendments, modifications, additions or deletions affecting Sponsor or any Commercial Unit Owner or any Development Rights Owner, solely with respect to utilization, sale or transfer of Development Rights, any provision of this Declaration affecting the (i) General Common Elements or all Unit Owners may be added to, amended, modified or deleted by the affirmative vote of at least 66-2/3% in number and in Common Interest of all Unit Owners and (ii) Residential Common Elements or all Residential Unit Owners may be added to, amended, modified or deleted by affirmative vote of at least 66-2/3% in number and Residential Common Interest of all Residential Unit Owners, taken in accordance with the provisions of the By-Laws; provided, however, that the Common Interest appurtenant to each Unit as expressed in this Declaration shall not be altered without the written consent of all Unit Owners directly affected. Subject to the provisions contained herein or in the By-Laws with respect to amendments, modifications, additions or deletions affecting Sponsor or any Commercial Unit Owner or any Development Rights Owner, solely with respect to utilization, sale or transfer of Development Rights, no amendment, modification, addition or deletion shall be effective without the written consent (which consent shall not be unreasonably withheld, conditioned, or delayed) of the Mortgage Representatives (as defined in the By-Laws), if any. No such amendment, modification, addition or deletion shall be effective until recorded in the Register's Office. Subject to the provisions contained herein or in the By-Laws with respect to amendments, modifications, additions or deletions affecting Sponsor or any Commercial Unit Owner or any Development Rights Owner, solely with respect to utilization, sale or transfer of Development Rights, any such amendment, modification, addition or deletion shall be executed by either the Condominium Board as attorney-in-fact for the Unit Owners, coupled with an interest, and the Condominium Board is hereby authorized by such Unit Owners so to act as their attorney-in-fact. Subject to the rights of Sponsor set forth herein, this Section 19.1 of the Declaration may not be amended, modified, added to or deleted unless (in addition to the consent, if required, of the Mortgage Representatives, if any, as set forth above) 80% in number and in Common Interest of all Unit Owners affected thereby, approve such amendment, modification, addition or deletion in the manner set forth above.

19.2 Sponsor[or any Development Rights Owner, solely with respect to utilization, sale or transfer of Development Rights, shall have the right, at its sole cost and expense and without the vote or consent of any other Unit Owners, the Condominium Board, or the Mortgage Representatives (if any), to execute,

acknowledge and record (or, at Sponsor's or the Development Rights Owner's sole option, to require the Condominium Board or any other Unit Owners to execute, acknowledge and record) in the Register's Office and elsewhere, if required by Law, one or more amendments to this Declaration, the By-Laws, the Residential Rules and Regulations and the Floor Plans of the Condominium as Sponsor or the Development Rights Owner, solely with respect to utilization, sale or transfer of Development Rights, deems appropriate to effectuate the same:

(i) to reflect any changes in Unsold Residential Units and/or the reapportionment of the Common Interest of the affected Unsold Residential Units resulting therefrom made by Sponsor in accordance with the terms of Article 12 hereof; or

(ii) required by (x) an Institutional Lender designated by Sponsor to make a loan secured by a mortgage on any Unsold Residential Unit, (y) any governmental agency having regulatory jurisdiction over the Condominium, or (z) any title insurance company selected by Sponsor to insure title to any Unsold Residential Unit; or

(iii) to correct any inconsistencies or scrivener's errors in the Declaration, the By-Laws and/or Floor Plans; or

(iv) with respect to Development Rights, to effectuate Sponsor's or any Development Rights Owner's utilization, sale or transfer of any Development Rights in any manner permitted by Law, provided that no such amendment shall enable Sponsor or Development Rights Owner to utilize Development Rights to increase the size, height, bulk, configuration and/or density of the Property; or

(v) to relinquish any rights granted to Sponsor hereunder.

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

19.3 The Commercial Unit Owner shall have the right, at its sole cost and expense and without the vote or consent of any other Unit Owners, the Condominium Board, or the Mortgage Representatives (if any), to execute, acknowledge and record in the Register's Office or elsewhere, if required by Law, one or more amendments to this Declaration (including, without limitation, to Exhibit B hereto), together with such documents, plans and maps as such Commercial Unit Owner deems appropriate to effectuate the same:

(i) to reflect any changes in the Commercial Unit and/or the reapportionment of the Common Interest of the Commercial Unit resulting therefrom made by the Commercial Unit Owner in accordance with the terms of Article 12 hereof; or

(ii) required by (x) an Institutional Lender designated by the Commercial Unit Owner to make a loan secured by a mortgage on the Commercial Unit, (y) any governmental agency having regulatory jurisdiction over the Condominium, or (z) any title insurance company selected by such Commercial Unit Owner to insure title to any Commercial Unit, as such requirements relate solely to the Commercial Unit; or

(iii) to correct any inconsistencies or scrivener's errors in the Declaration, By-Laws and/or Floor Plans.

(iv) to reflect any changes that solely affect the Commercial Unit and do not materially and adversely affect the Residential Units and/or the Residential Unit Owners; provided, however, that any such amendment shall not (1) change the Common Interest or Residential Common Interest of any other Unit, or (2) require a physical modification of any other Unit, or (3) adversely affect the priority or validity of the lien of any mortgage held by an Institutional Lender unless the owner of such affected Unit (in the event described in subparagraph (1) or (2) of this Section) or the holder of such mortgage (in the event described in subparagraph (3) of this Section) shall consent thereto by joining in the execution of such amendment.

19.4 Any amendment to this Declaration may be executed; (i) if on behalf of Sponsor or any Development Rights Owner, solely with respect to utilization, sale or transfer of Development Rights, pursuant to the terms of Section 19.2 hereof, by Sponsor or the Development Rights Owner, (ii) if on behalf of a Commercial Unit Owner pursuant to the terms of Section 19.3 hereof, by the Commercial Unit Owner, or (iii) if on behalf of the Unit Owners or by the Condominium Board, by any officer of the Condominium. If the amendment requires the approval of a specific percentage of Unit Owners pursuant to the terms of this Declaration or the By-Laws, then there shall be attached to such amendment an original executed Secretary's Certificate, certifying that the requisite number and percentage of Unit Owners approved the amendment at a duly constituted meeting or (when permitted in this Declaration or the By-Laws) in writing without a meeting, in which Certificate shall be described the number and percentage of Unit Owners so consenting and (if voted upon at a meeting) the date and time of the meeting.

19.5 Notwithstanding anything contained in the Condominium Documents to the contrary, if any Residential Unit Owner, with the prior approval of the Condominium Board changes the size and/or number of Residential Units owned by such Residential Unit Owner by either (w) subdividing a Residential Unit(s) into two or more separate Residential Units, (x) combining a Residential Unit into one or more Residential Units, (y) altering the boundary walls between any adjacent Residential Units owned by such Residential Unit Owner, or (z) otherwise, including incorporating Residential Common Elements (such as a portion of a hallway used exclusively by the owner of such Residential Unit) which exclusively benefit a Residential Unit into such Residential Unit, then the Condominium Board on behalf of such Residential Unit Owner and at the Residential Unit Owner's sole cost and expense, shall have the right to execute, and record in the City Register's Office and elsewhere, if required by Law, any amendment to this Declaration and other documents which are necessary or appropriate to reflect the changes made by the Residential Unit Owner, all without the approval of the other Unit Owners, provided, however, that any such amendment shall not (1) change the Common Interest or Residential Common Interest of any other Unit, or (2) require a physical modification of any other Unit, or (3) adversely affect the priority or validity of the lien of any mortgage held by an Institutional Lender, unless the owner of such affected Unit (in the event described in (1) or (2)) or the holder of such mortgage (in the event described in (3)) shall consent thereto by joining in the execution of such amendment.

19.6 Notwithstanding anything contained in the Condominium Documents to the contrary, but subject to any limitation imposed by the Condominium Act, no amendment to the Condominium Documents shall be effective in any respect against Sponsor or any Commercial Unit Owner or any Development Rights Owner, solely with respect to utilization, sale or transfer of Development Rights, if the same would (i) unreasonably interfere with the sale, lease, or other disposition of any Unit owned by Sponsor or the Commercial Unit Owner or the Development Rights Owner, solely with respect to utilization, sale or transfer of Development Rights as the case may be, (ii) abridge, modify, suspend, eliminate, or otherwise affect any right, power, easement, privilege, or benefit granted to Sponsor or the Commercial Unit Owner or the Development Rights Owner, solely with respect to utilization, sale or transfer of Development Rights, as the case may be, unless such amendment is consented to in writing by Sponsor or the Commercial Unit Owner or the Development Rights Owner, solely with respect to utilization, sale or transfer of Development Rights, as the case may be, or (iii) impose any discriminatory charge or fee against Sponsor or the Commercial Unit Owner or the Development Rights Owner, solely with respect to utilization, sale or transfer of Development

Rights, unless Sponsor or the Commercial Unit Owner or the Development Rights Owner shall consent to such amendment in writing.

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

19.8 No amendment to the Condominium Documents which would materially and adversely affect the holder of any Permitted Mortgage shall be effective without the prior written consent of 51% of the Permitted Mortgagees or a majority of the Mortgage Representatives, if any. If the Permitted Mortgagees or Mortgage Representatives fail to respond within 60 days after written receipt of the proposed amendment, delivered by either certified or registered mail, "return receipt" requested, the implied approval of such Permitted Mortgagees or Mortgage Representative shall be assumed.

ARTICLE 20

CONSENTS BY SPONSOR

When the consent, approval, satisfaction, or permission of Sponsor is required under this Declaration or the By-Laws, such consent, approval, satisfaction, or permission shall not be required when (i) Sponsor no longer owns any Units; (ii) Sponsor has completed all of its obligations under the terms of the Offering Plan and (iii) a FCO has been issued for the Property.

ARTICLE 21

PERSON TO RECEIVE SERVICE

The Secretary of State of the State of New York, is hereby designated to receive service of process in any action which may be brought against the Condominium.

ARTICLE 22

INCORPORATION BY REFERENCE

The terms, covenants, conditions, descriptions and other information contained in (i) the property description annexed hereto as Exhibit A; (ii) the description of the Units annexed hereto as Exhibit B; (iii) the table of definitions annexed hereto as Exhibit C; (iv) the By-Laws annexed hereto as Exhibit D; (v) the Unit Power of Attorney annexed hereto as Exhibit E; and (vi) the Floor Plans are, by this reference, each incorporated herein and made a part of this Declaration as if set forth at length in the text hereof.

ARTICLE 23

WAIVER

No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

ARTICLE 24

SEVERABILITY

Subject to the provisions of Section 17.2 and 17.3 of Article 17 hereof, if any provision of the Condominium Documents is invalid or unenforceable as against any Person or under certain circumstances, the remainder of the Condominium Documents and the applicability of such provision to other Persons or circumstances shall not be affected thereby. Each provision of the Condominium Documents shall, except as otherwise herein provided, be valid and enforced to the fullest extent permitted by Law. Any conflict between any provisions of the Condominium Documents and the Condominium Act, or any questions regarding the interpretation of any of the Condominium Documents, shall be governed by the Condominium Act.

ARTICLE 25

SUCCESSORS AND ASSIGNS

The rights and/or obligations of Sponsor and the Commercial Unit Owner as set forth in this Declaration and the By-Laws shall inure to the benefit of and be binding upon any successor or assignee or designee of Sponsor and the Commercial Unit Owner. Sponsor and the Commercial Unit Owner shall have the right, at any time, in their sole discretion, to assign or otherwise transfer their interest therein, whether by merger, consolidation, lease, assignment, or otherwise.

ARTICLE 26

CAPTIONS

The index hereof and the captions herein inserted are included only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this Declaration or the intent of any provision hereof.

ARTICLE 27

CERTAIN REFERENCES

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

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

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

ARTICLE 28

GENERAL

Except as required by Law, neither Sponsor nor any of its principal shall be subject to any of the restrictions and/or prohibitions with regard to the Units and/or Storage Lockers set forth in this Declaration or the By-Laws annexed hereto.

IN WITNESS WHEREOF, Sponsor has caused this Declaration to be executed as of the ___ day of _____, _____.

* * * * *

SPONSOR:

1562/1564 Second Realty LLC

By:_____

(ACKNOWLEDGEMENT)

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

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

_____
Notary

EXHIBIT A

TO THE DECLARATION

DESCRIPTION OF THE LAND

The 301 East 81st Street Condominium
301 East 81st Street
New York, New York 10075
Block: 1543

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

BEGINNING at the corner formed by the intersection of the northerly side of East 80th Street with the easterly side of Second Avenue;

RUNNING THENCE easterly, along the northerly side of East 80th Street, a distance of 100 feet;

THENCE northerly and parallel with the easterly side of Second Avenue, a distance of 127 feet 8 ½ inches;

THENCE westerly and parallel with the northerly side of East 80th Street, a distance of 100 feet to the easterly side of Second Avenue;

THENCE southerly, along the easterly side of Second Avenue, a distance of 127 feet 8 ½ inches to the corner formed by the intersection of the northerly side of East 80th Street with the easterly side of Second Avenue, the point or place of BEGINNING.

EXHIBIT B

TO THE DECLARATION

DESCRIPTION OF THE UNITS

The 301 East 81st Street Condominium
301 East 81st Street
New York, NY 10075

UNIT	NUMBER OF BEDROOMS/ BATHS	APPROXIMATE TOTAL SQ. FT. UNIT	TERRACE/	BLOCK 1543 TAX LOT NO.	PERCENTAGE OF COMMON INTEREST	FLOOR NO.	LOCATION IN PORTION OF BUILDING FACING DIRECTION SET FORTH BELOW	COMMON ELEMENTS TO WHICH UNIT HAS IMMEDIATE ACCESS

To be completed prior to Recording of the Declaration.

EXHIBIT C

DEFINITIONS

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

"Additional Down Payment" shall mean a Down Payment in an amount equal to 10% of the Purchase Price required to be delivered by Purchaser before the earlier to occur of (i) 6 months after the date on which a Purchase Agreement is executed by Sponsor and Purchaser, or (ii) 15 days after the Presentation Date of an amendment declaring the Plan effective.

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

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

"Attorney for Sponsor" shall mean Seiden & Schein, P.C., having an office at 570 Lexington Avenue, 14th Floor, New York, New York 10022.

"Building" shall mean the building located at 301 East 81st Street, New York, New York 10075.

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

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

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

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

"Commercial Member" shall mean the member of the Condominium Board who shall be designated in accordance with the By-Laws by the Commercial Unit Owner.

"Commercial Unit" shall mean the Commercial Unit designated as such in the Declaration together with its Common Interest. In the event of subdivision of the Commercial Unit, all such Commercial Units are, collectively, referred to as the "Commercial Unit."

"Commercial Unit Owner" shall mean the Unit Owner of a Commercial Unit at the time in question. In the event of subdivision of the Commercial Unit, all such Unit Owners are, collectively, referred to as the "Commercial Unit Owner."

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

"Common Elements" shall mean all portions of the Property other than the Units. Common Elements are comprised of General Common Elements, Residential Common Elements and Residential Limited Common Elements.

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

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

"Condominium" shall mean The 301 East 81st Street Condominium which will be established pursuant to the terms of the Declaration and which is governed pursuant to the terms of the By-Laws.

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

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

"Condominium Documents" shall mean the Declaration, the By-Laws, the Residential Rules and Regulations and the Floor Plans.

"Consummation of the Plan" shall mean the occurrence of the First Unit Closing.

"Declarant" shall mean 1562/1564 Second Realty LLC and its successors and assigns.

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

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

"Development Rights" shall mean certain rights, as determined by the Zoning Resolution of the City of New York ("Zoning Resolution"), that are available as of the date of the Declaration or may become available thereafter by any means, and are appurtenant to a zoning lot, whereby (a) contiguous tax lots may be merged into a single zoning lot ("Combined Zoning Lot") and the Combined Zoning Lot or a portion thereof may be developed by erecting thereon one or more structures with (i) "floor area" (as such term is defined in the Zoning Resolution); (ii) any bulk and density development rights permitted under the Zoning Resolution, (iii) any so-called bonus redevelopment rights hereafter appurtenant to the Property; or (b)

excess "floor area" not utilized by the Building as of the date of the Declaration may be utilized on the zoning lot or transferred to other zoning lots as permitted by the Zoning Resolution.

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

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

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

"Escrow Agent" shall mean Seiden & Schein, P.C., having an office at 570 Lexington Avenue, 14th Floor, New York, New York 10022.

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

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

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

"Final Certificate of Occupancy" or "FCO" shall mean the final certificate of occupancy for the Building issued by the Buildings Department.

"First Annual Meeting" shall mean the first annual meeting of the Residential Unit Owners, which shall be held within 2 years of the First Unit Closing.

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

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

"Floor Plans" shall mean the floor plans 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 or amended floor plans thereto.

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

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

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

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

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

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

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

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

"Land" shall mean the land located in the Borough of Manhattan on the Tax Map of the Division of Land Records of The City of New York as Block 1543, Lot 1 and more particularly described in Exhibit A to the Declaration.

"Law" shall mean any of the following which are applicable at the time in question: laws, ordinances and codes of any or all of the Federal, New York State, New York City, County and Borough governments,

including, without limitation, the Buildings Department, the rules, regulations, orders and directives of any or all departments, subdivisions, bureaus, agencies, or offices thereof or of any other governmental, public or quasi-public authorities having jurisdiction over the Property and/or the Condominium and/or the direction of any public officer pursuant to Law.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"Residential Members" shall mean the 5 members of the Condominium Board who shall be elected or designated in accordance with the By-Laws by the Residential Unit Owners.

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

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

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

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

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

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

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

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

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

"Sponsor" shall mean 1562/1564 Second Realty LLC and its successors and assigns as well as any Person(s) designated by Sponsor, in a writing to the Condominium Board or by amendment to the Plan, to retain Sponsor's rights under the Plan and the Condominium Documents.

"Sponsor Control Period" shall mean the period ending on the later to occur of: (i) the date upon which Sponsor shall own Unsold Residential Units having an aggregate Residential Common Interest of ten percent (10%) or less, or (ii) five (5) years from the First Unit Closing, unless Sponsor otherwise exercises its right to relinquish control of the Condominium Board.

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

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

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

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

"Structural" shall mean concrete floors and ceiling slabs, foundation, retaining walls (if any), pilings, columns, beams, girders, shear walls, roofs, exterior walls and all other elements contributing to the Building's physical support, soundness, integrity and weather-tightness.

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

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

"Title Company" shall mean Kensington Vanguard National Land Services, having an office at 39 West 37th Street, 3rd Floor, New York, NY 10018 (telephone: (212) 532-8686, or any successor Title Company at the time in question.

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

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

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

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

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

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

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

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

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BY-LAWS OF THE CONDOMINIUM

EXHIBIT D

TO THE DECLARATION

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BY-LAWS

OF

THE 301 EAST 81ST STREET CONDOMINIUM

Prepared by:

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INDEX TO BY-LAWS

ARTICLE 1 GENERAL 1
Section 1.1 Purpose 1
Section 1.2 Definitions 1
Section 1.3 Applicability of By-Laws 1
Section 1.4 Application of By-Laws 1
Section 1.5 Principal Office of the Condominium 1

ARTICLE 2 CONDOMINIUM BOARD 1
Section 2.1 General 1
Section 2.2 Status of the Condominium Board 1
Section 2.3 Principal Office of the Condominium Board 2
Section 2.4 Powers and Duties of the Condominium Board 2
Section 2.5 Certain Limitations on the Powers of the Condominium Board 5
Section 2.6 Exercise and Delegation of Powers and Duties 6
Section 2.7 Number, Election and Qualification of Members 7
Section 2.8 Term of Office of Members 7
Section 2.9 Removal and Resignation of Members 7
Section 2.10 Vacancies 8
Section 2.11 Organizational Meeting of the Condominium Board 8
Section 2.12 Regular Meetings of the Condominium Board 8
Section 2.13 Special Meetings of the Condominium Board 8
Section 2.14 Waiver of Notice of Meetings 8
Section 2.15 Quorum of the Condominium Board 9
Section 2.16 Conduct of Meetings 9
Section 2.17 Decisions by the Condominium Board 9
Section 2.18 Compensation of Members 9
Section 2.19 Common or Interested Members of the Condominium Board 10
Section 2.20 Indemnification 10

ARTICLE 3 OFFICERS 10
Section 3.1 General 10
Section 3.2 President 11
Section 3.3 Vice President 11
Section 3.4 Secretary 11
Section 3.5 Treasurer 11
Section 3.6 Election, Term of Office and Qualification of Officers 11
Section 3.7 Removal and Resignation of Officers 11
Section 3.8 Vacancies 11
Section 3.9 Compensation of Officers 11
Section 3.10 Indemnification of Officers 12

ARTICLE 4 UNIT OWNERS 12
Section 4.1 Annual Meetings of the Unit Owners 12
Section 4.2 Special Meetings of the Unit Owners 12
Section 4.3 Place of Meetings 12
Section 4.4 Notice of Meetings 12
Section 4.5 Quorum of the Unit Owners 12
Section 4.6 Conduct of Meetings 12
Section 4.7 Order of Business 13
Section 4.8 Voting 13
Section 4.9 Election of Members of the Condominium Board 14

Section 4.10 Designation of Commercial Member to the Condominium Board 15
Section 4.11 Action Without a Meeting 15
Section 4.12 Title to Residential Units 15
Section 4.13 Contractual Liability of Unit Owners 15

ARTICLE 5 OPERATION OF THE PROPERTY 15
Section 5.1 Maintenance and Repairs 15
Section 5.2 Alterations, Additions, Improvements, or Repairs in and to Units 18
Section 5.3 Alterations, Additions, or Improvements to the Common Elements 20
Section 5.4 Insurance 21
Section 5.5 Casualty or Condemnation 23
Section 5.6 Use of the Property 25
Section 5.7 Use of the Units 25
Section 5.8 Use of the Common Elements 27
Section 5.9 Use of the Storage Lockers 28
Section 5.10 Rights of Access 29
Section 5.11 Modification of the Residential Rules and Regulations 30
Section 5.12 Real Estate Taxes 30
Section 5.13 Fuel 30
Section 5.14 Water Charges and Sewer Rents 30
Section 5.15 Electricity 30
Section 5.16 Record and Audits 31

ARTICLE 6 COMMON CHARGES 31
Section 6.1 Determination of Common Expenses and Fixing of Common Charges. 31
Section 6.2 Payment of Common Charges 33
Section 6.3 Statement of Common Charges 34
Section 6.4 Common Charge Deposit for Foreign Owners 34
Section 6.5 Default in Payment of Common Charges 35

ARTICLE 7 SELLING AND LEASING OF UNITS AND ASSIGNMENT OF STORAGE LOCKER LICENSES 36
Section 7.1 General 36
Section 7.2 Right of First Refusal 36
Section 7.3 Acceptance of Offer 37
Section 7.4 Failure to Accept Offer 38
Section 7.5 Termination of, and Exceptions to, the Right of First Refusal 38
Section 7.6 No Severance of Ownership 39
Section 7.7 Payment of Common Charges and fees 40
Section 7.8 Power of Attorney 40
Section 7.9 Gifts and Devises, Etc. 40
Section 7.10 Commencement of Time 40
Section 7.11 Costs and Expenses 40
Section 7.12 Sale or Lease of Commercial Units 40
Section 7.13 Assignment of Storage Locker Licenses 41
Section 7.14 Prohibition Against Sale of Residential Units Within One Year of Closing of Sponsor Sale 42

ARTICLE 8 MORTGAGING OF UNITS 42
Section 8.1 General 42
Section 8.2 Restrictions on Mortgaging 42
Section 8.3 Notice of Unpaid Common Charges and Default 43
Section 8.4 Performance by Permitted Mortgagees 43

Section 8.5 Examination of Books 43
Section 8.6 Consent of Mortgagees; Designation of Mortgage Representatives 43
Section 8.7 Notice to Permitted Mortgagees 43

ARTICLE 9 CERTAIN REMEDIES 44
Section 9.1 Self Help 44
Section 9.2 Abatement and Enjoinment 44
Section 9.3 Remedies Cumulative 45
Section 9.4 Costs and Expenses 45

ARTICLE 10 ARBITRATION 45
Section 10.1 Procedure 45
Section 10.2 Variation by Agreement 45
Section 10.3 Binding Effect 46
Section 10.4 Costs and Expenses 46

ARTICLE 11 NOTICES 46
Section 11.1 General 46
Section 11.2 Waiver of Service of Notice 46

ARTICLE 12 AMENDMENTS TO BY-LAWS 47
Section 12.1 General 47
Section 12.2 Special Amendments 47

ARTICLE 13 FURTHER ASSURANCES 48
Section 13.1 General 48
Section 13.2 Failure to Deliver or Act 48

ARTICLE 14 MISCELLANEOUS 49
Section 14.1 Inspection of Documents 49
Section 14.2 Waiver 49
Section 14.3 Conflict 49
Section 14.4 Severability 49
Section 14.5 Successors and Assigns 49
Section 14.6 Gender 49
Section 14.7 Captions 49

ARTICLE 15 TAX STATUS AS A HOMEOWNERS ASSOCIATION 50
Section 15.1 General 50
Section 15.2 Organization 50
Section 15.3 Inurement 50
Section 15.4 Residential Use 50

ADDENDUM TO THE BY-LAWS RESIDENTIAL RULES AND REGULATIONS 51

BY-LAWS

ARTICLE 1

GENERAL

Section 1.1 *Purpose.* The purpose of these By-Laws is to set forth the rules and procedures concerning the conduct of the affairs of the Condominium. The Condominium covers the Property, which consists of: (i) the Land, which is more particularly described in Exhibit A to the Declaration; (ii) the Building, which includes, without limitation, the Units, the Common Elements and all easements, rights and appurtenances belonging thereto, and all other property, real, personal or mixed, intended for use in connection therewith; and (iii) all other property, real, personal, or mixed, intended for use in connection therewith. The Property has been submitted to the provisions of the Condominium Act by the recording of the Declaration in the Register's Office, of which Declaration these By-Laws form a part. The purpose of the Condominium is to carry on the acquisition, construction, management, maintenance and care of the Common Elements and to perform related functions with respect to the other portions of the Property.

Section 1.2 *Definitions.* All capitalized terms used in these By-Laws that are not otherwise defined in any of the Articles hereof shall have the meanings set forth in Exhibit C to the Declaration, unless the context in which the same are defined in any of the Articles hereof shall have the meanings ascribed to them in such Articles, unless the context in which the same are used shall otherwise require. Each of the aforedescribed capitalized terms shall be applicable to singular and to plural nouns, as well as to verbs of any tense.

Section 1.3 *Applicability of By-Laws.* These By-Laws are applicable to the Property and to the use and occupancy thereof.

Section 1.4 *Application of By-Laws.* All present and future Unit Owners, mortgagees, lessees, sublessees and occupants of Units, and employees and guests of Unit Owners, as well as all other Persons who may use the Property, are and shall be subject to the Declaration, these By-Laws and the Residential Rules and Regulations, as each of the same may be amended from time to time. The acceptance of a deed or other instrument of conveyance, or the succeeding to title to, or the execution of a lease or sublease for, or the act of occupancy of, a Unit shall constitute an agreement that the provisions of the Declaration, these By-Laws and the Residential Rules and Regulations, as each of the same may be amended from time to time, are accepted and ratified and will be complied with.

Section 1.5 *Principal Office of the Condominium.* The principal office of the Condominium shall be located either at the Property or at such other place reasonably convenient thereto as may be designated from time to time by the Condominium Board.

ARTICLE 2

CONDOMINIUM BOARD

Section 2.1 *General.* As more particularly set forth in Sections 2.4, 2.5 and 2.6 hereof, the affairs of the Condominium shall be governed by the Condominium Board. In exercising its powers and performing its duties under the Declaration and these By-Laws, the Condominium Board shall act as, and shall be, the agent of the Unit Owners, subject to, and in accordance with, the terms of the Declaration and these By-Laws.

Section 2.2 *Status of the Condominium Board.* Unless and until the Condominium Board shall incorporate in accordance with the terms of Section 2.4 hereof, the Condominium Board shall have, to the extent permitted by Law, the status conferred upon unincorporated associations under, or pursuant to, the terms

of the General Association Law of the State of New York. If the Condominium Board shall incorporate in accordance with the terms of Section 2.4 hereof, the Condominium Board shall have, to the extent permitted by Law, the status conferred upon it under, or pursuant to, the terms of the applicable statutes of the State of New York. In either event, however, the Condominium Board shall also have the status conferred upon it under, or pursuant to, the terms of the Condominium Act.

Section 2.3 *Principal Office of the Condominium Board*. The principal office of the Condominium Board shall be located either at the Property or at such other place reasonably convenient thereto as may be designated from time to time by the Condominium Board.

Section 2.4 *Powers and Duties of the Condominium Board*

(A) The Condominium Board shall have all of the powers and duties necessary for, or incidental to, the administration of the affairs of the Condominium, provided, however, that the Condominium Board shall not have such powers and duties that by Law, or pursuant to the terms of the Declaration and these By-Laws, may not be delegated to the Condominium Board by the Unit Owners. Without intention to limit the generality of the foregoing in any respect, the Condominium Board shall have the following specific powers and duties:

(i) to operate, maintain, repair, restore, add to, improve, alter and replace the Common Elements, including, without limitation, as the Condominium Board shall deem necessary or proper in connection therewith, (a) the purchase and leasing of supplies, equipment and material and (b) the employment, compensation and dismissal of personnel.

(ii) to acquire, in the name of the Condominium Board or its designee, corporate or otherwise, and on behalf of the Unit Owners, all rights, titles and interests in real and personal property deemed necessary or proper by the Condominium Board for use in connection with the ownership and operation of the Property as a condominium.

(iii) to maintain complete and accurate books and records with respect to the finances and the operation of the Condominium, including without limitation: (a) detailed accounts, in chronological order, of receipts and expenditures affecting the Property; (b) detailed books of account of the Condominium Board; (c) other financial records, as well as other books of account of the Condominium, as may be required to be kept pursuant to the terms of these By-Laws; and (d) minutes and other records of all meetings held pursuant to the terms of these By-Laws.

(iv) to adopt a budget for the Condominium for each fiscal year thereof, setting forth, without limitation: (a) a detailed accounting of the anticipated Common Expenses for the ensuing fiscal year and (b) a detailed projection of all sources and amounts of income necessary to discharge the same.

(v) to approve the amount and the means and methods of payment of, and collection of, the Common Charges and Special Assessments from the Unit Owners; provided, however, that in no event shall Common Charges or Special Assessments or other funds received by the Condominium Board in connection with the General Common Elements be utilized to defray any Residential Common Expenses and in no event shall Common Charges or Special Assessments or other funds received by the Condominium Board in connection with the Residential Common Elements be utilized to defray any General Common Expenses.

(vi) to borrow money on behalf of the Condominium in accordance with Section 339-jj of the Real Property Law when required in connection with the operation, maintenance, repair, restoration, improvement, alteration and replacement of the Common Elements, provided, however, that: (a) the affirmative consent of at least 66 2/3% of the Members of the Condominium

Board shall be required for the borrowing of any sum in excess of $500,000 in any one fiscal year (regardless of the balance of any loans outstanding from previous fiscal years); (b) with respect to the operation, maintenance, repair, restoration, improvement, alteration and replacement of the General Common Elements, the affirmative consent of at least 66 2/3%, in aggregate Common Interest, of all Unit Owners shall be required for the borrowing of any sum in excess of $500,000 in any one fiscal year (regardless of the balance of any loans outstanding from previous fiscal years); (c) with respect to the operation, maintenance, repair, restoration, improvement, alteration and replacement of the Residential Common Elements and/or the Residential Limited Common Elements, the affirmative consent of at least 66 2/3%, in aggregate Residential Common Interest, of all Residential Unit Owners shall be required for the borrowing of any sum in excess of $500,000 in any one fiscal year (regardless of the balance of any loans outstanding from previous fiscal years) and the Commercial Unit Owner will not be liable for the repayment of any portion of such loan; (d) no lien to secure repayment of any sum borrowed may be created on any Unit or its Appurtenant Interests without the consent of the owner of such Unit; and (e) the documentation executed in connection with any such borrowing shall provide that, if any sum borrowed by the Condominium Board pursuant to this subparagraph (vi) shall not be repaid by the Condominium Board, any Unit Owner who pays to the creditor thereunder such proportion of the then outstanding indebtedness represented or secured thereby as such Unit Owner's Common Interest or Residential Common Interest, as applicable, bears to the aggregate Common Interests of all Unit Owners or Residential Common Interests of all Residential Unit Owners, as applicable, shall be entitled to obtain from the creditor a release of any judgment or other lien that the said creditor shall have filed, or shall have the right to file against such Unit Owner's Unit.

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

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

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

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

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

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

(xiii) to accept the surrender of any Residential Unit pursuant to the terms of paragraph (C) of Section 6.2 hereof, in the name of the Condominium Board or its designee, corporate or otherwise, and on behalf of all Residential Unit Owners.

(xiv) to purchase, lease, or otherwise acquire Residential Units offered for sale, lease or assignment by their owners, in the name of the Condominium Board or its designee, corporate or otherwise, and on behalf of all Residential Unit Owners but only with the consent of a Majority of Residential Unit Owners.

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

(xvi) to sell, lease, license, mortgage and otherwise deal with Residential Units and Storage Lockers acquired by, and to sublease Residential Units leased by, the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners, provided, however, that the Condominium Board or its designees shall in no event be entitled to vote the interest appurtenant to any such Residential Unit.

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

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

(xix) to incorporate, to the extent and in the manner provided in the Condominium Act, provided, however, that: (a) the certificate of incorporation and the By-Laws of any such resulting corporation shall conform as closely as practicable to the terms of the Declaration and these By-Laws and (b) the terms of the Declaration and these By-Laws shall prevail in the event of any inconsistency or conflict between the terms thereof and the terms of such certificate of incorporation and the By-Laws.

(xx) to organize corporations and other legal entities to act as the designees of the Condominium Board in acquiring title to, or leasing of, Units and in acquiring rights, titles and interests in real and personal property for use in connection with the ownership and operation of the Property as a condominium.

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

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

(xxiii) to prepare, execute, acknowledge and institute on behalf of all Residential Unit Owners, as their attorney-in-fact, coupled with an interest, protests of real property tax

assessments and tax certiorari proceedings with respect to all Units and to assess any costs incurred thereby as a Common Expense.

(xxiv) to commence summary eviction proceedings in the name of or on behalf of the Condominium Board and/or a Unit Owner or Unit Owners, as the case may be, against an authorized guest and/or a Tenant of a Unit Owner if such authorized Guest and/or Tenant does not conform to the Residential Rules and Regulations of the Condominium, annexed hereto as Schedule A, as said Residential Rules and Regulations may at any time and from time to time, be modified, amended or added to in accordance with the terms of these By-Laws. All costs in connection with the removal of the authorized guest and/or Tenant, including attorneys' fees, costs and disbursements, shall be borne by the Unit Owner and shall be deemed to constitute Common Charges payable by Unit Owners of the Unit against which they are levied.

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

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

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

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

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

(B) The Condominium Board shall be responsible for carrying out the duties imposed upon it under the Condominium Documents regardless of whether a Unit is vacant or occupied by the owner thereof or by a permitted lessee or other permitted occupant.

Section 2.5 *Certain Limitations on the Powers of the Condominium Board.*

(A) Notwithstanding anything to the contrary contained in these By-Laws, so long as Sponsor shall continue to own at least 25% in number of all Residential Units, but in no event later than 5 years after the First Unit Closing, the Condominium Board may not, without Sponsor's prior written consent:

(i) make any addition, alteration, or improvement to the Common Elements or to any Unit, unless the same shall be required by Law;

(ii) assess any Common Charges or Special Assessments for the creation or replacement of, or the addition to, all or any part of a working capital, reserve, contingency, or surplus fund;

(iii) increase or decrease the number of, or change the kind of employees from those described in the First Years Budget;

(iv) enter into any service or maintenance contracts for work or otherwise contract for work or otherwise provide services in excess of those described in the First Year's

Budget set forth in the Plan, except as is required to reflect normal annual increases in operating services incurred in the ordinary course of business;

(v) borrow money on behalf of the Condominium; or

(vi) exercise a right of first refusal to lease or purchase a Unit.

However, Sponsor may not diminish or eliminate services, Facilities or any line items described in the First Year's Budget and Sponsor's written consent shall not be necessary to perform any function or take any action described in clauses (i) through (vi) above, if, and only if, the performance of such function or the carrying out of such action is necessary to: (i) comply with Law; or (ii) remedy any notice of violation; or (iii) remedy any work order of the Condominium's insurer or (iv) to ensure the health and safety of the occupants of the Building.

(B) Notwithstanding anything to the contrary contained in these By-Laws, all determinations of the Condominium Board which affect only the:

(i) Residential Units and do not materially and Adversely Affect the use and operation of the Commercial Unit shall be made by the Member(s) of the Condominium Board elected or designated by the Residential Unit Owners; and

(ii) Commercial Unit and do not materially and Adversely Affect the use and operation of the Residential Units shall be made by the Member of the Condominium Board designated by the Commercial Unit Owner.

Any dispute as to whether or not a determination materially and Adversely Affects any Units shall be settled by Arbitration in accordance with the provisions of these By-Laws. No dispute with respect to whether a determination materially and Adversely Affects a Unit shall be deemed to exist unless the objecting party specifies the grounds for its objection in writing to the Condominium Board within 10 business days of receipt by it of notice of such determination.

Section 2.6 *Exercise and Delegation of Powers and Duties*.

(A) Any act within the power of the Condominium Board to perform, and deemed necessary or desirable to be performed by the Condominium Board, shall be performed by the Condominium Board or shall be performed on its behalf and at its direction by the agents, employees, or designees of the Condominium Board.

(B) The Condominium Board may appoint an Executive Committee by duly adopted resolution, which Executive Committee shall have, and may exercise, all of the powers of the Condominium Board, subject to both the exceptions and limitations as the Condominium Board may from time to time deem appropriate, during the intervals between the meetings of the Condominium Board. In addition, the Condominium Board may from time to time appoint, by duly adopted resolutions, such other committees as the Condominium Board may deem appropriate to perform such duties and services as the Condominium Board shall direct, each of which committees shall have, and may exercise, all of the powers delegated to it in its enabling resolution, subject, however, to the exceptions and limitations contained in paragraph (D) of this Section 2.6. The Executive Committee and each other committee shall consist of 2 Members of the Condominium Board.

(C) The Condominium Board may employ a Managing Agent to serve at a compensation approved by the Condominium Board and to perform such duties and services as the Condominium Board shall direct. Subject to the exceptions and limitations contained in paragraph (D) of this Section 2.6, the Condominium Board may delegate to the Managing Agent any of the powers granted to the Condominium Board in these By-Laws.

(D) Notwithstanding anything to the contrary contained in this Section 2.6, the Executive Committee and the Managing Agent shall neither have nor be entitled to exercise, and the Condominium Board shall not delegate to either of them or to any other committee, the powers or duties described in subparagraphs (ii), (iv), (v), (vi), (xiii), (xiv), (xv), (xvi) and (xvii) of paragraph (A) of Section 2.4 hereof. In addition, neither the Managing Agent nor any of the committees described in paragraph (B) of this Section 2.6 shall have, or be entitled to exercise, any of the powers of the Condominium Board, except to the extent permitted by Law.

Section 2.7 *Number, Election and Qualification of Members*. Until the First Annual Meeting held pursuant to the terms of Section 4.1 hereof, the Condominium Board shall consist of 3 individuals, all of whom are to be designated from time to time by Sponsor. From and after the First Annual Meeting and for so long as Sponsor continues to own at least 1 Unsold Residential Unit, the Condominium Board shall consist of 5 individuals, 4 of whom shall be elected and/or designated in accordance with the terms of these By-Laws by the Residential Unit Owners (including Sponsor) (collectively, the "Residential Members"), and 1 of whom shall be designated by the Commercial Unit Owner ("Commercial Member"). Except for Members designated by Sponsor and/or the Commercial Unit Owner pursuant to the terms of this Section 2.7 or of Section 2.10 or 4.9 hereof, all Members of the Condominium Board shall be either: (i) individual Residential Unit Owners or adult Family Members of an individual Residential Unit Owner; or (ii) individual Permitted Mortgagees; or (iii) officers, directors, shareholders, partners, principals, employees, or beneficiaries of corporations, partnerships, fiduciaries, or any other entities that are Residential Unit Owners or Permitted Mortgagees. After the Sponsor Control Period, a majority of the Residential Members of the Condominium Board need not be owner-occupants of the Building who are unrelated to Sponsor or its principal. In addition, no individual may be elected to serve on the Condominium Board, (nor may continue to serve on the Condominium Board) if the Condominium Board has perfected a lien against such Unit and the amount necessary to release such lien has not been paid at the time of such election, or so long as such lien remains unpaid. In no event may more than one individual of a designated Unit serve on the Condominium Board or as an officer of the Condominium Board at the same time during the term of office.

Section 2.8 *Term of Office of Members*. The term of office of the 2 Members of the Condominium Board designated by Sponsor prior to the First Annual Meeting shall expire when the 5 individuals to be elected and/or designated at such meeting are so elected and qualified or designated, as the case may be. The term of office of each of the 5 individuals elected and qualified or designated, as the case may be, at the First Annual Meeting pursuant to the terms of Section 4.9 hereof, shall be fixed at 1 year. Notwithstanding anything to the contrary contained in this Section 2.8, however, each Member of the Condominium Board shall serve until a successor shall be elected and qualified or designated, as the case may be.

Section 2.9 *Removal and Resignation of Members*.

(A) Any Member of the Condominium Board who was elected thereto either by the Residential Unit Owners, pursuant to the terms of Section 4.9 hereof, or by the Condominium Board, pursuant to the terms of Section 2.10 hereof, may be removed from office, with or without cause, by a vote of a Majority of Residential Unit Owners. Any Member of the Condominium Board who was designated as such by Sponsor pursuant to the terms of Section 2.7, 2.10, or 4.9 hereof, may be removed (i) only by Sponsor, if such removal is not for cause; or (ii) by a vote of a Majority of the Unit Owners, if such removal is for cause. If any Member of the Condominium Board who was designated by Sponsor is removed, the successor shall also be designated by Sponsor. Any Member of the Condominium Board who was designated by a Commercial Unit Owner may be removed (i) only by such Commercial Unit Owner, if such removal is not for cause; or (ii) by a vote of a Majority of the Unit Owners, if such removal is for cause. If any Member of the Condominium Board who was designated by a Commercial Unit Owner, is removed, the successor shall also be designated by such Commercial Unit Owner. Any Member of the Condominium Board whose proposed removal is to be acted upon at a meeting of the Unit Owners shall be given prior written notice thereof and an opportunity to be present and heard thereat.

(B) Any Member of the Condominium Board may resign such Member's membership at any time by giving written notice thereof to the Condominium Board. In addition, any Member of the Condominium Board who shall cease to be qualified for membership pursuant to the terms of Section 2.7 hereof shall be deemed to have resigned such Member's membership effective as of the date upon which such qualification shall cease.

Section 2.10 *Vacancies*.

(A) Any vacancy on the Condominium Board that is caused by the removal, resignation, or death of a Member who was elected thereto by the Residential Unit Owners shall be filled by an individual who is qualified to be a Member pursuant to the terms of Section 2.7 hereof and who is elected by a vote of the majority of the Members of the Condominium Board elected or designated by the Residential Unit Owners then in office. A special meeting of the Condominium Board shall be held for the purpose of filling any such vacancy promptly after the occurrence thereof, and the election held thereat shall be effective to fill such vacancy even if the number of Members present at such meeting shall not constitute a quorum.

(B) Any vacancy on the Condominium Board that is caused by the removal, resignation, or death of a Member who was designated as such or elected by Sponsor shall be filled by an individual designated by Sponsor. Any vacancy on the Condominium Board that is caused by the removal, resignation or death of a Member who was designated by a Commercial Unit Owner shall be filled by an individual designated by such Commercial Unit Owner.

(C) Each Member of the Condominium Board who is elected thereto or designated as such to fill a vacancy pursuant to the terms of paragraph (A) or (B), respectively, of this Section 2.10 shall serve as a Member of the Condominium Board for the remainder of the term of the Member replaced and until a successor shall be selected and qualified at the appropriate annual meeting of the Residential Unit Owners pursuant to the terms of Section 4.9 hereof.

Section 2.11 *Organizational Meeting of the Condominium Board*. The first meeting of the Condominium Board following each annual meeting of the Residential Unit Owners shall be held within 10 days of such annual meeting, at such time and place as shall be both fixed informally by a majority of the Members of the Condominium Board and designated by the Secretary in a written notice given to all Members thereof by personal delivery or mail not later than five business days prior to such date. At such meeting, the officers of the Condominium Board shall be elected.

Section 2.12 *Regular Meetings of the Condominium Board*. Regular meetings of the Condominium Board may be held at such time and place as shall be determined from time to time by a majority of the Members thereof, provided that at least 4 such meetings shall be held during each fiscal year. Written notice of all regular meetings of the Condominium Board shall be given by the Secretary to each Member thereof by personal delivery, mail, overnight courier, facsimile or e-mail, at least 5 business days prior to the day named for such meeting.

Section 2.13 *Special Meetings of the Condominium Board*. The President may call a special meeting of the Condominium Board whenever the President deems the same to be necessary or desirable. However, the President shall call such a meeting upon the written request of 3 or more Members of the Condominium Board. Written notice of all special meetings shall be given by the Secretary to each Member thereof by personal delivery, mail, overnight courier, facsimile, or e-mail at least 3 business days prior to the day named for such meeting, which notice shall state the time, place and purpose of the meeting.

Section 2.14 *Waiver of Notice of Meetings*. Any Member of the Condominium Board may, at any time, waive notice of any meeting thereof in writing, and such waiver shall be deemed equivalent to the giving of notice. Attendance by a Member of the Condominium Board at any meeting thereof shall constitute a waiver by the Member of notice of the time and place thereof. If all of the Members of the Condominium Board are

present at any meeting thereof, no notice of such meeting shall be required and any business may be transacted at such meeting.

Section 2.15 *Quorum of the Condominium Board*. A quorum of the Condominium Board is required to be present at a Condominium Board meeting in order to make any determination or to transact any business. To constitute a quorum of the Condominium Board, the following majority of the Members of the Condominium Board shall be present at the Condominium Board meeting:

(A) Attendance of a majority of all of the Members of the Condominium Board will be required for any business relating to the General Common Elements, the General Common Expenses, or, all or a portion of both the Residential Units and the Commercial Unit.

(B) Attendance of a majority of the Residential Members of the Condominium Board will be required for any business relating solely to the Residential Common Expenses, the Residential Common Elements, or, all or a portion of the Residential Units.

In connection therewith, one or more Members of the Condominium Board may participate in any meeting thereof by means of a conference telephone or similar communications equipment permitting all individuals participating in the meeting to hear each other at the same time, and such participation shall constitute presence at such a meeting for all purposes. If, at any meeting of the Condominium Board, there shall be less than a quorum present, a majority of the Members of the Condominium Board in attendance may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business that might have been transacted at the meeting originally called but for the lack of a quorum may be transacted without further notice.

Section 2.16 *Conduct of Meetings*. The President shall preside at all meetings of the Condominium Board, and the Secretary shall faithfully record the minutes thereof, which minutes shall include the full text of all resolutions duly adopted by the Condominium Board and a record of all transactions and proceedings occurring thereat. The then current edition of Robert's Rules of Order, or any other rules of procedure from time to time acceptable to a majority of the Condominium Board, shall govern the conduct of the meetings of the Condominium Board unless the same shall be in conflict with the terms of the Declaration, these By-Laws, or the Condominium Act.

Section 2.17 *Decisions by the Condominium Board*. Except as otherwise provided in the Declaration or these By-Laws:

(A) The vote of a majority of the Members attending a duly constituted meeting of the Condominium Board at which a quorum is present shall decide all matters on behalf of the Condominium Board relating solely to the General Common Elements; the General Common Expenses, or, all or a portion of both the Residential Units and the Commercial Unit.

(B) The vote of a majority of those Residential Members attending a duly constituted meeting of the Residential Members at which a quorum is present shall decide all matters on behalf of the Condominium Board relating solely to the Residential Common Expenses; the Residential Common Elements; or, all or a portion of the Residential Units.

Alternatively, any decision that is required or permitted to be made by the Condominium Board may be made without a meeting thereof if all of the Members of the Condominium Board shall individually or collectively consent in writing to such decision, and all such written consents shall be duly filed by the Secretary of the Condominium in the minutes of the Condominium Board.

Section 2.18 *Compensation of Members*. No Member of the Condominium Board shall receive any compensation from the Condominium for acting as such.

Section 2.19 *Common or Interested Members of the Condominium Board*. Each Member of the Condominium Board shall perform duties, and shall exercise powers, in good faith and with a view to the interests of the Condominium, and in compliance with Section 713 of the New York Business Corporation Law, as may be amended from time to time.

Any such Member of the Condominium Board may be counted in determining the presence of a quorum of any meeting of the Condominium Board that authorizes, approves, or ratifies any such contract or transaction, but no such Member shall be entitled to vote thereat to authorize, approve, or ratify such contract or transaction.

Section 2.20 *Indemnification.*

2.20-1 Indemnification of Board Members and Officers.

2.20-1.1 To the extent permitted by Law, the Members of the Condominium Board shall have no personal liability with respect to any contract, act or omission of the Condominium Board or of any Managing Agent or manager in connection with the affairs or operation of the Condominium (except in their capacities as Unit Owners) and the liability of any Unit Owner with respect thereto shall be limited as set forth in Section 4.13 hereof. Every contract made by the Condominium Board or by the Managing Agent shall state that it is made by the Condominium Board or the Managing Agent, only as agent for all Unit Owners and that the Members of the Condominium Board or the Managing Agent shall have no personal liability thereon (except in their capacities as Unit Owners). Any such contract may also provide that it covers the assets, if any, of the Condominium Board. To the extent permitted by Law, the Members of the Condominium Board shall have no liability to Unit Owners except that a Member of the Condominium Board shall be liable for such Member's own bad faith or willful misconduct. All Unit Owners shall jointly and severally, to the extent of their respective interests in their Units and their appurtenant Common Interests, indemnify each Member of the Condominium Board against any liability or claim except those arising out of such Member's own bad faith or willful misconduct. The Condominium Board may contract or effect any other transaction with any Member of the Condominium Board, any Unit Owner, Sponsor or any affiliate of any of them without incurring any liability for self-dealing, except in cases of bad faith or willful misconduct.

2.20-1.2 Neither the Condominium Board nor any Member thereof shall be liable for either:

(i) any failure or interruption of any utility or other services to be obtained by, or on behalf of, the Condominium Board or to be paid for as a Common Expense except when any such failure or interruption is caused by the acts of bad faith or willful misconduct of the Condominium Board or any Member thereof; or

(ii) any injury, loss or damage to any individual or property, occurring in or upon either a Unit or the Common Elements and either: (a) caused by the elements, by any Unit Owner, or by any other Person; (b) resulting from electricity, water, snow, or ice that may leak or flow from a Unit or any portion of the Common Elements; or (c) arising out of theft or otherwise.

ARTICLE 3

OFFICERS

Section 3.1 *General*. The principal officers of the Condominium shall be the President, the Vice President, the Secretary and the Treasurer. The Condominium Board may appoint an Assistant Treasurer, an Assistant Secretary and such other officers as in its discretion may be necessary or desirable. All agreements, contracts, deeds, leases, checks and other instruments of the Condominium shall be executed, upon the direction

of the Condominium Board, by any two officers of the Condominium or by such lesser number of officers or by such other Person or Persons as may be designated from time to time by the Condominium Board.

Section 3.2 *President*. The President shall be the chief executive officer of the Condominium and shall preside at all meetings of the Unit Owners and of the Condominium Board. The President shall have all of the general powers and duties that are incident to the office of president of a stock corporation organized under the Business Corporation Law of the State of New York (hereinafter referred to as the "BCL"), including, but not limited to, the power to appoint the members of all committees created by the Condominium Board from amongst the Unit Owners from time to time as the President may decide, in the President's discretion, are appropriate to assist in the conduct of the affairs of the Condominium.

Section 3.3 *Vice President*. The Vice President shall take the place of the President and perform the President's duties whenever the President shall be absent or unable to act. If both the President and the Vice President are unable to act, the Condominium Board shall appoint some other Member of the Condominium Board to act in the place of the President on an interim basis. The Vice President shall also perform such other duties as shall be imposed upon the Vice President from time to time by the Condominium Board or by the President.

Section 3.4 *Secretary*. The Secretary shall keep the minutes of all meetings of the Unit Owners and of the Condominium Board. The Secretary shall have charge of such books and papers as the Condominium Board shall direct and, in general, shall perform all of the duties that are incident to the office of secretary of a stock corporation organized under the BCL.

Section 3.5 *Treasurer*. The Treasurer shall have the care and custody of the funds and securities of the Condominium and shall be responsible for keeping full and accurate financial records and books of account thereof, showing all receipts and disbursements necessary for the preparation of all required financial data. The Treasurer shall be responsible for the deposit of all funds and other securities in the name of the Condominium Board or in the name of the Managing Agent in such depositories as may from time to time be designated by the Condominium Board and, in general, shall perform all of the duties incident to the office of treasurer of a stock corporation organized under the BCL.

Section 3.6 *Election, Term of Office and Qualification of Officers*. Each of the officers of the Condominium shall be elected annually by a majority vote of all Members of the Condominium Board taken at the organizational meeting of each new Condominium Board, and shall serve at the pleasure of the Condominium Board. The President, Vice President, and the Treasurer shall be elected from amongst the Members of the Condominium Board. Such officers need not be Unit Owners and need not have any interest in the Condominium if they are designated by Sponsor. Such officers must be Unit Owners if they are elected by the other Unit Owners. The other officers of the Condominium Board need not be Unit Owners and need not have any interest in the Condominium.

Section 3.7 *Removal and Resignation of Officers*. Any officer of the Condominium Board may be removed from office, with or without cause, by an affirmative vote of a majority of the Members of the Condominium Board. In addition, any officer may resign at any time by giving written notice to the Condominium Board. Finally, if the President, Vice President, or the Treasurer of the Condominium shall cease to be or shall be suspended as a Member of the Condominium Board during their term of office, such officer shall be deemed to have resigned office effective upon the date upon which the membership shall cease.

Section 3.8 *Vacancies*. Any vacancy in an office shall be filled by a majority vote of the Condominium Board at any regular meeting of the Condominium Board or at a special meeting thereof called for such purpose.

Section 3.9 *Compensation of Officers*. No officer of the Condominium shall receive any compensation from the Condominium for acting as such.

Section 3.10 *Indemnification of Officers*. Each officer shall be indemnified as set forth in Paragraph 2.20.

ARTICLE 4

UNIT OWNERS

Section 4.1 *Annual Meetings of the Unit Owners*. The First Annual Meeting will be held within 2 years of the First Unit Closing. At such meeting, a 5 Member Condominium Board shall be elected and/or designated, as provided both in this Article 4 and in Article 2 hereof. Thereafter, annual meetings of the Unit Owners shall be held on or about the anniversary date of the First Annual Meeting. At each such subsequent meeting, the Unit Owners (including Sponsor) shall elect successors to the Members of the Condominium Board whose term of office expires on the day of such meeting and shall transact such other business as may properly come before such meeting.

Section 4.2 *Special Meetings of the Unit Owners*. The President shall call a special meeting of the Unit Owners whenever so directed by a duly adopted resolution of the Condominium Board or upon receipt by the Secretary of a petition calling for such a meeting signed by Unit Owners having, in the aggregate, not less than 40% of the Common Interests of all Residential Unit Owners (excluding the Common Interests appurtenant to the Commercial Unit). Each such resolution or petition shall set forth, in reasonable detail, the purposes for calling such a meeting, and no business shall be transacted at such special meeting except business reasonably related to such stated purposes.

Section 4.3 *Place of Meetings*. Meetings of the Unit Owners shall be held at the principal office of the Condominium or at such other suitable and convenient place in the Borough in which the Property is located as may be designated by the Condominium Board.

Section 4.4 *Notice of Meetings*.

(A) The Secretary of the Condominium shall give notice of each annual or special meeting of the Unit Owners to all Unit Owners then of record entitled to vote at such meeting, which notice shall set forth the purpose, time and place of such meeting. Such notice may be given to any Unit Owner by personal delivery, mail, or telegram addressed to the Unit Owner's address at the Property, not less than 10 nor more than 40 days prior to the day fixed for the meeting. Any Unit Owner may designate an address for the giving of notice other than such Unit Owner's address at the Property by giving written notice thereof to the Secretary of the Condominium not less than 10 days prior to the giving of notice of the applicable meeting.

(B) If the business to be conducted at any meeting of the Unit Owners shall include the consideration of a proposed amendment to the Declaration or to these By-Laws, the notice of such meeting shall be mailed to all Unit Owners at least 30 days prior to the day fixed for such meeting and shall be accompanied by a copy of the text of such proposed amendment.

Section 4.5 *Quorum of the Unit Owners*. Except as otherwise provided in these By-Laws, the presence, in person or by proxy, of Unit Owners owning Units to which 40% or more of the aggregate Common Interests appertain (excluding the Common Interests appurtenant to the Commercial Unit) shall constitute a quorum at all meetings of the Unit Owners. If, at any meeting of the Unit Owners, there shall be less than a quorum present, a majority of the Unit Owners present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than 48 hours from the time fixed for the original meeting.

Section 4.6 *Conduct of Meetings.* The President shall preside at all meetings of the Unit Owners, and the Secretary shall faithfully record the minutes thereof, which minutes shall include the full text of all resolutions duly adopted by the Unit Owners and a record of all transactions and proceedings occurring thereat. The then current edition of Robert's Rules of Order, or any other rules of procedure acceptable to a majority of

the Unit Owners present at any meeting, in person or by proxy, shall govern the conduct of the meetings of the Unit Owners, unless the same shall be in conflict with the terms of the Declaration, these By-Laws, or the Condominium Act. All votes of the Unit Owners shall be tallied by the persons appointed by the presiding officer of the meeting.

Section 4.7 *Order of Business*. The order of business at all meetings of the Unit Owners shall be as follows:

(A) Roll call;

(B) Proof of notice of meeting;

(C) Reading of the minutes of the preceding meeting (unless waived);

(D) Reports of officers of the Condominium;

(E) Reports of Members of the Condominium Board;

(F) Reports of committees;

(G) Election of inspectors of election (when so required);

(H) Election of Members of the Condominium Board (when so required);

(I) Unfinished business; and

(J) New business.

The order of business at meetings of Unit Owners can be adjusted in the sole discretion of the Condominium Board.

Section 4.8 *Voting*.

(A) Subject to the terms of Section 4.9 hereof, each Unit Owner (including Sponsor for so long as Sponsor shall own any Unsold Residential Unit) shall be entitled to cast 1 vote at all meetings of the Unit Owners for each percentage of Common Interest attributable to such Unit Owner's Unit(s).

(B) Notwithstanding the terms contained in paragraph (A) hereof, no Unit Owner may vote at any meeting of the Unit Owners if the Condominium Board has perfected a lien against such Unit Owner's Unit and the amount necessary to release such lien has not been paid at the time of such meeting. In addition, neither the Condominium Board nor any designee thereof shall be entitled to vote the Common Interest appurtenant to any Unit owned by the Condominium Board or such designee. The Common Interests of all Units whose owners are precluded from voting pursuant to the terms of this paragraph (B) will be excluded when computing the aggregate Common Interests of all Unit Owners for voting purposes.

(C) A fiduciary shall be the voting Member with respect to a Unit owned in a fiduciary capacity. In addition, if 2 or more Persons own a Unit, they shall designate 1 Person amongst them to vote the Common Interest appurtenant to their Unit in a writing given to the Secretary of the Condominium, and the vote of such designee shall be binding upon all of such Persons. Failing such a designation, all of such Persons shall mutually vote such Common Interest under 1 ballot without division, and the concurrence of all such Persons shall be conclusively presumed if any one of them purports to vote such Common Interest without protest being contemporaneously made to the individual presiding over the meeting at which such vote is taken. If protest is made, the Common Interest appurtenant to such Unit shall be counted solely for the purpose of determining whether a quorum is present for such voting.

(D) The owner of any Unit may designate any Person to act as a proxy on such Unit Owner's behalf. The designation of any such proxy shall be made in a written notice both signed and dated by the designator and delivered to the Secretary of the Condominium at or before the appointed time for the meeting(s) during which the same is to be effective. Any such designation shall be revocable at any time upon written notice given to the Secretary of the Condominium; however, no revocation of such designation shall be effective with respect to any votes cast by such proxy prior to the receipt of such revocation notice by the Secretary of the Condominium or, if such revocation is made at a meeting of the Unit Owners during which the Secretary of the Condominium is not in attendance, by the individual acting as the secretary of such meeting, except with respect to the designation of a Permitted Mortgagee to act as the proxy of its mortgagor(s), no designation to act as a proxy shall be effective for a period in excess of 6 months after the date thereof.

Section 4.9 *Election of Members to the Condominium Board*.

(A) When voting for Members of the Condominium Board, each Unit Owner (including Sponsor for so long as Sponsor shall own any Unsold Residential Units) shall be entitled to cast 1 vote for each .0001% of Common Interest attributable to the Unit(s) per Member to be elected. However, nothing contained herein shall be deemed to permit any Unit Owner to cumulate the votes attributable to the ownership of a Unit in favor of any 1 or more Members to be elected. In addition, the terms of paragraphs (B), (C) and (D) of Section 4.8 hereof shall apply to all elections of Members of the Condominium Board.

(B) All elections of Members of the Condominium Board shall be by written ballot, and each ballot cast shall state: (i) the name of the voting Residential Unit Owner and, if such ballot is cast by proxy, the name of the proxy; (ii) the designation number(s) of the Residential Unit(s) owned by the voting Unit Owner; (iii) the percentage(s) of the Common Interest appurtenant to such Unit(s); and (iv) the names of the candidates for whom such ballot is cast (the number of which names shall not exceed the number of Members to be elected). Any ballot that is not cast in conformity with this paragraph (B) shall not be counted. All election ballots shall be retained in the records of the Condominium, appropriately segregated by election for a period of 2 years.

(C) Subject to the terms of paragraph (D) of this Section 4.9, all elections of Members of the Condominium Board shall be determined by plurality vote of Unit Owners present, in person or by proxy, at a duly convened meeting.

(D) At meetings of the Unit Owners, Sponsor will have the right to vote all of the Common Interests attributable to the Unsold Residential Units as it sees fit. However, at elections of Members to the Condominium Board held during the Sponsor Control Period, Sponsor shall have the right to designate 3 of the 5 Residential Members to the Condominium Board, and Sponsor, and all other Unit Owners shall have the right to vote for the remaining Residential Members of the Condominium Board. Sponsor reserves the right to relinquish voting control of the Condominium Board prior to the expiration of the Sponsor Control Period.

Subsequent to the Sponsor Control Period, and for so long as Sponsor continues to own at least 1 Unsold Residential Unit, Sponsor shall have the right to designate 1 Residential Member to the Condominium Board, and shall have the right to vote its Common Interest attributable to the Unsold Residential Units for the remaining Residential Members of the Condominium Board. There is no restriction on the right of Sponsor to vote for Residential Members of the Condominium Board who are not related to or affiliated with Sponsor.

(E) Within 30 days after the Sponsor Control Period, 2 of the 3 Residential Members of the Condominium Board who were designated by Sponsor shall resign and their replacements shall be filled by a vote of the Residential Unit Owners (including Sponsor for so long as Sponsor shall own any Unsold Residential Unit) at a special meeting called for such purpose.

Section 4.10 *Designation of Commercial Member to the Condominium Board*. The Commercial Unit Owner (including Sponsor for so long as Sponsor shall own the Commercial Unit) shall be entitled to designate 1 Commercial Member to the Condominium Board

Section 4.11 *Action Without a Meeting*. Any action required or permitted to be taken by the Unit Owners at a duly constituted meeting may be taken without such a meeting if the number of Unit Owners sufficient (both in absolute number and aggregate Common Interests whenever applicable) to approve such an action at a duly constituted meeting of the Unit Owners pursuant to the Declaration or to these By-Laws consent in writing to the adoption of a resolution approving such action. All written consents given by Unit Owners pursuant to this Section 4.11 shall be retained in the records of the Condominium together with a true copy of the resolutions to which they relate.

Section 4.12 *Title to Residential Units*. Title to any Residential Unit may be taken by any Person or by any two or more Persons as joint tenants, tenants in common, or tenants by the entirety, as may be appropriate. The sale of a Residential Unit to a corporation, partnership, limited partnership, trust or any other entity (including any entity or person entitled to diplomatic or sovereign immunity) may require the delivery to the Condominium Board or its managing agent at Closing (i) any and all documents as are reasonably requested by the Condominium Board, including without limitation, a personal guaranty, a subjection to jurisdiction, occupancy agreement and escrow agreement; and (ii) an amount equal to the current Common Charges for such Residential Unit for a period of 2 years, to be held in escrow by the Condominium Board, as security for the faithful observance by such Residential Unit Owner of the terms, provisions and conditions contained in these By-Laws.

Section 4.13 *Contractual Liability of Unit Owners*. Every contract made by the Condominium Board, by any officer of the Condominium, or by any superintendent or Managing Agent of the Building shall state (if obtainable and in addition to the limitation of liability of the Members of the Condominium Board and the officers of the Condominium pursuant to the terms of Sections 2.20 and 3.10 hereof, respectively) that the liability of any Unit Owner with respect thereto shall be limited to: (i) such proportionate share of the total liability thereunder as the Common Interest of such Unit Owner bears to the aggregate Common Interests of all Unit Owners in the case of a contract relating to the General Common Elements, (ii) such proportionate share of the total liability thereunder as the Residential Common Interest of such Residential Unit Owner in a case relating to the Residential Common Elements, and (iii) such Unit Owner's interest in the Unit and its Appurtenant Interests, unless otherwise provided by Law.

ARTICLE 5

OPERATION OF THE PROPERTY

Section 5.1 *Maintenance and Repairs*.

(A) Except as otherwise provided in the Declaration or in these By-Laws, all painting, decorating, maintenance, repairs and replacements, whether structural or non-structural, ordinary or extraordinary:

(i) in or to any Unit and all portions thereof, including, but not limited to, the interior walls, partitions, ceilings and floors in the Unit, kitchen and bathroom fixtures and appliances, mechanical systems located in the Unit (including HVAC filters and parts), window panes, window treatments, fireplace, firebox, dampers, mantel and flue, all entrance doors and Terrace doors and their frames and saddles, exposed plumbing, gas and heating fixtures and equipment, heating and cooling systems, air conditioning units, lighting and electrical fixtures and any Common Elements incorporated therein pursuant to paragraph (B) of Section 5.8 hereof, but

excluding any other Common Elements contained therein, shall be performed by such Residential Unit Owner at its sole cost and expense;

(ii) in or to the General Common Elements (other than any General Common Elements incorporated into one or more Units pursuant to the terms of paragraph (B) of Section 5.8 hereof) shall be performed by the Condominium Board and the cost and expense thereof shall be charged to all Unit Owners as a General Common Expense;

(iii) in or to the Residential Common Elements, (with the exception of the Storage Lockers and any Residential Common Elements incorporated into one or more Units pursuant to the terms of paragraph (B) of Section 5.8 hereof) shall be performed by the Condominium Board and the cost and expense thereof shall be charged to all Residential Unit Owners as a Residential Common Expense; and

(iv) in or to the Residential Limited Common Elements shall be performed (a) by the Condominium Board as a Residential Common Expense, if involving structural or extraordinary maintenance, repairs, or replacements (including, but not limited to, the repair of any leaks that are not caused by the acts or omissions of the Residential Unit Owner having direct and exclusive access thereto), or (b) by the Residential Unit Owner having direct and exclusive access thereto at such Residential Unit Owner's sole cost and expense, if involving painting, decorating and non-structural ordinary maintenance, repairs or replacements, (including without limitation, the removal of snow, ice and accumulation of water on any Terrace).

Promptly upon obtaining knowledge thereof, each Unit Owner shall report to the Condominium Board or to the Managing Agent any defect or need for repairs for which the Condominium Board is responsible pursuant to the terms hereof. All painting, decorating, maintenance, repairs and replacements performed hereunder or otherwise, whether by or at the behest of a Unit Owner or the Condominium Board, shall be performed in such a manner as shall not unreasonably disturb or interfere with any Unit Owners or the tenants and occupants of any Units.

(B) Notwithstanding anything to the contrary provided in paragraph (A) of this Section 5.1, if any painting, decorating, maintenance, repairs, or replacements to the Property or any part thereof, whether structural or non-structural, ordinary or extraordinary, are necessitated by the negligence, misuse, or abuse of (i) any Unit Owner, the entire cost and expense thereof shall be borne by such Unit Owner, or (ii) the Condominium Board, the entire cost and expense thereof shall be borne by the Condominium as a General Common Expense attributable to all Unit Owners if relating to the General Common Elements, and as a Residential Common Expense attributable to all Residential Unit Owners if relating to the Residential Common Elements and/or the Residential Limited Common Elements except, in all events, to the extent that such cost and expense is covered by the proceeds of any insurance maintained pursuant to the terms of these By-Laws. Similarly, each Unit Owner shall be responsible for any and all damage to any Unit or to the Common Elements resulting from such Unit Owner's failure to maintain, repair, or replace the Unit or any portion thereof as required herein.

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

Commercial Unit for any purpose, the maintenance, replacement, and repair of the sidewalk during the period of use, together with all costs and expenses associated therewith, shall be the sole responsibility of the Commercial Unit Owner. In the event the Condominium Board is assessed for the cost of repair or replacement of a portion of the sidewalk utilized by the Commercial Unit Owner or its Permitted User, or any fines or violations are imposed with respect to the use thereof, any funds expended by the Condominium Board to effectuate such repairs or replacement, and/or to pay such fines and/or to cure such violations, shall be deemed to be additional Common Charges payable solely by the Commercial Unit Owner.

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

The public areas of the Building as well as the private areas exposed to public view shall be kept in good appearance, in conformity with the dignity and character of the Building, as determined by the Condominium Board in its sole discretion, by (i) the Condominium Board, with respect to such parts of the Building required to be maintained by it, and (ii) each Unit Owner, with respect to the interior surfaces of windows and shades, venetian or other blinds, drapes, curtains or other window decorations in or appurtenant to such Unit Owner's Unit. To promote a consistent appearance of the Building from the outside, (x) no Residential Unit Owner shall be permitted to enclose, erect a greenhouse and/or alter a Terrace appurtenant to a Unit, in such a way that will alter the conformity of the Building, without the prior approval of the Condominium Board; and (y) all window treatments in the Residential Units must contain a white backing facing the outside of the Building so that when the shades are down or curtains drawn, the effect from the outdoors is a visually harmonious white appearance. Neither the interior nor the exterior glass surfaces of any windows located in any Residential Unit may be altered, colored or painted and no neon or colored lights may emanate therefrom and neither the windows, window frames nor mullions may be modified, altered or replaced without the consent of the Board. No sheets, cardboard, or other similar makeshift window coverings shall be permitted on either a temporary or permanent basis. Additionally, the type, size, weight and quantity of plantings and other installations to be placed on Terraces shall be subject to the prior approval of the Condominium Board and shall be in compliance with Law.

(D) In the event that any Unit Owner, after receipt of written notice from the Condominium Board, fails or neglects in any way to perform any of its obligations with respect to the painting, decorating, maintenance, repair or replacement of its Unit as provided in this Section 5.1 (or of any Common Elements for which such Unit Owner is responsible under the Declaration or these By-Laws), the Condominium Board may perform or cause to be performed such painting, decorating, maintenance, repair or

replacement unless such Unit Owner, within 5 days after receiving notice of such default by the Condominium Board, cures such default, or in the case of a default not reasonably susceptible to cure within such period, commences and thereafter prosecutes to completion, with due diligence, the curing of such default. All sums expended and all costs and expenses incurred in connection with the making of any such painting, decorating, maintenance, repair or replacement in such Unit Owner's Unit or to any such Common Element for which such Unit Owner is responsible, together with interest thereon at the rate of 2% per month (but in no event in excess of the maximum rate permitted by Law), shall be immediately payable by such Unit Owner to the Condominium Board and shall, for all purposes hereunder, constitute Common Charges payable by such Unit Owner.

Section 5.2 *Alterations, Additions, Improvements, or Repairs in and to Units*.

(A) Subject to the terms of paragraph (B) of this Section 5.2, no Residential Unit Owner may make any structural alteration, addition, improvement or repair, in or to the Residential Unit or its appurtenant Residential Limited Common Elements without the prior approval of the Condominium Board. Prior to, and as a condition of, the granting of any such approval, the Condominium Board may, at its sole option, require the Residential Unit Owner to: (i) procure and agree to maintain during the course of such work such insurance as the Condominium Board may reasonably prescribe; and (ii) execute an alteration agreement, in form and substance satisfactory to the Condominium Board, setting forth the terms and conditions under which such alteration, addition, improvement or repair, may be made, including, without limitation, the indemnity referred to in paragraph (D) hereof and the days and hours during which any such work may be done. The Condominium Board shall have the right to approve Unit Owner's contractors and materialmen. In connection with such alterations, additions, improvements and/or repairs, each Residential Unit Owner shall employ only such laborers and other workers as shall not conflict with any other worker employed in the Building or otherwise cause disharmony with any Building service union. Residential Unit Owners shall not be permitted to engage any Building staff or any contractors or sub-contractors engaged by either the Condominium Board or Sponsor in connection with a Residential Unit Owner's alterations, additions, improvements or repairs to such Residential Unit. The Condominium may impose charges upon the Residential Unit Owner to reimburse the Condominium for architectural, engineering, legal and other fees incurred in reviewing the Residential Unit Owner's request for approval and in monitoring the work performed until completion and a fee payable to the Managing Agent for processing the alteration application.

(B) Notwithstanding anything to the contrary contained in paragraph (A) of this Section 5.2, however, Sponsor shall have the right, pursuant to the terms of Article 12 of the Declaration, without the approval of the Condominium Board, Managing Agent, other Unit Owners, or Mortgage Representatives, if any, and without amendment to the Plan, to (i) make alterations, additions, improvements, or repairs in or to the interior portions of Unsold Residential Units and their appurtenant Residential Limited Common Elements, whether structural or non-structural, ordinary or extraordinary, including, without limitation, any alterations with respect to the type, number, or layout of rooms in each Unsold Residential Unit, and (ii) without amendment to the Plan, subdivide and/or combine any Unsold Residential Unit and/or change any Unsold Residential Units in size by relocating a boundary wall between Unsold Residential Units and/or or otherwise change the size and/or number of Unsold Residential Units. In addition, the Commercial Unit Owner shall have the right, pursuant to the terms of Article 12 of the Declaration, without the approval of the Condominium Board, Managing Agent, other Unit Owners, or Mortgage Representatives, if any, and without amendment to the Plan, to (i) make alterations, additions, improvements, or repairs in or to the interior portions of a 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, and (ii) subdivide and/or combine any Commercial Unit and/or change any Commercial Unit in size by relocating a boundary wall between Commercial Unit. Notwithstanding the foregoing, all Unit Owners, including Sponsor and the Commercial Unit Owner, prior to the making of any alteration, addition, improvement or repair in or to their respective Unit and its appurtenant Residential Limited Common Elements,

if any, must (i) procure and maintain such insurance as the Condominium Board may reasonably require, (ii) indemnify the Condominium Board and the Managing Agent against any liability arising from the work and (iii) comply with Law.

(C) All alterations, additions, improvements and repairs by Unit Owners shall be made in compliance with Law. In connection therewith, the Condominium Board shall execute applications to any departments of the City of New York, or to any other governmental agencies having jurisdiction thereof, for any and all permits required in connection with the making of alterations, additions, improvements, or repairs in or to a Unit provided that, with respect to all such work of a structural nature to a Residential Unit or its appurtenant Residential Limited Common Elements (but other than that of the nature described in paragraph (B) hereof), the same was approved by the Condominium Board pursuant to the terms of paragraph (A) hereof.

(D) Neither the Condominium Board nor any Unit Owner (other than the Unit Owner making any alterations, improvements, additions, or repairs, or causing any of the same to be made, in or to the Unit and appurtenant Residential Limited Common Elements) shall incur any liability, cost, or expense either (i) in connection with the preparation, execution, or submission of the applications referred to in paragraph (C) hereof; (ii) to any contractor, subcontractor, materialperson, architect, or engineer on account of any alterations, improvements, additions, or repairs made or caused to be made by any Unit Owner; or (iii) to any Person asserting any claim for personal injury or property damage arising therefrom. Any Unit Owner making any alterations, improvements, additions, or repairs, or causing any of the same to be made, in or to the Unit and appurtenant Residential Limited Common Elements, if any, shall agree (in a writing executed and delivered to the Condominium Board, if the Condominium Board shall so request), and shall be deemed to agree (in the absence of such writing), to indemnify and hold the Condominium Board, the Members of the Condominium Board, the officers of the Condominium, the Managing Agent and all other Unit Owners harmless from and against any such liability, cost and expense.

(E) In addition to the requirements set forth above in this Section 5.2, until a FCO is obtained for the Building, no Residential Unit Owner shall make any alterations in or to the Residential Unit or its appurtenant Common Elements without first notifying Sponsor in writing and complying with Sponsor's requirements with respect to the alterations. Such requirements may include, but need not be limited to, the requirements that:

(i) such work not include any change that would result in a delay in obtaining a TCO or FCO for the Building, or any amendment to, or extension of, the TCO or FCO if theretofore issued;

(ii) the Residential Unit Owner post a bond or other similar security that is reasonably acceptable to Sponsor in any amount sufficient (in Sponsor's reasonable judgment) to insure the diligent completion of the work and the filing of any required notices or certificates with all governmental authorities having jurisdiction with respect to such work and the completion of the work;

(iii) such work not be commenced until the Residential Unit Owner causes all required plans, specifications, notices and/or certifications to be filed with all governmental authorities having jurisdiction, procures all required permits and licenses with respect to the same, and delivers copies of all such plans, specifications, notices, certifications, permits and licenses to Sponsor;

(iv) such work be diligently prosecuted to completion in compliance with all plans, specifications, notices and/or certifications and in conformity with all permits and licenses;

(v) Sponsor and its representatives shall be given reasonable opportunity, from time to time, to inspect such work as it progresses;

(vi) promptly after the completion of such work, all necessary inspections and approvals of the work shall be obtained, all necessary notices and/or certifications shall be filed with the appropriate governmental authorities and Sponsor shall be given a copy of all such inspections, approvals, notices and certifications;

(vii) the Residential Unit Owner shall indemnify and hold Sponsor harmless from any cost, expense, claim, or liability arising, directly or indirectly, from such work, including, without limitation, any cost, expense, claim, or liability incurred or suffered by Sponsor due to any violation of Law or due to any delay in obtaining a TCO or FCO for the Building (or any amendment to, or extension of, the TCO or FCO if theretofore issued) as a result of such work or the failure to make all appropriate governmental filings in connection with same; and

(viii) all contractors shall be duly licensed to the extent required by applicable Law and, if required under any contract with any union whose members are performing services at the Building (including, without limitation, services directly or indirectly at the behest, for the benefit, or for the account of Sponsor, any other Unit Owner, or the Condominium Board), such work shall be performed solely by union members.

If any Residential Unit Owner commences any such alterations in violation of the foregoing terms and conditions, or fails to comply with the reasonable requirements of Sponsor in connection with the alterations, Sponsor shall be entitled to cause such work by the Residential Unit Owner to be halted, including, without limitation, to cause the Managing Agent to deny access to the Building to the Residential Unit Owner's workers and suppliers, until the Residential Unit Owner complies with the same. During the period until the Residential Unit Owner is permitted hereunder to resume its work, Sponsor shall have the right to perform any and all work in and to the Residential Unit as shall be necessary, in Sponsor's sole judgment, in order to avoid any delay in obtaining a TCO or FCO for the Building (or any amendment to, or extension of, the TCO or FCO), whether or not such work shall be in compliance with the plans and specifications for the work theretofore performed by, or on behalf of, such Residential Unit Owner. The cost and expense of any such work performed by Sponsor shall be borne by such Residential Unit Owner and shall be paid to Sponsor within 15 days of Sponsor's written demand therefor.

Section 5.3 *Alterations, Additions, or Improvements to the Common Elements*. Except as otherwise provided in the Declaration or in these By-Laws, all necessary or desirable alterations, additions, or improvements in or to any of the Common Elements shall be made by the Condominium Board, and the cost and expense thereof shall constitute a General Common Expense attributable to all Unit Owners, if relating to the General Common Elements, or a Residential Common Expense attributable to all Residential Unit Owners, if relating to the Residential Common Elements and/or Residential Limited Common Elements. Notwithstanding the foregoing, however, whenever the cost and expense of such alterations, additions, or improvements would, in the judgment of the Condominium Board, exceed $500,000 with respect to the General Common Elements or the Residential Common Elements and/or the Residential Limited Common Elements, at any one time, in any fiscal year, such proposed alterations, additions or improvements shall not be made unless first approved by the Unit Owners if relating to the General Common Elements, or the Residential Unit Owners, if relating to the Residential Common Elements and/or the Residential Limited Common Elements (including Sponsor if Sponsor then owns any Unsold Residential Unit) owning 66 2/3% of the aggregate Common Interests or Residential Common Interests, as applicable, at a duly constituted meeting of the Unit Owners or the Residential Unit Owners, as applicable, and by the Mortgage Representatives, if any. Except as otherwise provided in the Declaration and in these By-Laws, all such alterations, additions, or improvements costing $500,000 or less, in any fiscal year may be made as aforesaid without the approval of either the Unit Owners or any Mortgage Representatives. Notwithstanding the foregoing, no additions, alterations, or

improvements shall be made to any of the Common Elements, regardless of the cost thereof, unless the prior written consent of Sponsor is first obtained, provided, however, that Sponsor's written consent is not necessary if such additions, alterations, or improvements to the Common Elements is required to (i) comply with Law; or (ii) remedy any notice of violation; or (iii) remedy any work order of the Condominium's insurer. In no event will the limitations imposed in the preceding sentence continue beyond the earlier to occur of (i) 5 years from the First Unit Closing or (ii) until such time as Sponsor no longer owns 25% in number of all Residential Units.

Section 5.4 *Insurance*.

(A) To the extent commercially reasonable, the Condominium Board shall obtain, and shall maintain in full force and effect, a commercial package policy including fire and special causes of loss, on at minimum a replacement cost valuation or replacement cost coverage and agreed valuation, insuring the entire Building (excluding each Unit and all appliances, equipment, flooring, fixtures, improvements, furniture, furnishings, decorations, belongings and other personal property of any kind (collectively, "Unit Owner Property") contained within the Unit) together with all building service machinery contained therein, and covering the interests of the Condominium, the Condominium Board, all of the Unit Owners and all Permitted Mortgagees, as their interest may appear. Each of the said policies shall contain:

(i) waivers of (a) subrogation, (b) a cross-liability endorsement and (c) pro-rata reduction of liability if Unit Owners obtain additional coverage;

(ii) a provision that any settlement of claim will be made by the Condominium Board and that all proceeds thereof shall be paid to either the Condominium Board or the Insurance Trustee, as provided in Section 5.5 hereof;

(iii) a New York standard mortgagee clause in favor of each Permitted Mortgagee, which shall provide that the proceeds thereof shall be paid to such Permitted Mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Condominium Board and the Insurance Trustee set forth in subsection (ii) above and in Section 5.5 hereof; and

(iv) a provision that such policy may not be either canceled or substantially modified except upon at least 10 days' prior written notice to the Condominium Board and all insureds who may have requested such notice, including Permitted Mortgagees.

Evidence of insurance or certificates of insurance of all such policies and of all renewals thereof, together with proof of payment of premiums, shall be on file at the office of Managing Agent. Copies thereof shall be delivered to any Unit Owner or Permitted Mortgagee on written request thereof.

(B) The Condominium Board shall also obtain and maintain, to the extent commercially reasonable:

(i) commercial general liability insurance written by companies with an A.M. Best Company rating of at least A-VII, covering all claims for personal injury or property damage arising out of any occurrence on the Property and listing as named insureds (a) the Condominium Board and each member thereof, (b) Managing Agent or manager (if any), (c) each officer and employee of the Condominium and (d) each Unit Owner (except, however, that such insurance shall not cover any liability of a Unit Owner arising from occurrences within such Unit Owner's own Unit or its Residential Limited Common Elements, if any), with such coverage to be primary and not on an excess or contributory basis with any other policy which may be available to the Condominium Board or Managing Agent;

(ii) rent insurance;

(iii) worker's compensation and New York State disability benefits insurance;

(iv) boiler and machinery insurance;

(v) officers' and directors' liability insurance;

(vi) fidelity bonds;

(vii) commercial umbrella insurance in the minimum amount of $10,000,000;

(viii) real property insurance; and

(ix) such other insurance as the Condominium Board shall from time to time determine.

(C) All policies of insurance to be maintained by the Condominium Board shall contain such limits as the Condominium Board shall from time to time determine, provided, however, that:

(i) with respect to insurance policies maintained by the Condominium Board pursuant to paragraph (A) hereof, the coverage shall be in an amount equal to not less than 80% of the full replacement cost of the Building, exclusive of footings and foundations, without deduction for depreciation, as approved by an insurance carrier, authorized to do business in New York, a qualified insurance broker, or another qualified source;

(ii) with respect to insurance policies maintained by the Condominium Board pursuant to subsection (i) of paragraph (B) hereof, such policies shall contain aggregate limits of not less than $1,000,000 per occurrence and $2,000,000 in the aggregate, and commercial umbrella insurance in the minimum amount of $10,000,000; and

(iii) with respect to insurance policies maintained by the Condominium Board pursuant to subsection (ii) of paragraph (B) hereof, the coverage shall be in an amount equal to the aggregate of all of the Unit Owners' Common Charges for one year.

Any insurance policies maintained by the Condominium Board may also provide for such deductible amounts as the Condominium Board shall determine. The Condominium Board shall review the limits of each insurance policy, as well as the amount of any deductible sum thereunder, at least once each year.

(D) The cost of all insurance maintained by the Condominium Board pursuant to this Section 5.4, together with the fees and disbursements of any Insurance Trustee appointed by the Condominium Board pursuant to the terms of these By-Laws, shall be borne by the Unit Owners as a General Common Expense or by the Residential Unit Owners as a Residential Common Expense, depending on the item to which the coverage relates.

(E) For so long as Sponsor owns at least 1 Unsold Residential Unit, unless Sponsor's prior written consent is obtained, the Condominium Board must maintain, at a minimum, the types and coverage amounts of insurance set forth in the First Year's Budget.

(F) The Condominium Board is not required to obtain or maintain any insurance with respect to the Unit or Unit Owner Property. Each Unit Owner shall, at such Unit Owner's sole cost and expense, obtain and maintain in full force and effect such insurance, the types and amounts of which shall be determined by the Condominium Board in its sole discretion, insuring the Units and all Unit Owner Property, the Residential Limited Common Elements appurtenant thereto, and any personal property located within the Storage Lockers as well as liability insurance with respect to acts occurring therein. All such policies shall contain waivers of subrogation, if commercially reasonable and provide that the liability of the carriers issuing the insurance obtained by the Condominium Board shall not be affected or diminished by reason of any such

additional insurance carried by any Unit Owner. All such certificates of insurance shall name the Condominium Board, the Condominium and Sponsor as additional insureds. For so long as Sponsor owns at least 1 Unsold Residential Unit, any change or elimination of such requirement may only be made upon Sponsor's prior written consent. Evidence of such insurance must be provided by the purchaser at the closing of title of each Unit and thereafter, whenever requested by the Condominium Board or Managing Agent.

Section 5.5 *Casualty or Condemnation.*

(A) In the event that either (i) the Building is damaged or destroyed by fire or other casualty ("Casualty Loss") or (ii) the General Common Elements and/or Residential Common Elements and/or Residential Limited Common Elements or the Units, or any part thereof is taken in condemnation or by eminent domain ("Taking"), the net insurance proceeds payable under the insurance policies maintained by the Condominium Board pursuant to the terms of Section 5.4 hereof by reason of such Casualty Loss or the net condemnation awards receivable by reason of such Taking, as the case may be, shall be payable either to the Condominium Board, if the same shall be $1,000,000 or less in the aggregate, or to the Insurance Trustee, if the same shall exceed $1,000,000 in the aggregate. In either instance, subject to the provision of paragraph (D) of this Section 5.5, all such monies actually received ("Trust Funds") shall be first solely and exclusively used to make repairs or replacement to any damaged or destroyed Shared Facilities, and the remainder shall be held in trust for the benefit of all Unit Owners (with respect to the portion thereof allocated to a Casualty Loss to the Building or any part thereof or a Taking of the General Common Elements and/or Residential Common Elements and/or Residential Limited Common Elements or the Units) and their Permitted Mortgagees and shall be disbursed pursuant to the terms of this Section 5.5. Notwithstanding anything to the contrary contained either in this paragraph (A) or elsewhere in this Section 5.5, however, no Unit Owner whose Unit, its appurtenant Limited Common Elements, if any, or any portion thereof are taken in a Taking (whether or not all or a part of the Common Elements are contemporaneously taken) shall be deemed to have waived whatever rights that he may have to pursue a separate claim against the condemning authority by reason thereof.

(B) Subject to the terms of paragraph (D) hereof, the Condominium Board shall arrange for the prompt repair or restoration ("Work") of: (i) in the event of a Casualty Loss, the portion(s) of the Building (excluding the Units and Unit Owner Property) affected by such Casualty Loss, or (ii) in the event of a Taking, the portion(s) of the Common Elements affected by such Taking. Damage or destruction to a Unit shall be promptly repaired or restored by the Unit Owner of the affected Unit. If, pursuant to the immediately preceding sentence, Work is to be performed in or to Units, Common Elements that service or enclose Units and other Common Elements, or any combination of the foregoing, the Work shall be performed to the extent practicable, first in or to the Units, next in or to the Common Elements that service or enclose Units and then in or to the balance of the Common Elements. If a Unit Owner fails to repair or restore the Unit, the Condominium Board may cause the Unit to be repaired or restored and all costs in connection therewith shall be charged to the defaulting Unit Owner as a Special Assessment.

(C) In the event that Work shall be performed pursuant to the terms of paragraphs (B) and (D) of this Section 5.5, the Condominium Board or the Insurance Trustee, as the case may be, shall disburse the Trust Funds to the contractors engaged in the Work in appropriate progress payments. If the Trust Funds shall be less than sufficient to discharge the cost and expense of performing the Work, the Condominium Board shall levy a Special Assessment against all Unit Owners for the amount of such deficiency in proportion to their respective Common Interests, for Work to the General Common Elements and against all Residential Unit Owners for the amount of the such deficiency in proportion to their respective Residential Common Interests, for Work to the Residential Common Elements and all proceeds of such Special Assessment shall become part of the Trust Funds. If, conversely, the Trust Funds shall prove to be more than sufficient to discharge the cost and expense of performing the Work, such excess shall be paid to all Unit Owners in proportion to their respective Common Interests, with respect to Work to the General Common Elements, and to all Residential Unit Owners in proportion to their respective Residential Common Interests, for Work to the Residential Common Elements, except that no payment shall be made to a Unit Owner until there has first been paid, out

of such Unit Owner's share of such excess, such amounts as may be necessary to reduce unpaid liens on the Unit Owner's Unit (other than mortgages that are not Permitted Mortgages) in the order of priority of such liens. Notwithstanding the foregoing, however, in the event that the Unit Owners are assessed pursuant to the terms of the second sentence of this paragraph (C) for any projected deficiency in the amount of the Trust Funds available to the Condominium Board and, after the payment of all costs and expenses incurred in connection with the Work, any portion of the Trust Funds remaining unspent, such excess Trust Funds shall, to the extent of such Special Assessment, be deemed to be, and shall constitute, an unspent Special Assessment and shall be paid to the Unit Owners so assessed in proportion to their respective Common Interests, with respect to Work to the General Common Elements, and/or paid to the Residential Unit Owners so assessed in proportion to their respective Residential Common Interests, with respect to Work to the Residential Common Elements, free of any claim of any lienor (including without limitation, any Permitted Mortgagee).

(D) If either 75% or more of the Building is destroyed or substantially damaged by fire or other casualty or 75% or more of the Common Elements are taken in a Taking, the Work shall not be performed unless 75% or more of all Unit Owners (including Sponsor if Sponsor shall then own any Units), in aggregate Common Interests, shall promptly resolve to proceed with the same. In the event that a sufficient number of Unit Owners shall so resolve, the Work shall be performed pursuant to the terms of paragraphs (B) and (C) hereof. Conversely, in the event that a sufficient number of Unit Owners shall either fail or refuse to so resolve, the Work shall not be performed and the Property shall be subject to an action for partition by any Unit Owner or lienor, as if owned in common, in which event the net proceeds of the resulting sale, together with any Trust Funds, shall be paid to all Unit Owners in proportion to their respective Common Interest, to the extent allocated to destroyed or damaged portions of the General Common Elements or shall be paid to all Residential Unit Owners in proportion to their respective Residential Common Interests to the extent allocated to destroyed or damaged portions of the Residential Limited Common Elements except that no payment shall be made to a Unit Owner until there first has been paid, out of such Unit Owner's share of such funds, such amounts as may be necessary to pay off any Permitted Mortgage and other unpaid liens on the Unit Owner's Unit in the order of priority of such liens. Notwithstanding anything to the contrary set forth herein, any action to terminate the legal status of the Condominium after substantial destruction or a Taking shall require the written consent (which consent shall not be unreasonably withheld, conditioned or delayed) of the Permitted Mortgagees representing at least fifty-one (51%) percent of the Common Interests of all Units which are subject to Permitted Mortgages or by a majority of the Mortgage Representatives, if any. The Condominium Board shall not be required to take any action to obtain the consent of the Permitted Mortgagees or Mortgage Representatives as set forth in this Section 5.5(D) other than the requirements set forth in Section 8.7 of these By-Laws. The provisions of this Section 5.5(D) may not be amended, modified or deleted without the prior written consent of Sponsor for so long as Sponsor continues to own at least 1 Unsold Residential Unit.

(E) In the event that the damage resulting from a Casualty Loss shall (i) render one or more Units wholly or partially unusable for the purposes permitted in the Declaration or (ii) destroy the means of access to one or more Units, the installments of Common Charges otherwise payable by the Unit Owner of any Unit so affected thereby shall not be abated.

(F) If (i) a portion of any Unit shall be taken in condemnation or by eminent domain and (ii) the Condominium shall not be terminated by reason of a simultaneous Taking pursuant to the terms of paragraph (D) hereof, the Common Interest appurtenant to such Unit shall be adjusted in the proportion that the total floor area of such Unit and its appurtenant Residential Limited Common Elements, if any, after such Taking bears to the total floor area of such Unit and its appurtenant Residential Limited Common Elements, if any, prior to such Taking. The Condominium Board shall promptly prepare and record an amendment to the Declaration reflecting the new Common Interest and new Residential Common Interest, where applicable, appurtenant to such Unit, which amendment shall be executed by the owner of such Unit together with the holders of record of any liens thereon (or, in lieu of execution by such Unit Owner and lienors, the same may execute a consent to such amendment in recordable form). Following the Taking of a portion of a Unit and the recording of the aforementioned amendment to the Declaration, the votes appurtenant to such Unit shall be

based upon the new Common Interest and new Residential Common Interest, where applicable, of such Unit and, in the event of a Taking of an entire Unit, the right to vote appurtenant to such Unit shall wholly terminate. In either event, the Common Interests of the other remaining Units shall be adjusted accordingly and reflected in an amendment to the Declaration duly executed and acknowledged by the Condominium Board and the owners of all of the other or remaining Units together with the holders of the Permitted Mortgages.

(G) As used in this Section 5.5, the terms:

(i) "Prompt repair or restoration" shall mean that the Work is to be commenced not more than either: (a) sixty (60) days after the date upon which the Insurance Trustee notifies the Condominium Board that it has received Trust Funds sufficient to discharge the estimated cost and expense of the Work, or (b) 90 days after the date upon which the Insurance Trustee notifies the Condominium Board that it has received Trust Funds insufficient to discharge the estimated cost and expense of the Work, or (c) in the event that the Trust Funds are payable to the Condominium Board pursuant to the terms of paragraph (A) of this Section 5.5, sixty (60) days after the date upon which the Condominium Board notifies the Unit Owners that it has received the Trust Funds, whether or not the same are sufficient to discharge the cost and expense of the Work; and

(ii) "Promptly resolve" shall mean that a resolution shall be duly made not more than sixty (60) days after the date upon which the Condominium Board notifies the Unit Owners that it has received the Trust Funds and that the same are or are not sufficient to discharge the estimated cost and expense of the Work, as the case may be.

(H) Any dispute that may arise under this Section 5.5 between Unit Owners or between any Unit Owner(s) and the Condominium Board shall be resolved by Arbitration pursuant to the terms of Article 10 hereof.

Section 5.6 *Use of the Property.*

(A) Nothing shall be done or kept in any Unit or in any of the Common Elements that would increase the rate of insurance for the Property, except upon the prior approval of the Condominium Board. In the event that the rate of insurance for the Property is increased as a direct result of a particular or unique use being made of the Commercial Unit, and not as a result of the typical uses for which the Commercial Unit may be occupied or for which commercial spaces in similar Building is normally occupied, the Commercial Unit Owner shall be obligated to pay the amount of such increase in the rate of insurance. No Unit Owner shall permit anything to be done or kept in a Unit or in the Common Elements that will result in the cancellation of insurance on the Property or the contents thereof, or that would be in violation of any Law. No waste shall be committed in the Common Elements.

(B) Nothing shall be done in any Unit or in, on, or to the Common Elements that will impair the structural integrity of the Property or will structurally change the Building, except as is otherwise provided in the Declaration or in these By-Laws. In no event shall interior partitions contributing to the support of any Unit or the Common Elements be altered or removed.

Section 5.7 *Use of the Units*.

(A) In order to provide for congenial occupancy of the Property and for the protection of the values of the Units, the use of Units shall be restricted to, and shall be in accordance with, the terms contained in the balance of this Section 5.7.

(B) Subject to the terms of paragraphs (C) and (D) of this Section 5.7, each Residential Unit shall be used for residential purposes only, including permitted "home occupation" as defined in the Zoning Resolution of the City of New York, as may be amended from time to time, and not more than one

family may occupy a Residential Unit at any one time. All Residential Unit Owners are prohibited from smoking in or around any of the Common Elements, and within 15 feet of any Building entrance. Smoking in violation of this rule shall be deemed to constitute a nuisance pursuant to the By-Laws. The term "smoke" or "smoking" shall include carrying, burning, or otherwise handling or controlling any lit or smoldering product containing tobacco or other flammable substance, including, but not limited to, cigarettes, cigars, or pipes. The Commercial Unit may be used for any purpose permitted by Law except that a Commercial Unit may not be used for any of the following ("Prohibited Uses"):(1) an establishment which displays, sells, rents or offers for sale or rent any pornographic material; adult bookstore or facility selling or displaying pornographic books, literature, or videos (materials shall be considered "adult" or "pornographic" for such purpose if the same are not available for the sale or rental to children under 18 years old because they explicitly deal with or depict human sexuality), excluding any establishment for which the sale or rent of such products constitutes a de minimis space in such establishment (2) so-called head shop or other similar establishment which stocks, displays, sells, rents or offers for sale or rent any drug-related paraphernalia or merchandise or material commonly used or intended for use with or in consumption of any narcotic, dangerous drug or other controlled substance, including, without limitation, any hashish pipe, water pipe, bong, cilium, pipe screens, rolling papers, rolling devices, coke spoons or roach clips, (3) selling, leasing or displaying of new or used automobiles, trucks, trailers, or recreational vehicles, (4) automotive parts, lube and oil or repair shop, (5) Bingo or similar games of chance, (6) check cashing store (except as is typical in connection with the operation of a financial services institution), (7) church, mosque, temple or other place of religious worship or meeting hall, (8) dumping, disposing, incinerating or reducing of garbage (exclusive of dumpsters for temporary storage of garbage and any garbage compactors, in each case which are routinely emptied so as to minimize offensive odors), (9) manufacturing, assembling, displaying or selling fireworks, ammunition or explosives, (10) funeral home or mortuary, (11) dormitory use, (12) a so-called "flea market," (13) so-called gentleman's club featuring topless waitresses, nude dancing or private "one-on-one" booths or rooms, (14) illicit non-therapeutic massage parlor, (15) off-track betting parlor or other gambling facility, (16) circus, carnival or amusement park, or other similar entertainment facility, (17) pawn shop, (18) shooting gallery, (19) substance abuse rehabilitation or detoxification recovery center, or treatment center, welfare or mental health facility or similar agency, whether public or private, which provides services to clients on the premises of the Unit, (20) tattoo parlor, (21) "Odd Job" or "Odd Lot" type discount store or as a so-called "99 cent store" or "dollar store" type discount store or as a "going out of business" type store, (22) so-called "bodega" type store or 24-hour convenience-type store, (23) office, store, reading room, headquarters, center or other facility principally devoted or opposed to the promotion, advancement, representation, purpose or benefit of: (i) any political party, political movement or political candidate or (ii) any religion, religious group or religious denomination, (24) an arcade, (25) a mall or mini-mall, (26) nail salon, (27) sports bar; (28) dry cleaning plant, central laundry or laundromat (excluding a drop-off dry cleaning store and/or an "organic" (non-chemical) process dry cleaner) (29) psychic, hypnotist, tarot card or palm reading business or similar establishment, (30) business practicing satanic or cult ritualistic activities including so-called "devil worship," black magic or rites of passage involving self-mutilation or degradation, (31) an International Organization unless such International Organization waives its sovereign or diplomatic immunity in accordance with Article 31 of the Declaration, (32) employment agency, except for executive placement firms, legal and other professional search firms, (33) a pre-school, kindergarten, elementary school or high school, (34) a legal services office or legal clinic, (35) a jewelry or crafts exchange (e.g. a retail center with independent vendor booths), (36) a nightclub, cabaret, discotheque or dance club (whether open to the general public or "members-only") which uses live or amplified music, (37) a pet shop, pet grooming salon, boarding kennel, veterinarian's office or pet hospital, or (38) a medical laboratory. Residential Unit owned or leased by an individual, corporation, partnership, limited liability company, fiduciary, or any other entity (including, but not limited to, any federal or state agency, any foreign government and any embassy, consulate or other official representative thereof) may only be occupied (unless the Condominium Board otherwise consents in writing) by such individual, or by an individual officer, director, stockholder, or employee of such corporation, or by an individual partner or employee of such partnership, or a member of such limited liability company, or by such individual fiduciary (including directors, officers,

stockholders, or employees of corporate fiduciaries and partners or employees of partnership fiduciaries), or by an individual beneficiary of said fiduciary, or by an individual principal or employee of such other entity, respectively, or by Family Members and guests of any of the foregoing (and nothing herein contained shall be deemed to prohibit the exclusive occupancy of any such Residential Unit by such Family Members). Notwithstanding the foregoing, Sponsor (with respect to the Unsold Residential Units) or the Condominium (with respect to sold Residential Units) may, in their sole discretion, permit Persons other than those set forth above to occupy a Residential Unit. In no event, however, shall a portion of a Residential Unit (as opposed to the entire Residential Unit) be sold, conveyed, leased, or subleased. The list of Prohibited Uses set forth in this Section 5.7 may not be amended without the prior written consent of Sponsor, for so long as Sponsor or its Affiliate owns any Residential or Commercial Unit.

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

(D) Notwithstanding anything to the contrary contained in this Section 5.7, Sponsor may, without the consent of either the Condominium Board or the Unit Owners:

(i) grant permission for the use of any Unsold Residential Unit as a professional or business office or for any other purpose, provided that the nature and manner of such use complies with Law and the user thereof complies with all applicable governmental regulations; and

(ii) use any one or more Unsold Residential Units as model Units and offices for the sales promotion, rental, management and operation of the Unsold Residential Units or for any other purpose, subject only to compliance with Law.

Section 5.8 *Use of the Common Elements*.

(A) Subject to the terms of paragraphs (B) and (C) of this Section 5.8, the Common Elements (including, without limitation, the electrical, heating, gas, plumbing and other mechanical systems and equipment of the Building and the Facilities) may be used only for the furnishing of the services and Facilities, and for the other uses, for which they are reasonably suited and capable. In addition, no furniture, packages, or objects of any kind shall be placed in the lobbies, vestibules, public halls, stairways, public elevators, or any other part of the Common Elements (except for those areas designated as a Storage Locker Area) without the prior approval of the Condominium Board. The lobbies, vestibules, public halls, stairways and public elevators shall be used only for normal passage through them. Accordingly, all Unit Owners shall require their tradesperson to utilize exclusively the elevator and entrance designated by the Condominium Board for transporting packages, merchandise, or other objects.

(B) The owner or owners of any 2 or more Residential Units, which Residential Units are the only Units serviced or benefited by any Residential Common Element adjacent or appurtenant to such Residential Units (for example, that portion at the end of any residential hallway that is directly adjacent to any such Residential Units located on opposite sides of such hallway) shall, with the consent of the Condominium Board (which consent shall not be unreasonably withheld, conditioned, or delayed), have the right to use such Residential Common Elements exclusively, as if it were a part of such Residential Units (including the right, in the above example of a portion of a hallway, to enclose such portion), and no amendment to the Declaration or reallocation of Common Interests shall be made by reason thereof. In such event, however, such owner or owners shall, at such owner's or their sole cost and expense, both (i) operate, maintain and repair such

Residential Common Element for so long as such owner or owners exercise such exclusive right of use and (ii) restore such Residential Common Element to its original condition, reasonable wear and tear excepted, after such owner or owners cease to exercise such exclusive right of use.

(C) The terms of paragraph (A) of this Section 5.8 shall not apply to Sponsor for so long as there are any Unsold Residential Units. Sponsor shall have the right, without charge or limitation, to: (i) erect and maintain signs, of any size or content determined by Sponsor on or about any portion of the Common Elements chosen by Sponsor including the area adjacent to the main entrance of the Building; (ii) have its employees, contractors, subcontractors and sales agents present on the Property; and (iii) do all things necessary or appropriate, including the use of the Common Elements (such as lobbies, corridors and the like), to sell, lease, manage, or operate Unsold Residential Units, to complete any work or repairs to the Building expressly undertaken by Sponsor and to comply with Sponsor's obligations under the Plan and the Condominium Documents. In no event, however, shall Sponsor be entitled to use any Common Elements in such a manner as will unreasonably interfere with the use of any Unit for its permitted purposes.

(D) Sponsor, for so long as Sponsor continues to own any Unsold Unit, and the Condominium Board shall have the right, and the lease, sublease, license, sell or otherwise convey to a Unit Owner any portion of the Common Elements which either Sponsor or the Condominium Board determines is no longer needed for the furnishing of the services and Facilities (including reasonable access) for which such Common Elements are reasonably intended. Any revenue received for the sale, leasing, subleasing, licensing or other conveyance of such Common Elements shall be retained solely by Sponsor or the Condominium Board, as applicable.

(E) The Condominium Board and Sponsor have the right to operate the emergency generator as necessary, as well as to activate the generator for testing on a periodic basis. Neither Sponsor nor the Condominium Board shall be liable to any Unit Owner or Permitted User on account of loss or damage to a Unit Owner's or Permitted User's Unit or contents thereof on account of the failure of the emergency generator to provide emergency power to Units in the Building in the event of a power outage.

Section 5.9 *Use of the Storage Lockers*.

(A) A Storage Locker may be used only for the storage of personal effects of a Residential Unit Owner, and in no event shall any food or other perishable item, or any flammable or explosive item, or any item which would impose a health or safety threat or cause noxious odors, dirt or other sanitary problems or create a nuisance, be stored therein.

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

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

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

Section 5.10 *Rights of Access.*

(A) Each Unit Owner shall grant to the Condominium Board, to the Managing Agent or manager (if any), to the non-resident manager or to any other Person authorized by any of the foregoing a right of access (including the right of forced entry if required in the discretion of the party seeking such entry) to the Unit and its appurtenant Residential Limited Common Elements, if any, and any Storage Locker and Storage Locker Area for the purposes of:

(i) making inspections of, or removing violations noted or issued by any governmental authority against, the Common Elements or any other part of the Property;

(ii) curing defaults hereunder or under the Declaration or violations of the Residential Rules and Regulations committed by such Unit Owner or correcting any conditions originating in the Unit and threatening another Unit or all or a portion of the Common Elements;

(iii) performing maintenance, installations, alterations, repairs, or replacements to the structural elements, mechanical or electrical services, or other portions of the Common Elements located within the Unit, Storage Locker or elsewhere in the Building;

(iv) reading, maintaining, or replacing utility meters relating to the Common Elements, to the Unit, or to any other Unit; or

(v) correcting any condition that violates the provisions of any Permitted Mortgage encumbering another Unit.

Except in cases of emergency (that is, a condition requiring repairs or replacement immediately necessary for the preservation or safety of the Building or for the safety of the occupants of the Building or other individuals, or required to avoid the suspension of any necessary service in the Building), the foregoing rights of access shall be exercised only upon not less than 1 day's advance notice and only in such a manner as will not unreasonably interfere with the normal conduct of business of the Commercial Unit Owner or other occupants of the Commercial Unit or with the use of the Residential Units and their appurtenant Residential Limited Common Elements for their permitted purposes. In cases of emergency, however, such rights of access may be exercised immediately, without advance notice and whether or not the Unit Owner is present.

(B) Each Unit Owner shall grant a right of access to the Unit and its appurtenant Residential Limited Common Elements, if any, and the Condominium Board shall grant rights of access to the Common Elements, to Sponsor and its contractors, subcontractors, agents and employees for the purpose of fulfilling Sponsor's obligations as set forth in the Plan or in any amendment thereto, provided that access thereto shall not be exercised, with respect to any Unit and its appurtenant Residential Limited Common Elements, if any, in such a manner as will unreasonably interfere with the use of such Unit and its appurtenant Residential Limited Common Elements, if any, for their permitted purposes.

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

Sponsor or its authorized agents liable for any damage to the Unit or to the personal property or fixtures contained therein.

Section 5.11 *Modification of the Residential Rules and Regulations.* The Condominium Board shall have the right to amend, modify, add to, or delete any of the Residential Rules and Regulations from time to time, provided, however, that any such amendment, modification, addition, or deletion may be overruled by a vote of at least 66 2/3% of all Residential Unit Owners, in number and Common Interest. Copies of the text of any amendments, modifications, additions, or deletions to the Residential Rules and Regulations shall be furnished to all Unit Owners not less than 30 days prior to the effective date thereof. Notwithstanding the foregoing, the Condominium Board shall not have the right to amend, modify, add to, or delete any of the Residential Rules and Regulations if the same would materially and Adversely Affect Sponsor and/or the Commercial Unit Owner, without the prior written consent of Sponsor or the Commercial Unit Owner. Notwithstanding the foregoing, the Condominium Board shall not have the right to amend, modify, add to, or delete any of the Residential Rules and Regulations if the same would Adversely Affect the Commercial Unit and the use thereof, without the prior written consent of the Commercial Unit Owner.

Section 5.12 *Real Estate Taxes.* Unless and until real estate taxes are billed directly to Unit Owners by the City Collector, the Condominium Board shall promptly pay such taxes as a Common Expense. In the event of a proposed sale of any Unit, the Condominium Board (for so long as the Condominium Board is still paying such real estate taxes) shall, upon the written request of the selling Unit Owner, execute and deliver to the purchaser of such Unit, or to such purchaser's title company, a letter agreeing to promptly pay all such real estate taxes affecting such Owner's Unit to the date of the Closing of Title to such Unit.

Section 5.13 *Fuel.* Unless and until fuel is billed directly to Unit Owners by the supply company, in accordance with and subject to the provisions of the Plan, the cost and expense of fuel (for heating and cooling) serving or benefiting any Unit and/or Common Element shall be: (i) considered part of the expense of maintaining such Unit and/or Common Element, (ii) determined by the Condominium Board, (iii) paid by the Condominium Board, and (iv) charged to: (a) the Unit Owners as a General Common Expense for such portion attributable to the General Common Elements, (b) the Commercial Unit Owner as a General Common Expense for such portion attributable to the Commercial Unit, and (c) the Residential Unit Owners as a Residential Common Expense for such portion attributable to the Residential Units and/or the Residential Common Elements and/or the Residential Limited Common Elements. In the event there is a particular or unique use being made of a Unit and/or Common Element, the Condominium Board shall cause a new survey to be made the cost of which shall be borne by the Unit Owners as a General Common Expense.

Section 5.14 *Water Charges and Sewer Rents.* Unless and until water is separately metered in a Unit and water charges and sewer rents are billed directly to a Unit Owner by the City Collector, in accordance with and subject to the provisions of the Plan, the cost and expense of water serving or benefiting a Unit and/or Common Element shall be: (i) considered part of the expense of maintaining such Unit and/or Common Element, (ii) determined by the Condominium Board, (iii) paid by the Condominium Board, and (iv) charged to: (a) the Residential Unit Owners as a Residential Common Expense for such portion attributable to the Residential Units and/or Residential Common Elements and/or Residential Limited Common Elements, and (b) the Unit Owners as a General Common Expense for such portion attributable to the General Common Elements. In addition, the cost of submetering shall be a Residential Common Expense if pertaining to Residential Units and a General Common Expense if pertaining to all Units.

Section 5.15 *Electricity.*

(A) Electricity for each Residential Unit and the Commercial Unit (including tenants occupying portions of the Commercial Unit) shall be either individually direct metered or submetered for each Unit (or portion thereof).

(B) If individually direct metered, each Unit Owner shall be required to pay the billing utility directly for electricity consumed in such Unit Owner's Unit (or portion thereof) and in the Residential Limited Common Elements to which such Residential Unit has exclusive access.

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

(D) Electricity for the Residential Common Elements shall be supplied through one or more separate meters therefor and the cost thereof will be paid by the Condominium Board and will be borne by the Residential Unit Owners as Common Charges.

(E) In addition, the cost of submetering shall be a Residential Common Expense if pertaining to Residential Units and a General Common Expense if pertaining to all Units.

(F) Any disputes with respect to submetering rates and billing must be submitted to Arbitration pursuant to Article 10 of these By-Laws.

Section 5.16 *Record and Audits.*

(A) The Treasurer of the Condominium, or the Managing Agent under the supervision of such Treasurer, shall keep full, detailed and accurate records and books of account with respect to the financial affairs of the Condominium, which records and books of account shall include, without limitation, (i) a listing of all receipts of and expenditures by the Condominium Board and the Managing Agent and (ii) a separate listing for each Unit, setting forth, among other things, the amount of each assessment of Common Charges and Special Assessments levied against such Unit, the date when due, the amounts paid thereon and the balance, if any, remaining unpaid, as well as all Permitted Mortgagees having an interest in such Unit.

(B) Within 4 months after the end of each fiscal year of the Condominium, the Condominium Board shall submit to each Unit Owner, and, if so requested, to any Permitted Mortgagee, an annual report of the receipts and expenditures of the Condominium prepared and certified by an independent certified public accountant. The cost of preparing and distributing each such report shall be borne by the Condominium Board as a General Common Expense. The fiscal year of the Condominium shall be a calendar year.

ARTICLE 6

COMMON CHARGES

Section 6.1 *Determination of Common Expenses and Fixing of Common Charges.*

(A) From time to time, but not less frequently than once a year, the Condominium Board shall: (i) prepare and adopt a budget for the Condominium, subject, in all respects, to the strictures set forth in Section 2.5 hereof; (ii) determine the aggregate amount of Common Charges necessary to be charged to the Unit Owners in order to meet the Common Expenses; and (iii) allocate and assess such Common Charges amongst the Unit Owners in accordance with allocations set forth in the First Year's Budget. The Condominium Board shall advise all Unit Owners promptly thereafter in writing of the amount of Common

Charges payable by each of them, not later than 10 days prior to the date upon which the first installment of newly-determined Common Charges is due, shall furnish copies of the budget (in a reasonably itemized form) upon which such Common Charges are based to all Unit Owners and to their respective Permitted Mortgagees whenever requested in writing by such Permitted Mortgagees. The Condominium Board may, subject to paragraph (E) of this Section 6.1, at its sole discretion, from time to time increase or decrease the amount of Common Charges allocated to the Units and payable by the Unit Owners and may modify its prior determination of the Common Expenses for any fiscal year so as to increase or decrease the amount of Common Charges payable for such fiscal year or portion thereof; however, no such revised determination of Common Expenses shall have a retroactive effect on the amount of Common Charges payable by Unit Owners for any period prior to the date of such new determination. Notwithstanding the foregoing, however, the Condominium Board shall not reduce the Common Charges payable during any fiscal year occurring within the Sponsor Control Period solely as a result of either reducing the number of employees of the Condominium below the number employed (or anticipated in the First Year's Budget) for the Property on the date of recording the Declaration except with Sponsor's prior written consent, or eliminate or reduce the insurance coverage below that provided for the Property on such date, except with the concurrence of a majority of the Members of the Condominium Board elected by Unit Owners other than Sponsor. All Unit Owners will be given a copy of the proposed annual budget of the Condominium at least 10 days prior to the date set for adoption thereof by the Condominium Board.

(B) The failure or delay of the Condominium Board to prepare or adopt a budget or to determine the Common Expenses for any fiscal year or portion thereof shall not be deemed a waiver or modification in any respect of the covenants and provisions hereof or a release of any Unit Owner from the obligation to pay Common Charges. In such event, the Common Charges that were computed on the basis of the Common Expenses last determined for any fiscal year or portion thereof shall continue thereafter to be the Common Charges payable by the Unit Owners until a new determination of the Common Expenses shall be made.

(C) In addition to the foregoing duty to determine the amount of and assess Common Charges, the Condominium Board shall have the right, subject, in all respects, to the strictures contained in Section 2.5 hereof, to levy Special Assessments to meet the Common Expenses. All Special Assessments relative to the General Common Elements shall be levied against all Unit Owners in proportion to their respective Common Interests and all Special Assessments relative to the Residential Common Elements and/or the Residential Limited Common Elements shall be levied against all Residential Unit Owners in proportion to their Residential Common Interests, except Special Assessments relating to the Storage Lockers, which shall be levied solely against all Unit Owners owning such Storage Lockers. Special Assessments may be payable either in one lump sum or in installments, as the Condominium Board shall determine, provided, however, that the Condominium Board shall give each Unit Owner not less than 15 days' written notice prior to the date upon which such Special Assessment, or the first installment thereof, shall be due and payable, which notice shall set forth, in reasonable detail, the nature and purpose thereof. The Condominium Board shall have all rights and remedies for the collection of Special Assessments as are provided herein for the collection of Common Charges (including, without limitation, the provisions of Section 6.5 hereof).

(D) The excess of all rents, profits and revenues derived from the rental or use of any space forming a part of, or included in, any General Common Element, or Residential Common Element remaining after deduction of all expenses incurred in connection with generating the same shall constitute income of the Unit Owners or the Residential Unit Owners, as applicable and shall be collected on behalf of the Unit Owners or Residential Unit Owners, as applicable by the Condominium Board and applied against the General Common Expenses attributable to the General Common Elements, or the Residential Common Expenses attributable to the Residential Common Elements, or the Residential Limited Common Elements, as appropriate, for the fiscal year in which collected. In the event that such net rents, profits and revenues, together with the Common Charges and any Special Assessments collected from the Unit Owners, for any year of operation shall exceed the Common Expenses for such year, then such excess shall be applied by the

Condominium Board against the General Common Expenses attributable to the General Common Elements, or the Residential Common Expense attributable to the Residential Common Elements or the Residential Limited Common Elements depending on whether the excess relates to the General Common Elements or the Residential Common Elements or the Residential Limited Common Elements for the next succeeding year(s) of operation. No Unit Owner shall be entitled to a distribution of any portion of such excess unless the Condominium Board shall determine to distribute all or part of such excess to all Unit Owners pro-rata, in proportion to their respective Common Interests, or Residential Common Interests, as appropriate and any such distributions must be made out of the Common Charges collected from Unit Owners.

(E) Common Expenses have been allocated between the Residential Units (in the aggregate) and the Commercial Unit, on the basis of usage rather than Common Interest pursuant to Section 339-m of the Condominium Act. The First Year's Budget sets forth the percentage for each line item, if any, to be paid for by the Residential Units and the Commercial Unit, which percentages are deemed presumptive evidence of reasonableness. The Condominium Board may not modify these allocations without the consent of the Commercial Unit Owner. Any new line items which may be added to the budget by the Condominium Board in the future shall be paid for on the same basis. Any update between the Commercial Unit Owner and the Condominium Board concerning allocations of Common Expenses shall be submitted to Arbitration in accordance with Article 10 of these By-Laws.

Section 6.2 *Payment of Common Charges*

(A) All Unit Owners (including Sponsor with respect to Unsold Residential Units for so long as the same are owned thereby) shall be obligated to pay Common Charges and Special Assessments assessed by the Condominium Board pursuant to the terms of Section 6.1 hereof at such time or times (but not less than annually) as the Condominium Board shall determine. Unless otherwise determined by the Condominium Board, Common Charges shall be payable in installments on the first day of every month in advance. To the extent permitted by Law, the Condominium Board shall have a lien on each Unit, on behalf of all Unit Owners, for unpaid Common Charges and Special Assessments assessed against such Unit. Such lien, however, shall be subordinate, to the extent required by Law, to any liens for real estate taxes assessed against such Unit and any sums unpaid on a Permitted Mortgage recorded against the Unit.

(B) During the Sponsor Control Period, Sponsor shall have the right, in its sole and absolute discretion, to cause the Condominium Board to waive the collection of some or all of the Condominium Common Charges from Unit Owners from the date of the First Unit Closing up until such time as Sponsor chooses (the "Waiver Period"); provided, however, that Sponsor shall be solely responsible for payment of all actual expenses to operate the Condominium in accordance with Law during the Waiver Period (the "Waiver Period Operating Expenses"). In connection with the Waiver Period, (i) Sponsor will disclose the implementation of such Waiver Period in the amendment to the Plan that discloses the occurrence of the First Unit Closing; (ii) Sponsor will file an amendment to the Plan disclosing the expiration of the Waiver Period at least 30 days prior to such expiration; (iii) during any such Waiver Period, Sponsor will timely pay all expenses of the Condominium, including but not limited to insurance premiums and any reserve fund payments required by lenders to the extent otherwise included in Schedule B; (iv) upon the commencement of the collection of Common Charges, there will not be an assessment for any item set forth in the approved budget for the Condominium; and (v) Sponsor will remain obligated to update the budget for the Condominium, as provided in the Declaration and By-Laws.

(C) No Unit Owner shall be liable for the payment of any part of the Common Charges and any Special Assessments assessed against the Unit subsequent to a sale, transfer, or other conveyance by Unit Owner of such Unit, together with its Appurtenant Interests, made in compliance with the terms of Article 7 hereof. A purchaser or other successor-in-title to the owner of a Unit shall be liable for the payment of all Common Charges and any Special Assessments accrued and unpaid against such Unit prior to such purchaser's acquisition thereof, except that, to the extent permitted by Law, a Permitted Mortgagee acquiring title to a

mortgaged Unit or a purchaser at a mortgage foreclosure sale held with respect to a Permitted Mortgage shall not be liable, and such mortgaged Unit shall not be subject to a lien, for the payment of any Common Charges and Special Assessments assessed subsequent to the recording of such Permitted Mortgage and prior to the acquisition of title to such Unit by the Permitted Mortgagee or by such purchaser. However, in the event of a foreclosure of a Permitted Mortgage (whether by sale, deed in lieu of foreclosure, or otherwise), the defaulting Unit Owner shall remain fully liable for the payment of all unpaid Common Charges and Special Assessments that accrued prior to such foreclosure or sale. Any excess proceeds from such foreclosure or sale shall be paid directly to the Condominium Board in payment of all unpaid Common Charges and Special Assessments. In the case of a Residential Unit, any remaining unpaid Common Charges and Special Assessments that are not collected from such foreclosure sale or from the defaulting Residential Unit Owner shall be deemed a Residential Common Expense, collectible from all those who are Residential Unit Owners at the time the same is levied. In the case of the Commercial Unit, any remaining unpaid Common Charges and Special Assessments that are not collected from such foreclosure or sale or from the defaulting Commercial Unit Owner shall be deemed a Common Expense, collectible from all those who are Unit Owners at the time that the same is levied.

(D) Subject to the terms and conditions contained in these By-Laws, any Unit Owner may convey the Unit, together with its Appurtenant Interests, to the Condominium Board or to its designee, corporate or otherwise, on behalf of all Unit Owners, without being compensated therefor, and, in such event, be exempt from the payment of Common Charges and Special Assessments thereafter accruing, provided, however, that: (i) all Common Charges and any Special Assessments then due and payable with respect to such Residential Unit have been paid; (ii) such Residential Unit is free and clear of all liens and encumbrances other than a Permitted Mortgage and the statutory lien for unpaid Common Charges and Special Assessments; and (iii) no violation of any provision of the Condominium Documents then exists with respect to such Residential Unit.

(E) No Unit Owner shall be exempted from liability for the payment of Common Charges or Special Assessments by waiving the use or enjoyment of any or all of the Common Elements or by abandoning the Unit (except with respect to a conveyance of the same to the Condominium Board, without compensation, pursuant to the terms of paragraph (C) hereof). Except as expressly provided to the contrary in paragraph (E) of Section 5.5 hereof, no Unit Owner shall be entitled to a diminution or abatement in the Common Charges or Special Assessments payable thereby for any inconvenience or discomfort arising from: (i) the failure or interruption of any utility or other services; (ii) the making of repairs or improvements to the Common Elements or any Unit (including, without limitation, such Unit) pursuant to the terms of Section 5.1, 5.2, or 5.3 hereof; or (iii) any action taken by the Condominium Board or the officers of the Condominium to comply with Law.

Section 6.3 *Statement of Common Charges.* The Condominium Board shall promptly provide a written statement of unpaid Common Charges due from any Unit Owner upon its receipt of a written request therefor from such Unit Owner.

Section 6.4 *Common Charge Deposit for Foreign Owners.* Any Unit Owner that is a foreign government, a resident representative of a foreign government or such other person or entity otherwise entitled to the immunities from suit enjoyed by a foreign government (i.e., diplomatic or sovereign immunity) shall deposit with the Condominium Board an amount equal to two (2) times the then current annual Common Charges for such Unit, subject to increase from time to time as such Common Charges increase, together with the full amount of any Special Assessment levied against, or allocable to, such Unit, as security for the faithful observance by such Unit owner of the terms, provisions and conditions of these By-Laws. In the event that such Unit Owner defaults in respect of the terms, provisions and conditions of these By-Laws, the Condominium Board may use, apply or retain the whole or any part of the security so deposited, to the extent required for the payment of any Common Charges or any other sum to which such Unit Owner is in default. If the Condominium Board applies or retains any part of said security, the Unit Owner in question, within ten

(10) days after notice from the Condominium Board, shall deposit with the Condominium Board the amount so applied or retained so that such Condominium Board has the full amount of said security on hand at all times.

Section 6.5 *Default in Payment of Common Charges.*

(A) The Condominium Board shall take prompt action to collect from Unit Owners any Common Charges due to the Condominium Board that remain unpaid for more than 10 days after the due date for the payment thereof, including, but not limited to the imposition of late charges, notice fees and the institution of such actions for the recovery of interest and expenses as provided in this Article 6. All costs and expenses incurred by the Condominium Board (including attorneys' fees, costs and disbursements) as a result of its attempt to collect unpaid Common Charges and/or Special Assessments due from a Unit Owner shall be borne exclusively by such Unit Owner and shall constitute Common Charges payable exclusively by such Unit Owner. In connection therewith, the Condominium Board shall have the right and obligation to cause liens for all sums due and owing to the Condominium Board by a Unit Owner to be filed in the Register's Office against such Unit pursuant to the terms of Section 339-z of the Condominium Act, to cause such liens to be foreclosed in the manner provided in Section 339-aa of the Condominium Act and/or to institute all other proceedings deemed necessary or desirable by the Condominium Board to recover from such Unit Owner all such unpaid Common Charges, together with all additional sums of money collectible by the Condominium Board by reason of such nonpayment pursuant to the terms of paragraph (B) hereof. A suit to recover a money judgment from a Unit Owner for unpaid Common Charges and other sums due and owing to the Condominium Board, however, shall be maintainable without foreclosing or waiving the lien on such Unit securing such charges.

(B) In the event that any Unit Owner shall fail to make prompt payment of Common Charges, such Unit Owner shall be obligated to pay: (i) interest thereon at the rate of 1.5% per month of such unpaid amounts (less any late "charges" theretofore collected), to be computed from the due date thereof until paid in full, together with all costs and expenses paid or incurred by the Condominium Board, the Managing Agent, or the manager (if any) in connection with collecting such unpaid Common Charges with interest as aforesaid and/or in foreclosing the aforementioned lien, including, without limitation, attorneys' fees and disbursements and court costs; (ii) a late charge of $150 per month for Common Charges which remain unpaid for more than 10 days after the date when due, plus all expenses of collection, including, but not limited to, attorneys' fees, costs and disbursements, in such amount as may be determined by the Condominium Board from time to time, to be computed from the due date thereof until paid in full. In addition, if the Condominium Board shall bring an action to foreclose the aforementioned lien, the defaulting Unit Owner will be required to pay a reasonable rental for the use of the Unit, and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. All such late charges, interest, costs and expenses and rentals shall be added to and shall constitute Common Charges payable by such Unit Owner.

(C) In any action brought by the Condominium Board to foreclose a lien on a Unit because of unpaid Common Charges, the Condominium Board shall have, on behalf of all Unit Owners, the power to purchase such Unit at the foreclosure sale thereof and to acquire, hold, lease, mortgage, convey, or otherwise deal with such Unit (but not to vote the votes appurtenant to the same). In the event that the net proceeds received on such foreclosure (after deduction of all legal fees and disbursements, advertising costs, brokerage commissions, court costs and other costs and expenses paid or incurred in connection therewith) shall be insufficient to satisfy the defaulting Unit Owner's obligations to the Condominium, such Unit Owner shall remain liable for the deficit. Any surplus on such foreclosure shall be paid to the defaulting Unit Owner after first paying all liens on such Unit Owner's Unit in the order of priority of such liens.

(D) If the Unit Owner shall at any time lease the Unit and shall default in the payment of any Common Charges or additional Common Charges, the Condominium Board may, at its option, so long as such default shall continue, demand and receive from the tenant the rent due or becoming due from such tenant to the Unit Owner, and apply the amount to pay sums due and to become due from the Unit Owner to the

Condominium. Any payment by a tenant to the Condominium shall constitute a discharge of the obligation of such tenant to the Unit Owner, to the extent of the amount so paid. The acceptance of rent from any tenant shall not be deemed a consent to or approval of any leasing by the Unit Owner, or a release or discharge of any of the obligations of the Unit Owner hereunder. In the event the tenant fails to pay the rent to the Condominium after demand by the Condominium Board, the Condominium Board shall have the right to commence summary eviction proceedings in the name of or on behalf of the Unit Owner, against the tenant. All costs and expenses incurred by the Condominium Board (including attorneys' fees, costs and disbursements) in connection therewith, shall be borne by the Unit Owner and shall constitute Common Charges payable by such Unit Owner.

ARTICLE 7

SELLING AND LEASING OF UNITS AND ASSIGNMENT OF STORAGE LOCKER LICENSES

Section 7.1 *General.* Subject to the terms of Section 7.5 hereof, each Residential Unit Owner may (i) sell the Residential Unit and (ii) lease the Residential Unit for periods of not less than, nor more than, 1 year at any one time, provided however, no Residential Unit Owner may sell or lease the Residential Unit except in compliance with the applicable provisions of this Article 7 and the policies and procedures established by the Condominium Board. Any purported sale or rental consummated in default in the applicable terms hereof shall be voidable at the sole election of the Condominium Board, and, if the Condominium Board shall so elect, the selling or renting Residential Unit Owner shall be deemed to have authorized and empowered the Condominium Board to institute legal proceedings to eject the purported purchaser (in the event of an unauthorized sale) or to evict the purported tenant (in the event of an unauthorized lease) in the name of such Residential Unit Owner. Such Residential Unit Owner shall reimburse the Condominium Board for all costs and expenses paid or incurred in connection with such proceedings, including, without limitation, attorneys' fees and disbursements and court costs.

Section 7.2 *Right of First Refusal.*

(A) Subject to the terms of Sections 7.5, 7.9 and 7. 14 hereof, any contract to sell a Residential Unit together with its Appurtenant Interests and any lease of a Residential Unit ("Sale Agreement" or "Lease Agreement") shall contain the following language: "THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER ARE HEREBY MADE EXPRESSLY SUBJECT TO THE RIGHTS IF ANY, OF THE CONDOMINIUM BOARD OF THE CONDOMINIUM WITH RESPECT TO THE TRANSACTION EMBODIED HEREIN PURSUANT TO THE TERMS OF SECTIONS 7.2 AND 7.3 OF THE BY-LAWS OF THE CONDOMINIUM, AS THE SAME MAY HAVE BEEN AMENDED." Promptly after any such bona fide Sale Agreement or Lease Agreement shall be fully executed, the Residential Unit Owner executing the same ("Offeree Unit Owner") shall send written notice thereof to the Condominium Board by certified or registered mail, return receipt requested, which notice shall be accompanied by a fully executed, original counterpart of the Sale Agreement or Lease Agreement, as the case may be, containing all of the terms offered in good faith by the prospective purchaser or tenant ("Outside Offeror").

(B) The sending of the notice referred to in paragraph (A) of this Section 7.2 shall constitute an offer by the Offeree Unit Owner to sell the Residential Unit, together with its Appurtenant Interests, or to lease the Residential Unit, as the case may be, to the Condominium Board or to its designee, corporate or otherwise, on behalf of all Residential Unit Owners, subject, however, to any variance therefrom provided in Section 7.3 hereof. The giving of such notice shall further constitute a representation by the Offeree Unit Owner to the Condominium Board, on behalf of all Unit Owners, that such Offeree Unit Owner believes the Sale Agreement or Lease Agreement to be bona fide in all respects. Thereafter, upon the written demand of the Condominium Board, the Offeree Unit Owner shall submit to the Condominium Board, in writing, such

further information with respect to the Outside Offeror and the Sale Agreement or Lease Agreement as the Condominium Board may reasonably request.

(C) The Condominium Board may elect, by sending written notice thereof to the Offeree Unit Owner by certified or registered mail not later than 30 days (in the event of a proposed sale) and 30 days (in the event of a proposed lease) after receipt of the notice referred to in paragraph (A) hereof together with such further information as may have been requested pursuant to the terms of paragraph (B) hereof, to purchase such Residential Unit together with its Appurtenant Interests or to lease such Residential Unit, as the case may be (or to cause the same to be purchased or leased by its designee, corporate or otherwise) on behalf of all Residential Unit Owners upon the same terms and conditions as were contained in the Sale Agreement or Lease Agreement and stated in the response(s) by the Offeree Unit Owner to any requests for additional information pursuant to the terms of paragraph (B) hereof. Notwithstanding anything to the contrary contained herein, however, the Condominium Board shall not exercise any option set forth in this Section 7.2 to purchase or lease any Residential Unit without the prior approval of a Majority of all Unit Owners.

(D) The Condominium Board may not discriminate against any person on the basis of race, creed, color, sex, sexual orientation, disability, marital status, age, ancestry, national origin or other ground proscribed by Law in connection with its exercise of its right of first refusal with respect to the sale or rental of a Unit.

Section 7.3 *Acceptance of Offer*

(A) In the event that the Condominium Board shall elect, within the time and in the manner provided in Section 7.2 hereof, to purchase a Residential Unit together with its Appurtenant Interests, to lease such Residential Unit, or to cause the same to be purchased or leased by its designee, title shall close or a lease shall be executed, in either event in accordance with the terms of the Sale Agreement or Lease Agreement, at the office of the attorneys for the Condominium Board within 45 days after the day upon which the Condominium Board shall give notice of its election to accept such offer.

(B) If such Residential Unit and its Appurtenant Interests are to be purchased by the Condominium Board or its designee on behalf of all Residential Unit Owners, such purchase may be made from the funds deposited in the capital and/or expense accounts of the Condominium. If the funds in such accounts are insufficient to effectuate such purchase, the Condominium Board may levy a Special Assessment against each Residential Unit Owner (other than the Offeree Unit Owner) in accordance with the terms of paragraph (C) of Section 6.1 hereof and/or the Condominium Board may, in its discretion, finance the acquisition of such Residential Unit; provided, however, that no such financing may be secured by an encumbrance on or a hypothecation of any portion of the Property other than the Residential Unit to be purchased together with its Appurtenant Interests. In addition, if the Outside Offeror was to assume or to take title to the Residential Unit subject to the Offeree Unit Owner's existing mortgage or mortgages pursuant to the Sale Agreement, the Condominium Board may purchase the Residential Unit and assume or take title thereto subject to such mortgage or mortgages as the case may be. At the Closing of Title, the Offeree Unit Owner shall convey the Residential Unit, together with its Appurtenant Interests, to the Condominium Board or to its designee, on behalf of all Residential Unit Owners, by deed in the form required by Section 399-o of the Condominium Act with all tax and/or documentary stamps affixed at the expense of the Offeree Unit Owner, who shall also pay all other transfer taxes arising out of such sale (including, if applicable, all New York State and New York City Transfer Taxes) notwithstanding any terms of the Sale Agreement to the contrary. Real estate taxes, mortgage interest (if applicable) and Common Charges shall be apportioned between the Offeree Unit Owner and the Condominium Board or its designee as of the Closing date, notwithstanding any terms of the Sale Agreement to the contrary. Thereafter, such Residential Unit shall be held, so long as the same is owned by the Condominium Board or its designee, on behalf of all Residential Unit Owners, as tenants-in-common, and all such Unit Owners shall be deemed to have waived all rights of partition with respect to such Residential Unit and the entire Property, as herein provided.

(C) In the event that such Residential Unit is to be leased by the Condominium Board or its designee on behalf of all Residential Unit Owners, the Offeree Unit Owner shall execute and deliver to the Condominium Board or such designee a lease covering such Residential Unit by and between the Offeree Unit Owner, as landlord, and the Condominium Board or such designee, as tenant. Such lease shall be in the then current form of apartment lease recommended by the Real Estate Board of New York, Inc., and shall contain all of the terms and conditions of the Lease Agreement not in conflict with such form of lease, including, without limitation, the rental and term provided for therein. Notwithstanding anything to the contrary set forth hereinabove or in the Lease Agreement, however, such lease shall expressly provide that the Condominium Board or such designee may enter into a sublease of the premises demised thereunder without consent of the landlord.

Section 7.4 *Failure to Accept Offer*.

(A) In the event that the Condominium Board shall fail to accept an offer made pursuant to the terms of Section 7.2 hereof within the respective times set forth in paragraph (C) thereof, the Offeree Unit Owner shall be free to consummate the transaction embodied in the Sale Agreement or Lease Agreement within 60 days after (i) notice of refusal is sent to the Offeree Unit Owner by the Condominium Board or (ii) the expiration of the period within which the Condominium Board or its designee might have accepted such offer, as the case may be. If the Offeree Unit Owner shall fail to consummate the transaction embodied in the Sale Agreement or Lease Agreement within such 60 day period, then, should the Offeree Unit Owner thereafter elect to sell such Residential Unit together with its Appurtenant Interests or to lease such Unit, the Offeree Unit Owner shall be required again to comply with all of the terms and provisions of Section 7.2, 7.3 and 7.4 hereof, but not more often than once in any 12 month period, except the Condominium Board shall have the right to waive this for good cause shown, in its sole discretion.

(B) Any deed of a Residential Unit and its Appurtenant Interests to an Outside Offeror shall expressly provide that the acceptance thereof by the grantee shall constitute an assumption of all of the terms of the Condominium Documents, and, in the absence of such express language, the same shall be conclusively deemed to have been included herein.

(C) Each lease of a Residential Unit to an Outside Offeror shall be in the then current form of apartment lease recommended by the Real Estate Board of New York, Inc., subject to such modifications as may be approved in writing by the Condominium Board or such other form approved in writing by the Condominium Board. Notwithstanding the foregoing, however, each such lease shall be consistent with the Condominium Documents and shall expressly provide that:

(i) such lease may not be amended, modified, or extended without the prior approval of the Condominium Board in each instance;

(ii) the tenant thereunder shall not assign the tenant's interest in such lease or sublet the premises demised thereunder or any part thereof without the prior approval of the Condominium Board in each instance; and

(iii) the Condominium Board shall have the power to terminate such lease and/or to bring summary proceedings to evict the tenant in the name of the landlord thereunder in the event of (a) a default by the tenant in the performance of its obligations under such lease or (b) a foreclosure of the lien granted by Section 339-z of the Condominium Act.

Section 7.5 *Termination of, and Exceptions to, the Right of First Refusal.*

(A) A certificate executed and acknowledged by the Secretary of the Condominium or the Managing Agent, stating that the provisions of Section 7.2 hereof have been met by a Residential Unit Owner or that the right of first refusal provided for therein has been duly released or waived by the

Condominium Board and that, as a result thereof, the rights of the Condominium Board thereunder have terminated, shall be conclusive upon the Condominium Board and all Unit Owners in favor of all persons who rely upon such certificate in good faith. After the due issuance of such a certificate, the Residential Unit to which the same shall relate, together with its Appurtenant Interests, may be sold, conveyed, or leased free and clear of the terms and conditions contained in Section 7.2 hereof. The Condominium Board shall furnish or cause the Managing Agent to furnish without charge, such certificate upon written request to any Residential Unit Owner in respect to whom the provisions of Sections 7.2 hereof have, in fact, been terminated. In no event, however, shall the right of first refusal described in Section 7.2 hereof be deemed released or waived by the Condominium Board (as opposed to satisfied pursuant to the express terms of Sections 7.2, 7.3 and 7.4 hereof) in the absence of the certificate that has been duly executed, acknowledged and issued by the Secretary of the Condominium or the Managing Agent as aforesaid.

(B) The terms and conditions contained in Section 7.2, 7.3 and 7.4 hereof shall not apply with respect to any sale, lease or conveyance of a Residential Unit, together with its Appurtenant Interests, by:

(i) the Residential Unit Owner thereof to any adult Family Members, to any combination of the same, or to a trust for the benefit of any of them (in which case the Condominium Board shall have the right to review the trust documents and provide for such terms and restrictions on such transfer as the Condominium Board deems advisable), provided, however, that if the succeeding Residential Unit Owner is an infant or a person judicially declared incompetent of managing such person's affairs, then such Residential Unit shall be held by the personal representative of such infant or incompetent, or in the case of a Residential Unit Owner that is not an individual, to any entity or individual that owns more than 50% of the legal and beneficial interests of such Residential Unit Owner or to any entity with respect to which such Residential Unit Owner (individual or otherwise) owns more than 50% of the legal and beneficial interest thereof:

(ii) Sponsor or any principal of Sponsor;

(iii) the Condominium Board;

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

(v) any Permitted Mortgagee or its nominee, who has acquired title to any Residential Unit at any foreclosure sale of its Permitted Mortgage or by deed in lieu thereof delivered in a bona fide transaction;

(vi) any Commercial Unit Owner;

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

(D) The terms and conditions contained in Section 7.2, 7.3, 7.4 and 7.7 hereof shall not apply with respect to any sale, lease or conveyance of a Commercial Unit, together with its Appurtenant Interests.

Section 7.6 *No Severance of Ownership.* No Unit Owner shall execute any deed or other instrument conveying title to the Unit without including therein its Appurtenant Interests, it being the intention to prevent any severance of such combined ownership. Any deed or other instrument purporting to affect one or more such interests shall be taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein. No part of the Appurtenant Interests of any Unit may be sold, conveyed, or otherwise disposed of, except as part of a sale, conveyance, or other disposition of the Unit to

which such interests are appurtenant or as part of a sale, conveyance, or other disposition of such part of the Appurtenant Interests of all Units. Nothing contained in this Section 7.6, however, shall prohibit the lease of any Unit without the simultaneous lease of its Appurtenant Interests.

Section 7.7 *Payment of Common Charges and Fees.* No Unit Owner shall be permitted to convey or lease the Unit unless the Unit Owner shall have (i) paid in full to the Condominium Board all unpaid Common Charges and Special Assessments theretofore assessed against such Unit and shall have satisfied all unpaid liens, other than that of Permitted Mortgages, levied against such Unit and (ii) paid in full all fees charged by the Condominium Board and/or the Managing Agent in connection with the sale or rental of Residential Units, including, without limitation, a two-months' working capital fund contribution (or a greater amount) if imposed by the Condominium Board. However, where the payment of such unpaid Common Charges and/or Special Assessments is made by the grantee or provided for out of the proceeds of the sale of a Unit, a sale may take place notwithstanding the foregoing. Notwithstanding the foregoing, the imposition of any fees by the Condominium Board and/or the Managing Agent in connection with the sale or rental of Residential Units shall not apply to the sale lease, sublease, license or conveyance of a Residential Unit by the reasons set forth in subsections 7.5(B) (ii), (iii), (iv), (v) and (vi) of this Article 7.

Section 7.8 *Power of Attorney.* At the time of acquiring title to a Unit and as a condition thereof, the new Unit Owner shall duly execute, acknowledge and deliver to the representative of the title insurance company (or, if no such representative is present, to the Condominium Board) for recording in the Register's Office (at such Unit Owner's sole cost and expense), the Unit Owner's Power of Attorney required in Article 14 of the Declaration, in the form set forth as Exhibit E to the Declaration.

Section 7.9 *Gifts and Devises, Etc.*. Any Unit Owner shall be free to convey or transfer the Unit, together with its Appurtenant Interests, by gift, or to devise the same by will or to have the same pass by intestacy, without restriction, provided, however, that each succeeding Unit Owner shall be bound by, and the Unit shall be subject to, the provisions of this Article 7.

Section 7.10 *Commencement of Time.* The period of time set forth in Section 7.2 for which the Condominium Board has to waive its right of first refusal shall not commence until such time as the Condominium Board or its managing agent has received a completed sales or lease package, including all fees set forth therein, as the case may be, from a Residential Unit Owner. If the information provided by the Unit Owner or prospective purchaser or tenant, as the case may be, is incomplete, the Condominium Board shall have the right to request additional information and the 30 day period will commence on receipt by the Condominium Board of the additional information.

Section 7.11 *Costs and Expenses.* All costs and expenses incurred by the Condominium Board, including, without limitation, attorneys' fees, costs and disbursements paid or incurred by the Condominium Board or by its Managing Agent in connection with any action taken by the Condominium Board with regard a violation of this Article 7, shall be borne by the defaulting Unit Owner as an additional Common Charge.

Section 7.12 *Sale or Lease of Commercial Unit.*

(A) The Commercial Unit Owner may sell, lease or convey its Unit without the consent of the Condominium Board, the Managing Agent, the other Unit Owners or any other Person.

(B) Any proper officer conducting the sale of a Commercial Unit in connection with the foreclosure of a mortgage or other lien covering such Unit or delivering a deed in lieu of such foreclosure, or any Permitted Mortgagee or its nominee, who has acquired title to any Unit at any foreclosure sale of its Permitted Mortgage or by deed in lieu thereof in a bona fide transaction shall have the same rights as the Commercial Unit Owner to sell or lease such Unit as provided in paragraph (A) above.

(C) Upon the written request of a Commercial Unit Owner, the Condominium Board shall deliver to such Commercial Unit Owner or any designee, a statement ("Estoppel Certificate") indicating that such Commercial Unit Owner is current in its payment of all amounts due under the Declaration and the By-Laws, that no written notice of default has been sent to such requesting party and to the knowledge of the Condominium Board, no such default exists. Any such statement may be relied upon by any mortgagee or purchaser of the Commercial Unit. In addition, upon the written request of a Commercial Unit Owner accompanied by such documentation as is reasonably sufficient to allow the Condominium Board to proceed as hereinafter described, the Condominium Board will enter into a non-disturbance and attornment agreement ("Non-Disturbance Agreement") in a form reasonably satisfactory to such requesting Unit Owner with any tenant ("Tenant") of the Commercial Unit Owner which provides that: (i) the Tenant shall be entitled to continued undisturbed possession of such Unit or portion thereof leased by such Tenant, (ii) the Tenant's rights and privileges under the lease for such Unit or portion thereof ("Lease") shall not be diminished or interfered with by the Condominium Board for any reason whatsoever during the term of the Lease or any extensions or renewals thereof, and (iii) except as provided in the last paragraph of this paragraph (C), the Condominium Board will not join the Tenant as a party defendant in any action or proceeding to foreclose upon the Unit or to enforce any rights or remedies of the Condominium Board under the Declaration and the By-Laws which would cut-off, destroy, terminate or extinguish the Lease, provided that (a) the Tenant is not in default (beyond any applicable grace periods) in the payment of rent or additional rent or in the performance or observance of any of the other terms, covenants, provisions or conditions of the Lease, (b) the Tenant is not in default of any of the provisions of the Declaration and the By-Laws, both at the time of the request and at the time of execution of the Non-Disturbance Agreement, (c) the Lease is in full force and effect, (d) the Tenant attorns to the Condominium Board and pays to the Condominium Board, all rentals and other monies due and to become due to the Commercial Unit Owner, under the terms of the Lease but only to the extent of a percentage of the unpaid Common Charges due from the Commercial Unit Owner, equal to the percentage of the total square footage of the Commercial Unit leased by such Tenant, it being understood that without affecting the Tenant's rights and protection afforded by the Non-Disturbance Agreement, the Tenant shall not be required to pay any rentals or other monies otherwise due or to become due to the Commercial Unit Owner to the Condominium Board if such payment is prohibited by the terms of any non-disturbance agreement granted to such Tenant by the mortgagee of any such Commercial Unit holding a first mortgage on such Commercial Unit. The Non-Disturbance Agreement shall be executed by the Tenant and the Condominium Board and prepared by the Condominium Board at the expense of the Unit Owner requesting the Non-Disturbance Agreement, which expense shall be limited to reasonable actual out-of-pocket expenses incurred by the Condominium Board, including attorneys' fees, costs and disbursements.

Notwithstanding the foregoing, if it would be procedurally disadvantageous for the Condominium Board not to name or join the Tenant in a foreclosure proceeding with respect to the Commercial Unit, the Condominium Board may name or join the Tenant without in any way diminishing or otherwise affecting the rights and privileges granted to, or inuring to the benefit of, the Tenant under this Article.

Section 7.13 *Assignment of Storage Locker Licenses.*

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

(B) If the Condominium Board terminates a Storage Locker License or a Residential Unit Owner surrenders a Storage Locker License without assigning the Storage Locker License to another

Residential Unit Owner, the Condominium Board shall have the right to issue a new Storage Locker License for the Storage Locker to another Residential Unit Owner, in its sole discretion and the surrendering Unit Owner shall not be entitled to any compensation.

Section 7.14 *Prohibition Against Sale of Residential Units Within One Year of Closing of Sponsor Sale.* Notwithstanding the foregoing provisions of this Article 7, a Residential Unit Owner who acquired a Residential Unit from Sponsor ("Sponsor Sale") is prohibited from (a) listing the Residential Unit for sale with any broker or placing or authorizing any listing in any broker's listing system or other listing service or from advertising or otherwise offering, promoting or publicizing the availability of the Residential Unit for sale for 12 months after Closing, without Sponsor's prior written consent, which consent may be withheld or delayed, in Sponsor's sole and absolute discretion; or (b) entering into a contract or other agreement for the sale of the Residential Unit or reselling the Residential Unit prior to the first anniversary of the Closing of the Sponsor Sale, except to such Residential Unit Owner' s Family Member(s), or a trust for the benefit of such Family Member(s) or to an entity or individual that owns more than 50% of the legal and beneficial interest of such Residential Unit Owner or to an entity with respect to which such Residential Unit Owner (individual or otherwise) owns more than 50% of the legal and beneficial interest thereof, or to a Permitted Mortgagee or its nominee, who has acquired title to any Residential Unit at a foreclosure sale of its Permitted Mortgage or by deed in lieu thereof delivered in a bona fide transaction. The foregoing restriction shall not apply from and after the date that Sponsor has conveyed title to all of the Residential Units. The provisions of this Section 7.14 may not be amended or deleted without the written consent of Sponsor for so long as Sponsor owns any Residential Units in the Condominium.

ARTICLE 8

MORTGAGING OF UNITS

Section 8.1 *General.* Each Unit Owner shall have the right to mortgage the Unit, subject only to the terms and conditions contained in Section 8.2 hereof. Any Unit Owner who mortgages the Unit, or the holder of such mortgage, shall supply the Condominium Board with the name and address of the mortgagee and shall file a conformed copy of the note and mortgage with the Condominium Board. Any Unit Owner who satisfies a mortgage covering the Unit shall so notify the Condominium Board and shall file a conformed copy of the satisfaction of mortgage with the Condominium Board. The Secretary of the Condominium shall maintain such information in a book entitled "Mortgages of Units." The terms and conditions contained in this Section 8.1, however, shall not apply to Sponsor or the Commercial Unit Owner.

Section 8.2 *Restrictions on Mortgaging*

(A) No Unit Owner shall be permitted to mortgage, pledge, or hypothecate the Unit unless and until such Unit Owner shall have paid in full to the Condominium Board all unpaid Common Charges and Special Assessments theretofore assessed against such Unit and shall have satisfied all unpaid liens, except the liens of Permitted Mortgages levied against such Unit.

(B) No Unit Owner shall execute any mortgage or other document mortgaging, pledging, or hypothecating title to the Unit without including therein its Appurtenant Interests, it being the intention to prevent any severance of such combined ownership. Any mortgage or other instrument purporting to affect one or more of such interests without including all such interests shall be deemed and taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein.

(C) Any mortgage covering a Unit shall be substantially in the form used by any Institutional Lender.

(D) Any mortgage covering a Unit shall be held by an Institutional Lender, Sponsor, or by a Unit Owner providing purchase money financing in connection with the sale of the Unit.

Section 8.3 *Notice of Unpaid Common Charges and Default.* The Condominium Board shall promptly report to Permitted Mortgagee any default by the Permitted Mortgagee's mortgagor in the payment of Common Charges or Special Assessments for more than 60 days or whenever requested in writing by a Permitted Mortgagee any default by the Permitted Mortgagee's mortgagor in the observance or performance of any of the provisions of the Condominium Documents as to which the Condominium Board has knowledge then exists. The Condominium Board shall, when giving notice to a Unit Owner of any such default, also send a copy of such notice to the Permitted Mortgagee, if so requested. However, the Condominium Board shall have no liability for any failure, through oversight or negligence, in notifying a Permitted Mortgagee of any default by the mortgagor under the Condominium Documents, provided that (i) the Condominium Board shall advise such Permitted Mortgagee of the default promptly after discovering such failure and (ii) if the Condominium Board shall foreclose a lien on such mortgagor's Unit pursuant to the terms of Section 6.5 hereof by reason of such default, the Condominium Board shall pay to such Permitted Mortgagee any net proceeds of any foreclosure sale of such Unit (after retaining all sums due and owing to the Condominium Board pursuant to the Condominium Documents) or such lesser sum as shall be due and owing to such Permitted Mortgagee.

Section 8.4 *Performance by Permitted Mortgagees.* Any sum of money to be paid or any act to be performed by a Unit Owner pursuant to the terms of the Condominium Documents may be paid or performed by such Unit Owner's Permitted Mortgagee, and the Condominium Board shall accept such Permitted Mortgagee's payment or performance with the same force and effect as if the same were paid or performed by such Unit Owner.

Section 8.5 *Examination of Books.* Each Permitted Mortgagee shall be permitted to examine the books of account of the Condominium at reasonable times on business days, but not more frequently than once a month.

Section 8.6 *Consent of Mortgagees; Designation of Mortgage Representatives.*

(A) Except as otherwise expressly provided for herein or in the Declaration, no consent or approval by any mortgagee shall be required with respect to any determination or act of the Condominium Board or any Unit Owner, provided, however, that nothing contained herein shall be deemed to limit or affect the rights of any mortgagee against a Unit Owner's mortgage. In the event that any such consent or approval shall be expressly required pursuant to the terms of the Declaration or these By-Laws, the decision of a majority of the Mortgage Representatives, if any are designated pursuant to the terms of paragraph (B) of this Section 8.6, shall be deemed binding upon the holders of all mortgages encumbering Units.

(B) The holders of Institutional Mortgages constituting a majority in principal amount of all Institutional Mortgages may, if they so elect, designate not more than 3 Mortgage Representatives by giving written notice thereof to the Condominium Board, which Mortgage Representatives shall thereby be empowered to act as the representatives of the holders of all mortgages encumbering Units with respect to any matter requiring the consent or approval of mortgagees under the Declaration or these By-Laws. Any designation of a Mortgage Representative pursuant to the terms of this paragraph (B) shall be effective until any successor Mortgage Representative is designated pursuant to the terms hereof and written notice thereof is given to the Condominium Board. Unless otherwise required by Law, no holders of mortgages (which are not Institutional Mortgages) shall be entitled to participate in the designation of Mortgage Representatives, but all holders of mortgages encumbering Units shall be subject to all determinations made by the Mortgage Representatives pursuant to the terms of the Declaration or these By-Laws.

Section 8.7 *Notice to Permitted Mortgagees* .

(A) Whenever requested by a Permitted Mortgagee, the Condominium Board shall provide timely written notice to such Permitted Mortgagee of (i) any condemnation or casualty loss that affects either (x) a material portion of the Condominium or (y) a material portion of a Unit, (ii) a lapse, cancellation or material modification of any insurance policy maintained by the Condominium, and (iii) any proposed action

by the Condominium Board that requires the consent of a specified percentage of Permitted Mortgagees or the approval of the majority of the Mortgage Representatives.

(B) In no event, however, shall the Condominium Board (including its members, officers, agents, attorneys and employees) and Unit Owners be liable for any claims or liabilities and expenses for any failure, through oversight or negligence, in giving a Permitted Mortgagee any notice required under (A) above. Nonetheless, the Condominium Board shall give such missed notice with reasonable promptness after discovering such failure.

(C) Where the consent of the Permitted Mortgagees or Mortgage Representatives is required pursuant to the terms of the Declaration or By-Laws, if the Permitted Mortgagees or Mortgage Representatives fail to respond within 60 days after written receipt of the required consent, delivered by either certified or registered mail, "return receipt" requested, the implied approval of such Permitted Mortgagees or Mortgage Representative shall be assumed.

ARTICLE 9

CERTAIN REMEDIES

Section 9.1 *Self Help.* If any Unit Owner shall violate or breach any of the provisions of the Condominium Documents on Unit Owner's part to be observed or performed, including, without limitation, any breach of Unit Owner's obligation to paint, decorate, maintain, repair, or replace the Unit or its appurtenant Residential Limited Common Elements, if any, pursuant to the terms of Article 5 hereof, and shall fail to cure such violation or breach within 5 days after receipt of written notice of the same from the Condominium Board, the Managing Agent, or any manager (or, with respect to any violation or breach of the same not reasonably susceptible to cure within such period, to commence such cure within such 5 day period and, thereafter, to prosecute such cure with due diligence to completion), the Condominium Board shall have the right to enter such Unit Owner's Unit and/or its appurtenant Residential Limited Common Elements, if any, and summarily to abate, remove, or cure such violation or breach without thereby being deemed guilty or liable in any manner of trespass. In addition, in the event that the Condominium Board shall determine that the abatement, removal, or cure of any such violation or breach is immediately necessary for the preservation or safety of the Building or for the safety of the occupants of the Building or other individuals or is required to avoid the suspension of any necessary service in the Building, the Condominium Board may take such action immediately, without prior notice and without allowing the said Unit Owner any period of time within which to cure or to commence to cure such violation or breach.

Section 9.2 *Abatement and Enjoinment.*

(A) In the event that any Unit Owner shall violate or breach any of the provisions of the Condominium Documents on Unit Owner's part to be observed or performed, the Condominium Board shall have the right (i) to enter any Unit or Common Elements in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition resulting in such violation or breach and the Condominium Board shall not thereby be deemed guilty or liable in any matter of trespass, and/or (ii) to enjoin, abate, or remedy the continuance or repetition of any such violation or breach by appropriate proceedings brought either at law or in equity, provided that the Condominium Board gives the Unit Owner notice (which may be by telephone or in writing) that such violation exists, that repairs or replacements are necessary and that the Condominium Board will complete such repairs or replacements in the event the Unit Owner does not promptly act or complete the repairs or replacements, and/or (iii) to levy such fines and penalties as the Condominium Board may deem appropriate, and the

Condominium Board shall have the same remedies for non-payment of such fines and penalties as for non-payment of Common Charges.

(B) The violation or breach of any of the terms of the Condominium Documents with respect to any rights, easements, privileges, or licenses granted to Sponsor or the Commercial Unit Owner shall give to Sponsor or the Commercial Unit Owner the right to enjoin, abate, or remedy the continuation or repetition of any such violation or breach by appropriate proceedings brought either at law or in equity.

Section 9.3 *Remedies Cumulative.* The remedies specifically granted to the Condominium Board or to Sponsor or the Commercial Unit Owner in this Article 9 or elsewhere in the Condominium Documents shall be cumulative, shall be in addition to all other remedies obtainable at law or in equity and may be exercised at one time or at different times, concurrently or in any order, in the sole discretion of the Condominium Board or Sponsor or the Commercial Unit Owner, as the case may be. Further, the exercise of any remedy shall not operate as a waiver, or preclude the exercise, of any other remedy.

Section 9.4 *Costs and Expenses.* All sums of money expended, and all costs and expenses incurred, by (i) the Condominium Board in connection with the abatement, enjoinment, removal, or cure of any violation, breach, or default committed by a Unit Owner pursuant to the terms of Section 9.1 or paragraph (A) of Section 9.2 hereof or (ii) Sponsor or the Commercial Unit Owner in connection with any abatement, enjoinment, or remedy of any violation or breach of the Condominium Documents pursuant to the terms of paragraph (B) of Section 9.2 hereof, shall be immediately payable by (a) in the event set forth in subparagraph (i) hereof, such Unit Owner to the Condominium Board or (b) in the event set forth in subparagraph (ii) hereof, the offending party (i.e., the Condominium Board or the Unit Owner) to Sponsor or the Commercial Unit Owner, as the case may be, which amount shall, in either event, bear interest (to be computed from the date expended) at the rate of 2% per month (but in no event in excess of the maximum rate chargeable to such Unit Owner pursuant to Law). All sums payable by a Unit Owner to the Condominium Board pursuant to the terms of this Section 9.3 shall, for all purposes hereunder, constitute Common Charges payable by such Unit Owner.

ARTICLE 10

ARBITRATION

Section 10.1 *Procedure.* Any matter required or permitted to be determined by Arbitration pursuant to the terms of the Condominium Documents shall be submitted for resolution by a single arbitrator in a proceeding held in the City of New York in accordance with the then existing rules of the American Arbitration Association or any successor organization thereto. In the event that the American Arbitration Association shall not then be in existence and has no successor organization, any such Arbitration shall be held in the City of New York before 1 arbitrator appointed, upon the application of any party, by any Justice of the highest court of appellate jurisdiction then located in the City of New York. The decision of the arbitrator so chosen shall be given within 10 days after such arbitrator's selection or appointment. Any arbitrator appointed or selected in connection with any Arbitration to be conducted hereunder shall be a member of a law firm having at least 5 members whose principal office is located in the City of New York.

Section 10.2 *Variation by Agreement.* The parties to any dispute required or permitted to be resolved by Arbitration pursuant to the terms of the Condominium Documents may, by written agreement, vary any of the terms of Section 10.1 hereof with respect to the Arbitration of such dispute or may agree to resolve their dispute in any manner, including, without limitation, the manner set forth in Section 3031 of the New York Civil Practice Law and Rules and known as "New York Simplified Procedure for Court Determination of Disputes."

Section 10.3 *Binding Effect.* The decision in any Arbitration conducted pursuant to the terms of Section 10.1 and 10.2 hereof shall be binding upon all of the parties thereto and may be entered in any court of appropriate jurisdiction.

Section 10.4 *Costs and Expenses.*

(A) The fees, costs and expenses of the arbitrator shall be borne by the losing party in the Arbitration or, if the position of neither party to the dispute shall be substantially upheld by the arbitrator, such fees, costs and expenses shall be borne equally by the disputants. Each disputant shall also bear the fees and expenses of disputant's counsel and expert witnesses.

(B) All costs and expenses paid or incurred by the Condominium Board in connection with any Arbitration held hereunder, including, without limitation, the fees and expenses of counsel and expert witnesses, shall constitute General Common Expenses, to be borne by all Unit Owners, if such Arbitration relates to the Units, generally, or to the General Common Elements, and shall constitute Residential Common Expenses, to be borne by all Residential Unit Owners if such Arbitration relates solely to the Residential Units or the Residential Common Elements or the Residential Limited Common Elements.

ARTICLE 11

NOTICES

Section 11.1 *General.* All notices required or desired to be given hereunder (except for notices of regular annual or special meetings of the Residential Unit Owners and except all meetings of the Condominium Board) shall be sent by registered or certified mail, return receipt requested, postage prepaid addressed:

(i) if to the Condominium Board, to the Condominium Board at its principal office as set forth in Section l.5 hereof, with a copy sent by regular first class mail to the Managing Agent (if any) at its principal office address as aforesaid;

(ii) if to a Unit Owner other than Sponsor, to such Unit Owner at Unit Owner's address at the Property;

(iii) if to Sponsor, to Sponsor at its principal office as set forth in the Plan;

(iv) if to a Permitted Mortgagee, to such Permitted Mortgagee at its latest address designated in writing to the Condominium Board.

Any of the foregoing parties may change the address to which notices are to be sent, or may designate additional addresses for the giving of notice, by sending written notice to the other parties as aforesaid. All notices sent pursuant to the terms of this Section 11.1 shall be deemed given when mailed in the State of New York, provided, however, that notices of change of address, notices designating additional addresses and notices deposited in a United States Postal Service depository located outside of the State of New York shall be deemed to have been given when received.

Section 11.2 *Waiver of Service of Notice.* Whenever any notice is required to be given by Law or pursuant to the terms of the Condominium Documents, a waiver thereof in writing, signed by the Persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

ARTICLE 12

AMENDMENTS TO BY-LAWS

Section 12.1 *General.*

(A) Subject to the terms of paragraph (B) hereof and subject, further, to any provisions contained in the Declaration or these By-Laws with respect to any amendments ("Special Amendments") affecting or in favor of Sponsor, the Commercial Unit Owner, the Commercial Unit and/or any Permitted Mortgagee, any provision of these By-Laws affecting the (i) General Common Elements or all Units may be added to, amended, modified or deleted by the affirmative vote of at least 66 2/3% in number and Common Interest of all Unit Owners; and (ii) Residential Common Elements or all Residential Units may be added to, amended, modified or deleted by affirmative vote of at least 66 2/3% in number and Residential Common Interest of all Residential Unit Owners, either taken at a duly constituted meeting thereof or given in writing without a meeting as provided in Section 4.10 hereof. Each duly adopted amendment, modification, addition, or deletion hereof or hereto shall be effectuated in an instrument executed and recorded in the Register's Office by or on behalf of the Condominium Board as attorney-in-fact of all Unit Owners, which power-of-attorney shall be deemed irrevocable and coupled with an interest. Attached to each such instrument shall be an original, executed Secretary's Certification, certifying that the requisite number and percentage (where applicable) of Residential Unit Owners approved the amendment, modification, addition, or deletion set forth therein either at a duly constituted meeting of Residential Unit Owners or in writing without a meeting pursuant to the terms of Section 4.10 hereof, in which Secretary's Certification there shall be described the number and percentage (where applicable) of Residential Unit Owners approving the same and, if voted at a meeting, the date, time and place of such meeting. No such amendment, modification, addition, or deletion shall be effective unless and until such an instrument shall be duly recorded in the Register's Office.

(B) Notwithstanding anything to the contrary contained in paragraph (A) hereof, but still subject to any provision contained in the Declaration or these By-Laws with respect to Special Amendments:

(i) the Common Interest and Residential Common Interest, if any, appurtenant to any Unit, as set forth in the Declaration, shall not be altered without the consent of the Unit Owner thereof, except as otherwise provided in paragraph (F) of Section 5.5 hereof; and

(ii) the terms of Section 5.7 hereof may not be amended, modified, added to, or deleted unless not less than 80% in number and aggregate Common Interests of all Unit Owners affected thereby shall approve such amendment, modification, addition or deletion in writing.

Section 12.2 *Special Amendments.*

(A) Any amendment, modification, addition, or deletion of or to any of the provisions of these By-Laws that, pursuant to the terms of the Declaration or these By-Laws, may be effected by Sponsor or the Commercial Unit Owner, without the consent of the Condominium Board or the Unit Owners, shall be embodied in an instrument executed and recorded in the Register's Office by Sponsor or the Commercial Unit Owner, as the case may be, as attorney-in-fact of both the Condominium Board and all Unit Owners, which power-of-attorney shall be deemed to be irrevocable and coupled with an interest. Attached to each such instrument shall be an original, executed Certification by Sponsor or the Commercial Unit Owner certifying that the amendment, modification, addition, or deletion set forth therein was effectuated by Sponsor or the Commercial Unit Owner pursuant to the terms of the Declaration and/or these By-Laws, in which Certification there shall be set forth the Article and/or Section of the Declaration or these By-Laws pursuant to which the same was effectuated. No such amendment, modification, addition, or deletion shall be effective unless and until such an instrument shall be duly recorded in the Register's Office.

(B) Notwithstanding any provision contained herein to the contrary, no amendment, modification, addition, or deletion of or to these By-Laws shall be effective in any respect against Sponsor or the Commercial Unit Owner, unless and until Sponsor or the Commercial Unit Owner shall consent to the same in writing.

(C) Notwithstanding any provision contained herein to the contrary, no amendment, modification, addition, or deletion of or to Section 5.4 or 5.5, paragraph (B) or paragraph (C) of Section 6.2, subparagraph (iv) or (v) of paragraph (B) of Section 7.5 or Article 8 hereof shall be effective with respect to the holder of any Permitted Mortgage theretofore made unless and until such Permitted Mortgagee shall have given its written consent thereto. In addition, no amendment to the Condominium Documents which would materially and Adversely Affect the holder of any Permitted Mortgage shall be effective without the prior written consent of 51% of the Permitted Mortgagees or a majority of the Mortgage Representatives, if any. If the Permitted Mortgagees or Mortgage Representatives fail to respond within 60 days after written receipt of the proposed amendment, delivered by either certified or registered mail, "return receipt" requested, the implied approval of such Permitted Mortgagees or Mortgage Representative shall be assumed.

(D) Amendments, modifications, additions or deletions of or to the Declaration, these By-Laws and the Residential Rules and Regulations may be necessary, appropriate or desirable in connection with the operation of a Commercial Unit or the subdivision of or combination of, or altering of, or improvement to a Commercial Unit and it is contemplated that in connection therewith a Commercial Unit Owner will cause the Declaration, these By-Laws and the Residential Rules and Regulations to be so amended, modified, added to or deleted from and that the resulting provisions thereof may be similar or dissimilar to those affecting the Residential Units and the Residential Unit Owners. In the case of any such amendment, modification, addition or deletion which does not materially and Adversely Affect the Residential Units or the Residential Unit Owners, a Commercial Unit Owner shall be the attorney-in-fact for the Residential Unit Owners (including Sponsor so long as Sponsor owns any Unsold Residential Units), coupled with an interest, for the purpose of approving, executing and recording any instrument effecting such amendment, modification, addition or deletion.

ARTICLE 13

FURTHER ASSURANCES

Section 13.1 *General.* Any Person that is subject to the terms of these By-Laws, whether such Person is a Unit Owner, a lessee or sublessee of a Unit Owner, an occupant of a Unit, a Member of the Condominium Board, an officer of the Condominium, or otherwise, shall, at the expense of any other Person requesting the same, execute, acknowledge and deliver to such other Person such instruments, in addition to those specifically provided for herein, and take such other action as such other Person may reasonably request in order either to effectuate the provisions of these By-Laws or any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

Section 13.2 *Failure to Deliver or Act.*

(A) If any Unit Owner or other Person that is subject to the terms of these By-Laws fails to execute, acknowledge, or deliver any instrument, or fails or refuses, within 10 days (or 60 days, with respect to a Permitted Mortgagee) after request therefor, to take any action that such Unit Owner or Person is required to execute, acknowledge and deliver or to take pursuant to these By-Laws, then the Condominium Board is hereby authorized, as attorney-in-fact for such Unit Owner or other Person, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of such Unit Owner or other Person, and such document or action shall be binding on such Unit Owner or other Person.

(B) If any Unit Owner, the Condominium Board or other Person that is subject to the terms of these By-Laws fails to execute, acknowledge, or deliver any instrument, or fails or refuses, within 10 days (or 60 days, with respect to a Permitted Mortgagee) after request therefor, to execute, acknowledge or deliver any instrument which such Unit Owner, Condominium Board or other Person is required to execute, acknowledge or deliver pursuant to these By-Laws at the request of Sponsor or any Commercial Unit Owner[or any Development Rights Owner, solely with respect to utilization, sale or transfer of Development Rights], as the case may be, then Sponsor or the Commercial Unit Owner[or the Development Rights Owner, solely with respect to utilization, sale or transfer of Development Rights], as the case may be, is hereby authorized, as attorney-in-fact for the Unit Owner, Condominium Board or other Person, coupled with an interest, to execute, acknowledge and deliver such instrument, in the name of the Unit Owner, Condominium Board or other Person, and such instrument shall be binding on the Unit Owner, Condominium Board or other Person. The Condominium Board shall not unreasonably withhold or delay its consent or approval with respect to any matter contained in these By-Laws which requires the consent or approval of the Condominium Board.

ARTICLE 14

MISCELLANEOUS

Section 14.1 *Inspection of Documents.* Copies of the Declaration, these By-Laws, the Residential 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 Condominium Board and shall be available for inspection by Unit Owners and their authorized agents during reasonable business hours. Each Unit Owner shall be permitted to examine the books of account of the Condominium during reasonable business hours, but not more frequently than once a month.

Section 14.2 *Waiver.* No provision contained in these By-Laws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, regardless of the number of violations or breaches that may occur.

Section 14.3 *Conflict.* In the event that any provision of these By-Laws or of the Residential Rules and Regulations shall be construed to be inconsistent with any provision of the Declaration or of the Condominium Act, the provision contained in the Declaration or in the Condominium Act shall control.

Section 14.4 *Severability.* If any provision of these By-Laws is invalid or unenforceable as against any Person or under certain circumstances, the remainder of these By-Laws and the applicability of such provision to other Persons or circumstances shall not be affected thereby. Each provision of these By-Laws shall, except as otherwise provided herein, be valid and enforced to the fullest extent provided by Law.

Section 14.5 *Successors and Assigns.* The rights and/or obligations of Sponsor as set forth herein shall inure to the benefit of, and shall be binding upon, any successor or assignee of Sponsor. The rights and/or obligations of the Commercial Unit Owner as set forth herein shall inure to the benefit of, and shall be binding upon, any successor or assignee of the Commercial Unit Owner.

Section 14.6 *Gender.* A reference in these By-Laws to any one gender, masculine or feminine, includes the other one, and the singular includes the plural, and vice-versa, unless the context otherwise requires.

Section 14.7 *Captions.* The index hereof and the captions herein inserted are included only as a matter of convenience and for reference, and in no way define, limit, or describe the scope of these By-Laws or the intent of any provision hereof.

ARTICLE 15

TAX STATUS AS A HOMEOWNERS ASSOCIATION

Section 15.1 *General.* The Condominium Board intends to act in a manner consistent with enabling the Condominium to be eligible to elect to be treated as a "homeowners association" under Section 528 of the Internal Revenue Code of 1986, as amended.

Section 15.2 *Organization.* The Condominium is and will be organized and operated to provide for the acquisition, construction, management, maintenance and care of the Property.

Section 15.3 *Inurement.* No part of the Condominium's net earnings shall inure, and the Condominium Board will act in a manner such that no part of such earnings will inure to the benefit of any private shareholder or individual (other than by acquiring, constructing, or providing management, maintenance, and care of the Property, and other than by rebate of excess membership dues, fees, or assessments).

Section 15.4 *Residential Use.* Substantially all of the Units are and will be used by individuals for residences.

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ADDENDUM TO THE BY-LAWS

RESIDENTIAL RULES AND REGULATIONS

1. The sidewalks, entrance passages, public halls, elevators, vestibules, corridors and stairways of or appurtenant to the Building shall not be obstructed or used for any purpose other than ingress to and egress from the Residential Units.

2. No bicycles, rollerblades, scooters, skateboards or similar vehicle shall be taken into or from the Building through the main entrance or shall be allowed in any of the elevators of the Building other than the elevator designated by the Condominium Board or the Managing Agent for such purpose or ridden in the Building or the courtyard. No baby carriages or any of the above-mentioned vehicles shall be allowed to stand in the public halls, passageways, or other public areas of the Building.

3. All service and delivery persons will be required to use the service entrances or such other entrances of the Building designated by the Condominium Board or the Managing Agent. In addition, all domestic employees, messengers and tradespeople visiting the Building shall use the elevator designated by the Condominium Board or the Managing Agent for the purposes of ingress and egress, and shall not use any of the other elevators for any purpose, provided, however, that care-givers in the employ of Residential Unit Owners or their Family Members, guests, tenants, subtenants, licensees, or invitees may use any of the other elevators when accompanying said Unit Owners, Family Members, guests, subtenants, licensees, or invitees.

4. Trunks and heavy baggage shall be taken in or out of the Building only by the elevator designated by the Condominium Board or the Managing Agent for the purpose and only through the service entrances.

5. No article (including, but not limited to, garbage cans, bottles or mats) shall be placed or stored in any of the halls or on any of the staircases or fire tower landings of the Building, nor shall any fire exit thereof be obstructed in any manner.

6. No Residential Unit may be used for the storage of any flammable materials or any other materials the storage of which may constitute a building code violation or which will increase the insurance requirements for the Building.

7. No refuse from the Residential Units shall be sent to the service area of the Building, except at such times and in such manner as the Condominium Board or the Managing Agent may direct. Nothing shall be hung or shaken from any doors, windows, Terrace or placed upon the window sills of the Building, and no Residential Unit Owner shall sweep or throw, or permit to be swept or thrown, any dirt, debris or other substance therefrom.

8. There shall be no playing or lounging in the entrances, passages, public halls, elevators, vestibules, corridors, stairways, or fire towers of the Building.

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

10. Nothing shall be done or kept in any Residential Unit or in the Common Elements that will increase the rate of insurance of the Building, or the contents thereof. No Residential Unit Owner shall permit anything to be done or kept in the Residential Unit or in the Common Elements that will result in the cancellation of insurance on the Building, or the contents thereof, or that would be in violation of any Law. No Residential Unit Owner or any Family Members, agents, servants, employees, licensees, or visitors shall, at any time, bring into or keep in the Residential Unit any inflammable, combustible, or

explosive fluid, material, chemical, or substance, except as shall be necessary and appropriate for the permitted uses of the Residential Unit.

11. There shall be no barbecuing in the Residential Units, in their appurtenant Residential Limited Common Elements, if any, or in the Common Elements, except as permitted by the Condominium Board. In no event shall wood or charcoal barbecuing be permitted. .

12. No Residential Unit Owner shall make, cause, or permit any unusual, disturbing, or objectionable noises or odors to be produced upon or to emanate from the Residential Unit or its appurtenant Residential Limited Common Elements, if any, or permit anything to be done therein that will interfere with the rights, comforts, or conveniences of the other Residential Unit Owners. No Residential Unit Owner shall play any musical instrument, phonograph, radio, television set, or other loudspeaker in such Unit Owner's Unit or its appurtenant Residential Limited Common Elements, if any, between 10:00 P.M. and the following 9:00 A.M.

13. No pets other than dogs (not to exceed 2 per Residential Unit), caged birds, cats (not to exceed 2 per Residential Unit and fish, which do not cause a nuisance, health hazard or unsanitary condition, may be kept in a Residential Unit without the consent of the Condominium Board. Each Residential Unit Owner who keeps any type of pet will be required to: (a) indemnify and hold harmless the Condominium, the Condominium Board, all Unit Owners and the Managing Agent from all claims and expenses resulting from acts of such pet; and (b) abide by any and all Residential Rules and Regulations adopted by the Condominium Board with respect thereto, including without limitation, the number of such pets. Notwithstanding the foregoing, the Condominium Board shall have the right to adopt a no-pet policy for the Building or amend the policies with respect to size, type or number of pets per Unit. In no event shall any pet be permitted in any public elevator of the Building, other than the elevator designated by the Condominium Board or the Managing Agent for that purpose, or in any of the public portions of the Building, unless carried or on leash. No pigeons or other birds or animals shall be fed from the window sills, or other public portions of the Building, or on the sidewalk or street adjacent to the Building.

14. No group tour, open house or exhibition of any Residential Unit or its contents shall be conducted, nor shall any auction sale be held in any Residential Unit, without the consent of the Condominium Board or the Managing Agent in each instance. The foregoing shall not apply to Sponsor with respect to the marketing of Unsold Residential Units for sale or rental. In the event that any Residential Unit shall be used for home occupation purposes in conformance with the Declaration and the By-Laws, no patients, clients, or other invitees shall be permitted to wait in any lobby, public hallway, or vestibule.

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

16. No window decorations shall be used in or about any Residential Unit, except such as shall have been approved in writing by the Condominium Board or the Managing Agent, which approval shall not be unreasonably withheld, conditioned, or delayed. In no event, however, shall any windows of any Residential Unit be colored or painted.

17. Any installations, replacements, and/or repairs in connection with legally-compliant window guards and/or window stops in any Residential Unit shall be performed at the direction of the Managing Agent and all costs associated therewith shall be borne by the Residential Unit Owner. It is the responsibility of each Residential Unit Owner to (i) notify the Managing Agent in writing if any child under the age of eleven (11) years resides (even temporarily) in the Residential Unit, (ii) to make the necessary arrangements with respect to the installation, repair, replacement, operation, and/or maintenance of legally-compliant window guards and/or window stops in the Residential Unit and/or any additional equipment as

required by Law, and (iii) to otherwise ensure that all operable windows located in the Residential Unit comply with Law.

18. No ventilator or air conditioning device shall be installed in any Residential Unit or its appurtenant Residential Limited Common Elements, if any, without the prior approval of the Condominium Board, which approval may be granted or refused in the sole discretion of the Condominium Board.

19. No radio or television aerial shall be attached to or hung from the exterior of the Building, and no sign, notice, advertisement, or illumination (including, without limitation, "For Sale," "For Lease," or "For Rent" signs) shall be inscribed or exposed on or at any window or other part of the Building, except such as are permitted pursuant to the terms of Declaration and/or the By-Laws or shall have been approved in writing by the Condominium Board or the Managing Agent. Nothing shall be projected from any window of a Residential Unit without similar approval.

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

21. Water-closets and other water apparatus in the Building shall not be used for any purpose other than those for which they were designed, and no sweepings, rubbish, rags or any other article shall be thrown into same. Any damage resulting from misuse of any water-closets or other apparatus in a Unit shall be repaired and paid for by the owner of the Residential Unit.

22. Each Residential Unit Owner shall keep the Residential Unit and its appurtenant Residential Limited Common Elements, if any, in a good state of preservation, condition, repair and cleanliness in accordance with the terms of the By-Laws.

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

24. The Condominium Board or the Managing Agent may retain a pass-key to each Residential Unit. If any lock is altered or a new lock is installed, the Condominium Board or the Managing Agent shall be provided with a key thereto immediately upon such alteration or installation. If the Residential Unit Owner is not personally present to open and permit an entry to the Residential Unit at any time when an entry therein is necessary or permissible under these Residential Rules and Regulations or under the By-Laws, and has not furnished a key to the Condominium Board or the Managing Agent, then the Condominium Board or Managing Agent or their agents (but, except in an emergency, only when specifically authorized by an officer of the Condominium or an officer of the Managing Agent) may forcibly enter such Unit without liability for damages or trespass by reason thereof (if, during such entry, reasonable care is given to such Residential Unit Owner's property).

25. If any key or keys are entrusted by a Unit Owner, by any Family Member thereof, or by an agent, servant, employee, licensee, or visitor to an employee of the Condominium or of the Managing Agent, whether for the Residential Unit or an automobile, trunk, or other item of personal property, the acceptance of the key shall be at the sole risk of such Residential Unit Owner, and neither the Condominium Board nor the Managing Agent shall (except as provided in Rule 22 above) be liable for injury, loss, or damage of any nature whatsoever, directly or indirectly resulting therefrom or connected therewith.

26. Residential Unit Owners and their respective Family Members, guests, servants, employees, agents, visitors, or licensees shall not at any time or for any reason whatsoever, enter upon, or attempt to enter upon, the roof of the Building unless such roof is part of a lawful Terrace.

27. No occupant of the Building shall send any employee of the Condominium or of the Managing Agent out of the Building on any private business.

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

29. No Residential Unit Owner shall install any plantings on any Terrace or roof without the prior approval of the Condominium Board. Plantings shall be placed in containers impervious to dampness and standing on supports at least two inches from the Terrace or roof surface, and if adjoining a wall, at least three inches from such wall. Suitable weep holes shall be provided in the containers to draw off water. In special locations, such as a corner abutting a parapet wall, plantings may be contained in containers which shall be at least three inches from the parapet and flashing, with the floor of drainage tiles and suitable weep holes at the sides to draw off water. Such masonry planting beds shall not, however, rest directly upon the surface of such Terrace or roof but shall stand on supports at least two inches above such surface. No planting shall be permanently affixed to a Terrace or roof surface but shall be able to be easily moved. It shall be the responsibility of the Residential Unit Owner to maintain the containers in good condition, and the drainage tiles and weep holes in operating condition. Such Residential Unit Owner shall pay the cost of any repairs rendered necessary by or damage caused by such plantings. The Condominium Board shall have an easement and a right of access to the Terrace appurtenant to the a Unit to inspect the same and to remove violations therefrom and to install, operate, maintain, repair, alter, build, restore, and replace any of the Common Elements located in, over, under through, adjacent to, or upon the same.

30. No Residential Unit Owner shall enclose, erect a greenhouse and/or alter the Terrace appurtenant to a Residential Unit in any way, without the prior approval of the Condominium Board.

31. No Residential Unit Owner may install or place speakers or bicycles on a Terrace appurtenant to a Residential Unit.

32. Complaints regarding the service of the Condominium shall be made in writing to the Condominium Board and the Managing Agent.

33. When leaving the Residential Unit for extended periods of time, Residential Unit Owners and their respective Family Members, guests, domestic employees, agents, visitors, or licensees shall keep the Residential Unit at a maximum of 80 degrees Fahrenheit from May 15 to October 15 and shall keep the Residential Unit at a minimum of 60 degrees Fahrenheit from October 15 to May 15. Any damage resulting from a Residential Unit Owner's or their respective Family Member, guests, domestic employees, agents, visitors or licensees failure to abide by the provisions of this paragraph shall be borne solely by the owner of such Residential Unit causing the damage.

34. No nuisance shall be allowed on the Property, nor shall any use or practice be allowed that either is a source of annoyance to Residential Unit Owners or occupants or interferes with the peaceful possession or proper use of the Property by Residential Unit Owners or occupants. No immoral, improper, offensive, or unlawful use shall be made of the Property or any portion thereof, and all valid Laws relating to any portion of the Property shall be complied with at the sole cost and expense of the respective Residential Unit Owners or the Condominium, whoever shall have the obligation to maintain or repair such part of the Property.

35. Residential Unit Owners and their respective Family Members, guests, domestic employees, employees, agents, visitors, or licensees shall abide by any additional rules and regulations adopted by the Condominium Board.

36. All Residential Unit Owners are prohibited from smoking in or around any of the Common Elements, and within 15 feet of any Building entrance. Smoking in violation of this rule shall be deemed to constitute a nuisance pursuant to the By-Laws. The term "smoke" or "smoking" shall include carrying, burning, or otherwise handling or controlling any lit or smoldering product containing tobacco or other flammable substance, including, but not limited to, cigarettes, cigars, or pipes.

37. Notwithstanding anything herein to the contrary, (i) any addition, deletion or modification to any of the Rules and Regulations that affects the use and enjoyment of the Residential Units or the Residential Limited Common Elements directly appurtenant thereto [for example and by way of illustration only, Terraces] shall require the consent of Residential Unit Owners representing 66 2/3% in number and Residential Common Interest, except if such addition, deletion or modification is required to comply with applicable Law, in which event such change may be made by the Condominium Board in its sole discretion and without any requirement for Unit Owner consent; and (ii) any addition, deletion or modification to the Rules and Regulations that affects the use and enjoyment of the General Common Elements, and/or Residential Common Elements that are not directly appurtenant to Residential Units [for example and by way of illustration only, amenity areas intended for the use of all Residential Unit Owners] may be made by the Condominium Board in its sole discretion and without any requirement Unit Owners consent, provided that all Unit Owners are served with a written copy of such change(s) prior to the Condominium Board's enforcement thereof, unless immediate enforcement is required by applicable Law.

EXHIBIT E

TO THE DECLARATION

UNIT POWER OF ATTORNEY

UNIT POWER OF ATTORNEY

Terms used in this Unit Power of Attorney which are used (a) in the declaration ("Declaration") establishing a plan for condominium ownership of the premises known as The 301 East 81st Street Condominium ("Condominium") and by the street number 301 East 81st Street, New York, New York 10075 under Article 9-B of the Real Property Law of the State of New York, dated _____], and recorded in the Office of the Register of The City of New York of the County of New York ("Register's Office") on _____, as CRFN# _____ ("Declaration"), or (b) in the By-Laws of The 301 East 81st Street Condominium ("By-Laws") attached to, and recorded together with, the Declaration, shall have the same meanings in this Power of Attorney as in the Declaration or the By-Laws.

[Applicable to Unit Owners of Residential Units only]: The undersigned, _____, (having an office) (residing at) _____, the owner of a Unit _____ ("Unit") in the Condominium which is designated and described as the Unit in the Declaration and also designated as Tax Lot _____ in Block 1543 of the Borough of Manhattan on the Tax Map of the Division of Land Records of The City of New York and on the Floor Plans, do(es) hereby nominate, constitute and appoint the persons who may from time to time constitute the Condominium Board, true and lawful attorneys-in-fact for the undersigned, coupled with an interest, with power of substitution, in their own names, as Members of the Condominium Board or in the name of their designee (corporate or otherwise), on behalf of all Unit Owners, in accordance with such Unit Owners' respective interests in the Common Elements, subject to the provisions of the By-Laws then in effect, to:

(a) employ counsel for purposes of protesting the New York City real property tax assessments with the Tax Commission and commencing, pursuing, appealing, settling and/or terminating administration and tax certiorari proceedings on behalf of the Residential Unit Owners for the reduction of the assessed valuation of their Residential Units, such Residential Unit Owners agreeing not to protest said assessments and bring such tax certiorari proceedings at their own initiative and on their own behalf;

(b) acquire, lease or license any Residential Unit, together with its Appurtenant Interests whose owner desires to sell, convey, transfer, assign, lease, sublease or surrender the same or acquire any Residential Unit, together with its Appurtenant Interests that becomes the subject of a foreclosure or other similar sale, in the name of the Condominium Board or its designee, corporate or otherwise, on behalf of all Residential Unit Owners;

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

(d) execute, acknowledge and deliver (1) any declaration or other instrument affecting the Property which the Condominium Board deems necessary or appropriate to comply with any Law applicable to the maintenance, demolition, construction, alteration, repair, or restoration of the Property or (2) any consent, covenant, restriction, easement, or declaration, or any amendment thereto, affecting the Property which the Condominium Board deems necessary or appropriate or (3) any protest and tax certiorari proceeding documentation affecting Residential Units.

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

[Applicable to Unit Owners of Residential Units and Commercial Unit]: The undersigned, _____, (having an office) (residing at)

_____, the owner of a Unit _____ ("Unit") in the Condominium which is designated and described as the Unit in the Declaration and also designated as Tax Lot _____ in Block 1543 of the Borough of Manhattan on the Tax Map of the Division of Land Records of The City of New York and on the Floor Plans, do(es) hereby nominate, constitute and appoint 1562/1564 Second Realty LLC ("Sponsor") as attorney-in-fact for the undersigned, coupled with an interest, with power of substitution, to:

(a) amend the Condominium Documents pursuant to the terms thereof, and to effectuate the rights of Sponsor under the Condominium Documents, including without limitation, when such amendment (1) shall be required to reflect any changes in Unsold Residential Units and/or the reapportionment of the Common Interests of the affected Unsold Residential Units resulting therefrom made by Sponsor in accordance with the Declaration, or (2) shall be required by (a) an Institutional Lender designated by Sponsor to make a mortgage loan secured by a mortgage on any Residential Unit, (b) any governmental agency having regulatory jurisdiction over the Condominium, or (c) any title insurance company selected by Sponsor to insure title to any Residential Unit; or (3) shall be required to correct any inconsistencies or scriveners' errors in the Declaration, the By-Laws and/or the Floor Plans; or (4) relinquish Sponsor's rights under the Condominium Documents, provided, however, that any amendment made pursuant to the terms of subdivision (1) or (2) of this paragraph shall not (i) change the Common Interest of the Undersigned's Unit, (ii) require a material, physical modification to the Undersigned's Unit, or (iii) Adversely Affect the priority or validity of the lien of any mortgage held by an Institutional Lender covering the Undersigned's Unit unless the undersigned (in the event described in subdivision (i) or (ii) of this paragraph) or the holder of such mortgage (in the event described in subdivision (iii) of this paragraph) shall consent thereto by joining in the execution of such amendment. The terms, covenants and conditions contained in, and the powers granted pursuant to, this paragraph shall remain in full force and effect until such time as (i) Sponsor shall cease to own any Unit in the Condominium; (ii) Sponsor has completed all of its obligations under the terms of the Offering Plan; and (iii) a FCO has been issued for the Property; and

(b) to effectuate Sponsor's and/or Development Rights Owner's utilization, sale or transfer of all or any portion of the Development Rights, as set forth in the Declaration.

This Power of Attorney shall be irrevocable.

IN WITNESS WHEREOF, the undersigned has/have executed this Power of Attorney as of the ____ day of _____, ____.

_____

(ACKNOWLEDGEMENT)

UNIT OWNER'S SPECIMEN TITLE POLICY

KENSINGTON VANGUARD
NATIONAL LAND SERVICES
39 West 37th Street
New York, NY 10018
Tel: 212.532.8686
www.kvnational.com

Writers contact information
New York Office
39 West 37th Street
New York, New York 10018

PRO FORMA POLICY

This is a Pro Forma Policy furnished to or on behalf of the party to be insured. It neither reflects the present status of title, nor is it intended to be a commitment to insure. The inclusion of endorsements as part of the Pro Forma Policy in no way evidences the willingness of the Company to provide any affirmative coverage shown therein. There are requirements, which must be met before a final policy can be issued in the same form as this Pro Forma Policy. A commitment to insure setting forth these requirements should be obtained from the Company.

Additional matters may be added or other amendments may be made to this Pro Forma Policy by reason of any defects, liens or encumbrances that appear for the first time in the public records or come to the attention of the Company and are created or attached between issuance of this Pro Forma Policy and the issuance of a policy of title insurance. The Company shall have no liability because of such additions or amendments.

SCHEDULE A

Title Number 837124(S-NY-CC-NF) 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, which acquired title by deed made by 1562/1564 Second Realty LLC, dated _____, 2017 and to be duly recorded in the Office of the City Register of the City of New York.
4. The land referred to in this policy is described as follows:
   SEE SCHEDULE A DESCRIPTION ATTACHED HERETO

Schedule A Description

Title Number: 837124(S-NY-CC-NF) Policy Number PROFORMA

The Condominium Unit (hereinafter called the "Unit") in the building (hereinafter called the "Building") known as the 301 East 81st Street Condominium and by the street address 301 East 81st Street, Borough of Manhattan, City, County and State of New York, said Unit being designated and described as Unit No. _____ in the 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 made a part hereof), which declaration was recorded in the Office of the Register of the City of New York (the "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 1544 of the Borough of Manhattan on the Tax Map of the Real Property Assessment Bureau of the City of New York and on the Floor Plans of the Building filed with the Real Property Assessment Bureau of the City of New York as Condominium Plan No. _____ and also filed in the 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).

The land on which the Building containing said Unit is more particularly bounded and described as follows:

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

BEGINNING at the corner formed by the intersection of the northerly side of East 81st Street with the easterly side of Second Avenue;

RUNNING THENCE easterly, along the northerly side of East 80th Street, a distance of 100 feet;

THENCE northerly and parallel with the easterly side of Second Avenue, a distance of 51 feet 2 inches;

THENCE westerly and parallel with the northerly side of East 81st Street, a distance of 100 feet to the easterly side of Second Avenue;

THENCE southerly, along the easterly side of Second Avenue, a distance of 51 feet 2 inches to the corner formed by the intersection of the northerly side of East 81st Street with the easterly side of Second Avenue, the point or place of BEGINNING.

Schedule B

Title Number: 837124(S-NY-CC-NF) 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. Terms and conditions set forth in the Declaration of Condominium and By-Laws dated _____ and recorded _____ as CRFN _____; 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.
2. Party Wall Agreement recorded in Liber 1210 Cp. 284. (See Exhibit A)
3. 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.
4. 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.

STEWART TITLE INSURANCE COMPANY

STANDARD NEW YORK ENDORSEMENT

(OWNER'S POLICY)

1. The following is added as a Covered Risk:

   "11. Any statutory lien arising under Article 2 of the New York Lien Law for services, labor or materials furnished prior to the date hereof, and which has now gained or which may hereafter gain priority over the estate or interest of the insured as shown in Schedule A of this policy."

2. Exclusion Number 5 is deleted, and the following is substituted:

   5. Any lien on the Title for real estate taxes, assessments, water charges or sewer rents imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as Shown in Schedule A.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

STEWART TITLE INSURANCE COMPANY

By: _____
TBD

STEWART TITLE INSURANCE COMPANY

WAIVER OF ARBITRATION ENDORSEMENT

OWNER'S POLICY

Attached to and made part of Policy Number PROFORMA

The policy is amended by deleting therefrom:

(D) If this endorsement is attached to an ALTA Loan Policy: Condition 13.

(E) If this endorsement is attached to an ALTA Owner's Policy: Condition 14.

(F) If this endorsement is attached to a TIRSA Owner's Extended Protection Policy: Condition 12.

This endorsement is made a part of the Policy and is subject to all of the terms and provisions thereof and of any other endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the Policy and any other endorsements, nor does it extend the effective date of the Policy and any other endorsements, nor does it increase the face amount thereof.

stewart
title guaranty company

POLICY AUTHENTICATION ENDORSEMENT

Attached to and made part of Policy Number: PROFORMA

When the policy is issued by the Company with a policy number and Date of Policy, the Company will not deny liability under the policy or any endorsements issued with the policy solely on the grounds that the policy or endorsements were issued electronically or lack signatures in accordance with the Conditions.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

_____

Date

STEWART TITLE
INSURANCE COMPANY

STEWART TITLE INSURANCE COMPANY INCORPORATED 1987 NEW YORK

Julie Curlen
President

Denise Carraux
Corporate Secretary

FORM W-8
(CERTIFICATION OF FOREIGN STATUS)

Form **W-8BEN**

(Rev. February 2014)

Department of the Treasury
Internal Revenue Service

Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding and Reporting (Individuals)

▶ **For use by individuals. Entities must use Form W-8BEN-E.**
▶ **Information about Form W-8BEN and its separate instructions is at *www.irs.gov/formw8ben.***
▶ **Give this form to the withholding agent or payer. Do not send to the IRS.**

OMB No. 1545-1621

Do NOT use this form if:	**Instead, use Form:**
• You are NOT an individual	W-8BEN-E
• You are a U.S. citizen or other U.S. person, including a resident alien individual	W-9
• You are a beneficial owner claiming that income is effectively connected with the conduct of trade or business within the U.S. (other than personal services)	W-8ECI
• You are a beneficial owner who is receiving compensation for personal services performed in the United States	8233 or W-4
• A person acting as an intermediary	W-8IMY

Part I Identification of Beneficial Owner (see instructions)

1 Name of individual who is the beneficial owner

2 Country of citizenship

3 Permanent residence address (street, apt. or suite no., or rural route). **Do not use a P.O. box or in-care-of address.**

City or town, state or province. Include postal code where appropriate.

Country

4 Mailing address (if different from above)

City or town, state or province. Include postal code where appropriate.

Country

5 U.S. taxpayer identification number (SSN or ITIN), if required (see instructions)

6 Foreign tax identifying number (see instructions)

7 Reference number(s) (see instructions)

8 Date of birth (MM-DD-YYYY) (see instructions)

Part II Claim of Tax Treaty Benefits (for chapter 3 purposes only) (see instructions)

9 I certify that the beneficial owner is a resident of _____ within the meaning of the income tax treaty between the United States and that country.

10 **Special rates and conditions** (if applicable—see instructions): The beneficial owner is claiming the provisions of Article _____ of the treaty identified on line 9 above to claim a _____ % rate of withholding on (specify type of income): _____

_____

Explain the reasons the beneficial owner meets the terms of the treaty article: _____

_____

Part III Certification

Under penalties of perjury, I declare that I have examined the information on this form and to the best of my knowledge and belief it is true, correct, and complete. I further certify under penalties of perjury that:

- I am the individual that is the beneficial owner (or am authorized to sign for the individual that is the beneficial owner) of all the income to which this form relates or am using this form to document myself as an individual that is an owner or account holder of a foreign financial institution,
- The person named on line 1 of this form is not a U.S. person,
- The income to which this form relates is:

  (a) not effectively connected with the conduct of a trade or business in the United States,

  (b) effectively connected but is not subject to tax under an applicable income tax treaty, or

  (c) the partner's share of a partnership's effectively connected income,
- The person named on line 1 of this form is a resident of the treaty country listed on line 9 of the form (if any) within the meaning of the income tax treaty between the United States and that country, and
- For broker transactions or barter exchanges, the beneficial owner is an exempt foreign person as defined in the instructions.

Furthermore, I authorize this form to be provided to any withholding agent that has control, receipt, or custody of the income of which I am the beneficial owner or any withholding agent that can disburse or make payments of the income of which I am the beneficial owner. **I agree that I will submit a new form within 30 days if any certification made on this form becomes incorrect.**

Sign Here ▶ _____ _____

Signature of beneficial owner (or individual authorized to sign for beneficial owner) — Date (MM-DD-YYYY)

_____ _____

Print name of signer — Capacity in which acting (if form is not signed by beneficial owner)

FORM W-9
(REQUEST FOR TAXPAYER IDENTIFICATION NUMBER)

Form **W-9**
(Rev. December 2014)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Give Form to the requester. Do not send to the IRS.

Print or type
See Specific Instructions on page 2.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.

2 Business name/disregarded entity name, if different from above

3 Check appropriate box for federal tax classification; check only **one** of the following seven boxes:

☐ Individual/sole proprietor or single-member LLC ☐ C Corporation ☐ S Corporation ☐ Partnership ☐ Trust/estate

☐ Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ _____

Note. For a single-member LLC that is disregarded, do not check LLC; check the appropriate box in the line above for the tax classification of the single-member owner.

☐ Other (see instructions) ▶

4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):

Exempt payee code (if any) _____

Exemption from FATCA reporting code (if any) _____

(Applies to accounts maintained outside the U.S.)

5 Address (number, street, and apt. or suite no.)

Requester's name and address (optional)

6 City, state, and ZIP code

7 List account number(s) here (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the instructions for line 1 and the chart on page 4 for guidelines on whose number to enter.

Social security number

			–			–				

or

Employer identification number

		–							

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 3.

Sign Here **Signature of U.S. person** ▶ **Date** ▶

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. Information about developments affecting Form W-9 (such as legislation enacted after we release it) is at *www.irs.gov/fw9*.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following:

- Form 1099-INT (interest earned or paid)
- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See *What is backup withholding?* on page 2.

By signing the filled-out form, you:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and
4. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See *What is FATCA reporting?* on page 2 for further information.

Note. If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien;
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States;
- An estate (other than a foreign estate); or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax under section 1446 on any foreign partners' share of effectively connected taxable income from such business. Further, in certain cases where a Form W-9 has not been received, the rules under section 1446 require a partnership to presume that a partner is a foreign person, and pay the section 1446 withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid section 1446 withholding on your share of partnership income.

In the cases below, the following person must give Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States:

- In the case of a disregarded entity with a U.S. owner, the U.S. owner of the disregarded entity and not the entity;
- In the case of a grantor trust with a U.S. grantor or other U.S. owner, generally, the U.S. grantor or other U.S. owner of the grantor trust and not the trust; and
- In the case of a U.S. trust (other than a grantor trust), the U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person or the U.S. branch of a foreign bank that has elected to be treated as a U.S. person, do not use Form W-9. Instead, use the appropriate Form W-8 or Form 8233 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.

2. The treaty article addressing the income.

3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.

4. The type and amount of income that qualifies for the exemption from tax.

5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity, give the requester the appropriate completed Form W-8 or Form 8233.

Backup Withholding

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 28% of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, payments made in settlement of payment card and third party network transactions, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,

2. You do not certify your TIN when required (see the Part II instructions on page 3 for details),

3. The IRS tells the requester that you furnished an incorrect TIN,

4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or

5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See *Exempt payee code* on page 3 and the separate Instructions for the Requester of Form W-9 for more information.

Also see *Special rules for partnerships* above.

What is FATCA reporting?

The Foreign Account Tax Compliance Act (FATCA) requires a participating foreign financial institution to report all United States account holders that are specified United States persons. Certain payees are exempt from FATCA reporting. See *Exemption from FATCA reporting code* on page 3 and the Instructions for the Requester of Form W-9 for more information.

Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account; for example, if the grantor of a grantor trust dies.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of $50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a $500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Line 1

You must enter one of the following on this line; **do not** leave this line blank. The name should match the name on your tax return.

If this Form W-9 is for a joint account, list first, and then circle, the name of the person or entity whose number you entered in Part I of Form W-9.

a. **Individual.** Generally, enter the name shown on your tax return. If you have changed your last name without informing the Social Security Administration (SSA) of the name change, enter your first name, the last name as shown on your social security card, and your new last name.

Note. ITIN applicant: Enter your individual name as it was entered on your Form W-7 application, line 1a. This should also be the same as the name you entered on the Form 1040/1040A/1040EZ you filed with your application.

b. **Sole proprietor or single-member LLC.** Enter your individual name as shown on your 1040/1040A/1040EZ on line 1. You may enter your business, trade, or "doing business as" (DBA) name on line 2.

c. **Partnership, LLC that is not a single-member LLC, C Corporation, or S Corporation.** Enter the entity's name as shown on the entity's tax return on line 1 and any business, trade, or DBA name on line 2.

d. **Other entities.** Enter your name as shown on required U.S. federal tax documents on line 1. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on line 2.

e. **Disregarded entity.** For U.S. federal tax purposes, an entity that is disregarded as an entity separate from its owner is treated as a "disregarded entity." See Regulations section 301.7701-2(c)(2)(iii). Enter the owner's name on line 1. The name of the entity entered on line 1 should never be a disregarded entity. The name on line 1 should be the name shown on the income tax return on which the income should be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a single owner that is a U.S. person, the U.S. owner's name is required to be provided on line 1. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on line 2, "Business name/disregarded entity name." If the owner of the disregarded entity is a foreign person, the owner must complete an appropriate Form W-8 instead of a Form W-9. This is the case even if the foreign person has a U.S. TIN.

Line 2

If you have a business name, trade name, DBA name, or disregarded entity name, you may enter it on line 2.

Line 3

Check the appropriate box in line 3 for the U.S. federal tax classification of the person whose name is entered on line 1. Check only one box in line 3.

Limited Liability Company (LLC). If the name on line 1 is an LLC treated as a partnership for U.S. federal tax purposes, check the "Limited Liability Company" box and enter "P" in the space provided. If the LLC has filed Form 8832 or 2553 to be taxed as a corporation, check the "Limited Liability Company" box and in the space provided enter "C" for C corporation or "S" for S corporation. If it is a single-member LLC that is a disregarded entity, do not check the "Limited Liability Company" box; instead check the first box in line 3 "Individual/sole proprietor or single-member LLC."

Line 4, Exemptions

If you are exempt from backup withholding and/or FATCA reporting, enter in the appropriate space in line 4 any code(s) that may apply to you.

Exempt payee code.

- Generally, individuals (including sole proprietors) are not exempt from backup withholding.
- Except as provided below, corporations are exempt from backup withholding for certain payments, including interest and dividends.
- Corporations are not exempt from backup withholding for payments made in settlement of payment card or third party network transactions.
- Corporations are not exempt from backup withholding with respect to attorneys' fees or gross proceeds paid to attorneys, and corporations that provide medical or health care services are not exempt with respect to payments reportable on Form 1099-MISC.

The following codes identify payees that are exempt from backup withholding. Enter the appropriate code in the space in line 4.

1—An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2)

2—The United States or any of its agencies or instrumentalities

3—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities

4—A foreign government or any of its political subdivisions, agencies, or instrumentalities

5—A corporation

6—A dealer in securities or commodities required to register in the United States, the District of Columbia, or a U.S. commonwealth or possession

7—A futures commission merchant registered with the Commodity Futures Trading Commission

8—A real estate investment trust

9—An entity registered at all times during the tax year under the Investment Company Act of 1940

10—A common trust fund operated by a bank under section 584(a)

11—A financial institution

12—A middleman known in the investment community as a nominee or custodian

13—A trust exempt from tax under section 664 or described in section 4947

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 13.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 7
Broker transactions	Exempt payees 1 through 4 and 6 through 11 and all C corporations. S corporations must not enter an exempt payee code because they are exempt only for sales of noncovered securities acquired prior to 2012.
Barter exchange transactions and patronage dividends	Exempt payees 1 through 4
Payments over $600 required to be reported and direct sales over $5,000[1]	Generally, exempt payees 1 through 5[2]
Payments made in settlement of payment card or third party network transactions	Exempt payees 1 through 4

[1] See Form 1099-MISC, Miscellaneous Income, and its instructions.

[2] However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney reportable under section 6045(f), and payments for services paid by a federal executive agency.

Exemption from FATCA reporting code. The following codes identify payees that are exempt from reporting under FATCA. These codes apply to persons submitting this form for accounts maintained outside of the United States by certain foreign financial institutions. Therefore, if you are only submitting this form for an account you hold in the United States, you may leave this field blank. Consult with the person requesting this form if you are uncertain if the financial institution is subject to these requirements. A requester may indicate that a code is not required by providing you with a Form W-9 with "Not Applicable" (or any similar indication) written or printed on the line for a FATCA exemption code.

A—An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37)

B—The United States or any of its agencies or instrumentalities

C—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities

D—A corporation the stock of which is regularly traded on one or more established securities markets, as described in Regulations section 1.1472-1(c)(1)(i)

E—A corporation that is a member of the same expanded affiliated group as a corporation described in Regulations section 1.1472-1(c)(1)(i)

F—A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state

G—A real estate investment trust

H—A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940

I—A common trust fund as defined in section 584(a)

J—A bank as defined in section 581

K—A broker

L—A trust exempt from tax under section 664 or described in section 4947(a)(1)

M—A tax exempt trust under a section 403(b) plan or section 457(g) plan

Note. You may wish to consult with the financial institution requesting this form to determine whether the FATCA code and/or exempt payee code should be completed.

Line 5

Enter your address (number, street, and apartment or suite number). This is where the requester of this Form W-9 will mail your information returns.

Line 6

Enter your city, state, and ZIP code.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-member LLC that is disregarded as an entity separate from its owner (see *Limited Liability Company (LLC)* on this page), enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note. See the chart on page 4 for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local SSA office or get this form online at *www.ssa.gov*. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at *www.irs.gov/businesses* and clicking on Employer Identification Number (EIN) under Starting a Business. You can get Forms W-7 and SS-4 from the IRS by visiting IRS.gov or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, apply for a TIN and write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note. Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: *A disregarded U.S. entity that has a foreign owner must use the appropriate Form W-8.*

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if items 1, 4, or 5 below indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on line 1 must sign. Exempt payees, see *Exempt payee code* earlier.

Signature requirements. Complete the certification as indicated in items 1 through 5 below.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments made in settlement of payment card and third party network transactions, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account[1]
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor[2]
4. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee[1]
b. So-called trust account that is not a legal or valid trust under state law	The actual owner[1]
5. Sole proprietorship or disregarded entity owned by an individual	The owner[3]
6. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulations section 1.671-4(b)(2)(i)(A))	The grantor*
For this type of account:	**Give name and EIN of:**
7. Disregarded entity not owned by an individual	The owner
8. A valid trust, estate, or pension trust	Legal entity[4]
9. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
10. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
11. Partnership or multi-member LLC	The partnership
12. A broker or registered nominee	The broker or nominee
13. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
14. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulations section 1.671-4(b)(2)(i)(B))	The trust

[1] List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

[2] Circle the minor's name and furnish the minor's SSN.

[3] You must show your individual name and you may also enter your business or DBA name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

[4] List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships* on page 2.

*Note. Grantor also must provide a Form W-9 to trustee of trust.

Note. If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Secure Your Tax Records from Identity Theft

Identity theft occurs when someone uses your personal information such as your name, SSN, or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Publication 4535, Identity Theft Prevention and Victim Assistance.

Victims of identity theft who are experiencing economic harm or a system problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

Protect yourself from suspicious emails or phishing schemes. Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to *phishing@irs.gov*. You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration (TIGTA) at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at: *spam@uce.gov* or contact them at *www.ftc.gov/idtheft* or 1-877-IDTHEFT (1-877-438-4338).

Visit IRS.gov to learn more about identity theft and how to reduce your risk.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.

CERTIFICATION OF SPONSOR AND PRINCIPALS

CERTIFICATION OF SPONSOR AND PRINCIPALS

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

Re: Condominium Offering Plan
301 East 81st Street Condominium
301 East 81st Street
New York, New York 10075

We are the Sponsor and the principals of the sponsor of the Condominium Offering Plan for the captioned property.

We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Department of Law in Part 20 and such other laws and regulations as may be applicable.

We have read the entire Offering Plan. We have investigated the facts set forth in the Offering Plan and the underlying facts. We have exercised due diligence to form a basis for this certification. We jointly and severally certify that the Offering Plan does, and that documents submitted hereafter by us which amend or supplement the Offering Plan will:

(i) set forth the detailed terms of the transaction and be complete, current and accurate;

(ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;

(iii) not omit any material fact;

(iv) not contain any untrue statement of a material fact;

(v) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;

(vi) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) not contain any representation or statement which is false, where we:
- (a) knew the truth;
- (b) with reasonable effort could have known the truth;
- (c) made no reasonable effort to ascertain the truth; or
- (d) did not have knowledge concerning the representation or statement made.

This certification is made under penalty of perjury for the benefit of all persons to whom this offering is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

SPONSOR:

1562/1564 SECOND REALTY LLC

By: _____
Name: Terrence Lowenberg
Title: Manager

PRINCIPALS OF SPONSOR:

_____
Terrence Lowenberg

_____
Todd Cohen

Severally sworn to before me this
1st day of February, 2018

_____
Notary Public

ROHINEE GEORGE
Notary Public, State of New York
No. 01GE6153465
Qualified in Bronx County
Commission Expires October 2, 2018

CERTIFICATION OF ARCHITECT

PART 20: CERTIFICATION OF ARCHITECT
RE: NEWLY CONSTRUCTED OR VACANT CONDOMINIUMS

New York State Department of Law
Real Estate Finance Bureau
28 Liberty Street, 21st Floor
New York, New York 10005

Re: Condominium Offering Plan
301 East 81st Street Condominium
301 East 81st Street
New York, New York 10075

The sponsor of the offering plan to convert the captioned property to condominium ownership retained our firm to prepare a report describing the construction of the property (the "Report"). We examined the building plans and specifications that were prepared by our office, dated November 15, 2017 and prepared the Report, dated September 25, 2018, a copy of which is intended to be incorporated into the Offering Plan so that prospective Purchasers may rely on the Report.

I am a registered architect licensed in the State of New York.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to the Report.

We have read the entire Report and investigated the facts set forth in the Report and the facts underlying it with due diligence in order to form a basis for this certification. This certification is made for the benefit of all persons to whom this offer is made.

We certify that the Report:

(i) sets forth in narrative form the physical condition of the entire Property as it will exist upon completion of construction, provided that construction is in accordance with the plans and specifications that we have examined;

(ii) in our professional opinion, affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the physical condition of the Property as it will exist upon completion of construction, provided that construction is in accordance with the plans and specifications that we examined;

(iii) does not omit any material fact;

(iv) does not contain any untrue statement of a material fact;

(v) does not contain any fraud, deception, concealment or suppression;

(vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(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 the Report is not contingent on the conversion of the Property to a condominium or on the profitability or price of the offering. This statement is not intended as a guarantee or warranty of the physical condition of the Property.

Very truly yours,

SLCE Architects

By: _____
Name: Mario Yao, AIA
Title: Partner

Sworn to before me this
25 day of Sept, 2018

_____
Notary Public

ELAINE M. BROWN
Notary Public, State of New York
No. 01BR6109247
Qualified in New York County
Commission Expires April 26, 2020

(Architect's Seal)

CERTIFICATION OF BUDGET EXPERT

PENMARK
PROPERTY ADVISORS, LLC

PART 20: CERTIFICATION BY EXPERT ON ADEQUACY OF CONDOMINIUM BUDGET

June 29, 2018

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

Re: Condominium Offering Plan
301 East 81st Street Condominium
301 East 81st Street
New York, New York 10075

The Sponsor of the condominium offering plan for the captioned property retained our firm to prepare Schedule B and review Schedule B-1 (together with the notes thereto, the "Schedules") containing projections of income and expenses for the first year of condominium operation.

Penmark Property Advisors, LLC is licensed as a real estate broker in the State of New York. The undersigned Manager of the company has been engaged in the management of Residential real estate for over 40 years and has managed over 200 cooperative and condominium buildings during that period and is still active in management.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by Department of Law in Part 20 insofar as they are applicable to the Schedules.

We have reviewed the Schedules and investigated the facts set forth in the Schedules and the facts underlying them with due diligence in order to form a basis for this certification. We have also relied upon our firms experience in managing residential buildings.

We certify that the projections in the Schedules appear reasonable and adequate under existing circumstances and the projected income appears to be sufficient to meet the anticipated operating expenses for the projected first year of condominium operation.

We certify that the Schedules:

(a) sets forth in detail the projected income and expenses for the first year of condominium operation;

(b) affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of condominium operation;

(c) does not omit any material fact;

PENMARK
PROPERTY ADVISORS, LLC

(d) does not contain any untrue statement of a material fact;

(e) does not contain any fraud, deception, concealment, or suppression;

(f) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances; and

(g) does not contain any representations or statement which is false, where we:

(a) knew the truth;

(b) with reasonable effort could have known the truth;

(c) made no reasonable effort to ascertain the truth; or

(d) did not have knowledge concerning the representations or statements made.

We further certify that we are not owned or controlled by Sponsor. We understand that a copy of this certification is intended to be incorporated into the Offering Plan. This statement is not intended as a guarantee or warranty of the income and expenses for the 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.

Penmark Property Advisors, LLC.

By: _____
Name: Leslie Bogen Winkler
Title: Manager

Sworn to before me this
29 day of June, 2018

_____
Notary Public

STUART B. SHAPIRO
NOTARY PUBLIC, State of New York
No. 02SH6002248
Qualified in Suffolk County
Commission Expires Feb 02, 20 22

CERTIFICATION OF BUDGET EXPERT
CONCERNING ADEQUACY OF COMMON CHARGES
PAYABLE BY THE COMMERCIAL UNIT OWNER

PENMARK
PROPERTY ADVISORS, LLC

CERTIFICATION BY EXPERT
AS TO THE ADEQUACY OF COMMON CHARGES
PAYABLE BY NON-RESIDENTIAL UNIT OWNERS

June 29, 2018

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

Re: 301 East 81st Street Condominium
301 East 81st Street,
New York, New York 10075

The Sponsor of the condominium offering plan for the captioned property retained our firm to prepare Schedule B to the offering plan, containing projections of common charges payable by the owners of the commercial units.

Penmark Property Advisors, LLC is licensed as a real estate broker in the State of New York. The undersigned Manager of the company has been engaged in the management of Residential real estate for over 40 years and has managed over 200 cooperative and condominium buildings during that period and is still active in management.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to the commercial units listed in Schedule B. We have reviewed Schedule B as it impacts upon the commercial units and investigated the facts underlying it with due diligence in order to form a basis for this certification. We have also relied upon our firm's experience in managing residential buildings.

We certify that the projections in Schedule B for common charges payable by the owners of commercial units appear reasonable and adequate under existing circumstances to meet the anticipated operating expenses fairly attributable to such commercial units for the projected first year of condominium operation, and that the allocation of common charges attributable to the commercial units 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 units:

(i) sets forth in detail the projected common charges for the commercial units 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 common charges payable by the owners of the commercial units;

(iii) does not omit any material fact;

(iv) does not contain any untrue statement of a material fact;

(v) does not contain any fraud, deception, concealment, or suppression;

(vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) does not contain any representation or statement which is false, where we:

(a) knew the truth;
(b) with reasonable effort could have known the truth;
(c) made no reasonable effort to ascertain the truth; or
(d) did not have knowledge concerning the representation or statement made.

We further certify that we are not owned or controlled by the sponsor. We understand that a copy of this certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee or warranty of the common charges attributable to the commercial units 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.

Penmark Property Advisors, LLC.

By: _____
Name: Leslie Bogen Winkler
Title: Manager

Sworn to before me this
29 day of June, 2018

_____
Notary Public

STUART B. SHAPIRO
NOTARY PUBLIC, State of New York
No. 02SH6002248
Qualified in Suffolk County
Commission Expires Feb 02, 20 22

REAL PROPERTY LAW SECTION 339-kk

NEW YORK REAL PROPERTY LAW § 339-kk

§ 339-kk. Rents.

(a) For the purposes of this section, "non-occupying owner" shall mean a unit owner in a condominium association who does not occupy the dwelling unit.

(b) If a non-occupying owner rents any dwelling unit to a rental tenant and then fails to make payments due for Common Charges, assessments or late fees for such unit within sixty days of the expiration of any grace period after they are due, upon notice in accordance with subdivision (c) of this section, all rental payments from the tenant shall be directly payable to the condominium association.

(c) If the Common Charges, assessments or late fees due for any unit have not been paid in full, within sixty days after the expiration of any grace period of the earliest due date, the board of managers shall provide written notice to the tenant and the non-occupying owner providing that, commencing immediately and until such time as all payments for Common Charges, assessments or late fees are made current, all rental payments due subsequent to the issuance of such notice are to be made payable to the condominium association at the address listed on the notice. Where a majority of the board of managers have been elected by and from among the unit owners who are in occupancy, the board may elect not to require that rental payments be made payable to the condominium association. At such time as payments for Common Charges, assessments and late fees from the non-occupying owner are once again current, notice of such fact shall be given within three business days to the rental tenant and non-occupying owner. Thereafter all rental payments shall be made payable to the non-occupying owner or a designated agent. A non-occupying owner who disputes the association's claim to rental payments pursuant to this section shall be entitled to present facts supporting such owner's position at the next scheduled meeting of the board of managers, which must be held within thirty days of the date that such board receives notice that such owner seeks to dispute such claim.

(d) Nothing in this section shall limit any rights of unit owners or of the board of managers existing under any other law or agreement.

(e) Payment by a rental tenant to the condominium association made in connection with this section shall relieve that rental tenant from the obligation to pay such rent to the non-occupying owner and shall be an absolute defense in any non-payment proceeding commenced by such non-occupying owner against such tenant for such rent.

§HISTORY: Add, L 1998, ch 422, § 3, eff July 22, 1998 (see 1998 note below).

EDITOR'S NOTES:

Laws 1998, ch 422, §§ 4, 5, eff July 22, 1998, provide as follows:

§ 4. This act may be enforced by any party by means of a special proceeding brought pursuant to article 4 of the civil practice law and rules.

§5. This act shall take effect immediately, and is applicable to all cooperative corporations and condominiums in existence on or after such date.