THIS IS A NON-EVICTION PLAN. NO NON-PURCHASING TENANT WILL BE EVICTED BY REASON OF CONVERSION TO LEASEHOLD COOPERATIVE OWNERSHIP

LEASEHOLD COOPERATIVE OFFERING PLAN

THE SOLAIRE
THE 20 RIVER TERRACE APARTMENT CORPORATION

20 RIVER TERRACE
NEW YORK, NEW YORK 10282

	Price to Tenant Purchasers [1]	Price to Non-Tenant Purchasers and Tenant Purchasers [2]
100,000 Shares allocated to 290 Residential Apartments (including 1 Resident Manager's Apartment)	**$226,896,120.00**	**$475,286,800.00**
Total Offering Amount	**$226,896,120.00**	**$475,286,800.00**
Working Capital Fund [3]	**$0.00**	**$0.00**
Reserve Fund [4]	**$13,423,983.00**	**$14,258,604.00**

The Resident Manager's Apartment is being offered for sale to the Cooperative Board pursuant to the terms of this Plan – See Schedule A-1. The sale, leasing and subletting of Apartments in the Apartment Corporation by Shareholders is not subject to approval of the Cooperative Board. There is a right of first refusal, however, similar to condominiums in New York City.

(1) This price reflects the total offering price to Tenants in Occupancy during the Exclusive Purchase Period. See Section entitled "Rights of Existing Tenants" for a discussion of the rights of bona fide tenants to buy the Apartments in which they reside during the first 180 days of this offering.

(2) This price reflects the higher of the as-is offering price or the renovated offering price of all the Shares to the Apartments after the expiration of the Exclusive Purchase Period.

(3) The amount of the Working Capital Fund to be provided by Sponsor is $0.00. A Working Capital Contribution will be made by each Purchaser at the Closing of the Apartment. See the Section entitled "Working Capital Fund and Apportionments" located in Part I of this Plan.

(4) This is an estimate of the minimum amount of the Reserve Fund required under the terms of a law enacted by the New York City Council, without deduction for credits that are allowed to Sponsor, which will be determined in accordance with §26-701 et seq. of the New York City Administrative Code at the time the Plan is declared effective. In the event that Sponsor undertakes any capital improvements to the Building while it controls the Cooperative Board, it reserves the right to use all or part of the Reserve Fund to make such improvements. See Section entitled "Reserve Fund".

SPONSOR:	**SELLING AGENT:**
River Terrace Associates, LLC **1050 Franklin Avenue** **Garden City, New York 11530**	**Corcoran Sunshine Marketing Group** **888 Seventh Avenue, 39th Floor** **New York, New York 10106**

Date of Acceptance for Filing: _____, 20___. This Offering Plan may not be used after _____, 20__ 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 APARTMENTS (HEREINAFTER "APARTMENTS") IN THE COOPERATIVE, THIS OFFERING PLAN MAY NOT RESULT IN THE CREATION OF AN APARTMENT CORPORATION IN WHICH THE MAJORITY OF THE APARTMENTS ARE OWNED BY OWNER-OCCUPANTS OR INVESTORS UNRELATED TO SPONSOR. PURCHASERS FOR THEIR OWN OCCUPANCY MAY NEVER GAIN CONTROL OF THE COOPERATIVE BOARD UNDER THE TERMS OF THIS OFFERING PLAN, AND FUTURE MARKETABILITY OF THE APARTMENTS MAY BE ADVERSELY AFFECTED (SEE THE SECTION OF THIS OFFERING PLAN ENTITLED "SPECIAL RISKS.")

THIS OFFERING PLAN IS SPONSOR'S ENTIRE OFFER TO SELL THESE APARTMENTS. 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 APARTMENT. FILING WITH THE DEPARTMENT OF LAW DOES NOT MEAN THAT THE DEPARTMENT OF LAW OR ANY OTHER GOVERNMENT AGENCY HAS APPROVED THIS OFFERING.

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PART I

LEASEHOLD COOPERATIVE OFFERING PLAN

THE 20 RIVER TERRACE APARTMENT CORPORATION
20 RIVER TERRACE
NEW YORK, NEW YORK 10282

SPECIAL RISKS

THE PURCHASE OF SHARES IN A LEASEHOLD COOPERATIVE HAS MANY SIGNIFICANT LEGAL AND FINANCIAL CONSEQUENCES. THIS OFFERING PLAN INVOLVES THE OFFER OF SHARES IN A LEASEHOLD COOPERATIVE AND AS SUCH IT INVOLVES CERTAIN SPECIAL RISKS THAT MAY DIFFER FROM A STANDARD FEE INTEREST COOPERATIVE OFFERING PLAN. THE ATTORNEY GENERAL STRONGLY URGES YOU TO READ THESE OFFERING MATERIALS CAREFULLY AND TO CONSULT WITH AN ATTORNEY BEFORE SIGNING A PURCHASE AGREEMENT.

1. The Leasehold Cooperative

(a) Sponsor entered into a ground lease (the "Ground Lease") for the Property with the Battery Park City Authority ("BPCA") dated as of April 4, 2001, as amended by that certain Amendment to Ground Lease, dated July 8, 2002, and that certain Second Amendment to Ground Lease dated October 22, 2002, for a term of approximately sixty-eight (68) years, and is, therefore, a Ground Lease Lessee. BPCA is a body corporate and politic constituting a public benefit corporation, having an office at One World Financial Center, New York, New York 10281, and is the landlord (the "Landlord") of the Property under the terms of the Ground Lease. Pursuant to this Plan, Sponsor intends to assign the Ground Lease to a cooperative regime to be known as The 20 River Terrace Apartment Corporation (the "Apartment Corporation"), which shall govern and operate the Property for the benefit of its Shareholders.

(b) Battery Park City was designed to be a neighborhood in lower Manhattan developed and governed entirely pursuant to the terms and conditions of leases with BPCA. Battery Park City is governed by that certain Restated Amended Agreement of Lease dated as of June 10, 1980, by Battery Park City Development Corporation, as landlord, and BPCA, as tenant (as amended, the "Master Lease"). By deed dated December 28, 1982, Battery Park City Development Corporation conveyed the Battery Park City project area to BPCA. The deed stated that the Master Lease did not merge with the fee estate and, therefore, BPCA is currently both the Landlord and the Tenant under the Master Lease. As such, the Ground Lease is subject to the Master Lease, and Tenant is required to perform Landlord's obligations under the Master Lease, as applicable, and as more particularly set forth in the Ground Lease. *Please see Section 14.03 of the Ground Lease and the Section entitled "Ground Lease Summary" in Part I of this Plan for more details*.

(c) On the Cooperative Conversion Date, the Ground Lease will be assigned by the Sponsor to the Apartment Corporation. The Ground Lease is a so-called "net lease," meaning that the Apartment Corporation, as tenant thereunder, following the Cooperative Conversion Date, will be responsible for the payment of all expenses relating to the maintenance and operation of the Property. Pursuant to the Ground Lease, the Apartment Corporation is obligated to take good care of the Property, to keep and maintain the Property in good condition and to make all repairs, alterations, improvements, and replacements thereto at its sole cost and expense. Landlord shall not be required to furnish any services, utilities or facilities whatsoever to the Property, nor shall Landlord have any duty or obligation to make any alteration, change, improvement, replacement, restoration or repair to, nor demolish, the Building. The Apartment Corporation will assume the full and sole responsibility for the condition, operation, repair, alteration, improvement, replacement, maintenance and management of the Property, except for the BPCA Facility, which maintenance, repair and replacement shall be the sole responsibility of BPCA pursuant to the Ground Lease.

(d) **Sponsor anticipates that the First Closing will occur on or about January 1, 2022. Purchasers should note, however, that the actual and projected date for the First Closing is not guaranteed or warranted, and may be earlier or later depending on compliance with the other prerequisites set forth in the Section of the Plan entitled "Rights and Obligations of Sponsor," such as satisfying the Fannie Mae Mortgage (as defined herein) and terminating the Regulatory Agreement (as defined herein). Provided that Sponsor 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 credit, offset or reduction in the Purchase Price or otherwise be relieved from any obligations under the Purchase Agreement, if the Closing to any particular Apartment is delayed or postponed by Sponsor due to delays in satisfying the Fannie Mae Mortgage and terminating the Regulatory Agreement. PROSPECTIVE PURCHASERS SHOULD THEREFORE CAREFULLY CONSIDER THE POSSIBILITY OF SUCH DELAYS IN THEIR DETERMINATION AS TO WHETHER TO PURCHASE AN APARTMENT. (See the Section of the Plan entitled "Procedure to Purchase" and "Rights and Obligations of Sponsor" for details.)

(e) **Prospective Purchasers are advised that the Ground Lease term will expire on June 17, 2069. On or before the Ground Lease expiration date, the Cooperative Board must either negotiate an extension of the Ground Lease or negotiate a new ground lease with the then-holder of the fee interest in the Property. If the Cooperative Board is unable to negotiate an extension to the Ground Lease or execute a new ground lease, then the leasehold estate will terminate and each Shareholder shall be required to surrender their leasehold cooperative interest and the right to possess and occupy such Shareholder's Apartment. IN ADDITION, AS THE GROUND LEASE TERM DIMINISHES, THE VALUE OF EACH APARTMENT WILL DIMINISH. Therefore, as the Ground Lease term diminishes, obtaining financing or refinancing will become increasingly difficult. Sponsor makes no guarantee that a Ground Lease extension will be granted or that a new Ground Lease will be executed once the Ground Lease term expires.**

(f) There is no guarantee that a Ground Lease extension will be granted by Landlord, and Sponsor makes no representations that a lease renewal or other agreement will be executed or that any Purchaser, Shareholder, or any occupant of the Apartment will have a right to remain in occupancy, once the Ground Lease term expires. Further, in the event a ground lease extension is agreed to by Landlord in the future, Sponsor is unable, as of the Filing Date, to determine whether the terms of any future negotiated agreement with Landlord would be more or less favorable to Tenant than the existing Ground Lease. However, Sponsor has been made aware that, as of the Filing Date, certain condominium boards of managers in Battery Park City have organized and seek to negotiate ground rent resets for their respective properties, as well as ground lease extensions. Sponsor makes no representations about the likelihood of success with respect to such negotiations, if they occur, nor the impact that such negotiations may have on any Ground Rent reset or any Ground Lease extension for the Property. In addition to the foregoing, Sponsor is aware of other leasehold cooperatives with expiring ground leases taking the position that a failure of a ground lessor to renew the terms of a ground lease is tantamount to a "deconversion," as such term is defined by 9 NYCRR § 2520.11. In the event of a deconversion, shareholders in a cooperative which is forced to deconvert may be entitled to the protections of the Rent Stabilization Laws (9 NYCRR 2500 et seq.) that were in effect prior to the date of the conversion of the building to cooperative status. As of the Filing Date of the Plan, Sponsor is unable to make any specific representations as to whether BPCA's failure to renew the Ground Lease or the Apartment Corporation and BPCA's failure to negotiate a Ground Lease extension beyond the expiration of the Ground Lease, would be treated as a deconversion, and whether the Building would revert back to its current status as subject to the Rent Stabilization Laws, especially given the fact that the Rent Stabilization Laws are only in effect until the Exemption Expiration Date, as defined in Special Risk 7 below. Therefore, Purchasers should discuss this possibility with their attorneys, as well as the potential likelihood of the Building reverting back to its rent-regulated status, perhaps for a limited time, based upon the number of years that remained on the 20-year Exemption (as defined in Special Risk 4, below) on the Cooperative Conversion Date. Sponsor also makes no representations about the likelihood of success with respect to such negotiations, if they occur, nor the impact that such negotiations may have on any Ground Rent reset or any Ground Lease extension for the Property.

(g) Summary of Ground Lease Provisions with Respect to the End of the Term:

(i) Surrender Obligations. On the last day of the Ground Lease term, or upon any earlier termination thereof, Tenant shall be required to surrender and deliver up to Landlord the Property "in good order, condition and repair, reasonable wear and tear excepted, free and clear of all lettings, occupancies, liens and encumbrances." *See Section 33.01 of the Ground Lease for further information*.

(ii) Personal Property Remaining after Expiration of the Ground Lease. Any personal property of Tenant or of any subtenant, occupant, Shareholder or subtenant of a Shareholder which shall remain on the Property for ten (10) days after the termination of the Ground Lease and after the removal of Tenant or such subtenant, occupant, Shareholder or subtenant of a Shareholder from the Property, may, at the option of Landlord, be deemed to have been abandoned by Tenant or such Subtenant and retained by Landlord as its property, or be disposed of as Landlord in Landlord's discretion. *See Section 33.03 of the Ground Lease for further information*.

(iii) The disclosures made in the Plan do not purport to summarize the entire Ground Lease, and are intended only to call attention to some of the more important provisions of the Ground Lease which directly affect prospective Purchasers. The complete Ground Lease is included in Part II of this Plan for examination by prospective Purchasers and their attorneys. It is a lengthy and complex document and, as such, it is recommended that Purchasers consult with an attorney regarding how the Ground Lease affects this Offering Plan.

(iv) Please refer to Article 33 of the Ground Lease entitled "Surrender at the End of the Term" and the Sections entitled "Contract of Exchange" and "Ground Lease Summary" in Part I of this Plan for further discussion.

Please refer to the Sections entitled "Contract of Exchange" and "Ground Lease Summary" in Part I of this Plan for further discussion.

2. Base Rent

(a) The Base Rent that Tenant is required to pay pursuant to the Ground Lease from May 1, 2020 through and including April 30, 2021 is $254,095. *See Section 3.01 of the Second Amendment to the Ground Lease for further details regarding Base Rent*. Such Base Rent then incrementally increases through April 4, 2024, as shown below:

Lease Year:	Base Rent:
May 1, 2021 – April 30, 2022	$259,177
May 1, 2022 – April 30, 2023	$264,360
May 1, 2023 – April 4, 2024	$269,647

See Schedule 1 of the Second Amendment to the Ground Lease entitled "First Period Rent."

(b) The payments due under the Ground Lease includes, without limitation, the Base Rent (as may be adjusted pursuant to the terms of the Ground Lease), PILOT-Base Rent Adjustment, PILOT, Section 421-a Differential Rent, Civic Facilities Payments and Impositions (all as more fully described and set forth in the Ground Lease and in the "Ground Lease Summary" Section of this Plan). *See Section 3.04 of the Second Amendment to the Ground Lease*.

(c) For the Ground Lease Year commencing on April 4, 2024, which is referred to in the Ground Lease as the "First Appraisal Date," and continuing for a period of 15 Ground Lease Years (the "Second Period"), Base Rent shall be a per annum amount equal to the greater of (i) the Base Rent Floor (defined in the Ground Lease as the greater of (a) six percent (6%) of the fair market value of the Land, considered as unencumbered by the Ground Lease and the Master Ground Lease and as unimproved except for site improvements and street, park and infrastructure improvements made in Battery Park City by the Landlord ("Unencumbered Land"), determined as of April 4, 2024 or (b) the Base Rent payable in Ground Lease Year immediately preceding the period for which such Base Rent Floor was determined) or (ii) $3,731,130 less PILOT due in the last year of the First Period (i.e. January 9, 2004 through the end of the first twenty-three (23) years of the Ground Lease) before reduction for any abatement that may be operable. *See Section 3.01(a)(iii) of the Second Amendment to the Ground Lease.*

(d) For each Ground Lease Year commencing on April 4, 2039 and continuing for a period of fifteen (15) Ground Lease Years thereafter (the "Third Period"), Base Rent shall be an amount per annum equal to the Base Rent Floor determined as of the first day of the Third Period, as will be escalated as follows: on April 4, 2044 and April 4, 2049 by the greater of (x) fifteen percent (15%) of the Base Rent set for the prior five (5) Ground Lease Years or (y) the percentage of increase, if any, of the Consumer Price Index as determined for the month in which. The applicable escalation date occurs over the Consumer Price Index for the last month of the prior five (5) Ground Lease Year period (i.e., March, 2039 and March, 2044, respectively). *See Section 3.01(a)(iv) of the Second Amendment to the Ground Lease.*

(e) For each Ground Lease Year commencing on April 4, 2054 and continuing thereafter until the Expiration Date (the "Fourth Period"), Base Rent shall be an amount per annum equal to the Base Rent Floor determined as of the first day of the Fourth Period, as will be escalated as follows: on April 4, 2059 and April 4, 2064 by the greater of (x) fifteen percent (15%) of the Base Rent set for the prior five (5) Ground Lease Years or (y) the percentage of increase, if any, of the Consumer Price Index as determined for the month in which the applicable escalation date occurs over the Consumer Price Index for the last month of the prior five (5) Ground Lease Year period (i.e., March, 2054 and March, 2059, respectively). *See Section 3.01(a)(v) of the Second Amendment to the Ground Lease.*

(f) For the purposes of calculating Base Rent for the Second Period, Third Period and Fourth Period, the Ground Lease provides that the fair market value of the Unencumbered Land shall be determined in the manner provided by and in accordance with the appraisal procedures set forth in Article XVII of the Master Lease, absent an agreement on fair market value between Landlord and Tenant. *See Section 3.06 of the Original Ground Lease and Section 3.01(c) of the Second Amendment to the Ground Lease.*

(g) As of the Filing Date, Sponsor and BPCA are not engaged in Ground Rent reset negotiations. In the event that the Board of Directors enters into negotiations with BPCA with respect to a Ground Rent reset, such an exercise will require effort and resources that are impossible for Sponsor to quantify as of the Filing Date. However, Sponsor will disclose the status of Ground Rent negotiations with BPCA, if any, in one or more amendments to the Plan, until the First Appraisal Date.

(h) Current Appraisal of the Unencumbered Land. As required by the Department of Law to comply with the Martin Act and governing regulations, Sponsor caused the preparation of an appraisal of the Land, as if it were Unencumbered Land. The appraisal report was performed by Cushman & Wakefield (the "Appraisal Report") and opines that the Unencumbered Land has an estimated fair market value of $96,000,000.00 as of August 1, 2020 (the "2020 Appraised Value"). However, the 2020 Appraised Value was not reached through the process provided for under the Master Lease, which, in part, entitles both parties to the Ground Lease to appoint an appraiser, and contemplates the possibility that in the event that those two appraisers do not come to an agreement, a third appraiser will be appointed, with fair market value of the Unencumbered Land thereafter determined by majority vote. Therefore, if hypothetically, the Base Rent were to be reset based solely on the 2020 Appraised Value, it would equal $5,760,000.00.

Purchasers are advised that appraisals are merely an opinion of estimated value which can vary significantly based on the opinion of the appraiser. In addition, the actual fair market of the Land on April 4, 2024 (i.e. the First Appraisal Date as set forth in the Master Lease/Ground Lease) will in all likelihood be different from the 2020 Appraised Value, and, further, the value of the Unencumbered Land will be determined in accordance with the process set forth in the Master Lease. Therefore, neither Purchasers, Shareholders, the Apartment Corporation, nor any other party should rely on the opinion set of the Appraisal Report or the 2020 Appraised Value for any purpose whatsoever, and the Appraisal Report and/or the 2020 Appraised Value should not be considered factual, but rather an opinion provided for informational purposes only as a required disclosure made to comply with Section 352-e(1)(b) of New York General Business Law, as mandated by the Department of Law.

(i) Prior Rent Reset Negotiations with Other Battery Park City Properties. While Sponsor is unable to make any representations as to which method may be used to determine the new Ground Rent to the Property, Purchasers are advised that the Ground Lease for the Property permits Tenant and Landlord to reach a mutual agreement on the Base Rent reset, thereby obviating the need for the appraisal processes outlined in the Ground Lease and Master Lease. By way of example, and for informational purposes only, Sponsor hereby discloses publicly available information involving eleven buildings located in Battery Park City that negotiated ground rent resets outside of the appraisal process – the Hudson View East, Hudson View West, Hudson Tower, Battery Pointe, Soundings, Liberty Court, Liberty House, Liberty Terrace, Cove Club, Liberty View, and Regatta – (the "2011 Rent Negotiations"). The 2011 Rent Negotiations resulted in an average annual base ground rent of approximately $1,100,508.00, for the first lease year following each respective ground leases' "first appraisal date"; an average annual base ground rent of approximately for the first lease year following each respective ground leases' "first appraisal date"; an average annual base ground rent of approximately $1,347,324.00 in the year in 2021; and an estimated annual base ground rent of $1,424,995.00 for the year 2024. By way of example and for illustrative purposes only, if the Apartment Corporation negotiated a new Base Rent at the same rental rate per square foot price as the 2011 Rent Negotiations, then for the Ground Lease Year commencing on April 4, 2024 (i.e. the first Ground Lease Year of the Second Period), the Base Rent would be $2,425,641.00. Purchasers are again advised that the outcome of the 2011 Rent Negotiations is disclosed for informational purposes only and that this information should not be relied on by Purchasers, Shareholders, the Apartment Corporation, or any other party whatsoever, and the outcome of the 2011 Rent Negotiations are in no way an indicator that a similar outcome is possible or likely for the Property. Sponsor will amend the Plan to disclose any other property located in Battery Park City that negotiated a ground rent reset with BPCA, in which the information is made public.

(j) Disclosures of the Appraisal Report and 2011 Rent Negotiations Are for Informational Purposes Only. In complying with the Martin Act and governing regulations, Sponsor was required to make certain disclosures to Purchasers that may not in fact be applicable or accurate in determining the actual new Base Rent for the Property in the future. Specifically, Sponsor was required to disclose the opinions set forth in the Appraisal Report, including the 2020 Appraised Value, which may not be accurate or relevant for purposes of determining Base Rent for the Property in the future. Additionally, since Sponsor became aware of the 2011 Rent Negotiations, and because such information may be deemed material to a Purchaser, Sponsor has included information related to the 2011 Rent Negotiations to comply with the Martin Act. While the Appraisal Report, the 2020 Appraised Value and the 2011 Rent Negotiations may be material information for Purchasers to consider, Sponsor does not make any representations whatsoever on the accuracy or applicability of such disclosures to the Property, including but not limited to how the BPCA will consider the Appraisal Report, the 2020 Appraised Value or 2011 Rent Negotiations in determining a new Base Rent for the Property. Sponsor makes no representations as to the outcome of future rent reset negotiations with the BPCA, if any, nor does Sponsor make any representations that a future rent reset will reflect or be impacted by the Appraisal Report or the 2011 Rent Negotiations.

WHILE SPONSOR ANTICIPATES THAT THE BASE RENT WILL INCREASE SUBSTANTIALLY AS OF THE FIRST APPRAISAL DATE, IT IS IMPOSSIBLE, AS OF THE FILING DATE, FOR SPONSOR TO DETERMINE THE AMOUNT OF ANY FUTURE RENT INCREASE BECAUSE SUCH FUTURE RENT IS SUBJECT TO THE FAIR MARKET VALUE DETERMINATION PROCESS IN THE MANNER REQUIRED UNDER SECTION 3.06 OF THE GROUND LEASE AND ARTICLE XVII OF THE MASTER LEASE. THEREFORE, SPONSOR MAKES NO REPRESENTATION AS TO AMOUNT OF THE BASE RENT OR ESCALATION PERCENTAGE TO BE PAYABLE AS OF THE FIRST APPRAISAL DATE OR THEREAFTER. PURCHASERS ARE ADVISED TO SEEK THE ADVICE OF LEGAL COUNSEL PRIOR TO EXECUTING A PURCHASE AGREEMENT.

Please refer to Section 3.01 of the Second Amendment to the Ground Lease for further information about Ground Lease rent increases.

3. Civic Facilities Payment

Each Ground Lease Year, Sponsor, as Tenant under the Ground Lease, shall be obligated to pay an annual sum, representing its allocable share of the amounts spent by Landlord with respect to the operation, maintenance, repair, restoration, replacement and upgrading of Rockefeller Park, the North Neighborhood Esplanade, Vesey Street Area, Murray Street Triangle, the Median Parks, (as the foregoing terms were defined in Article 26 of the Ground Lease), existing and future parks and recreation areas, sidewalks, street trees and other facilities set forth in the Ground Lease (the "Civic Facilities Payments"). However, after the First Closing, the Cooperative Board shall be obligated to make the Civic Facilities Payments on behalf of the Apartment Corporation. Since the Civic Facilities Payments constitute a portion of the Rent due under the Ground Lease, Civic Facilities Payments will be made directly to the Landlord by the Cooperative Board on behalf of the Apartment Corporation. The Civic Facilities Payments will cover, at Landlord's election, the cost of insuring Landlord's Civic Facilities and maintaining a reasonable reserve fund for each Ground Lease Year. The estimated amount of Civic Facilities Payments in the First Year of Apartment Corporation Operation is included as a line-item in the Schedule B to this Plan, to be collected by the Cooperative Board on behalf of the Shareholders and paid to the Landlord when due.

As soon as practicable at the end of every payment period, Landlord shall submit to Tenant a written statement setting forth the cost of such operation, maintenance, repair, restoration, replacement and upgrading, together with supporting documentation. Within ten (10) days after the date of such statement and documentation are submitted, Tenant shall pay the amount, if any, by which its allocable share exceeds the Civic Facilities Payment made during such payment period, or, if the payment exceeds its share, Tenant has the right to offset the excess against the next monthly installment(s) of Civic Facilities Payments.

In the event the Civic Facilities or any portion thereof shall be destroyed or damaged by fire or other casualty or shall have been taken by the exercise of the right of condemnation or eminent domain, if the reasonable cost of restoring or replacing any portion of Landlord's Civic Facilities (including, without limitation, construction costs, bidding costs, attorneys', architects', engineers' and other professional fees and disbursements, and supervisory fees and disbursements) shall exceed the aggregate of the monies available to Landlord therefor from the reserve fund created pursuant to Section 26.05(a) of the Ground Lease and the net proceeds, if any, of insurance or condemnation available to Landlord for such purpose, Sponsor (prior to the Cooperative Conversion Date) or the Apartment Corporation (after the Cooperative Conversion Date), shall pay to Landlord an amount equal to the product obtained by multiplying 0.0895 (said figure being computed as set forth in Section 26.05(a)(iii)) of the Ground Lease by such excess. Landlord shall submit to Sponsor or the Apartment Corporation, as the case may be, a statement setting forth (i) the cost of such restoration or replacement (together with supporting documentation) and (ii) on an itemized basis, the monies available to pay such cost. Within thirty (30) days of the date any such statement and documentation are submitted to Sponsor, prior to the Cooperative Conversion Date, Sponsor shall make

the payment provided for above. Notwithstanding the foregoing, after the Cooperative Conversion Date, such payment shall be made by the Apartment Corporation within forty-five (45) days of the date any such statement and documentation are submitted to the Apartment Corporation. All monies payable to Landlord under Section 26.05(c) of the Ground Lease shall constitute Rent under the Ground Lease.

Please refer to Section 26.05 of the Ground Lease for further information on the Civic Facilities Payment.

4. Partial PILOT Exemption

Tenant applied for, and was granted, a 10-year partial Payment in Lieu of Taxes ("PILOT") tax exemption (the "10-year Exemption"), whereby PILOT was reduced by an amount equal to the assessed value of the Land in the year prior to the construction of the Building. The 10-year Exemption was analogous to the partial tax exemption that was available at that time to fee owners of new residential construction projects pursuant to Section 421-a of the Real Property Tax Law. In 2002, the United States Congress approved the issuance of Liberty Bonds that were issued by the New York State Housing Finance Agency ("HFA") for the construction of residential mixed-income housing in Lower Manhattan. The issuance of the Liberty Bonds for the construction of the Building qualified the Property for an additional 20-year partial PILOT tax exemption (the "20-year Exemption"). The 10-year Exemption expired on July 1, 2014. The 20-year Exemption was in its sixteenth year commencing on July 1, 2019. **COMMENCING ON JULY 1, 2016, THE 20-YEAR EXEMPTION BEGAN TO PHASE-OUT BY 20% EVERY TWO (2) YEARS, AS FOLLOWS:**

Tax Year (July1-June 30)	Partial PILOT Exemption Percentage
2019/2020	60%
2020/2021	40%
2021/2022	40%
2022/2023	20%
2023/2024	20%

Please refer to the Section entitled "Ground Lease Summary" in Part I of this Plan for further discussion.

5. Expiration of Partial PILOT Exemption

Since PILOT constitutes a portion of the Rent due under the Ground Lease, PILOT payments will be made directly to the Landlord by the Cooperative Board in lieu of real estate tax payments being made to the New York City Department of Finance. Sponsor makes no projection or other representation about the PILOT that will be imposed on the Apartments beyond the First Year of Apartment Corporation Operation. **PURCHASERS ARE ADVISED THAT AFTER THE EXPIRATION OF THE PARTIAL PILOT EXEMPTION IN 2024, AND THEREAFTER, THE PILOT WILL BE HIGHER THAN THE PROJECTED PILOT THAT IS DISCLOSED IN THE ANALYSIS BY METROPOLITAN VALUATION SERVICES, INC. ("SPONSOR'S PILOT CONSULTANT") FOR THE FIRST YEAR OF APARTMENT CORPORATION OPERATION.** A copy of the analysis by Sponsor's PILOT Consultant is located in Part I of this Plan. Since PILOT constitutes a portion of the Rent due under the Ground Lease, PILOT payments will be made directly to the Landlord by the Cooperative Board in lieu of real estate tax payments being made to the New York City Department of Finance. Sponsor makes no projection or other representation about the PILOT that will be imposed on the Apartments beyond the First

Year of Apartment Corporation Operation. ***Please refer to the Sections entitled "Payment in Lieu of Taxes" and "Ground Lease Summary" in Part I of this Plan for further discussion.***

6. Preferential Rents

In accordance with the Housing Stability and Tenant Protection Act of 2019, Sponsor shall not increase preferential rents to legal rents (for Apartments that are subject to preferential rents). However, on any lease renewal, Sponsor may increase preferential rents pursuant to the Rent Guidelines Board allowable increases in effect at that time. ***Please refer to the Section entitled "Introduction" in Part I of this Plan.***

7. Rent-Regulated Apartments by Virtue of Partial PILOT Exemption

As of the Filing Date, Sponsor represents that all leased Apartments are rent stabilized by virtue of the Partial PILOT Exemption pursuant to the Ground Lease and they will remain rent stabilized until either (i) the vacancy of such Apartment, provided that such vacancy occurs at any time after the First Closing, or (ii) the lease renewal following the expiration of the Partial PILOT Exemption, on June 30, 2024 (such date hereinafter referred to as the "Exemption Expiration Date"). Notwithstanding that Sponsor represents that rent stabilized Apartments will become deregulated on lease renewal following the expiration of such leases after the Exemption Expiration Date, pursuant to an agreement between Sponsor and the Department of Law, for the five (5) year period after the Exemption Expiration Date, Sponsor (or any other owner of such Apartments) will limit rent increases on Apartments that are rented by Non-Purchasing Tenants (as defined in the Plan) to the greater of (i) increases permitted by the Rent Guidelines Board for rent stabilized apartments or (ii) two and a half percent (2.5%) for 1-year leases or four percent (4%) for 2-year leases. However, Sponsor will have no such restrictions on the rents that it may charge to tenants who are not Non-Purchasing Tenants, after rent stabilized leases expire following the Exemption Expiration Date.

After the expiration of such 5-year period, Sponsor and any other Holder of Unsold Shares must continue to offer Non-Purchasing Tenants lease renewals at rents that are free from unconscionable rent increases (as defined in GBL 352-eeee) beyond ordinary rentals for comparable Apartments that are not occupied by Non-Purchasing Tenants. However, with respect to all other Apartments, Sponsor and any other owner of such Apartments shall have the right to rent such Apartments at market-rate rents without restriction as to the amount of rent that may be charged. ***Please refer to the Sections entitled "Ground Lease Summary" and "Rights of Existing Tenants" in Part I of this Plan for further discussion.***

8. Section 421- Differential Rent and PILOT-Base Rent Adjustment

Section 421-a Differential Rent

At or around the time that the Liberty Bonds were issued for the construction of the Property, Landlord and Tenant agreed, as memorialized in the Second Amendment to the Ground Lease, that Tenant would pay to Landlord twenty-five percent (25%) of the PILOT savings between the 20-year Exemption and the 10-year Exemption. Such payment is referred to in the lease as the Section 421-a Differential. The Section 421-a Differential was calculated based on an assumed taxable valuation of the Property. As an example, for the 2018/2019 tax year, PILOT (without exemption) for the Property was assumed to be $3,472,538, the 20-year exemption was assumed to be $1,786,277 and the 10-year Exemption was assumed to be $0:

$3,472,538	assumed PILOT (without exemption) for the Property
$1,786,277	assumed 20-year Exemption
$1,686,261	assumed PILOT (with exemption)
$0	assumed 10-year Exemption

$1,786,277 assumed Difference between 20-year Exemption and 10-year Exemption
x 25%
$446,569 421-a Differential

Commencing on July 1, 2019, the Section 421-a Differential, which was based on assumed taxable valuations of the Property, is as follows:

Tax Year	Section 421-a Differential
2019/2020	$455,501
2020/2021	$309,740
2021/2022	$315,935
2022/2023	$161,127
2023/2024	$164,350
2024/2025	$0

PILOT-Base Rent Adjustment

When the Second Amendment to the Ground Lease was being negotiated by Landlord and Tenant, the parties made an assumption that the assessed value of the Land for the 2003/2004 tax year would be $3,335,800.00, and any difference between that assumed assessed value and the actual assessed value for the 2003/2004 tax year would be either paid to the Landlord or credited to Tenant, as appropriate. Since the actual assessed value for the 2003/2004 was $3,073,500.00, Tenant paid Landlord the difference between the assumed PILOT and the actual PILOT as additional rent. The following is the projection of the PILOT-Base Rent Adjustment for the 2021/2022 tax year through the 2023/2024 tax year:

Tax Year	Projected Tax Rate [A]	Assumed Land Assessed Value ($3,335,800) [B] [A x B] = [C]	Actual Land Assessed Value (3,073,500) [D] [A x D] = [E]	PILOT-Base Rent Adjustment [C – E]
2021/2022	12.390%	$413,306	$380,807	$32,499
2022/2023	12.514%	$417,442	$384,618	$32,824
2023/2024	12.639%	$421,612	$388,460	$33,152

Sponsor has no ability to project the actual tax rates that will be in effect in any given tax year and, therefore, the PILOT-Base rent dollar amounts are estimates and not guaranteed numbers.

Please refer to the Section of the Plan entitled "Ground Lease Summary".

9. Right to Rent

Sponsor reserves the unconditional right to rent Apartments rather than sell them. Sponsor represents that it will endeavor to sell, rather than rent, at least 15% of the Apartments (i.e., 44 Apartments of 290 Apartments offered for sale) to Purchasers who represent that they are purchasing for their personal occupancy. However, Sponsor does not represent or guarantee that all Purchasers representing 15% of the Apartments will actually Close. Sponsor does not represent that it will endeavor to sell, rather than rent, the remaining eighty-five percent (85%) of the Apartments. The Apartments reserved by Sponsor may remain unsold indefinitely, and Sponsor may dispose of such Apartments as it chooses, including selling to

investors, renting to tenants, permitting occupancy by relatives or others, allowing them to remain vacant, or selling to Purchasers who represent that they are purchasing for personal occupancy.

Since Sponsor has reserved the right to sell or lease a certain number of vacant Apartments to any party, including investors, there may always be a substantial percentage of Shareholders who are non-residents. Notwithstanding the foregoing, except as otherwise specifically provided in the Ground Lease, in no event shall Sponsor, the Apartment Corporation or any Holder of Unsold Shares, sell or lease any Apartment to any Person in which an ownership interest in the aggregate, of five percent (5%) or greater is then held, directly or indirectly, by any individual (i) who has ever been convicted of a felony, (ii) against whom any action or proceeding is pending to enforce rights of the State of New York or any agency, department, public authority or public benefit corporation thereof arising out of a mortgage obligation to the State of New York or to any such agency, department, public authority or public benefit corporation, or (iii) with respect to whom any notice of substantial monetary default which remains uncured has been given by the State of New York or any agency, department, public authority or any public benefit corporation thereof arising out of a mortgage obligation to the State of New York or to any such agency, department, public authority or public benefit corporation. The foregoing restriction shall apply to any Person (x) purchasing more than fifteen percent (15%) of the Apartments from Sponsor or any other Person, or (y) subletting more than fifteen percent (15%) of the Apartments from Sponsor or any other Person, but shall not otherwise apply to any Shareholder.

Please refer to the Sections entitled "Introduction" and "Rights and Obligations of Sponsor" in Part I of this Plan for further discussion.

10. No Financing Contingency; Recognition Agreement

The obligations of a Purchaser under a Purchase Agreement are not conditioned on obtaining financing. Any prospective Purchaser who executes a Purchase Agreement and does not obtain financing may lose their Down Payment if he or she is unable to otherwise raise the monies for the balance of the Purchase Price. Prospective Purchasers who require financing are advised to consult with a lending institution before executing a Purchase Agreement. No representation is made by Sponsor as to the availability or cost of such financing. Once a Purchaser signs the Purchase Agreement, the Purchaser shall be obligated to close the transaction whether or not the Purchaser obtains financing. In the event a Purchaser does not have sufficient funds to pay the balance of the Purchase Price due at the Closing, for any reason whatsoever, Purchaser shall be deemed to be in default under the Purchase Agreement. ***Please refer to the Section entitled "Procedure to Purchase" in Part I of this Plan.***

In the event that Purchaser finances the purchase of Shares allocated to an Apartment, Purchaser, Purchaser's Lender and the Cooperative Board, shall execute a Recognition Agreement ("Recognition Agreement"). The Recognition Agreement states that the lien of such security interest (as set forth in a Security Agreement) is in all cases subordinate to the lien of the Apartment Corporation for that portion of Maintenance Charges. No Security Agreement on the Shares to an Apartment shall be valid or enforceable against any person unless and until the holder thereof shall have executed and delivered a Recognition Agreement. ***Please refer to the Purchase Agreement in Part II of the Plan.***

11. Availability of Financing

Purchasers should note that in the current real estate market, banks and other institutional lenders are imposing various restrictions and preconditions on purchase money financing. Such restrictions and preconditions include requiring that a certain percentage of Apartments in a building be sold before a lender will consider making a loan. Thus, it may be possible for a Purchaser to experience difficulty obtaining a loan in a building where the sponsor has not sold a substantial percentage of the Apartments, which in some cases may be as high as seventy percent (70%). Moreover, some lenders will not provide financing in a

building where an investor other than the original sponsor has an ownership interest of ten percent (10%) or more. It may also be difficult for a Purchaser to resell an apartment if prospective buyers are unable to obtain a loan due to the same minimum sales and investor ownership restrictions. ***Please refer to the Section entitled "Effective Date of Plan" in Part I of this Plan for further discussion.***

12. Resident Manager's Apartment

Apartment 4N, which will house the Building's resident manager (the "Resident Manager's Apartment"), will be rented by Sponsor to the Apartment Corporation for at least the First Year of Apartment Corporation Operation. At each Closing, each Purchaser shall make a contribution toward the purchase of the Resident Manager's Apartment in the amount disclosed on Schedule A-1, which is located in Part I of this Plan. The Apartment Corporation shall have six (6) months from the earlier of (i) the date on which Sponsor owns less than 20% of the Apartments, or (ii) 5 years from the date on which the Plan is declared effective, to raise sufficient funds to purchase the Resident Manager's Apartment, by imposing one or more Special Assessments on Shareholders, in its sole discretion, or by any other legal means that the Apartment Corporation determines purchase the Shares allocated to the Resident Manager's Apartment. Once the Shares and Proprietary Lease to the Resident Manager's Apartment have been conveyed to the Apartment Corporation, all costs and expenses, including Maintenance Charges and PILOT attributable to the Resident Manager's Apartment, will be payable by the Apartment Corporation and included in the Maintenance Charges payable by all Shareholders. Sponsor reserves the right to continue to charge the Apartment Corporation rent for the Resident Manager's Apartment and to increase such rent from time to time, in Sponsor's sole discretion, until such time as the Apartment Corporation purchases the Resident Manager's Apartment. Sponsor also reserves the right, in its sole discretion, to choose a different vacant Apartment other than Apartment 4N to sell to the Apartment Corporation as the Resident Manager's Apartment, provided, however, that such designation of a different Resident Manager's Apartment shall only be made pursuant to an amendment to the Plan and shall not result in an increase to the First Year's Budget by 25% or more. In the event the Apartment Corporation does not purchase the Shares allocated to the Resident Manager's Apartment within such six (6) month period, Sponsor reserves the right to sell the Resident Manager's Apartment to any other party, and the Apartment Corporation will be required to comply with Law, including the Administrative Code of the City of New York (the "Code"), §27-2052 et seq., with respect to janitorial services. Pursuant to §27-2091 of the Code, the Apartment Corporation's failure to comply with the Code may result in a civil penalty of $1,000.00 for each Apartment that is the subject to an order issued by the Department of Housing Preservation and Development of the City of New York to secure compliance with the requirements of the Code, provided, however, that the total amount of such penalty shall not be less than $5,000.00. ***Please refer to the Section entitled "Introduction" and Schedule A in Part I of this Plan for further details.***

13. Control by Sponsor

Sponsor shall control the Cooperative Board until the earlier of (i) the date upon which Sponsor owns 50% or less of Shares allocated to Apartments; or (ii) five (5) years from the First Closing ("Sponsor Control Period").

Until the First Annual Meeting of the Shareholders (the "First Annual Meeting"), the Cooperative Board shall consist of 2 Directors designated from time to time by Sponsor. Accordingly, until the First Annual Meeting and during the Sponsor Control Period, Sponsor will have absolute voting control of the Cooperative Board and will thus have control of maintenance, facilities and services to be provided, as well as determining the Maintenance Charges to be paid by Shareholders.

The First Annual Meeting will be held within 1 year of the First Closing. At such meeting, the incumbent 2 Director Cooperative Board designated by Sponsor will resign and a new Cooperative Board,

consisting of 7 Directors, will be installed, as described in the Section in Part I of the Plan entitled "Cooperative Board".

At elections of Directors to the Cooperative Board held at and after the First Annual Meeting, but before the expiration of the Sponsor Control Period, Sponsor shall have the right to designate 4 of the 7 Directors of the Cooperative Board, who may be persons related to and/or affiliated with Sponsor or other Holder of Unsold Shares; and Sponsor, any Holder of Unsold Shares and all other Shareholders shall have the right to vote their respective Shares for the remaining 3 Directors of the Cooperative Board who shall not be related to or affiliated with Sponsor or other Holder of Unsold Shares. The 7-Director Cooperative Board shall have the powers and duties necessary for, or incidental to, the administration of the affairs of the Apartment Corporation, except that the Directors shall have the powers and duties necessary for, or incidental to, the administration of the affairs of the Apartment Corporation, provided that determinations of the Directors do not materially Adversely Affect the use and operation of the Parking Garage or BPCA Facility.

At elections of Directors to the Cooperative Board held after the expiration of the Sponsor Control Period, but while Sponsor still owns at least 1 Apartment to which Unsold Shares have been allocated, Sponsor shall have the right to designate at least 1 of the 7 Directors of the Cooperative Board, who may be a person related to and/or affiliated with Sponsor or other Holder of Unsold Shares; and Sponsor, any Holder of Unsold Shares and all other Shareholders shall have the right to vote their respective Shares for the remaining 6 Directors of the Cooperative Board in accordance with the By-Laws, who shall not be related to or affiliated with Sponsor or other Holder of Unsold Shares. Board Directors may not be changed except in accordance with the procedures described in the By-Laws.

The By-Laws of the Apartment Corporation do not include a provision that, after the Sponsor Control Period, a majority of the Cooperative Board must be owner-occupants or members of an owner-occupant's household who are unrelated to the Sponsor and its principals. Therefore, PURCHASERS FOR THEIR OWN OCCUPANCY MAY NEVER GAIN CONTROL OF THE COOPERATIVE BOARD UNDER THE TERMS OF THIS PLAN. Further, Shareholders who are owner-occupants and Shareholders who are non-residents (including Sponsor) may have inherent conflicts on how the Apartment Corporation should be managed because of their differing reasons for purchasing (i.e. purchase of an Apartment as a home as opposed to an investment).

Please refer to the Sections entitled "Control By Sponsor" and "Cooperative Board" in Part I of this Plan for further discussion.

14. Purchase of an Apartment

At the time a Purchase Agreement is executed, (i) a Non-Tenant Purchaser is required to make a Down Payment in an amount equal to at least fifteen percent (15%) of the Purchase Price of the Unsold Shares allocated to an Apartment, and (ii) a Tenant Purchaser is required to make a Down Payment in an amount equal to at least ten percent (10%) of the Purchase Price of the Unsold Shares allocated to an Apartment, to Sponsor's attorney, Seiden & Schein, P.C. (as escrow agent). In the event a Purchaser defaults under the Purchase Agreement, time shall be of the essence for Purchaser to cure such default. "Time of the essence" means that if the Purchaser does not cure such default within thirty (30) days after Sponsor gives written notice to the Purchaser of such default, Sponsor may, at its option, cancel such Purchase Agreement and retain, as liquidated damages, the Down Payment made by the Purchaser, together with interest earned thereon, if any.

Additionally, if a Purchaser fails for any reason to Close on the originally scheduled Closing Date and Sponsor elects not to cancel that Purchaser's Purchase Agreement as a result of the same, the closing apportionments to be made at the Closing will be made as of and including the Closing Date.

Prospective Purchasers are advised that all deposits and Down Payments will be held in the escrow account maintained at Bank Leumi USA or Signature Bank by Seiden & Schein, P.C., as escrow agent (the "Escrow Account"). All Tenant Purchaser deposits and Down Payments shall be deposited in the same bank. The Escrow Account is federally insured by the FDIC to the maximum amount of $250,000. Such $250,000 coverage includes, in the aggregate, the Down Payment, plus any and all other deposits that Purchaser has on account at Bank Leumi USA having an office at 579 Fifth Avenue, New York, New York 10017, or Signature Bank having an office at 200 Park Avenue South, Suite 501, New York, New York 10003. Any Purchaser deposits at Bank Leumi USA and Signature Bank (including the Down Payment) which, in the aggregate, exceed $250,000 will not be insured by the FDIC. In accordance with this Plan, Sponsor reserves the right, in its sole discretion, to utilize Down Payments after such Down Payments have been secured with surety bonds from an institutional lender or recognized bonding company acceptable to the Department of Law. All Down Payments received after the Filing Date, shall be initially placed, within five (5) business days after the Purchase Agreement has been signed by Purchaser and Sponsor, in a segregated special escrow account titled, "Seiden & Schein, P.C., Attorney Account".

The Purchase Agreement provides that all disputes including, but not limited to, disputes concerning breach of contract, express and implied warranties, personal injuries and/or illness, mold-related claims, representations and/or omissions by Sponsor, on-site and off-site conditions and all other torts and statutory causes of action ("Claims") shall be resolved by binding arbitration in New York County in accordance with the rules and procedures of Arbitration of the American Arbitration Association or its successor or an equivalent organization mutually agreed upon by the parties. In addition, the Purchase Agreement provides that Purchaser may not initiate any arbitration proceeding for any Claim(s) unless and until Purchaser has first given Sponsor specific written notice of each claim (at 1050 Franklin Avenue, Garden City, New York 11530, Attn: River Terrace Associates, LLC) and given Sponsor a reasonable opportunity after such notice to cure any default, including the repair of the Apartment(s), in accordance with the Offering Plan. The arbitrator will be neutral and independent of both the Sponsor and its principals.

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 Plan in the event Sponsor prevails in defending or enforcing Sponsor's rights under this Plan. In the event Purchaser prevails in defending Purchaser's rights under this Plan, each party shall pay its own legal fees and disbursements.

Please refer to the Sections entitled "Procedure to Purchase" in Part I of this Plan and the Purchase Agreement in Part II of this Plan.

15. Allocation of Maintenance Expenses

a. Each Shareholder must pay Maintenance Charges to cover the cost of the operation and maintenance of the Apartment Corporation. The Cooperative Board shall assess each Shareholder an allocated share of expenses attributable to the Maintenance Charges in proportion to each Shareholder's respective Share Allocation. Shareholders will have no interest in any rents, net profits or revenues derived from the rental or use of any Apartment owned by another.

b. In the event that individual Shareholders default in the payment of Maintenance Charges, the Apartment Corporation may experience a budget shortfall. In the event of a budget shortfall, it may be necessary for the Board of Directors to enact a Special Assessment in order to meet the operating expenses of the Apartment Corporation, thereby significantly increasing the amount due from the non-defaulting Shareholders. Any Special Assessment enacted by the Board shall be deemed Additional Rent under the Proprietary Lease, payable by all Shareholders.

c. Purchasers are advised that if the Apartment Corporation's is unable to timely pay Base Rent, or additional charges under the Ground Lease, to BPCA, such failure shall constitute an "Event of

Default" as defined in Article 24 of the Ground Lease. Purchasers are advised that Events of Default may, under certain circumstances stipulated in the Ground Lease, lead to termination of the Ground Lease by BPCA. However, no termination of the Ground Lease shall relieve the Apartment Corporation from its liabilities and obligations, including monetary obligations under the terms of the Ground Lease.

d. ***See "Schedule A" and Notes to Schedule B" and "Ground Lease Summary" in Part I of the Plan, and Article 6 of the By-Laws and Article 1 of the Proprietary Lease in Part II of the Plan for details.***

16. No Bond or Other Security

No bond or other security has been furnished to secure the performance of the Sponsor's obligations. As of the Filing Date, Sponsor will be financially capable of performing Sponsor's obligations under the Plan. In the event Sponsor's ability to satisfy its obligations under the Plan becomes negatively affected by its financial condition, Sponsor will amend the Plan to disclose any material and adverse changes to Purchasers. ***Please refer to the Section entitled "Rights and Obligations of Sponsor" in Part I of this Plan for further discussion.***

17. BPCA Facility

Pursuant to the Ground Lease, BPCA has the right to use a portion of the Building located on the first floor, which is referred to herein as the "BPCA Facility". The BPCA Facility is accessed from the street on River Terrace. As of the Filing Date of this Plan, the BPCA Facility is being used as a public restroom. However, no representation is made with respect to any future use of the BPCA Facility. ***Please refer to the Sections entitled "Ground Lease Summary" in Part I of this Plan for details.***

18. Right of First Refusal

The Proprietary Lease imposes restrictions upon use, and provides that no Shareholder may sell or sublease an Apartment without first giving the Cooperative Board a right of first refusal to purchase or sublease the Apartment on the same terms and conditions. Sponsor and Holder of Unsold Shares, if any, may sell or lease any of their respective Unsold Shares without any restriction or limitation. ***Please refer to the Section entitled "Summary of Proprietary Lease" in Part I of this Plan for further discussion.***

19. Declaring the Plan Effective

Sponsor may declare the Plan effective by entering into Purchase Agreements for the sale of a minimum of 15% of the Apartments offered for sale (i.e., 44 Apartments of 290 Apartments offered for sale) in the Building to bona fide Purchasers who are Tenants in Occupancy and other bona fide Purchasers who represent that they or members of their immediate family intend to reside in the Apartment. Pursuant to an agreement between Sponsor and the Department of Law, only 10% of the Apartments that were vacant on the date that the last Tenant in Occupancy was served with the Revised Red-Herring (i.e., 29 vacant Apartments) ("Vacant Apartments") may be counted towards effectiveness. Therefore, Sponsor may declare the Plan effective with a combination of Vacant Apartments, Apartments that became vacant after the last Tenant in Occupancy was served with the Revised Red-Herring, and Apartments occupied by Tenants and sold to bona fide Purchasers. However, there is no limitation on the number of vacant Apartments that may be counted towards effectiveness if they became vacant after the date on which all Tenants in Occupancy were served with the Revised Red-Herring. In addition, in the event that Sponsor combines Apartments in the Building, the number of fully executed Purchase Agreements that will be required to declare this Plan effective may be reduced. However, the total number of Apartments used to calculate the 15% necessary to declare the Plan effective may not be reduced for (i) the sale of more than one Apartment to a Purchaser who contracts with the Sponsor to combine its Apartments; or (ii) the sale of

more than one Apartment to a Purchaser who plans to combine its Apartments; or (iii) the sale of more than one Apartment to a Purchaser who is not a bona fide Purchaser. Even if the Plan is declared effective with a minimum number of sales, it is possible that Sponsor may be able to convey Apartments with fewer than the minimum number of sales if Purchasers counted towards effectiveness do not ultimately Close. 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 Closing. ***Please refer to the Section of the Plan entitled "Effective Date of the Plan".***

20. Effectiveness Affidavit

The Department of Law shall require both Tenant Purchasers and Non-Tenant Purchasers to execute an affidavit (each an "Effectiveness Affidavit") at the time that they execute a Purchase Agreement as part of an investigative process. Forms of the Effectiveness Affidavits are attached to the form of Purchase Agreement, which is located in Part II of this Plan. Purchasers must return the Effectiveness Affidavit simultaneously with the executed Purchase Agreement. Purchasers are advised to seek the advice of an attorney before executing the Effectiveness Affidavit. The submission of any misinformation to the Department of Law, including a false instrument, shall be deemed a violation of the GBL, and may also subject both Sponsor and the Purchaser to both civil and criminal liability. Purchasers may also be required to submit to the Department of Law additional information concerning the intended occupancy of the Apartment that they are purchasing, and otherwise cooperate with the Department of Law's inquiry into the intended occupancy of the Apartment. A Purchaser who fails to (i) complete and return to the Effectiveness Affidavit; (ii) deliver any and all additional information the Department of Law may require; and (iii) otherwise cooperate in any inquiry the Department of Law may initiate, will be deemed to have defaulted under the Purchase Agreement. A default of these obligations shall entitle Sponsor to all rights and remedies, including, without limitation, the right to retain, as and for liquidated damages, the entire Down Payment and any interest earned on the Down Payment, or in the alternative, the right to commence an action for specific performance, in which case the Purchaser may be compelled by a court of law to fulfill all obligations concerning Effectiveness Affidavit and any inquiry by the Department of Law. ***Please refer to the Section entitled "Procedure to Purchase" in Part I of this Plan.***

21. Tenants In Occupancy

A Tenant in Occupancy who resides in an Apartment as of the Presentation Date of any amendment to this Plan in which Sponsor offers Tenants in Occupancy any further exclusive purchase period after the initial 180 day "Exclusive Purchase Period" shall have the right to purchase such Apartment on the terms offered by Sponsor in such amendment. **IN THE EVENT THAT A TENANT IN OCCUPANCY TIMELY EXERCISES SUCH RIGHT TO PURCHASE THE APARTMENT, A NON-OCCUPANT PURCHASER WHO EXECUTED A PROPRIETARY LEASE FOR SHARES ALLOCATED TO SUCH APARTMENT SHALL BE SO NOTIFIED, THE FULLY EXECUTED PURCHASE AGREEMENT THAT WAS ENTERED INTO BY SUCH NON-OCCUPANT PURCHASER SHALL BE AUTOMATICALLY DEEMED NULL AND VOID, AND SUCH NON-OCCUPANT PURCHASER'S DOWN PAYMENT, PLUS ANY ACCRUED INTEREST, SHALL BE PROMPTLY RETURNED WITHOUT ANY FURTHER RECOURSE TO SUCH NON-OCCUPANT PURCHASER, AND WITHOUT ANY FURTHER OBLIGATION ON THE PART OF SPONSOR.** ***Please refer to the Section entitled "Rights of Existing Tenants" in Part I of this Plan for further discussion.***

22. Closing Fees

(a) Transfer Taxes:

(i) Although Transfer Taxes under New York Law shall be paid by the seller, the responsibility for payment of such taxes may be modified by contract and transferred to the Purchaser. It is customary in New York City for Purchasers of Shares from a sponsor of a cooperative conversion to pay Transfer Taxes. Purchasers shall be required to pay the New York City and New York State Transfer Taxes, ("Transfer Taxes") due at the Closing, in addition to the so-called New York State "Mansion Tax," which is payable with respect to any Shares to an Apartment with a Purchase Price of $1,000,000.00 or more. The Mansion Tax incrementally increases from the lowest tax rate of 1% where the consideration is $1,000,000.00 or more, up to the highest tax rate of 3.9% where the consideration is $25,000,000.00 or more. Purchasers should refer to the Closing Costs and Adjustments section of the Plan for all applicable Mansion Tax rates. Purchasers are advised that the New York City Department of Finance may take the position that where the Purchaser pays New York City Transfer Tax and/or Sponsor's Attorney Closing Fee (as defined herein), such amount will be added to the taxable consideration for calculating the payment of the New York City Transfer Tax, thereby increasing the amount of the New York City Transfer Tax due from Purchaser. In addition, where the Purchase Price of the Apartment is close to, but less than, the consideration required to trigger the Mansion Tax, and the Purchaser pays the New York City Transfer Tax and/or Sponsor's Attorney's Closing Fee, the Mansion Tax may become due and payable, or the Mansion Tax rate may increase, as a result of such additional taxable consideration. However, Sponsor makes no representation regarding the calculation of New York City Transfer Tax or Mansion Tax, or of such additional consideration upon which the New York City Department of Finance may base such taxes and shall have no liability with respect thereto. Purchasers are encouraged to consult with their own legal counsel and/or tax advisors regarding the foregoing.

(ii) To the extent there is a credit against the Transfer Taxes due in connection with the sale of the Apartment as the result of the Transfer Taxes previously paid by Sponsor in connection with the Cooperative Conversion, such credit will inure solely to the benefit of Sponsor. Each Purchaser will be required to pay to Sponsor at Closing, the amount of the credit which may be attributable to Purchaser's Apartment, either by certified check or bank wire, in Sponsor's discretion, as a reimbursement to Sponsor for the Transfer Taxes previously paid by Sponsor on the Cooperative Conversion Date. Purchaser will owe the balance of such Transfer Taxes due, if any, to the taxing authorities.

(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 shall be responsible for the payment of the following fees to Seiden & Schein, P.C., Sponsor's Attorney, in connection with the Closing of the Apartment: (i) the sum of $3,000.00 per Apartment as a closing fee in connection with the closing to the Apartment ("Sponsor's Attorney Closing Fee"); (ii) if the Purchaser requests the Closing to occur other than at the offices of Sponsor's Attorney 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 $1,500.00; provided that Closings may not be scheduled to occur 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 $500.00 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 Apartment. Other additional charges may apply. At Sponsor's option, in its sole discretion, any one or more of the foregoing fees to be paid to Sponsor's Attorney shall be paid by the Purchaser prior to Closing upon notice to the Purchaser. In addition, Purchasers will be required to make a contribution of 2 months' Maintenance Charges to the Apartment Corporation's Working Capital Fund and certain other payments at Closing.

(ii) On the Cooperative Conversion Date, Sponsor will cause the Corporation to purchase leasehold title insurance from Title Company, insuring the Apartment Corporation's legal title to the Property. Coverage is anticipated to cost $1,363,910 ("Title Insurance Cost") although may change based on factors such as price increases and effective title insurance rates. In connection therewith, at each Closing, the Purchaser will be required to reimburse the Sponsor for the Title Insurance Cost based on the number of Shares allocated to the Apartment being purchased by the Purchaser. Based on the estimated Title Insurance Cost, as of the filing date of this Plan, the amount per Share is estimated to be $13.64. Such payment must be paid by bank check or Purchaser's personal certified check payable to the Apartment Corporation and the same shall be separate from the Working Capital Fund Contribution required of each Purchaser. ***Please refer to Schedule A-2 and the Section entitled "Closing Costs and Adjustments" in Part I of this Plan for further discussion.***

23. Reserve Fund

Pursuant to Local Law 70 which amends Chapter 51 of the Administrative Code of the City of New York (the "Reserve Fund Law"), certain Reserve Fund requirements have been imposed upon condominium and/or cooperative conversions made pursuant to Section 352-eeee of the GBL.

In part, the Reserve Fund Law requires Sponsor, within thirty (30) days after the First Closing, to establish and transfer to the Cooperative Board, a Reserve Fund in an amount equal to either: (a) three percent (3%) of the sum of the cost of all Shares offered for sale pursuant to this Plan at the last price which was offered to Tenants in Occupancy of the Building prior to the Effective Date of this Plan regardless of the number of sales made (the "Total Price"), or (b) the aggregate of: (i) three percent (3%) of the actual sales prices of all Shares offered for sale pursuant to this Plan which are sold by Sponsor at the Effective Date of this Plan, provided, however, that if such amount is less than one percent (1%) of the Total Price, then the Reserve Fund shall be established as a minimum of one percent (1%) of the Total Price; plus (ii) supplemental contributions to be made by Sponsor at a rate of three percent (3%) of the actual sales price of Shares for each Apartment offered for sale under this Plan held by Sponsor and sold to bona fide purchasers subsequent to the Effective Date of this Plan and within five (5) years of the First Closing notwithstanding that the total amount contributed may exceed three percent (3%) of the Total Price, and provided further, that if five (5) years from thirty (30) days after the First Closing, the total contributions by Sponsor to the Reserve Fund are less than three percent (3%) of the Total Price, Sponsor shall pay the difference between the amount contributed and three percent (3%) of the Total Price. The supplemental contributions made under this subparagraph (ii) shall be made within thirty (30) days of each sale of an Apartment under this Plan. The exact amount of the Reserve Fund cannot be ascertained until the First Closing, since such amount depends on which option Sponsor chooses under the Reserve Fund Law. In the event Sponsor contributes to the Reserve Fund using the method in section (b) above, and the contribution is more than if Sponsor funded the Reserve Fund using the method in section (a) above, under no circumstance will Sponsor will be entitled to a refund or allowance at the conclusion of five (5) years from thirty (30) days after the First Closing.

The Reserve Fund may not be reduced by closing adjustments but Sponsor may receive credit against the mandatory initial contribution for the actual cost of capital replacements begun after the Plan is submitted to the Department of Law and before the Plan is declared effective. Such credit may not exceed the lesser of the actual cost of the capital replacements or one percent (1%) of the Total Price. As of the Presentation Date of this Plan, Sponsor performed chiller replacement in the Building, which replacement totaled approximately $2,580,000.00. Sponsor reserves the right to take a credit against the Reserve Fund for such qualifying work performed in the Building.

Purchasers are advised that the cost of capital repairs to the Common Areas, if any, will be borne by the Apartment Corporation and, to the extent that the cost of such repairs exceeds any Reserve Fund amount which the Cooperative Board wishes to expend, such repairs may result in a Special Assessment to

Shareholders or an increase in Maintenance Charges. Purchasers are advised to refer to Appendix A in the Thornton Tomasetti report attached to the Description of Property and Building Condition in Part II of the Plan for a detailed chart of the Building systems and their remaining useful life. Neither the Department of Law nor any other government agency has passed upon the adequacy of the Reserve Fund. The Reserve Fund shall not be used to reduce projected Maintenance Charges during the Sponsor Control Period. ***Please refer to the Section of this Plan entitled "Reserve Fund" which may be found in Part I of this Plan and the "Reserve Fund Law" (New York City Administrative Code §26-701 et seq.) which may be found in Part II of this Plan for more details.***

24. Measurements of Apartments

The approximate square foot area of Apartments were measured horizontally from the exterior face of the external wall to the midpoint of the interior partitions separating one Apartment from another Apartment, public corridors, public lobby, stairs, elevators or any Common Areas or terraces. The area of mechanical pipes, shafts and structural columns and walls within the Apartment were not deducted. Since the Apartments' square footage areas were not measured from the interior side of the interior wall to the opposite interior side of the interior wall, the square footage of the Apartments, as measured in accordance with the foregoing method, significantly exceeds the usable floor space of each Apartment.

All configurations, fenestration and dimensions, as disclosed in this Plan, are approximate within reasonable tolerances and subject to normal construction variances. The square footages and room dimensions on the floor plans are estimates based on an extrapolation of the square footage of overall Apartment dimensions in accordance with the above customary practice in New York. The square footage in Schedule A is taken from points behind the walls enclosing the Apartment and thus exceeds the Apartment's usable floor area. A room's dimensions shown on the floor plans, however, are measured from the interior surface of the walls enclosing the room. Immaterial inaccuracies between an Apartment's overall square footage and its actual square footage will not excuse a Purchaser from Closing the Apartment, without abatement in the Purchase Price, and without any recourse against the Sponsor. The Sponsor reserves the right to make changes to the Apartment in accordance with the Offering Plan.

Some Apartments may have partitions therein that were erected by the current tenant or a previous tenant. Such partitions, if erected, may have created spaces that do not conform to building code/zoning requirements. Sponsor represents that it will remove all non-conforming partitions, if any, that have been erected in Apartments to which Unsold Shares have been allocated when and if existing tenants vacate. Sponsor and Sponsor's architect were able to inspect some, but not all, Apartments. Existing tenants purchasing an Apartment that has non-complying partitions, or Non-Tenant Purchasers who purchase an Apartment that is occupied by an existing tenant, purchase the Apartment at their own risk. In the event that a violation is issued against the Apartment Corporation for this condition, the Shareholder(s) who own Shares to the subject Apartment(s) (including Sponsor with respect to Apartments to which Unsold Shares have been allocated) will be required to cure the violation at such Shareholder's sole cost and expense and at no cost to the Sponsor, except with respect to vacant Apartments to which Unsold Shares have been allocated owned by Sponsor. Purchasers should note that information on violations is subject to change and that the most up to date information is available on the website for the Department of Buildings at https://www1.nyc.gov/site/buildings/index.page.

The floor plans provided in Part II of this Plan reflect certain Apartments that Sponsor and its architect were able to inspect. However, Sponsor and its architect had to make certain assumptions about layouts for Apartments that were unable to be inspected. All Purchasers are encouraged to walk through the Apartment prior to executing a Purchase Agreement to determine the actual layout of the Apartment. ***Please refer to Schedule A and Notes to Schedule A in Part I of this Plan.***

25. Combination of Apartments and Upgrade to Building Amenities

Sponsor reserves the right to renovate and/or combine certain apartments in the Building. All of the Apartments that may be renovated and/or combined will be vacant prior to the commencement of the construction work to combine the Apartments. During the performance of the work, it may be necessary to have temporary shut-downs of some Building services, such as, but not limited to, the domestic water supply. Sponsor will endeavor to keep such shut-downs to a minimum and advance written notice will be provided to all Building residents. Notwithstanding the foregoing, any temporary shut-downs of Building services may not be used to harass or constructively evict occupants of the Building. In addition, some work may require access to occupied Apartments for the purpose of accessing electrical and plumbing risers. As such instances, if any, are identified, Sponsor will give prior written notice to the affected residents, and amend the Plan to disclose any material changes.

In August 2020, Sponsor began to undertake an upgrade and expansion to certain residential amenities in the Building (the "Amenity Upgrade"). The Amenity Upgrade will include a lounge, private dining room with kitchen, and media room, and will be achieved by integrating Apartments 1C and 1D into the new amenity spaces, after which there will be a total of two-hundred and ninety (290) Apartments (including one (1) Resident Manager's Apartment) located within the Building. HFA has consented to the Middle-Income Tenant who previously occupied Apartment 1C to be moved to an Apartment of comparable or better size, location, appliances and fixtures (a "Comparable Apartment"). With HFA's approval, the Middle-Income Tenant occupying Apartment 1E has been be moved to a Comparable Apartment during the Amenity Upgrade work. Purchasers should refer to the Floor Plans in Part II of this Plan for details regarding the location of the Amenity Upgrade. Sponsor anticipates that the Amenity Upgrade and Select Vacant Apartment Upgrade will be completed within 9-12 months from the start of construction (i.e., August, 2020), subject to delays caused by Force Majeure.

In August 2020, Sponsor began to upgrade vacant Apartments 6M, 6N, 8B, 8D/8E, 8K, 9E, 9L, 21E, and 21F ("Select Vacant Apartments") at Sponsor's sole cost and expense. The upgrade to the Select Vacant Apartments will include new engineered wood flooring, painted wood base, and gypsum wallboard that has been primed and painted with low-VOC paint, kitchen and bathroom flooring, finishes and appliances, as more particularly disclosed in the report prepared by CookFox Architects, DPC ("CookFox Report") which is annexed to the Description of Property and Specifications in Part II of this Plan. Sponsor anticipates that the upgrade to the Select Vacant Apartments will be completed within 9-12 months from the start of construction (i.e., August, 2020), subject to delays caused by Force Majeure. All Vacant Apartments, other than the Select Vacant Apartments, may be purchased in "as-is" condition, or Purchasers may opt, for an additional fee, for Sponsor to renovate the Apartment in accordance with the specifications in the CookFox Report. Purchasers should refer to Schedule A for the difference in offering price for an "as-is" Apartment verus an upgraded vacant Apartment. ***Purchasers should refer to the CookFox Report annexed to the Description of Property and Building Condition in Part II of this Plan, for details regarding the Amenity Upgrade and the upgrade to the Select Vacant Apartments.***

Upon the issuance of a work permit for the Amenity Upgrade and the upgrade to the Select Vacant Apartment, Sponsor (i) distributed a notice to tenants regarding a Tenant Protection Plan that has been approved by the Department of Buildings, and (ii) posted such notice in a conspicuous manner in the Building lobby, as well as on each floor within ten feet of the elevator. Sponsor has made, and will continue to make, commercially reasonable efforts to prevent the migration of dust from all work areas, and to protect and maintain the Common Areas so as to minimize the impact that the construction work has on Building residents. In addition, Sponsor will comply with all applicable codes and Law with respect to any construction work in the Building.

Please refer to the Section entitled "Description of Property and Improvements" in Part I of this Plan.

26. Condition of Apartments and Building

(a) Except as otherwise stated in the Offering Plan, occupied Apartments and their appurtenant terraces, are being sold "as is" in the condition in which they exist on the Filing Date of this Plan, subject to ordinary wear and tear and further subject to Sponsor's obligation to maintain the Building until the Closing, and further subject to Sponsor's obligations to make repairs, improvements or decorations as may be otherwise set forth in this Plan. To the maximum extent lawful, all implied warranties of fitness for a particular purpose, merchantability and habitability, all warranties imposed by statute (except only those imposed by applicable law to the extent they cannot be disclaimed and to the extent they have not expired by their terms) and all other implied or express warranties of any kind are specifically disclaimed. ***Please refer to the Section entitled "Description of Property and Improvements" in Part I of this Plan.***

(b) Purchasers should note that all windows, and the roof of the Building, are out of warranty and any costs for repairs or replacements shall be borne by all Shareholders as a Maintenance Expense in accordance with each Shareholder's Share Allocation. The roofing, pumps, pump motors and heating coils for the domestic water heaters and chillers are approaching the end of their useful life. For further details regarding the Building's condition and all systems that are out of warranty and approaching the end of their useful life, Purchasers should ***refer to the Description of Property and Specifications in Part II of the Plan.***

27. Unsold Shares

For so long as Sponsor owns any Unsold Shares, Sponsor may, without the permission of the Board, (a) grant permission for the use of any Apartments to which Unsold Shares have been allocated for any purpose, provided such use is permitted by Law, does not violate the then-existing Certificate of Occupancy for such Apartments and the user of such Apartment complies with all applicable governmental regulations, and (b) use any Apartments as models and sales and/or promotion offices in connection with the sale or rental of the Apartments or for any other purpose, subject only to the provisions of the Proprietary Lease and By-Laws and in compliance with applicable governmental Laws and regulations, and (c) use, or grant permission for the use of, the Common Areas, during regular business hours, for the purpose of advertising or otherwise promoting (i) the Building, (ii) the sale or rental of any Apartments to which Unsold Shares have been allocated which Sponsor owns, and (iii) the commercial interests of Sponsor, or any of its affiliates or subsidiaries. ***Please refer to the Section entitled "Rights and Obligations of Sponsor" in Part I of this Plan.***

28. Delay in Collection of Maintenance Charges

During the Sponsor Control Period, Sponsor shall have the right, in its sole and absolute discretion, to cause the Cooperative Board to waive the collection of some or all of the Apartment Corporation Maintenance Charges from Shareholders from the date of the First Closing up until such time as Sponsor chooses (the "Waiver Period"); provided, however, that Sponsor shall be solely responsible for the payment of all actual expenses to operate the Apartment Corporation 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 Closing; (ii) Sponsor will notify all Shareholders in writing of the expiration of the Waiver Period at least 30 days prior to such expiration and will disclose such fact in the following amendment to the Plan; (iii) during any such Waiver Period, Sponsor will timely pay all expenses of the Apartment Corporation, including but not limited to insurance premiums; (iv) upon the commencement of the collection of Maintenance Charges, there will not be an assessment for any item set forth in the approved budget for the Apartment Corporation. Notwithstanding that Sponsor will pay the actual expenses of the Apartment Corporation during the Waiver Period, it shall be the responsibility of each Shareholder to pay all other expenses attributable to such Shareholder's Apartment, such as, but not limited to, payment in lieu

of taxes, utility charges for individual apartments and insurance coverage for the Apartment. Sponsor will remain obligated to update the budget for the Apartment Corporation, as provided in the By-Laws. ***Please refer to the Section entitled "Rights and Obligations Rights and Obligations of Sponsor" in Part I of this Plan.***

29. Parking Garage Lease

(a) Sponsor entered into a lease (the "Parking Garage Sublease") with Imperial Parking (U.S.), LLC ("Parking Garage Sub-Tenant") for a term of five (5) years commencing on December 1, 2020. In accordance with the Parking Garage Sublease, the Parking Garage Sub-Tenant makes parking spaces available to the general public on an hourly, per diem or monthly basis for fees determined solely by the Parking Garage Sub-Tenant. Purchasers may rent the parking spaces from the Parking Garage Sub-Tenant, and all payments shall be made payable to the Parking Garage Sub-Tenant, unless otherwise provided by the Parking Garage Sub-Tenant. Neither the Cooperative Board, Non-Purchasing Tenants nor any Shareholders (other than Sponsor) shall have any right to the rents, profits or revenues from the rental or use of any space in Parking Garage.

(b) Simultaneously with the Cooperative Conversion, the Apartment Corporation, as Parking Garage Landlord, and Sponsor, as Parking Garage Tenant, will enter into a long-term sublease ("Parking Garage Lease") with respect to the Parking Garage located in the cellar level of the Building, as shown on the Floor Plans in Part II of the Plan. The Parking Garage Lease will expire upon the expiration of the Ground Lease. The Parking Garage Lease may be assigned, transferred, sublet or financed in whole or in part without the consent of the Apartment Corporation and without the imposition of any transfer costs, flip taxes or fees imposed by the Apartment Corporation, provided Sponsor remains liable on the Parking Garage Lease.

(c) Without prior consent or approval of the Apartment Corporation, the Parking Garage may be used for any purpose permitted by Law. No representation is made with respect to who the future sublessees, occupants or tenants of any portion of the Parking Garage may be at any time or as to the uses to which any portion of the Parking Garage may be put at any time. No assurance, representation, or warranty is given that any sublessees, occupants or tenants of the Parking Garage will not be objectionable to the Apartment Corporation, Shareholders or other parties. The uses of the Parking Garage may generate noise, traffic, fumes or other disturbances over which the Shareholders will have little or no control.

(d) The Parking Garage Lease shall provide that Shareholders and Non-Purchasing Tenants and subtenants ("Residents") shall be given first priority to park on a monthly basis in the Parking Garage over parties that do not reside in the Building ("Outsiders"). No Resident shall have the right to park more than one (1) vehicle in the Parking Garage at a time on a monthly basis. In the event that there are no monthly parking spaces available when a Resident requests a monthly parking space from the Garage Tenant, either (i) because one or more parking spaces are then being occupied by Outsiders, or (ii) because a Resident occupies more than one parking space, then the Parking Garage Tenant shall terminate the monthly parking agreement, or, with respect to Residents, terminate the monthly parking agreements for vehicles exceeding one (1) vehicle, in order to accommodate the Resident's request, no more than thirty (30) days after receiving such request. However, since there will be more Resident than parking spaces, Sponsor makes no representation that a parking space will be available to Residents at any given time. The Parking Garage Lease shall provide that the Parking Garage Sub-Tenant shall not charge Residents more than the prevailing monthly parking rate at parking garages within comparable luxury residential buildings in the immediate area for similar vehicles, excluding, however, the parking garage located at the Verdesian, 211 North End Avenue, New York, New York. Sponsor reserves the right to offer Purchasers the opportunity to purchase parking spaces in the Parking Garage pursuant to the terms of a license ("Parking Space License"). In the event Sponsor decides to sell Parking Space Licenses, Sponsor will amend the plan to disclose the terms of such offer.

(e) Sponsor, as Parking Garage Tenant, shall pay to the Apartment Corporation, as Parking Garage Landlord, an annual rent ("Annual Rent") payable in equal monthly installments. The Annual Rent for the First Year of Cooperative Operation is set forth in Schedule B to this Plan as an income line item to the Apartment Corporation. Such Annual Rent shall be prorated in the event that the Parking Garage Lease commences on a date during the calendar year that is after the First Closing. Sponsor shall not prepay the monthly installments of Annual Rent more than one (1) month in advance. Sponsor shall continue to pay Annual Rent at the rate then in effect until the first day of the first full month after the Apartment Corporation delivers to Sponsor the annual budget for the new operating year of the Apartment Corporation ("New Budget"). After delivery of the New Budget to Sponsor, Sponsor shall begin paying Annual Rent as determined in the New Budget, on a prospective (not retroactive) basis, except as provided in the Parking Garage Lease. ***See the Parking Garage Lease in Part II of the Plan for further details***.

(f) Percentage Rent (as defined in the Ground Lease) payable by Sponsor, as Parking Garage Tenant, under the Parking Garage Lease, will equal three percent (3%) of the Gross Non-Residential Revenue (as defined in the Ground Lease) during each calendar year. After the execution of the Parking Garage Lease, and no later than thirty (30) days after the end of each calendar quarter, Sponsor shall deliver to the Apartment Corporation a statement Quarterly Percentage Rent Statement (as defined in the Ground Lease), and pay to the Apartment Corporation three percent (3%) of the Gross Non-Residential Revenue based upon the Quarterly Percentage Rent Statement. The Apartment Corporation shall then pay the Percentage Rent along with the Quarterly Percentage Rent Statement directly to BPCA. BPCA shall have the right to pursue the Apartment Corporation directly for any non-payment of Percentage Rent.

(g) Purchasers are advised that in the event of a default by Sponsor, as Parking Garage Tenant, in its obligations under the Parking Garage Lease, the Apartment Corporation, as Parking Garage Landlord, will be responsible for the payment of the Percentage Rent to BPCA in order to comply with the terms of the Ground Lease, and BPCA shall have the right to pursue the Apartment Corporation directly for any non-payment of Percentage Rent. The Cooperative Board may have to utilize reserves, impose Special Assessments, increase Maintenance Charges or borrow or raise additional capital from Shareholders to pay the Percentage Rent. In such event, the Apartment Corporation, as Parking Garage Landlord will be entitled to exercise all its rights and remedies at Law, including, without limitation, the right to commence eviction proceedings against Sponsor, as Parking Garage Tenant.

(h) See the section of the Plan entitled "Parking Garage" for details.

30. Model Apartment

Purchasers are advised that there may be certain design elements included in a model Apartment that are not offered for sale and not included in the Apartments being offered pursuant to the Plan. Specifically, the furniture, furnishings, materials, equipment, hardware, installations, lighting or decorations (collectively, "FF&E") displayed in a model Apartment will not be included in the sale of an Apartment, except as otherwise described in this Plan. The FF&E in the Building and/or the Apartments will be as described in the Plan and are subject to modification as provided herein, and may vary from those displayed in a model Apartment. In addition, marketing materials may designate or label or use nomenclature to describe certain areas or rooms within Apartments and the Building that differ from the designations utilized on the Floor Plans. In no event, however, shall any designations, labels or nomenclature used in marketing materials conflict with the legally permitted uses of such areas or rooms. All dimensions in a model Apartment are approximate and subject to normal construction variances and tolerances. **Purchasers should consult the Floor Plans in Part II of the Plan** and should consult Sponsor or Selling Agent with any questions concerning the precise FF&E each Apartment will include.

31. Diplomatic Immunity and Waivers

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 Apartment Corporation 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 Apartment Corporation Documents. ***Please refer to the Section of this Plan entitled "Procedure to Purchase" which may be found in Part I of this Plan for more details.***

32. Window Treatments

In order to preserve the architectural harmony of the Building, all window treatments in the Apartments 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 Apartment 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. ***Please refer to Section 6.9.3.2 of the By-Laws in Part II of this Plan for more details.***

33. Restriction on Advertising for Sale or Selling an Apartment Within One Year of Sponsor Sale

As set forth in the Purchase Agreement and the By-Laws, a Purchaser who acquired an Apartment from Sponsor ("Sponsor Sale") is prohibited from (a) listing the Apartment for sale with any broker or placing or authorizing any listing in any broker's listing system or other listing service or from otherwise advertising, offering, promoting or publicizing the availability of the Apartment 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 Shares allocated to the Apartment or reselling such Shares prior to the first anniversary of the Closing of the Sponsor's Sale, except to such Shareholder' 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 Shareholder or to an entity with respect to which such Shareholder (individual or otherwise) owns more than 50% of the legal and beneficial interest thereof, or to a lender or its nominee, who has acquired Shares allocated to any Apartment at a foreclosure sale of its lien. Purchasers may not sell their Shares without first giving the Cooperative Board a right of first refusal and obtaining a waiver of the Board's right of first refusal to purchase or sublease the Apartment. The Cooperative Board shall not be permitted to waive its right of first refusal for any Apartment where a Closing occurred within 12 months of the Sponsor Sale. The foregoing restriction shall not apply from and after the date that Sponsor has conveyed Shares to all of the Apartments. ***Please refer to the Purchase Agreement, Proprietary Lease and By-Laws in Part II of this Plan.***

34. Prohibition Against Advertising Apartment For Sale or Rental Prior to Closing

Prior to the Closing, a Purchaser is prohibited from listing the Apartment for sale or rental 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 Apartment for sale or rental, 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 Purchaser will be deemed a material default under the Purchase Agreement, and Sponsor may, at its option, cancel the Purchase Agreement and retain,

as liquidated damages, the entire Down Payment made by the Purchaser, together with any interest earned thereon. ***Please refer to the Purchase Agreement in Part II of this Plan.***

35. Flood Zone

According to the Preliminary Base Flood Elevation Maps published by FEMA on December 5, 2013, which has not yet been adopted, the Property is located within Flood Zone X and is subject to a 0.20% (500-year) annual chance of flood. Flood maps, zones and designations are subject to change at any time. ***Please refer to the Section in Part I of the Plan entitled "Description of Property and Improvements" and the "Description of Property and Building Condition" in Part II of this Plan for details.***

36. Insurance

The budgeted line item for the insurance premiums set forth in Schedule B represents current insurance premiums, including flood insurance, as of the Filing Date. 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 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 an Apartment. If Purchaser's lender requires additional insurance, Purchaser will be obligated to obtain such supplemental insurance at Purchaser's sole cost and expense. For the First Year of Cooperative Operation, the Apartment Corporation's insurance will include coverage for all Common Areas of the Building, including structural walls, ceiling and floors. However, the Apartment Corporation's insurance will not include claims for personal injury or for any belongings, betterments, improvements, furniture or other personal property in an Apartment. Shareholders are required to carry their own liability and casualty insurance covering occurrences in their Apartment, pursuant to the By-Laws. ***Please refer to "Schedule B" in Part I of this Plan for details.***

37. General Provisions with Respect to Use

While Apartments are being offered for sale or lease by Sponsor, 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, a Holder of Unsold Shares, 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 Apartment Corporation'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 gross negligence of Sponsor, the Managing Agent or their respective agents.

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

Each Apartment has windows equipped with safety "stops" in lieu of window guards. For the safety of young children, no Shareholder shall remove the "stops" from the windows for any reason. All replacement windows must have safety "stops" designed specifically to prevent a child from falling out of the window, as approved by the New York City Department of Health and Mental Hygiene. Each Shareholder shall notify the Managing Agent in writing when a child or children under the age of eleven

(11) years lives or resides (even temporarily) in the Apartment. ***Please refer to the Section entitled "Summary of Proprietary Lease" in Part I of this Plan for further discussion.***

38. Prohibition Against Smoking

All Shareholders are prohibited from smoking in or around any of the Common Areas and terraces, and within all Apartments 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, vaping, or otherwise handling or controlling any lit or smoldering product containing tobacco, marijuana or other flammable substance, including, but not limited to, cigarettes, cigars, or pipes. ***See the Purchase Agreement and By-Laws in Part II of this Plan for further details.***

39. Income Tax Deductions

Subject to certain exceptions and limitations that are more particularly discussed in the Attorney's Income Tax Opinion, pursuant to Section 216 of the Internal Revenue Code (the "Code"), subject to certain requirements, Shareholders of qualified cooperative housing corporations are allowed to deduct that portion of the amounts paid by such Shareholders to the Apartment Corporation within such Shareholder's taxable year that represents such Shareholder's proportionate share of (a) PILOT allowable as a deduction to the Cooperative paid or incurred by the Cooperative on the Property, and (b) interest allowable as a deduction to the Cooperative paid or incurred by the Cooperative on its indebtedness contracted in the acquisition, construction, alteration, rehabilitation or maintenance of the Building or in the acquisition of the Land on which the Building is situated ("Interest"), and (c) interest on a loan secured by Shares paid or accrued by a Shareholder who is liable for the interest payment on such loan. Notwithstanding the provisions of Section 216 of the Code, because the Cooperative will execute an assignment and assumption agreement for the Ground Lease on the Cooperative Conversion Date (as opposed to taking fee title), any Shareholder deductions for PILOT with respect to the Property would be limited to the PILOT solely attributable to the Building, and not to the Land. In addition, Purchasers should note that 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 $350,000 in the case of a married individual filing a separate return). Interest on debt in excess of that limitation would not be deductible. Purchasers should further note that, for a taxable year beginning after December 31, 2017 and before January 1, 2026, the aggregate deduction for PILOT, 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). ***See the Section of the Plan entitled "Attorney's Income Tax Opinion" for further details.***

40. Local Law 11

Since the Building is (i) located in New York City, (ii) taller than 6 stories, and (iii) has exterior walls closer than 25'-0" from a street and/or paved pedestrian walkway, the Apartment Corporation will required to comply with Local Law 11. Local Law 11 requires periodic inspections to be conducted and witnessed by or under the direct supervision of a licensed architect or licensed professional engineer beginning 5 years after the completion of the Building and every five years after the initial inspection. The last inspection was conducted in August 2016 and was filed as "Safe", meaning the Building does not require repair or maintenance of the façade to sustain the structural integrity of the exterior of the Building. The next inspection will be required in 2021. All costs and expenses incurred by the Apartment Corporation in connection with Local Law 11 inspections, shall be borne by all Shareholders and shall constitute

Maintenance Charges payable by all Shareholders in accordance with each Shareholder's Share Allocation. ***See the Local Law 11 Report in Part II of thePlan for further details.***

41. Statute of Limitations for Claims Against Sponsor and its Principals

(a) Purchasers are advised that, pursuant to the terms of the Plan and the provisions of the Purchase Agreement, the statute of limitations to bring a claim or commence an action against Sponsor is contractually modified as follows: (1) individual Shareholders shall have 3 years from the date of closing of the respective Apartment to commence an action or special proceeding against Sponsor, and (2) the Board shall have 3 years from the First Closing to commence an action or special proceeding.

(b) Under no circumstances shall any amendment to the Plan extend the statute of limitations, whether that statute of limitations be a modified statute of limitations as addressed herein, or a statute of limitations as provided by applicable Law, for Shareholders or the Board to commence an action or special proceeding against Sponsor, and nothing herein shall limit or modify the ability of any governmental authority to pursue a claim against Sponsor. Moreover, Sponsor is not modifying any statute of limitations regarding the amount of time permitted under the New York State Civil Practice Law and Rules to collect on a court-ordered judgement, should one be awarded to a Shareholders or the Board, as the case may be.

(c) **Purchasers are advised that modifications to the statute of limitations are permissible if they are deemed to be reasonable, therefore it is possible that such modification may be found to be unreasonable by a court of law**. However, various courts have upheld modifications to statutes of limitations as reasonable, including those involving the sale of cooperative interests in realty. See John J. Kassner & Co. v. City of N.Y., 46 N.Y.2d 544, 551 (1979); USA United Holdings, Inc. v. Tse-Peo, Inc., 23 Misc. 3d 1114(A), at *4 (Sup. Ct. Kings Cty. 2009); Top Quality Wood Work Corp. v. City of N.Y., 191 A.D.2d 264, 264 (1st Dep't 1993); and Rudin v. Disanza, 202 A.D.2d 202, 203 (1st Dep't 1994). **Purchasers should discuss this provision with their attorney prior to executing a Purchase Agreement.**

(d) **Purchasers are further advised that nothing herein shall modify the statute of limitations for the Department of Law to bring a claim against Sponsor under the Martin Act.**

(e) See the "Purchase Agreement" in Part II of the Plan for details.

42. Department of Justice Consent Decree

On January 18, 2017, a complaint (the "FHA Complaint") was filed by the United States Attorney for the Southern District of New York (hereinafter, "the Department of Justice" or "DOJ") which alleged violations of the Fair Housing Act, Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Action of 1988 (the "Fair Housing Act" or "FHA"), 42 U.S.C. §§3601-3619 at The Verdesian, a residential multiple dwelling that is owned and controlled by an entity of which some of the principals are also certain principals of Sponsor. The complaint is captioned United States of America, Plaintiff v. Albanese Organization, Inc. its subsidiaries and affiliate; North End Associates, LLC; and SLCE Architects, LLP, Defendants, and River Terrace Associates, LLC; Chelsea Associates, LLC, Relief Defendants. While the FHA Complaint did not allege violations of the FHA in 20 River Terrace, a Consent Decree was entered into by DOJ and the defendants as of February 12, 2017, and dismissed the FHA Complaint without prejudice, with the condition that Sponsor was required hire a licensed design professional who had been approved by DOJ to survey 20 River Terrace in order to determine if any action needed to be taken in order to bring 20 River Terrace into compliance with the accessibility requirements of the FHA. The surveyor, Code Consultants, Inc., provided DOJ with a detailed report describing the methodology and scope of the inspection, the surveyor's findings and a proposal for preforming the retrofits that were required to bring the Common Areas and any Apartments into compliance with the accessibility

requirements of the FHA. Sponsor has completed all retrofit work in the Common Areas and in the Apartments requiring such work. Code Consultants, Inc., conducted an on-site inspection of such retrofits and determined the modifications made comply with the specifications of Sponsor's proposal and submitted their findings to DOJ for approval. Sponsor has complied with all of the terms of the Consent Decree. Sponsor anticipates the Consent Decree will formally conclude on or about June of 2021, once the court approves the disposition of certain funds to a designated not-for-profit housing organization. Neither the Shareholders, nor the Cooperative Board, shall be liable for the obligations of Sponsor under the Consent Decree.

The foregoing Special Risks are reasonably believed by Sponsor to involve significant risks to purchasers or be reasonably likely to affect disproportionately or unusually the Maintenance Charges or obligations of Shareholders in future years of Apartment Corporation Operation. However, the foregoing does not reflect all of the material terms of the offering, which are set forth in detail in the Plan, certain of which may all be deemed by some Purchasers and no others to involve significant risks. Therefore all Purchasers should carefully review the entire Plan for complete disclosure of the terms before deciding whether or not to purchase an Apartment. ***Please refer to the Section entitled "Rights and Obligations of Sponsor" in Part I of this Plan for further discussion.***

43. Climate Mobilization Act

In 2019, New York City Council enacted the "Client Mobilization Act," aimed at cutting greenhouse gas (GHG) emissions in residential buildings, including cooperatives and condominiums. The Building is subject to the Client Mobilization Act, specifically Local Laws 92, 94, 95, 96 and 97 of 2019, which were enacted on May 19, 2019. Under Local Law 97, the buildings must meet annual GHG emission limits for calendar years 2024 through 2029, with stricter limits for calendar years 2030 through 2034 and potentially stricter limits thereafter. The Board of the Cooperative will be required to file reports certified by a registered design professional by May 1, 2025, and every year thereafter indicating whether they were in compliance with the applicable GHG building emission limits during the previous calendar year. Purchasers are advised that Local Law 97 carries various penalties for non-compliance, which are equal to the amount by which the building's emissions exceed the limits multiplied by $268.00. A false statement made in an annual report is punishable as a misdemeanor with a fine of up to $500,000.00.

Local Law 97 of 2019 also requires certain buildings, such as the Cooperative, to undertake various energy conservation measures, as applicable, by December 31, 2024, including, but not limited to: 1) Adjusting temperature set points for heat and hot water to reflect appropriate space occupancy and facility requirements; 2) Repairing all heating system leaks; 3) Maintaining the heating system, including, but not limited to ensuring that system component parts are clean and in good working order; 4) Installing individual temperature controls; 5) insulating all pipes for heating and/or hot water; 6) Insulating the water tank; 7) Installing indoor and outdoor heating system sensors and boiler controls to allow for proper set-points; 8) Upgrading lighting, as needed, to comply with the standards for new systems; 9) Weatherizing and air sealing where appropriate, including windows and ductwork, with focus on whole-building insulation; and 10) Installing timers on exhaust fans. Although many of these measures already have been implemented at the Building, improvements may be necessary to comply with the above-listed energy conservation requirements of Local Law 97. By May 1, 2025, the Board of the Cooperative will be required to submit a report prepared and certified by a retro-commissioning agent that includes information relating to completion of the prescriptive energy conservation measures. Purchasers are advised that penalties may be assessed for violations of the prescriptive energy conservation measure requirements if they are not adhered to.

Under Local Law 92 and 94 of 2019 (the "Green Roof Law"), the Cooperative will be required to follow certain guidelines when the entire roof of the building is being replaced. In such cases, 100% of the

roof must be a "sustainable roofing zone," which is defined as "areas of roof assembly where a solar photovoltaic electricity generating system, a green roof system, or a combination thereof, is installed." The Green Roof Law contains technical requirements, depending on the size or slope of the roof, to determine what portion of the roof must be equipped with a solar power system, a green roof system, or a combination thereof. Exceptions to the sustainable roofing zone include (among others) recreational spaces and mechanical equipment on the roof. The Green Roof Law provides that the Department of Buildings can make a determination as to whether a building's roof is unsuitable for both a solar-powered roof system and a green roof. As of the Filing Date, the Building has a green roof, as well as solar panels and both are in good condition. Any replacement for this equipment will be required to comply with the New York City Building Code or other applicable requirements then in effect.

Local Law 84 of 2009 requires certain buildings in New York City to annually "benchmark" their energy and water usage in relation to other similar buildings using a "benchmarking tool," an internet-based database system developed by the United States Environmental Protection Agency. Boards can view their building's data at https://www1.nyc.gov/html/gbee/html/plan/ll84_scores.shtml. Local Law 133 of 2016 broadened the universe of covered buildings such that buildings larger than 25,000 gross square feet are now required to benchmark. Local Law 33 of 2018 requires that covered buildings, beginning in 2020 and each calendar year thereafter, obtain energy efficiency scores and grades and disclose them in a conspicuous location near each public entrance to the building. Local Law 95 of 2019 changed the energy efficiency scores associated with each letter grade, such that a grade of "A" represents a score equal to or greater than 85; a grade of "B" represents a score equal to or greater than 70 but less than 85; a grade of "C" represents a score equal to or greater than 55 but less than 70; and a grade of "D" represents a score less than 55. A building owner who did not comply with Local Law 33 and had an opportunity to be heard with respect to such noncompliance would receive a grade of "F." The Building currently has a letter grade of D.

Local Law 96 establishes the Sustainable Energy Loan Program (SELP) to finance certain energy efficiency improvements required under the Climate Mobilization Act. Sponsor does not have any other specific information on SELP, nor does Sponsor plan on taking advantage of any such loan programs to make any upgrades covered by the Climate Mobilization Act.

Purchasers are advised that the disclosures on the Climate Mobilization Act are for informational purposes only, do not summarize every salient provision of law, and may be subject to further change at any time by lawmakers or to future regulations adopted to implement the Act. Purchasers are further advised that the obligation to comply with the Climate Mobilization Act will in all likelihood fall on the non-Sponsor controlled Board, and Sponsor does not plan to take on any repairs at this time which would fall under the Climate Mobilization Act. Purchasers are strongly encouraged to read up on the Climate Mobilization Act to become more familiar with the requirements and obligations of such laws. Sponsor will amend the Plan to disclose any material changes relating to the Climate Mobilization Act, and any regulations promulgated therefrom. See the Section of the Plan entitled "Description of Property and Improvements" in Part I of this Plan for details.

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DEFINITIONS

"AMI"	The area median income for the New York metropolitan statistical area as determined by the United States Department of Housing and Urban Development (HUD) under the United States Housing Act of 1937.
"Apartment"	Any of the Apartments described in Schedule A and on the Floor Plans. All such Apartments are, collectively, referred to as "Apartments."
"Apartment Corporation"	The 20 River Terrace Apartment Corporation.
"Base Rent"	The annual base rent due from Tenant to Landlord in accordance with the Ground Lease.
"BPCA"	Battery Park City Authority, and its successors and assigns.
"BPCA Facility"	A public bathroom designated as the BPCA Facility in the Ground Lease.
"BPCA Requirements"	Requirements imposed upon the Tenant under the terms of the Ground Lease, as same may be amended from time to time.
"Building"	The structure located at 20 River Terrace, New York, New York.
"Closing"	The time, place and procedure by which the Shares allocated to the Apartment in question is conveyed to a Purchaser pursuant to a fully executed Purchase Agreement.
"Closing or Closing Date"	The date upon which a Closing occurs.
"Common Areas"	The Land and all parts of the Building, including their foundations, roofs, and support, other than Apartments.
"Cooperative Board, "Board of Directors" and "Board"	The governing body of the Apartment Corporation which conducts the affairs and supervised the operations of the Apartment Corporation.
"Cooperative Conversion Date" or "Cooperative Conversion"	The date the Ground Lease will be assigned by the Sponsor to the Apartment Corporation. The Ground Lease is a so-called "net lease," meaning that the Apartment Corporation, as tenant thereunder, following the Cooperative Conversion Date, will be responsible for the payment of all expenses relating to the maintenance and operation of the Property.
"Cooperative Documents"	The By-Laws, the Rules and Regulations and the Proprietary Lease.
"Department of Law"	The New York State Department of Law.

"Down Payment"	The deposit(s), advances and payments delivered by a Purchaser prior to the Closing, whether made in one or more payments or installments, except for the Special Work Deposit.
"Emergency"	A situation or condition posing imminent threat or harm to Persons or the Property or the suspension or material diminution of any necessary service or utility to the Property.
"Filing Date"	The date that the Plan is accepted for filing by the Department of Law.
"First Appraisal Date"	April 4, 2024
"First Closing"	The first Closing with a Purchaser of an Apartment.
"First Year of Apartment Corporation Operation"	The first 12 months of operation of the Apartment Corporation beginning on the date of First Closing, which may be a calendar or fiscal year.
"Floor Plans"	The floor plans of the Apartments and Building certified by a registered architect or licensed professional engineer.
"GBL"	Section 352-e and 352-eeee of the New York State General Business Law in effect as of the Filing Date of the Plan.
"Ground Lease"	The ground lease for the Property between Sponsor and Battery Park City Authority ("BPCA") dated as of April 4, 2001, as amended by that certain Amendment to Ground Lease, dated July 8, 2002, and that certain Second Amendment to Ground Lease dated October 22, 2002, for a term of approximately sixty-eight (68) years.
"Ground Lease Commencement Date"	April 4, 2001
"Ground Lease Lessee"	Sponsor under the Ground Lease with Battery Park City Authority ("BPCA"). The Ground Lease Lessee shall be the Apartment Corporation after the Cooperative Conversion Date.
"Ground Lease Lessor"	Battery Park City Authority ("BPCA") under the Ground Lease with Sponsor.
"Ground Lease Year"	The period beginning on the Ground Lease Commencement Date and ending on the last day of the month in which the first anniversary of the Ground Lease Commencement Date occurs, and each succeeding twelve-month period or portion thereof during the lease term to, but not including, the First Appraisal Date, and following the First Appraisal Date, the twelve-month period beginning on such date and each succeeding twelve-month period or portion thereof during the Ground Lease term.

"HFA"	New York State Housing Finance Agency.
"Holder of Unsold Shares"	Any Person designated by Sponsor to hold Shares to any Apartment. Sponsor's statement in writing that a Person is a Holder of Unsold Shares shall be conclusive evidence of such status so as to entitle such Person to all the rights of a Holder of Unsold Shares under the Offering Plan. A Holder of Unsold Shares shall have the right to designate a Person to succeed to its rights and any such designee shall also be deemed a "Holder of Unsold Shares".
"Insurance Trustee"	A bank, a trust company or savings and loan association, having an office in the City of New York, from time to time appointed to serve as such by the Cooperative Board.
"Land"	All that certain tract, plot, piece and parcel of land situate, lying and being in the City, County and State of New York, on which the Building is constructed.
"Landlord"	Battery Park City Authority or the landlord at the time in question under the Ground Lease.
"Law"	The laws and ordinances of any or all of the Federal, New York State, New York City, and New York County governments, the rules, regulations, orders and directives of any or all departments, subdivisions, bureaus, agencies, or offices thereof or of any other governmental, public, or quasi-public authorities having jurisdiction over the Property and/or the Apartment Corporation, and/or the direction of any public officer pursuant to law.
"Maintenance Charges"	Each Apartment's proportionate share of the Maintenance Expenses in accordance with its Share Allocation.
"Maintenance Expenses"	Costs and expenses incurred or projected in connection with the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, the Common Areas.
"Managing Agent"	A person employed by the Cooperative Board pursuant to Article 2, Section 2.3 of the By-Laws, who shall undertake to perform the duties and services that the Cooperative Board shall direct and who shall have whatever powers the Apartment Corporation shall delegate, subject to the limitations contained in such Section of the By-Laws.
"Middle-Income Tenants"	As of the submission date of the Plan, those tenants that reside in the Building pursuant to the Regulatory Agreement. As of the submission date, fifteen (15) of the Building's Apartments were designated for families with a household income, at the time that they initially executed their leases, of not more than 150% Area Median Income ("AMI"), as adjusted for family size. On or prior to the Cooperative Conversion Date, the Regulatory Agreement will be terminated and the term "Middle-Income Tenants" will cease to have any meaning with respect to this offering.
"Non-Purchasing Tenant"	Pursuant to the General Business Law section 352-eeee(2)(c)(ii), the term "Non-Purchasing Tenant" means a person who has not purchased under the Plan and who is a Tenant entitled to possession at the time the Plan is declared effective or a person to whom an Apartment is rented subsequent to the effective date.

	See the section of the Plan entitled "Rights of Existing Tenants" for further disclosure).
"Non-Tenant Purchaser"	A Purchaser who does not meet the definition of a Tenant in Occupancy.
"Offering Plan" or "Plan"	The document filed with the New York State Department of Law which describes the Apartment Corporation property and pursuant to which individual Apartments in the Apartment Corporation are offered for sale, as the same may be amended from time to time.
"Operation of the Property"	The administration and operation of the Property and the maintenance, repair and replacement of, and the making of any additions and improvements to, the Common Areas.
"Parking Garage"	A parking garage designated as the Parking Garage in the Plan, which will be subleased to Sponsor.
"Parking Garage Landlord"	The 20 River Terrace Apartment Corporation.
"Parking Garage Tenant"	River Terrace Associates, LLC, its designees, successor and assigns.
"Partial PILOT Exemption"	A partial PILOT exemption program provided in the Ground Lease that is similar to Section 421-a of the New York State Real Property Tax Law.
"Purchaser's Lender"	The holder of a security interest in the Shares allocated to an Apartment pursuant to a Security Agreement.
"Person"	An individual, corporation, limited liability company, partnership, joint venture, estate, trust, unincorporated association, any Federal, State, County or municipal government or any bureau. Department or agency thereof.
"PILOT"	Payment in Lieu of Taxes
"Presentation Date"	The date on which this Offering Plan or an amendment thereto, as the case may be, is personally delivered or the fifth day after mailing to (a) Tenants in Occupancy, (b) a Purchaser who has executed and delivered to Sponsor a Purchase Agreement for an Apartment, (c) a Shareholder, and (d) any other person who, pursuant to Law, is an offeree under this Plan following acceptance of this Offering Plan or an amendment thereto for filing by the Department of Law.
"Property"	Means and includes the Land, the Building and all other improvements thereon, and all easements, rights and appurtenances belonging thereto, and all other property, personal or mixed, intended for use in connection therewith, which have been or are intended to be submitted to the cooperative ownership subject to the terms of the Ground Lease.
"Proportionate Rent"	Means, with respect to any Apartment, the sum of (i) such Apartment's Share Allocation multiplied by the Base Rent (as defined in the Ground Lease), (ii) such Apartment's Share Allocation multiplied by the Civic Facilities Payment

	(as defined in the Ground Lease) payable with respect to the Property, (iii) the PILOT under this Ground Lease attributable to such Apartment, (iv) Landlord Default Costs (as defined in the Ground Lease) with respect to such Apartment, and (v) Landlord's Cooperative Costs (as defined in the Ground Lease) to the extent required to be included in Proportionate rent under Section 10 of the Ground Lease.
"Proprietary Lease"	The lease between the Apartment Corporation, as the Apartment Corporation, and a Shareholder, as Shareholder, permitting occupancy of the Apartment to which Shares have been allocated, as the same may be amended from time to time.
"Purchase Agreement"	The agreement to purchase an Apartment pursuant to the Offering Plan.
"Purchaser"	Any Person who has entered into a Purchase Agreement with Sponsor to purchase an Apartment and is not in default thereunder.
"Recognition Agreement"	An agreement between Purchaser, Purchaser's Lender and the Cooperative Board, stating that the lien of Purchaser's Lender against the Shares allocated to an Apartment (as set forth in a Security Agreement) is in all cases subordinate to the lien of the Apartment Corporation for that portion of Maintenance Charges.
"Regulatory Agreement"	That certain Amended and Restated Regulatory Agreement made by and between the New York State Housing Finance Agency and Sponsor, dated as of May 27, 2004 and recorded in the Register's Office on August 30, 2004 at CRFN 2004000537523.
"Rent"	Collectively, payments of base rent, PILOT, Civic Facilities Payment (as defined in the Ground Lease) and all other sums due and payable by Tenant to or on behalf of Landlord under the terms of the Ground Lease.
"Rent Laws"	The (i) New York City Rent Stabilization Law and the Code adopted pursuant thereto, (ii) New York City Rent Control Regulations, (iii) New York State General Business Law, Section 352-eeee, (iv) Rent Regulation Reform Act of 1997, (v) the Housing Stability and Tenant Protection Act of 2019, and (vi) any codes, rules and regulations promulgated thereunder and any administrative and/or judicial determinations and/or interpretations thereof, to the extent that any or all of the same shall apply to the Property.
"Resident Manager's Apartment"	The Apartment designated for use and occupancy by the Building's resident manager.
"Revised Red-Herring"	The revision to that certain red-herring offering plan that was originally submitted to the Department of Law on May 11, 2018.
"Rules and Regulations"	The rules and regulations of the Apartment Corporation, which are annexed as an addendum to the By-Laws, as any of the same may be amended, modified,

	added to, or deleted from time to time pursuant to the terms of the By-Laws, provided that they are not in conflict with the terms of the By-Laws.
"Security Agreement"	An agreement between Purchaser and Purchaser's Lender securing an interest in the Shares allocated to an Apartment, as evidenced by a UCC-1, provided that Purchaser's Lender executes and delivers a Recognition Agreement and complies with all provisions of the Ground Lease.
"Selling Agent"	Corcoran Sunshine Marketing Group or any successor selling agent at the time in question.
"Shareholder"	An owner of Shares allocated to, and the Shareholder under a Proprietary Lease for, an Apartment.
"Shares"	The shares of the Apartment Corporation which the Cooperative Board is authorized to issue pursuant to the Certificate of Incorporation of the Apartment Corporation. All such shares shall have a par value of $1.00 each.
"Share Allocation"	The Shares of the Apartment Corporation allocated to each Apartment based on floor space, subject to the location of such space and the additional factors of relative value to their space in the Building, uniqueness of the Apartment, and the availability of the additional space for exclusive or shared use and the overall dimensions of the particular Apartment.
"Special Assessments"	Any special maintenance charges allocated and assessed by the Cooperative Board to the Shareholders, pro rata, in accordance with their respective Share Allocation (except as otherwise provided in the By-Laws).
"Special Work Deposit(s)"	Any additional deposits made for upgrades, extras, or custom work to be performed by Sponsor within an Apartment.
"Sponsor"	River Terrace Associates, LLC, its designees, successor and assigns.
"Sponsor Control Period"	The period in which Sponsor shall control the Cooperative Board, which shall be until the earlier of (i) the date upon which Sponsor owns 50% or less of Shares allocated to Apartments; or (ii) five (5) years from the First Closing.
"Tenant"	The tenant under the Ground Lease, which is the Sponsor, and shall be the Board from and after the First Closing.
"Tenant in Occupancy"	(a) a bona fide tenant in occupancy on the Filing Date; (b) a bona fide tenant with the right to renew a lease on the filing date; (c) a bona fide tenant who has the right to continued occupancy on the Filing Date; (d) a bona fide tenant of record with an unexpired lease on the Filing Date even though the tenant has sublet the Apartment or the Apartment is not the Tenant in Occupancy's primary Apartment; (e) a bona fide sublessee in occupancy on the Filing Date, if such sublessee sublets from a non-bona fide tenant, or has obtained written permission to purchase the Apartment from the bona fide tenant of record; and (f) an occupant on the Filing Date entitled to protection under Article 7C of the Multiple Dwelling Law. (See "Rights of Existing Tenants" in Part I of this Plan for more information).

"Tenant Purchaser"	A Tenant in Occupancy who purchases the Apartment which such Tenant in Occupancy occupied on the Filing Date of the Plan.
"Unsold Shares"	Any Shares allocated to an Apartment owned by Sponsor or a Holder of Unsold Shares at the time in question.
"Variance Threshold"	An increase in any individual line-item of expense (other than routine maintenance and repairs replacements, alterations and improvements to the Property) set forth in the then current budget for the year in question up to ($5,000).

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INTRODUCTION

The Plan

The Sponsor of the Property is River Terrace Associates, LLC, a New York limited liability company, having an address at 1050 Franklin Avenue, Garden City, New York 11530. Sponsor is a Ground Lease Lessee (i.e., the Tenant) pursuant to that certain Agreement of Ground Lease (the "Ground Lease" or "Ground Lease") for the Property by and between Battery Park City Authority ("BPCA"), as landlord ("Landlord"), and Sponsor, as tenant, dated as of April 4, 2001, as amended by that certain Amendment to Ground Lease, dated as of July 8, 2002 and by that certain Second Amendment to Ground Lease dated as of October 22, 2002. BPCA is a body corporate and politic constituting a public benefit corporation, having an office at One World Financial Center, New York, New York 10281. Further disclosure about BPCA is located in the section of this Plan entitled "Battery Park City Authority and Project Area."

Sponsor shall be responsible for ensuring that this Plan, the By-Laws, the Rules and Regulations and the Proprietary Lease (collectively, the "Cooperative Documents") and any amendments, modifications or supplements thereto conform to the provisions of the Ground Lease comply with all applicable Requirements (as that term is defined in Article 14 of the Ground Lease), including, without limitation, the rules and regulations of the Department of Law. Neither Landlord's review of the Apartment Corporation Documents, nor Landlord's determination under the Ground Lease at any time concerning the Apartment Corporation Documents (or any amendments, modifications or supplements thereto), shall relieve Sponsor of Sponsor's responsibility for assuring conformity of the Apartment Corporation Documents with the provisions of the Ground Lease, and is not to be construed to be or relied upon by Sponsor, the Cooperative Board, any Shareholder, any Purchaser's Lender or any other Person (as defined in the Ground Lease) as a determination that the Apartment Corporation Documents (or any amendments, modifications or supplements thereto) comply with the terms of the Ground Lease, or the Requirements, including without limitation, the rules and regulations of the Department of Law. On the Cooperative Conversion Date, the Cooperative Board shall become the Tenant under the Ground Lease and will, therefore, be responsible for complying with all of the terms therein.

The purpose of the Plan is to set forth all the material terms of the offer so that prospective Purchasers have an adequate basis upon which to determine whether to purchase Shares in the Apartment Corporation. The Plan may be amended from time to time when an amendment is filed with the New York State Department of Law. All filed amendments will be served on (i) Purchasers who have executed and delivered Purchase Agreements to the Sponsor or the Selling Agent and whose Purchase Agreements are in effect, (ii) Shareholders, (iii) residential tenants, and (iv) any other person who is required by law to receive such amendment. Service shall be either by personal delivery, regular mail or registered or certified mail, with or without return receipt requested, addressed to such person in accordance with Law. Service by personal delivery is deemed complete upon delivery. Service by mailing shall be presumed complete on the fifth day after the date of mailing.

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 Apartment Corporation and Part II contains the basic documents necessary to create the Apartment Corporation and otherwise effectuate the Plan. Also included in Part II is a detailed physical description of the Property and certifications of Sponsor and consultants of Sponsor.

All capitalized terms used in the Plan shall have the meanings ascribed to such terms as set forth in the Section of the Plan entitled "Definitions," unless otherwise defined.

The Apartment Corporation and the Building

The Apartment Corporation will be a not-for-profit corporation organized and existing under the Laws of the State of New York. On the Cooperative Conversion Date, the Ground Lease shall be assigned by Sponsor to the Apartment Corporation, which shall automatically assume the Ground Lease. Each Purchaser will become a Shareholder with respect to the allocable number of Shares of the Apartment Corporation to be represented by a stock certificate, and will enter into a Proprietary Lease with the Apartment Corporation for the Apartment. No Shares will be allocated to the Parking Garage which will be sublet by the Apartment Corporation to the Sponsor. Sponsor will further sublet, assign, encumber or otherwise transfer or convey the Parking Garage subject to the provisions of the Parking Sublease and the Ground Lease. The Proprietary Lease imposes restrictions upon use, and provides that no Shareholder may sell or sublease an Apartment without first giving the Cooperative Board a right of first refusal to purchase or sublease the Apartment on the same terms and conditions. Sponsor and Holder of Unsold Shares, if any, may sell or lease any of their respective Unsold Shares without any restriction or limitation.

In August 2020, Sponsor began to undertake an upgrade and expansion to certain residential amenities in the Building (the "Amenity Upgrade"). The Amenity Upgrade will include a lounge, private dining room with kitchen, and media room, and will be achieved by integrating Apartments 1C and 1D into the new amenity spaces, after which there will be a total of two-hundred and ninety (290) Apartments (including one (1) Resident Manager's Apartment) located within the Building. HFA has consented to the Middle-Income Tenant who previously occupied Apartment 1C to be moved to an Apartment of comparable or better size, location, appliances and fixtures (a "Comparable Apartment"). With HFA's approval, the Middle-Income Tenant occupying Apartment 1E has been be moved to a Comparable Apartment during the Amenity Upgrade work. Purchasers should refer to the Floor Plans in Part II of this Plan for details regarding the location of the Amenity Upgrade. Sponsor anticipates that the Amenity Upgrade and Select Vacant Apartment Upgrade will be completed within 9-12 months from the start of construction (i.e., August, 2020), subject to delays caused by Force Majeure.

In August 2020, Sponsor began to upgrade vacant Apartments 6M, 6N, 8B, 8D/8E, 8K, 9E, 9L, 21E, and 21F ("Select Vacant Apartments") at Sponsor's sole cost and expense. The upgrade to the Select Vacant Apartments will include new engineered wood flooring, painted wood base, and gypsum wallboard that has been primed and painted with low-VOC paint, kitchen and bathroom flooring, finishes and appliances, as more particularly disclosed in the report prepared by CookFox Architects, DPC ("CookFox Report") which is annexed to the Description of Property and Specifications in Part II of this Plan. Sponsor anticipates that the upgrade to the Select Vacant Apartments will be completed within 9-12 months from the start of construction (i.e., August, 2020), subject to delays caused by Force Majeure. All Vacant Apartments, other than the Select Vacant Apartments, may be purchased in "as-is" condition, or Purchasers may opt, for an additional fee, for Sponsor to renovate the Apartment in accordance with the specifications in the CookFox Report. Purchasers should refer to Schedule A for the difference in offering price for an a"as-is" Apartment versus an upgraded vacant Apartment. ***Purchasers should refer to the CookFox Report annexed to the Description of Property and Building Condition in Part II of this Plan, for details regarding the Amenity Upgrade and the upgrade to the Select Vacant Apartments.***

Upon the issuance of a permit for the Amenity Upgrade and the Select Vacant Apartment Upgrade work, Sponsor will (i) distribute a notice to tenants regarding a Tenant Protection Plan that has been approved by the Department of Buildings, and (ii) post such notice in a conspicuous manner in the Building lobby, as well as on each floor within ten feet of the elevator. Sponsor will make commercially reasonable efforts to prevent the migration of dust from all work areas, and to protect and maintain the Common Areas so as to minimize the impact that the construction work has on Building residents. In addition, Sponsor will comply with all applicable codes and Law with respect to any construction work in the Building.

Pursuant to the Regulatory Agreement, fifteen (15) of the Apartments in the Building are occupied by Middle-Income Tenants. Middle-Income Tenants who are Tenants in Occupancy shall have the exclusive right to purchase their Apartments during the Exclusive Purchase Period (as defined in the Plan) in accordance with the terms of the Plan. On or before the Cooperative Conversion Date, Sponsor shall cause the Regulatory Agreement to be terminated in accordance with Section 3.1(a) thereof. After the Regulatory Agreement has been terminated, the term "Middle-Income Tenants" shall cease to have any meaning with respect to this offering. ***Please see the section entitled "Rights of Existing Tenants" for further disclosure about tenants' rights under the terms of this offering***.

In accordance with the Housing Stability and Tenant Protection Act of 2019, Sponsor shall not increase preferential rents to legal rents (for Apartments that are subject to preferential rents). However, on any lease renewal, Sponsor may increase preferential rents pursuant to the Rent Guidelines Board allowable increases in effect at that time.

As of the Filing Date, Sponsor represents that all leased Apartments are rent stabilized by virtue of the Partial PILOT Exemption pursuant to the Ground Lease and they will remain rent stabilized until either (i) the vacancy of such Apartment, provided that such vacancy occurs at any time after the First Closing, or (ii) the lease renewal following the expiration of the Partial PILOT Exemption, on June 30, 2024 (such date hereinafter referred to as the "Exemption Expiration Date"). Notwithstanding that Sponsor represents that rent stabilized Apartments will become deregulated on lease renewal following the expiration of such leases after the Exemption Expiration Date, pursuant to an agreement between Sponsor and the Department of Law, for the five (5) year period after the Exemption Expiration Date, Sponsor (or any other owner of such Apartments) will limit rent increases on Apartments that are rented by Non-Purchasing Tenants (as defined in the Plan) to the greater of (i) increases permitted by the Rent Guidelines Board for rent stabilized apartments or (ii) two and a half percent (2.5%) for 1-year leases or four percent (4%) for 2-year leases. However, Sponsor will have no such restrictions on the rents that it may charge to tenants who are not Non-Purchasing Tenants, after rent stabilized leases expire following the Exemption Expiration Date.

Since PILOT constitutes a portion of the Rent due under the Ground Lease, PILOT payments will be made directly to the Landlord by the Cooperative Board in lieu of real estate tax payments being made to the New York City Department of Finance. Sponsor makes no projection or other representation about the PILOT that will be imposed on the Apartments beyond the First Year of Apartment Corporation Operation. **PURCHASERS ARE ADVISED THAT AFTER THE EXPIRATION OF THE PARTIAL PILOT EXEMPTION IN 2024, AND THEREAFTER, THE PILOT WILL BE HIGHER THAN THE PROJECTED PILOT THAT IS DISCLOSED IN THE ANALYSIS BY METROPOLITAN VALUATION SERVICES, INC. ("SPONSOR'S PILOT CONSULTANT") FOR THE FIRST YEAR OF APARTMENT CORPORATION OPERATION.**

Apartment 4N, which will house the Building's resident manager (the "Resident Manager's Apartment"), will be rented by Sponsor to the Apartment Corporation for at least the First Year of Apartment Corporation Operation. At each Closing, each Purchaser shall make a contribution toward the purchase of the Resident Manager's Apartment in the amount disclosed on Schedule A-1, which is located in Part I of this Plan. The Apartment Corporation shall have six (6) months from the earlier of (i) the date on which Sponsor owns less than 20% of the Apartments, or (ii) 5 years from the date on which the Plan is declared effective, to raise sufficient funds to purchase the Resident Manager's Apartment, by imposing one or more Special Assessments on Shareholders, in its sole discretion, or by any other legal means that the Apartment Corporation determines purchase the Shares allocated to the Resident Manager's Apartment. Once the Shares and Proprietary Lease to the Resident Manager's Apartment have been conveyed to the Apartment Corporation, all costs and expenses, including Maintenance Charges and PILOT attributable to the Resident Manager's Apartment, will be payable by the Apartment Corporation and included in the Maintenance Charges payable by all Shareholders. Sponsor reserves the right to continue to charge the Apartment Corporation rent for the Resident Manager's Apartment and to increase such rent from time to

time, in Sponsor's sole discretion, until such time as the Apartment Corporation purchases the Resident Manager's Apartment. Sponsor also reserves the right, in its sole discretion, to choose a different vacant Apartment other than Apartment 4N to sell to the Apartment Corporation as the Resident Manager's Apartment, provided, however, that such designation of a different Resident Manager's Apartment shall only be made pursuant to an amendment to the Plan and shall not result in an increase to the First Year's Budget by 25% or more. In the event the Apartment Corporation does not purchase the Shares allocated to the Resident Manager's Apartment within such six (6) month period, Sponsor reserves the right to sell the Resident Manager's Apartment to any other party, and the Apartment Corporation will be required to comply with Law, including the Administrative Code of the City of New York (the "Code"), §27-2052 et seq., with respect to janitorial services. Pursuant to §27-2091 of the Code, the Apartment Corporation's failure to comply with the Code may result in a civil penalty of $1,000.00 for each Apartment that is the subject to an order issued by the Department of Housing Preservation and Development of the City of New York to secure compliance with the requirements of the Code, provided, however, that the total amount of such penalty shall not be less than $5,000.00.

The Building currently has a variety of amenities and services for the use of Building residents, including, but not limited to a fitness center with yoga studio, children's playroom, residential lobby and common laundry room for the use and convenience of all Shareholders and residents. The Building contains 41 storage bins, and one (1) bicycle room on the cellar and one (1) bicycle room on the ground level containing a total of approximately 170 bicycle spaces. The storage bins and bicycle spaces are available to all residents on a first-come-first-served basis and shall be administered by the Cooperative Board. The Cooperative Board may charge fees for the use of the storage bins and bicycle rooms, to be determined in its sole discretion.

The Building has a closed circuit camera security system with approximately thirty-seven (37) cameras located in the interior and exterior of the Building. There are monitors located in the concierge desk in the first floor lobby, and in the resident manager's office. Sponsor makes no representation or warranty about the duration of time that camera footage will be stored on the digital video recording system, or as to the clarity of any such recordings.

A 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 and in the "Description of Property and Building Condition" set forth in Part II of the Plan.

The Offering

Sponsor hereby offers the Shares allocated to 290 Apartments (including one (1) Resident Manager's Apartment) for sale under this Plan.

The Parking Garage is not being offered for sale under this Plan. The Apartment Corporation will enter into a long-term sublease with Sponsor or an affiliate of Sponsor, with respect to the Parking Garage and BPCA Facility in the Building. Sponsor anticipates it will further sublease the Parking Garage to an unaffiliated person or entity subject to the Ground Lease. Residents of the Building and members of the public may utilize the Parking Garage on the terms set forth in the Section in Part I of the Plan entitled "Parking Garage".

Pursuant to the Ground Lease, BPCA has the right to use a portion of the Building located on the first floor, The BPCA Facility, which is a public restroom, is not being offered for sale under this Plan. The BPCA Facility is accessed from the street level, on River Terrace. No representation is made with respect to any future use of the BPCA Facility.

All of the Apartments being offered are intended to be sold as Cooperative Apartments in accordance with this Plan at the prices noted in Schedule A. These prices have been established solely by the Sponsor and are not subject to review or approval by the Department of Law or any other governmental agency. Each Tenant in Occupancy shall have the exclusive right for a period of 180 days from the Presentation Date of this Plan (the "Exclusive Purchase Period") within which to purchase the Apartment such Tenant in Occupancy occupied on the Filing Date of this Plan at the discounted offering prices set forth in Schedule A. Sponsor has agreed that during the Exclusive Purchase Period, the offering prices to be paid by Tenants in Occupancy will not be increased nor will the Selling Agent accept Purchase Agreements from Non-Tenant Purchasers for occupied Apartments. However, Sponsor shall have the right, as of the Filing Date, to sell vacant Apartments. Notwithstanding the foregoing, during the Exclusive Purchase Period, Sponsor shall have the right to declare the Plan effective, assign the Ground Lease to the Apartment Corporation and convey the Shares allocated to Apartments to Purchasers pursuant to a fully executed Purchase Agreement.

Except as otherwise stated in this Offering Plan, occupied Apartments are being sold "as is" in the condition in which they exist on the Filing Date of this Plan, subject to ordinary wear and tear and further subject to Sponsor's obligation to maintain the Building until the Closing and further subject to Sponsor's obligations to make repairs, improvements or decorations as may be otherwise set forth in this Plan. Notwithstanding the foregoing, Sponsor reserves the right to convert vacant Apartments to Common Areas, the use of which has not been determined as of the Filing Date of this Plan. To the maximum extent lawful, all implied warranties of fitness for a particular purpose, merchantability and habitability, all warranties imposed by statute (except only those imposed by applicable law to the extent they cannot be disclaimed and to the extent they have not expired by their terms) and all other implied or express warranties of any kind are specifically disclaimed.

Sponsor reserves the unconditional right to rent Apartments rather than sell them. Sponsor represents that it will endeavor to sell, rather than rent, at least 15% of the Apartments (i.e., 44 Apartments of 290 Apartments offered for sale) to Purchasers who represent that they are purchasing for their personal occupancy. However, Sponsor does not represent or guarantee that all Purchasers representing 15% of the Apartments will actually Close. Sponsor does not represent that it will endeavor to sell, rather than rent, the remaining eighty-five percent (85%) of the Apartments. The Apartments reserved by Sponsor may remain unsold indefinitely, and Sponsor may dispose of such Apartments as it chooses, including selling to investors, renting to tenants, permitting occupancy by relatives or others, allowing them to remain vacant, or selling to Purchasers who represent that they are purchasing for personal occupancy. Notwithstanding the foregoing, except as otherwise specifically provided in the Ground Lease, in no event shall Sponsor sell or lease any Apartment to any Person in which an ownership interest in the aggregate, of five percent (5%) or greater is then held, directly or indirectly, by any individual (i) who has ever been convicted of a felony, (ii) against whom any action or proceeding is pending to enforce rights of the State of New York or any agency, department, public authority or public benefit corporation thereof arising out of a mortgage obligation to the State of New York or to any such agency, department, public authority or public benefit corporation, or (iii) with respect to whom any notice of substantial monetary default which remains uncured has been given by the State of New York or any agency, department, public authority or any public benefit corporation thereof arising out of a mortgage obligation to the State of New York or to any such agency, department, public authority or public benefit corporation. The foregoing restriction shall apply to any Person (x) purchasing more than fifteen percent (15%) of the Apartments from Sponsor or any other Person, or (y) subletting more than fifteen percent (15%) of the Apartments from Sponsor or any other Person, but shall not otherwise apply to any Shareholder.

The procedure to purchase an Apartment is set forth in the Section of the Plan entitled "Procedure to Purchase."

Basic Aspects of Leasehold Cooperative Ownership

The Apartment Corporation will receive an assignment of the Ground Lease for the Property from Sponsor on the Cooperative Conversion Date, and will sell Shares to Sponsor to raise funds, which will then sell its Shares to Purchasers. Each Shareholder will have the right to exclusive possession of the purchased Apartment under a long-term Proprietary Lease.

Prospective Purchasers are advised that the Ground Lease term will expire on June 17, 2069. On or before the Ground Lease expiration date, the Cooperative Board must either negotiate an extension of the Ground Lease or negotiate a new ground lease with the then-holder of the fee interest in the Property. If the Cooperative Board is unable to negotiate an extension to the Ground Lease or execute a new ground lease, then the leasehold estate will terminate and each Shareholder shall be required to surrender their leasehold cooperative interest and the right to possess and occupy such Shareholder's Apartment. IN ADDITION, AS THE GROUND LEASE TERM RUNS, THE VALUE OF EACH APARTMENT WILL DIMINISH. Therefore, as the Ground Lease term diminishes, obtaining financing, or refinancing will become increasingly difficult. Sponsor makes no guarantee that a Ground Lease extension will be granted or that a new Ground Lease will be executed once the Ground Lease term expires.

Since PILOT constitutes a portion of the Rent due under the Ground Lease in lieu of real estate taxes, all Shareholders will make payments in lieu of taxes (commonly referred to as "PILOT") to the Cooperative Board, and the Cooperative Board will make the PILOT payments directly to BPCA. PILOT payments are, and will be, partially exempted until June 30, 2024. As such, the PILOT payment is considerably lower than the PILOT would be if not partially exempted. Prospective Purchasers are advised that when the Partial PILOT Exemption expires in June of 2024, the PILOT payment due to BPCA annually, which will be based on the equivalent of the assessed valuation of the Property if it were to be taxed as real estate taxes by the City of New York, will be considerably higher than the PILOT payments (with partial exemption) disclosed in Schedule A for the First Year of Apartment Corporation Operation. Please see the section of the Offering Plan entitled "Payments in Lieu of Taxes," and the section entitled "Summary of Ground Lease," located in Part I, for further disclosure. A full copy of the Ground Lease is located in Part II of this Offering Plan, and all prospective Purchasers are advised to review the terms thereof prior to purchasing an Apartment.

Since some Tenants in Occupancy may remain in occupancy indefinitely, no representation can be made as to the amount of time that will elapse until any particular Apartment(s) shall become vacant.

Sponsor may declare the Plan effective by entering into Purchase Agreements for the sale of a minimum of 15% of the Apartments offered for sale (i.e., 44 Apartments of 290 Apartments offered for sale) in the Building to Tenants in Occupancy and other Purchasers who represent that they or members of their immediate family intend to reside in the Apartment. Pursuant to an agreement between Sponsor and the Department of Law, only 10% of the Apartments that were vacant on the date that the last Tenant in Occupancy was served with the Revised Red-Herring (i.e., 29 vacant Apartments) ("Vacant Apartments") may be counted towards effectiveness. Therefore, Sponsor may declare the Plan effective with a combination of Vacant Apartments, Apartments that became vacant after the last Tenant in Occupancy was served with the Revised Red-Herring, and Apartments occupied by Tenants. However, there is no limitation on the number of vacant Apartments that may be counted towards effectiveness if they became vacant after the date on which all Tenants in Occupancy were served with the Revised Red-Herring. In addition, in the event that Sponsor combines Apartments in the Building, the number of fully executed Purchase Agreements that will be required to declare this Plan effective may be reduced. Even if the Plan is declared effective with a minimum number of sales, it is possible that Sponsor may be able to convey Apartments with fewer than the minimum number of sales if Purchasers counted towards effectiveness do not ultimately Close. 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 Closing.

Shareholders who are owner-occupants may not control the Cooperative Board or the operation of the Apartment Corporation, either during this transitional period or ever, as the By-Laws of the Apartment Corporation do not provide for a mandatory owner-occupant majority of the Cooperative Board at any time. Furthermore, owners and renters of real property often have inherently different interests. For example, while owners and tenants may both want the property to be in first-class condition, the tenant may oppose any consequential rent increase, while the owner's primary motivation for maintaining the property's first-class condition may be to pass these costs to the tenant in the form of increased rent.

As shown on Schedule A, certain Shareholders have exclusive use of a terrace appurtenant to their Apartments. All normal maintenance, repairs and replacements of the concrete pavers on any terrace, and the painting of terrace railings, shall be performed by the Board and charged to the Shareholder having access to such terrace at such Shareholder's own cost and expense. However, any structural or extraordinary repairs (which is herein defined as any non-recurring repair which requires more than the usual annual expense for ordinary wear) or replacements to such terrace (including any leaks which are not caused by the negligence of the Shareholder having access to the same) shall be made by the Board and the cost and expense thereof shall be charged to all Shareholders as a Maintenance Expense. Notwithstanding the foregoing, any repairs or replacements that are necessitated or deemed advisable by the Board and result from the negligence or wrongful acts of any Shareholder having exclusive access to a terrace, or any of its invitees, shall be performed by the Board, and the Board shall charge the entire cost thereof to such Shareholder. The Board may require a Shareholder to remove plants and other installations placed on a terrace by said Shareholder if the Board determines, in its reasonable discretion, that such plants and other installations adversely affect the integrity of the terraces or any part of the Building appurtenant thereto. Further, the Board may direct a Shareholder to remove all personal items from a terrace for maintenance, repairs and replacements thereto. Notwithstanding the foregoing, sweeping debris and clearing snow from a terrace shall be the responsibility of the Shareholder, which shall be performed in accordance with the Rules and Regulations.

Each Purchaser of an Apartment will be required to make a contribution to the Apartment Corporation's working capital fund. Such contribution, to be made at the time of Closing of the Apartment, shall be in an amount equal to two (2) months Maintenance Charges in effect at the time of closing for each Apartment. (See the Section entitled "Working Capital Fund and Apportionments").

Each Shareholder is permitted to finance an Apartment generally on the terms and in such amount as he chooses. With respect to any Apartment, financing shall be either with an institutional lender, the Sponsor, a family member, a business associate or employer, or a selling Shareholder. Purchasers pursuant to this Plan who seek financing shall be required to follow procedures set forth in the Purchase Agreement in Part II of the Plan. No Shareholder shall be permitted to encumber an Apartment with a third Security Agreement. Shares are not subject to the lien of any Security Agreement placed by other Shareholders on their Shares.

A Shareholder can sub-lease their Apartment to anyone for a term of not less than one year, or sell his Apartment, without restriction or limitation, subject only to a "right of first refusal" by the Board at the same price and terms the Shareholder has been offered. Such right of first refusal is hereinafter described in the Section entitled "Rights and Obligations of the Shareholders and the Cooperative Board" in Part I of this Plan. If the Board exercises its right of first refusal to lease an Apartment, the sublessee of the Apartment will be subject to reasonable approval by the Shareholder.

A Shareholder can alter and decorate the interior of their Apartment in any way they desire, subject to the Apartment Corporation By-Laws and local codes, and is obligated for the cost of such Shareholder's interior decoration, maintenance and repair after Closing.

The Cooperative Board does not have the right to approve or disapprove purchasers of Apartments, and there is no limit on the number of Shareholders who may purchase for investment rather than for personal occupancy. Consequently, there may always be a substantial percentage of Shareholders who are not owner-occupants. In addition, the By-Laws of the Apartment Corporation do not include a provision that, after the Sponsor Control Period, a majority of the Cooperative Board must be owner-occupants or members of an owner-occupant's household who are unrelated to the Sponsor and its principals. Therefore, purchasers for their own occupancy may never gain control of the Cooperative Board under the terms of this Plan. Further, Shareholders who are owner-occupants and Shareholders who are non-residents (including Sponsor) may have inherent conflicts on how the Apartment Corporation should be managed because of their differing reasons for purchasing (i.e. purchase of an Apartment as a home as opposed to an investment).

In the opinion of Olshan Frome Wolosky LLP, income tax counsel for the Sponsor, pursuant to Section 216 of the Internal Revenue Code (the "Code"), subject to certain requirements, Shareholders of qualified cooperative housing corporations are allowed to deduct that portion of the amounts paid by such Shareholders to the Apartment Corporation within such Shareholder's taxable year that represents such Shareholder's proportionate share of (a) PILOT allowable as a deduction to the Cooperative paid or incurred by the Cooperative on the Property, and (b) interest allowable as a deduction to the Cooperative paid or incurred by the Cooperative on its indebtedness contracted in the acquisition, construction, alteration, rehabilitation or maintenance of the Building or in the acquisition of the Land on which the Building is situated ("Interest"). Notwithstanding the provisions of Section 216 of the Code, because the Cooperative will execute an assignment and assumption agreement for the Ground Lease on the Cooperative Conversion Date (as opposed to taking fee title), any Shareholder deductions for PILOT with respect to the Property would be limited to the PILOT solely attributable to the Building, and not to the Land. In addition, Purchasers should note that 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 $350,000 in the case of a married individual filing a separate return). Interest on debt in excess of that limitation would not be deductible. Purchasers should further note that, for a taxable year beginning after December 31, 2017 and before January 1, 2026, the aggregate deduction for PILOT, 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).

The Cooperative Board will assess against each Shareholder, in proportion to the Shares attributable to their Apartment, charges (hereinafter called "Maintenance Charges") for the costs of maintenance of the Common Areas, PILOT assessed against the Apartment Corporation and for the operation of the Property ("Maintenance Expense"). Each Shareholder will pay for electricity which is consumed within its own Apartment, the charges for which will be submetered. The charges for cooking gas consumed in the Apartments shall be commonly metered, and billed to the Shareholders as a Maintenance Charge. Gas consumed in the Apartments for heating and hot water will be collectively metered and borne by each Shareholder as a Maintenance Expense.

Each Shareholder is obligated to comply with the Proprietary Lease, the By-Laws, the Rules and Regulations, and any other requirements of the Cooperative Board. Each Shareholder shall also be responsible for maintaining their own Apartment and for making repairs within their own Apartment. The Parking Sublease will provide for the delegation of repair and maintenance obligations with respect to the Parking Garage. The cost of maintenance and repair of the Common Areas shall be shared by all Shareholders as provided above. Each Shareholder shall have the same rights of access to, use of and

benefit of the Common Areas. Each Shareholder shall also be responsible for obtaining and bearing the cost of casualty and liability insurance in connection with their respective Apartment. The Cooperative Board shall have the duty of obtaining casualty and liability insurance on behalf of the Apartment Corporation with respect to the Building as a whole.

The affairs of the Apartment Corporation shall be governed by the Cooperative Board. From and after the First Annual Meeting of Shareholders as provided in Section 4.1 of the By-Laws, the Cooperative Board shall consist of seven (7) Directors, subject to Sponsor's rights as set forth in the By-Laws. So long as Sponsor shall continue to own any Shares, Sponsor shall have the right to designate one (1) Director to the Cooperative Board, and shall have the right to vote its Unsold Shares for the remaining Directors of the Cooperative Board.

The Cooperative Board shall have the authority to manage and administer the affairs of the Apartment Corporation, including, but not limited to, the determination of Maintenance Charges and the adoption of Rules and Regulations covering the Apartment Corporation. Please see the Section entitled "Rights and Obligations of the Shareholders and the Cooperative Board" in Part I of this Plan for further discussion.

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

This Plan contains all of the material terms of the transaction. Copies of the Plan, all documents referred to in the Plan and all exhibits submitted to the Department of Law in connection with the filing of the Plan will be available for inspection without charge and for copying at a reasonable charge to prospective Purchasers and their attorneys at the office of the Selling Agent or at the on-site sales office at all times such office is open. Copies of the Plan and exhibits thereto will also be available for inspection without charge, and copying at applicable fees at the Department of Law.

The Plan may be borrowed by a prospective Purchaser from the Sponsor upon payment of a two hundred dollar ($200.00) deposit, which amount will be fully refunded either upon (i) the prompt return of all borrowed materials in the substantially same condition as when it was provided to the prospective Purchaser, or (ii) the execution of a Purchase Agreement subsequently accepted by Sponsor.

DETERMINATION BY BATTERY PARK CITY AUTHORITY THAT THIS PLAN AND THE BY-LAWS OF THE COOPERATIVE CONFORM TO THE PROVISIONS OF THE LEASE DOES NOT MEAN THAT BATTERY PARK CITY AUTHORITY HAS APPROVED THIS OFFERING.

EACH SHAREHOLDER IS REQUIRED TO PAY, AS PART OF SUCH SHAREHOLDER'S MAINTENANCE CHARGES, PROPORTIONATE RENT WHICH IS DUE AND PAYABLE TO BATTERY PARK CITY AUTHORITY AS LANDLORD UNDER THE LEASE. SUBMISSION OF THE SPONSOR'S LEASEHOLD ESTATE IN THE LAND AND THE BUILDING TO THE COOPERATIVE FORM OF OWNERSHIP DOES NOT DIMINISH OR IMPAIR ANY OF LANDLORD'S RIGHTS AGAINST A SHAREHOLDER WHO FAILS TO PAY SUCH SHAREHOLDER'S PROPORTIONATE RENT OR OTHERWISE DEFAULTS UNDER ANY OF THE TERMS OR CONDITIONS OF THE LEASE OR THE COOPERATIVE DOCUMENTS.

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

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 Apartment Corporation. For a more detailed description of the Property, see the "Description of Property and Building Condition" contained in Part II of the Plan.

The Property has frontage on River Terrace, Murray Street and Teardrop Park. The land contains approximately 16,653 square feet (the "Land").

The Land contains one (1) building (the "Building"). The Building shall consist of two-hundred and ninety (290) Apartments (including one (1) Resident Manager's Apartment), a Parking Garage and a BPCA Facility. The Building entrance to the Apartments is through the lobby which fronts on River Terrace. There is a service entrance located on Murray Street and an additional entrance that can be accessed through Teardrop Park. The Building is a Class "A" Multiple Dwelling residential apartment building and occupies the entire site. The Building contains a cellar, twenty-nine (29) above-grade floors, plus a roof and bulkheads. The Building has no designated second or thirteenth floor. All references to floor numbers in this Plan refer to "marketing floors," and not "construction floors."

The Building cellar is used for a Parking Garage containing 41 parking spaces, building storage, building maintenance office, employee's locker rooms, domestic water room, storm water storage tank room, black water system room, telephone room, trash compactor room, 41 storage bins, and one (1) bicycle room on the cellar and one (1) bicycle room on the ground level containing a total of approximately 170 bicycle spaces. The storage bins and bicycle spaces are available to all residents on a first-come-first-served basis and shall be administered by the Cooperative Board. Purchasers are advised that the storage of any personal property in a storage bin, the bicycle storage area or building storage area will be at the Purchaser's own risk. Sponsor shall have no liability, and Purchasers shall have no recourse against Sponsor or the Board, for personal property that is damaged in or stolen from a storage bin, the bicycle storage area or building storage area.

Due the installation of low flow fixtures and the 25,000 gallon per day sewage treatment (black water) plant located in the cellar of the Building, the Apartment Corporation will be entitled to a 25% Comprehensive Water Reuse Program Credit issued by the NYC Department of Environmental Protection, which will be applied on each water bill. The plant treats a portion of the Building's sewage and was designed to provide high quality treated and disinfected reclaimed (black) water for use in water closets, the cooling tower, and make-up irrigation. The BPCA facility is sub-metered and will reimburse the Apartment Corporation for water use twice a year. Additionally, the Verdesian, a neighboring building located at 211 North End Avenue, consumes water provided by the Building. The Verdesian also is sub-metered and will reimburse the Apartment Corporation twice a year. The Verdesian's access to the Apartment Corporation's water production can be disconnected at any time.

The first floor contains a fitness center with a yoga studio, common laundry room, mechanical rooms, a mail room, a package room and a children's play room for the use of all Building residents, the lobby entrance to the Apartments, Apartments 1C, 1D and 1E, the BPCA Facility and the entrance to the Parking Garage. The third through penthouse floors of the Building contain Apartments.

In August 2020, Sponsor began to undertake an upgrade and expansion to certain residential amenities in the Building (the "Amenity Upgrade"). The Amenity Upgrade will include a lounge, private dining room with kitchen, and media room, and will be achieved by integrating Apartments 1C and 1D into the new amenity spaces, after which there will be a total of two-hundred and ninety (290) Apartments (including one (1) Resident Manager's Apartment) located within the Building. HFA has consented to the Middle-Income Tenant who previously occupied Apartment 1C to be moved to an Apartment of comparable or better size, location, appliances and fixtures (a "Comparable Apartment"). With HFA's

approval, the Middle-Income Tenant occupying Apartment 1E has been be moved to a Comparable Apartment during the Amenity Upgrade work. Purchasers should refer to the Floor Plans in Part II of this Plan for details regarding the location of the Amenity Upgrade. Sponsor anticipates that the Amenity Upgrade and Select Vacant Apartment Upgrade will be completed within 9-12 months from the start of construction (i.e., August, 2020), subject to delays caused by Force Majeure.

In August 2020, Sponsor began to upgrade vacant Apartments 6M, 6N, 8B, 8D/8E, 8K, 9E, 9L, 21E, and 21F ("Select Vacant Apartments") at Sponsor's sole cost and expense. The upgrade to the Select Vacant Apartments will include new engineered wood flooring, painted wood base, and gypsum wallboard that has been primed and painted with low-VOC paint, kitchen and bathroom flooring, finishes and appliances, as more particularly disclosed in the report prepared by CookFox Architects, DPC ("CookFox Report") which is annexed to the Description of Property and Specifications in Part II of this Plan. Sponsor anticipates that the upgrade to the Select Vacant Apartments will be completed within 9-12 months from the start of construction (i.e., August, 2020), subject to delays caused by Force Majeure. All Vacant Apartments, other than the Select Vacant Apartments, may be purchased in "as-is" condition, or Purchasers may opt, for an additional fee, for Sponsor to renovate the Apartment in accordance with the specifications in the CookFox Report. Purchasers should refer to Schedule A for the difference in offering price for an "as-is" Apartment versus an upgraded vacant Apartment. ***Purchasers should refer to the CookFox Report annexed to the Description of Property and Building Condition in Part II of this Plan, for details regarding the Amenity Upgrade and the upgrade to the Select Vacant Apartments.***

Upon the issuance of a work permit for the Amenity Upgrade and the upgrade to the Select Vacant Apartment, Sponsor (i) distributed a notice to tenants regarding a Tenant Protection Plan that has been approved by the Department of Buildings, and (ii) posted such notice in a conspicuous manner in the Building lobby, as well as on each floor within ten feet of the elevator. Sponsor has made, and will continue to make, commercially reasonable efforts to prevent the migration of dust from all work areas, and to protect and maintain the Common Areas so as to minimize the impact that the construction work has on Building residents. In addition, Sponsor will comply with all applicable codes and Law with respect to any construction work in the Building.

Heating and domestic hot water service to the Apartments is provided by gas heaters located within the rooftop mechanical room and cellar mechanical equipment room, as disclosed further in the Description of Property and Building Condition in Part II of this Plan. Each Shareholder will pay for electricity which is consumed within its own Apartment, the charges for which will be submetered. Purchasers should refer to Schedule B-1 for an estimate of electricity consumption and costs. Water and sewer service for the Apartments is commonly metered and will be charged to the Shareholders as a Maintenance Expense. The cost of gas consumed in each Apartment, including all gas used for cooking purposes, is commonly metered and will be charged to the Shareholders as a Residential Maintenance Expense.

As of the Presentation Date of this Plan, Sponsor performed chiller replacement in the Building, which replacement totaled approximately $2,580,000.00. Sponsor reserves the right to take a credit against the Reserve Fund for such qualifying work performed in the Building.

Sponsor shall have the right to replace or install any major appliance or perform any other upgrade in any Apartments to which Unsold Shares have been allocated or Apartment (with such Shareholder's consent) without the consent of the Board or any other Shareholder.

The Building is constructed of reinforced concrete utilizing columns and sheer walls, masonry or limestone cavity walls, and concrete floor slabs. The structural system appears to be in fair condition, as there were no obvious or apparent signs of settlement, cracks, bulges, leaning conditions, or any other signs of distress at the foundation walls.

Some Apartments may have partitions therein that were erected by the current tenant or a previous tenant. Such partitions, if erected, may have created spaces that do not conform to building code/zoning requirements. Sponsor represents that it will remove all non-conforming partitions, if any, that have been erected in Apartments to which Unsold Shares have been allocated when and if existing tenants vacate. Sponsor and Sponsor's architect were able to inspect some, but not all, Apartments. Existing tenants purchasing an Apartment that has non-complying partitions, or Non-Tenant Purchasers who purchase an Apartment that is occupied by an existing tenant, purchase the Apartment at their own risk. In the event that a violation is issued against the Apartment Corporation for this condition, the Shareholder(s) who own Shares to the subject Apartment(s) (including Sponsor with respect to Apartments to which Unsold Shares have been allocated) will be required to cure the violation at such Shareholder's sole cost and expense and at no cost to the Sponsor, except with respect to vacant Apartments to which Unsold Shares have been allocated owned by Sponsor. Purchasers should note that information on violations is subject to change and that the most up to date information is available on the website for the Department of Buildings at https://www1.nyc.gov/site/buildings/index.page.

The floor plans provided in Part II of this Plan reflect certain Apartments that Sponsor and its architect were able to inspect. However, Sponsor and its architect had to make certain assumptions about layouts for Apartments that were unable to be inspected. All Purchasers are encouraged to walk through the Apartment prior to executing a Purchase Agreement to determine the actual layout of the Apartment.

Sponsor reserves the right to renovate and/or combine certain apartments in the Building. All of the Apartments that may be renovated and/or combined will be vacant prior to the commencement of the construction work to combine the Apartments. During the performance of the work, it may be necessary to have temporary shut-downs of some Building services, such as, but not limited to, the domestic water supply. Sponsor will endeavor to keep such shut-downs to a minimum and advance written notice will be provided to all Building residents. Notwithstanding the foregoing, any temporary shut-downs of Building services may not be used to harass or constructively evict occupants of the Building. In addition, some work may require access to occupied Apartments for the purpose of accessing electrical and plumbing risers. As such instances, if any, are identified, Sponsor will give prior written notice to the affected residents, and amend the Plan to disclose any material changes.

As shown on Schedule A, certain Shareholders have exclusive use of a terrace appurtenant to their Apartments. Pursuant to the By-Laws, terraces appurtenant to Apartments are part of the Apartment, and are shown on the floor plans included in Part II of this Offering Plan. All normal maintenance, repairs and replacements of the concrete pavers on any terrace, and the painting of terrace railings, shall be performed by the Board and charged to the Shareholder having access to such terrace at such Shareholder's own cost and expense. However, any structural or extraordinary repairs (which is herein defined as any non-recurring repair which requires more than the usual annual expense for ordinary wear) or replacements to such terrace (including any leaks which are not caused by the negligence of the Shareholder having access to the same) shall be made by the Board and the cost and expense thereof shall be charged to all Shareholders as a Maintenance Expense. Notwithstanding the foregoing, any repairs or replacements that are necessitated or deemed advisable by the Board and result from the negligence or wrongful acts of any Shareholder having exclusive access to a terrace, or any of its invitees, shall be performed by the Board, and the Board shall charge the entire cost thereof to such Shareholder. The Board may require a Shareholder to remove plants and other installations placed on terraces by said Shareholders if the Board determines, in its reasonable discretion, that such plants and other installations adversely affect the integrity of the terraces or any part of the Building appurtenant thereto. Further, the Board may direct a Shareholder to remove all personal items from a terrace for maintenance, repairs and replacements thereto. Notwithstanding the foregoing, sweeping debris and clearing snow from a terrace shall be the responsibility of the Shareholder, which shall be performed in accordance with the Rules and Regulations.

A permanent Certificate of Occupancy for the Building was issued on April 27, 2005 by the New York City Department of Buildings. Please see Part II of the Plan for a copy of the permanent Certificate of Occupancy.

Except as otherwise stated in this Offering Plan, occupied Apartments are being sold "as is" in the condition in which they exist on the Filing Date of this Plan, subject to ordinary wear and tear and further subject to Sponsor's obligation to maintain the Building until the Closing and further subject to Sponsor's obligations to make repairs, improvements or decorations as may be otherwise set forth in this Plan. Notwithstanding the foregoing, Sponsor reserves the right to convert vacant Apartments to Common Areas, the use of which has not been determined as of the Filing Date of this Plan. To the maximum extent lawful, all implied warranties of fitness for a particular purpose, merchantability and habitability, all warranties imposed by statute (except only those imposed by applicable law to the extent they cannot be disclaimed and to the extent they have not expired by their terms) and all other implied or express warranties of any kind are specifically disclaimed.

The Building was constructed under the provisions of the Battery Park City Special District zoning regulations (Section 8400 of the New York City Zoning Resolution). The Building was built to the maximum allowable height of 250'- 6 ¾" from the ground floor residential main lobby finished level to the top the main roof finished level, and therefore the Building cannot be expanded or may be limited and future rooftop construction is not allowable under the existing regulations.

According to the Preliminary Base Flood Elevation Maps published by FEMA on June 10, 2013, which has not yet been adopted, the Property is located within Flood Zone X and is subject to a 0.20% (500-year) annual chance of flood. Flood maps, zones and designations are subject to change at any time.

Building Services and Facilities

The services and facilities described below are currently provided to occupants of the Building and will included in the Maintenance Charges of the Apartment Corporation after the First Closing:

Doorman/Concierge

The Apartment Corporation will have a full-time doorman stationed in the residential lobby 24 hours per day, 7 days a week.

Resident Manager

The Building currently has a full-time, live-in resident manager who is responsible for the daily maintenance and up-keep of the Building. The Resident Manager's Apartment will be rented by Sponsor to the Cooperative Board for at least the First Year of Apartment Corporation Operation (see Schedule B and the Footnotes to Schedule B for further details).

Storage Bins and Bicycle Room

The Building contains 41 storage bins, one (1) bicycle room on the cellar and one (1) bicycle room on the ground level containing a total of approximately 170 bicycle spaces. The storage bins and bicycle spaces are available to all residents on a first-come-first-served basis and shall be administered by the Cooperative Board. The Cooperative Board shall have the right to impose fees for the storage bins and bicycle spaces, in its sole discretion. Only residents of the Building will be allowed to access a storage bin and bicycle space. Prospective Purchasers are advised that the Building contains fewer storage bins and bicycle spaces than Apartments and, therefore, not all Shareholders will have access to a storage bin or bicycle space.

Fitness Center and Children's Playroom

The fitness center and the children's playroom are located on the first floor. The fitness center includes treadmills, a recumbent bike, an upright bike, EFX trainers, and an AMT open stride machine.

Laundry Facilities

There is one (1) laundry room on the first floor of the Building for the use of all Building residents. The laundry room is equipped with washing machines and dryers, which are operated by a third-party vendor (CSC ServiceWorks, Inc.) who is not affiliated with Sponsor, on a per-pay-use basis. Sponsor reserves the right to change vendors and to reduce or increase the number of washers/dryers in accordance with applicable Law. In addition, all Apartments are equipped with an individual washer and dryer within the Apartments.

Refuse Disposal

There is access to refuse chutes located on each floor containing Apartments. The refuse chutes will lead directly to a compactor located in the compactor room in the cellar.

Communication Facilities and Intercom System

Each Apartment is equipped with a voice-only intercom system which enables the occupants to communicate directly with the concierge and/or doorman.

Smoke and Carbon Monoxide Detectors

A combination smoke and carbon monoxide detector is provided in each Apartment in compliance with Law. The Shareholders shall be responsible for maintaining and replacing the smoke and carbon monoxide detectors in their respective Apartments.

Parking Garage

The Parking Garage has a separate entrance off of Murray Street. The Parking Garage is currently being used as a parking garage. The Parking Garage will be subleased by the Apartment Corporation to Sponsor. Sponsor anticipates it will further sublease the Parking Garage to an unaffiliated person or entity subject to the Ground Lease. The current lease between Sponsor and Imperial Parking (U.S.), LLC, for the Parking Garage will expire on November 30, 2025. No representation is made with respect to: (a) the uses to which the Parking Garage or any part thereof may be put at any time, or (b) who, as tenant(s), will operate or occupy the Parking Garage or any part thereof at any time. The Parking Garage may be used for any lawful purpose under the applicable building codes and zoning ordinances. Residents of the Building and members of the public may utilize the Parking Spaces in the Parking Garage on the terms set forth in the Section in Part I of the Plan entitled "Parking Garage".

BPCA Facility

Pursuant to the Ground Lease, a certain portion of the Building have been set aside for use by the BPCA and constitute the BPCA Facility. The BPCA Facility, located on a portion of the ground floor may be used in any manner that will not constitute a nuisance to or otherwise inconvenience the residential occupants of the Building. The BPCA Facility may be accessed via an entrance located on the north side of the Building. As of the Filing Date of this Plan, the BPCA Facility is being used as a public restroom; however, no representation or warranty is made with respect to such initial or any subsequent use of the BPCA Facility.

Climate Mobilization Act

In 2019, New York City Council enacted the "Client Mobilization Act," aimed at cutting greenhouse gas (GHG) emissions in residential buildings, including cooperatives and condominiums. The Building is subject to the Client Mobilization Act, specifically Local Laws 92, 94, 95, 96 and 97 of 2019, which were enacted on May 19, 2019. Under Local Law 97, the buildings must meet annual GHG emission limits for calendar years 2024 through 2029, with stricter limits for calendar years 2030 through 2034 and potentially stricter limits thereafter. The Board of the Cooperative will be required to file reports certified by a registered design professional by May 1, 2025, and every year thereafter indicating whether they were in compliance with the applicable GHG building emission limits during the previous calendar year. Purchasers are advised that Local Law 97 carries various penalties for non-compliance, which are equal to the amount by which the building's emissions exceed the limits multiplied by $268.00. A false statement made in an annual report is punishable as a misdemeanor with a fine of up to $500,000.00.

Local Law 97 of 2019 also requires certain buildings, such as the Cooperative, to undertake various energy conservation measures, as applicable, by December 31, 2024, including, but not limited to: 1) Adjusting temperature set points for heat and hot water to reflect appropriate space occupancy and facility requirements; 2) Repairing all heating system leaks; 3) Maintaining the heating system, including, but not limited to ensuring that system component parts are clean and in good working order; 4) Installing individual temperature controls; 5) insulating all pipes for heating and/or hot water; 6) Insulating the water tank; 7) Installing indoor and outdoor heating system sensors and boiler controls to allow for proper set-points; 8) Upgrading lighting, as needed, to comply with the standards for new systems; 9) Weatherizing and air sealing where appropriate, including windows and ductwork, with focus on whole-building insulation; and 10) Installing timers on exhaust fans. Although many of these measures already have been implemented at the Building, improvements may be necessary to comply with the above-listed energy conservation requirements of Local Law 97. By May 1, 2025, the Board of the Cooperative will be required to submit a report prepared and certified by a retro-commissioning agent that includes information relating to completion of the prescriptive energy conservation measures. Purchasers are advised that penalties may be assessed for violations of the prescriptive energy conservation measure requirements if they are not adhered to.

Under Local Law 92 and 94 of 2019 (the "Green Roof Law"), the Cooperative will be required to follow certain guidelines when the entire roof of the building is being replaced. In such cases, 100% of the roof must be a "sustainable roofing zone," which is defined as "areas of roof assembly where a solar photovoltaic electricity generating system, a green roof system, or a combination thereof, is installed." The Green Roof Law contains technical requirements, depending on the size or slope of the roof, to determine what portion of the roof must be equipped with a solar power system, a green roof system, or a combination thereof. Exceptions to the sustainable roofing zone include (among others) recreational spaces and mechanical equipment on the roof. The Green Roof Law provides that the Department of Buildings can make a determination as to whether a building's roof is unsuitable for both a solar-powered roof system and a green roof. As of the Filing Date, the Building has a green roof, as well as solar panels and both are in good condition. Any replacement for this equipment will be required to comply with the New York City Building Code or other applicable requirements then in effect.

Local Law 84 of 2009 requires certain buildings in New York City to annually "benchmark" their energy and water usage in relation to other similar buildings using a "benchmarking tool," an internet-based database system developed by the United States Environmental Protection Agency. Boards can view their building's data at https://www1.nyc.gov/html/gbee/html/plan/ll84_scores.shtml. Local Law 133 of 2016 broadened the universe of covered buildings such that buildings larger than 25,000 gross square feet are now required to benchmark. Local Law 33 of 2018 requires that covered buildings, beginning in 2020 and

each calendar year thereafter, obtain energy efficiency scores and grades and disclose them in a conspicuous location near each public entrance to the building. Local Law 95 of 2019 changed the energy efficiency scores associated with each letter grade, such that a grade of "A" represents a score equal to or greater than 85; a grade of "B" represents a score equal to or greater than 70 but less than 85; a grade of "C" represents a score equal to or greater than 55 but less than 70; and a grade of "D" represents a score less than 55. A building owner who did not comply with Local Law 33 and had an opportunity to be heard with respect to such noncompliance would receive a grade of "F." The Building currently has a letter grade of D.

Local Law 96 establishes the Sustainable Energy Loan Program (SELP) to finance certain energy efficiency improvements required under the Climate Mobilization Act. Sponsor does not have any other specific information on SELP, nor does Sponsor plan on taking advantage of any such loan programs to make any upgrades covered by the Climate Mobilization Act.

Purchasers are advised that the disclosures on the Climate Mobilization Act are for informational purposes only, do not summarize every salient provision of law, and may be subject to further change at any time by lawmakers or to future regulations adopted to implement the Act. Purchasers are further advised that the obligation to comply with the Climate Mobilization Act will in all likelihood fall on the non-Sponsor controlled Board, and Sponsor does not plan to take on any repairs at this time which would fall under the Climate Mobilization Act. Purchasers are strongly encouraged to read up on the Climate Mobilization Act to become more familiar with the requirements and obligations of such laws.

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BATTERY PARK CITY AUTHORITY AND THE PROJECT AREA

In May 1968, the Battery Park City Authority Act, Title 12 of Article 8 of the New York Public Authorities Law (Sections 1970 through 1988 as amended, the "BPCA Act"), was enacted to create the Battery Park City Authority ("BPCA") as "a body corporate and politic, constituting a public benefit corporation" (BPCA Act, Section 1973), to enable the financing, construction and operation of a planned community development in Battery Park City on the Hudson River in lower Manhattan (the "Project Area"). The Apartment Corporation is located in the Project Area, which is currently owned by BPCA, subject to the Master Ground Lease (as defined below).

The Restated Amended Agreement of Ground Lease between Battery Park City Development Corporation ("BPCDC"), as landlord, and BPCA, as tenant, dated as of June 10, 1980 and expiring on June 17, 2069, as amended by the (a) First Amendment to Restated Amended Ground Lease, dated as of June 15, 1983, (b) Second Amendment to Restated Amended Ground Lease, dated as of June 15, 1983, (c) Third Amendment to Restated Amended Ground Lease, dated as of August 15, 1986, (d) Fourth Amendment to Restated Amended Ground Lease, dated as of May 25, 1990, (e) Fifth Amendment to Restated Amended Ground Lease, dated as of July 1, 2009, and (f) Sixth Amendment to Restated Amended Ground Lease, dated as of November 24, 2009 (the "Master Ground Lease"), governs the Project Area and its development under the "Master Development Plan," as amended, which is incorporated in Exhibit C of the Master Ground Lease.

In 1968, the Urban Development Corporation Act (as amended, the "UDC Act") created the New York State Urban Development Corporation ("UDC") for the purpose of expediting development of the Project Area.

In November 1969, BPCA leased the Project Area from its original owner, New York City. That lease, as amended, in accordance with its terms, granted BPCA the right of development of the Project Area under the Master Development Plan (included as an exhibit in the Master Ground Lease). The Zoning Resolution of the City of New York established a special zoning district for the Project Area.

The UDC acquired, through eminent domain, on June 10, 1980, fee simple absolute title to the Project Area, so that a State agency with its powers could through ownership of the property supersede such local regulations and restrictions liable to obstruct the Project Area's development, subject to BPCA's lease, as amended, from New York City, referenced above.

BPCDC, a wholly owned subsidiary of UDC, acquired title to the Project Area under a deed dated June 10, 1980, subject to New York City's lease of the Project Area to BPCA. The parties to that lease, as amended, further amended and restated that lease as the Master Ground Lease.

Under a deed dated December 28, 1982, fee simple absolute title to the Project Area was conveyed to BPCA by BPCDC, subject to the Master Ground Lease. Since BPCA became both landlord and tenant under the terms of that deed and the Master Ground Lease, no merger of the fee estate in the Project Area and the leasehold estate created by the Master Ground Lease was effectuated by that conveyance.

Provided the indebtedness incurred regarding the Project Area has been repaid, but not prior to December 31, 1999, New York City was granted the right to reacquire all of UDC's, BPCDC's and BPCA's rights to the Project Area and all of the net assets of BPCA for one dollar.

Prospective Purchasers and their attorneys may view a copy of the Master Ground Lease in the office of the Selling Agent.

LOCATION AND AREA INFORMATION

Location

The Building is located at 20 River Terrace in Battery Park City, within the borough of Manhattan.

As a cultural center, New York City has over 70 museums and more than 50 institutions for the arts. Lower Manhattan in particular includes over 14 museums, cultural institutions and historical sites. The National September 11 Memorial and Museum are just steps away, as well One World Trade Center.

Surrounding Area, Shopping, Culture and Recreation

Located in close proximity to the Apartment Corporation are luxury residences, office buildings, museums, art galleries, hotels, parks, and commercial establishments, including supermarkets, drugstores, dry cleaners and banks. There are also many museums, libraries, theaters, and cultural institutions in the New York area.

Many retail facilities, including Brookfield Place, Whole Foods and other shopping and restaurants, exist on the surrounding streets. The Building is within walking distance of restaurants of all types, catering to both residential and business inhabitants of the area. Soho, just north of Canal Street, includes famous designer and brand-name stores, while the Tribeca area, home to many restaurants and the Tribeca Film Festival, is just a short distance north. In addition, many greenspaces, bikeways, promenades, and sports facilities are located in the vicinity of the Building.

The Battery Park City Esplanade, the Nelson A. Rockefeller Park and City Hall Park, as well as Trinity Church, the New York Stock Exchange and City Hall, are all within walking distance of the Building. In addition, there is easy access to the Oculus, Westfield Mall, South Street Seaport, on the East River, and the Chelsea Piers sports complex, on the Hudson River.

Sponsor makes no representation that any of the neighborhood amenities or facilities disclosed herein shall continue to exist and operate beyond the Filing Date.

Transportation

Three major airports serve the New York City metropolitan area: LaGuardia Airport, John F. Kennedy International Airport and Newark Liberty International Airport. Pennsylvania Station, at Seventh Avenue and 33rd Street, as well as Grand Central Terminal, at Lexington Avenue and 42nd Street, provide national and regional passenger railroad service.

Designed by Santiago Calatrava, the Fulton Center transportation hub in Lower Manhattan provides access to the rest of New York City through connections to eight different subway lines – the 2, 3, 4, 5, A, C, J, and Z. A tunnel will link the Fulton Center to the World Trade Center transportation facility, including New Jersey PATH commuter trains and the Battery Park City Ferry Terminal, upon its completion next year. The M9, M20 and M22 buses also serve Lower Manhattan.

Taxi, limousine and private automobile transportation throughout New York City are also available. Commercial parking garages are located in the neighborhood.

Mailing Address

The mailing address for the Building is 20 River Terrace, New York, New York 10282.

Hospitals and Veterinary Clinics

A number of medical centers are located within close proximity to the Building, such as New York-Presbyterian/Lower Manhattan, located at 170 William Street, New York Eye and Ear Infirmary of Mount Sinai, located at 310 East 14th Street, and Bellevue Hospital Center, located at 462 First Avenue.

A number of veterinary centers are located within close proximity to the Building, such as Battery Park Veterinary Hospital, located at 21 South End Avenue, and Tribeca Soho Animal Hospital, located at 5 Lispenard Street.

Mt. Sinai Medical Center, New York Hospital-Cornell Medical Center, Memorial Sloan Kettering, New York University Medical Center and Columbia Presbyterian Medical Center are all available uptown.

Municipal Services

New York City provides police and fire protection, sanitation, street maintenance and social services. The nearest police precinct, the 1st Precinct, is located at 16 Ericsson Place, New York, New York 10013. The nearest fire station is the FDNY Engine Company 7, Ladder Company 1, Battalion 1, located at 100 Duane Street, New York, New York 10007. The Battery Park City Authority may also perform certain services.

Schools and Libraries

There are a number of schools in the area as well as a local branch of the New York City public library system, at 175 North End Avenue. Some of the schools in the general neighborhood include:

P.S. 234
P.S. 89
Stuyvesant High School
Borough of Manhattan Community College
Art Institute of New York City
High School of Economics and Finance
New York Law School
Pace University

Sponsor makes no guarantee or representation as to which school a child residing at the Building may actually attend.

Houses of Worship

Lower Manhattan is home to over 25 houses of worship, encompassing several Christian denominations, as well as Jewish, Muslim, Buddhist, Native American and Interfaith congregations.

Landmark Designation

The Building does not have landmark status and is not located in a historic district.

Zoning

In accordance with a master plan to govern extensive residential and commercial development in the area on the Hudson River close to the financial center of Lower Manhattan, the Special Battery Park City District ("SBPCD") created two large residential neighborhoods, one to the north and one to the south of the World Financial Center. Allowing public access to the Hudson River waterfront through a continuous

esplanade, the zoning designates both residential and commercial use of the property. Front building walls, building heights, waterfront design and parking are regulated through special design control, as well as permitted uses and bulk within the specified areas. The Building is located in the SBPCD.

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 areas adjacent 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 Building. In the event Sponsor engages in any development project that will be immediately adjacent to or directly across the street from the Building, and such project has a material impact on the Building (e.g., impairment of view or closing of lot line windows), Sponsor shall disclose any such material change in an amendment to the Plan within a reasonable period of time. While the sponsor is under no obligation to undertake any inquiry into whether any development project that will be immediately adjacent to or directly across the street from the Building are planned or underway by a party other than Sponsor, in the event that Sponsor becomes aware that such other party has engaged in a development project that will be immediately adjacent to or directly across the street from the Building, and such project has a material impact on the Building (e.g., impairment of view or closing of lot line windows), Sponsor shall endeavor to disclose the changes in an amendment to the Plan within a reasonable period of time after the sponsor obtains actual knowledge thereof.

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SCHEDULE A –OFFERING PRICES AND RELATED INFORMATION

OFFERING PRICES AND RELATED INFORMATION
(SCHEDULE A)
THE 20 RIVER TERRACE APARTMENT CORPORATION

20 RIVER TERRACE
NEW YORK, NEW YORK

The projections in this SCHEDULE A assume that the first year of Cooperative Operation will be from January 1, 2022 to December 31, 2022

Unit	Rent Regulatory Status*	# BRs	# Baths	Approximate Apartment SF	Approximate Terrace SF	Approximate Total SF	Shares	Offering Price Renovated	Price PSF	Offering Price As-Is	180 Day Exclusive Purchase Period Price	Projected First Year's Maintenance Charges (Excluding PILOT)		Projected First Year's PILOT w/ 421-a Abatement		Projected First Year's Total Charges	
												Monthly	Annual	Monthly	Annual	Monthly	Annual
1E	RS	2	2	1,057		1,057	323		$1,206	$1,122,000	$1,009,800	$1,389	$16,668	$1,561	$18,727	$2,950	$35,395
3B	RS	1	1	750		750	232		$1,080	$712,800	$641,520	$998	$11,972	$1,121	$13,450	$2,118	$25,422
3C	RS	1	1	700		700	217		$1,186	$730,400	$657,360	$933	$11,197	$1,048	$12,581	$1,982	$23,778
3D	V	1	1	709		709	219	$855,000	$1,206	$752,400		$942	$11,301	$1,058	$12,697	$2,000	$23,997
3E	RS	2	2	1,170		1,170	362		$1,316	$1,355,200	$1,219,680	$1,557	$18,681	$1,749	$20,988	$3,306	$39,669
3F	RS	3	3	1,586		1,586	491		$1,699	$2,371,600	$2,134,440	$2,112	$25,339	$2,372	$28,467	$4,484	$53,806
3G	V	1	1	871		871	270	$1,270,000	$1,458	$1,117,600		$1,161	$13,933	$1,304	$15,654	$2,466	$29,586
3H	V	1	1	862		862	267	$1,240,000	$1,439	$1,091,200		$1,148	$13,778	$1,290	$15,480	$2,438	$29,258
3J	V	0	1	578		578	179	$785,000	$1,358	$690,800		$770	$9,236	$865	$10,377	$1,634	$19,614
3K	RS	1	1	759		759	235		$1,199	$800,800	$720,720	$1,011	$12,126	$1,135	$13,624	$2,146	$25,751
3L	RS	1	1	842		842	261		$1,105	$818,400	$736,560	$1,122	$13,468	$1,261	$15,132	$2,383	$28,600
3M	RS	3	3	1,621		1,621	502		$1,767	$2,521,200	$2,269,080	$2,159	$25,906	$2,425	$29,105	$4,584	$55,011
3N	V	2	2	1,239		1,239	384	$1,475,000	$1,190	$1,298,000		$1,651	$19,816	$1,855	$22,263	$3,507	$42,080
3P	RS	1	1	844		844	261		$1,232	$915,200	$823,680	$1,122	$13,468	$1,261	$15,132	$2,383	$28,600
3Q	V	1	1	891		891	276	$950,000	$1,066	$836,000		$1,187	$14,242	$1,333	$16,001	$2,520	$30,244
4A	V	2	2	1,021		1,021	318	$1,300,000	$1,273	$1,144,000		$1,367	$16,410	$1,536	$18,437	$2,904	$34,847
4B	RS	1	1	729		729	227		$1,145	$734,800	$661,320	$976	$11,713	$1,097	$13,160	$2,073	$24,874
4C	RS	1	1	700		700	218		$1,221	$752,400	$677,160	$937	$11,249	$1,053	$12,639	$1,991	$23,888
4D	V	1	1	709		709	221	$880,000	$1,241	$774,400		$950	$11,404	$1,068	$12,813	$2,018	$24,216
4E	V	2	2	1,170		1,170	364	$1,570,000	$1,342	$1,381,600		$1,565	$18,784	$1,759	$21,104	$3,324	$39,888
4F	RS	3	3	1,586		1,586	493		$1,728	$2,415,600	$2,174,040	$2,120	$25,442	$2,382	$28,583	$4,502	$54,025
4G	V	1	1	871		871	271	$1,305,000	$1,504	$1,148,400		$1,165	$13,984	$1,309	$15,712	$2,475	$29,696
4H	RS	1	1	862		862	268		$1,479	$1,122,000	$1,009,800	$1,152	$13,829	$1,295	$15,538	$2,447	$29,367
4J	V	1	1	885		885	275	$1,215,000	$1,373	$1,069,200		$1,183	$14,191	$1,329	$15,944	$2,511	$30,134
4K	V	1	1	842		842	262	$1,265,000	$1,502	$1,113,200		$1,127	$13,520	$1,266	$15,190	$2,392	$28,710
4L	V	2	2	1,177		1,177	366	$2,060,000	$1,750	$1,812,800		$1,574	$18,887	$1,768	$21,220	$3,342	$40,107
4M	V	3	3	1,621		1,621	504	$2,915,000	$1,795	$2,565,200		$2,167	$26,009	$2,435	$29,221	$4,603	$55,230
4N**	RS	2	2	1,239		1,239	385		$1,215	$1,324,400	$1,191,960	$1,656	$19,868	$1,860	$22,321	$3,516	$42,189
4P	V	1	1	844		844	263	$1,065,000	$1,262	$937,200		$1,131	$13,571	$1,271	$15,248	$2,402	$28,819
4Q	RS	0	1	556		556	173		$1,340	$655,600	$590,040	$744	$8,927	$836	$10,030	$1,580	$18,956
5A	RS	2	2	1,021		1,021	319		$1,303	$1,170,400	$1,053,360	$1,372	$16,462	$1,541	$18,495	$2,913	$34,956
5B	V	1	1	729		729	228	$860,000	$1,180	$756,800		$980	$11,765	$1,102	$13,218	$2,082	$24,984
5C	RS	1	1	700		700	219		$1,257	$774,400	$696,960	$942	$11,301	$1,058	$12,697	$2,000	$23,997
5D	RS	1	1	709		709	222		$1,276	$796,400	$716,760	$955	$11,455	$1,073	$12,871	$2,027	$24,326
5E	RS	2	2	1,170		1,170	366		$1,368	$1,408,000	$1,267,200	$1,574	$18,887	$1,768	$21,220	$3,342	$40,107
5F	V	3	3	1,586		1,586	496	$2,795,000	$1,756	$2,459,600		$2,133	$25,597	$2,396	$28,757	$4,529	$54,354
5G	V	1	1	871		871	272	$1,340,000	$1,544	$1,179,200		$1,170	$14,036	$1,314	$15,770	$2,484	$29,805
5H	V	1	1	862		862	269	$1,310,000	$1,520	$1,152,800		$1,157	$13,881	$1,300	$15,596	$2,456	$29,477
5J	RS	1	1	885		885	277		$1,412	$1,100,000	$990,000	$1,191	$14,294	$1,338	$16,059	$2,529	$30,353
5K	V	1	1	842		842	263	$1,300,000	$1,544	$1,144,000		$1,131	$13,572	$1,271	$15,248	$2,402	$28,820
5L	V	2	2	1,177		1,177	368	$2,090,000	$1,776	$1,839,200		$1,583	$18,991	$1,778	$21,336	$3,361	$40,327
5M	V	3	3	1,621		1,621	507	$2,965,000	$1,823	$2,609,200		$2,180	$26,165	$2,450	$29,395	$4,630	$55,560
5N	RS	2	2	1,239		1,239	387		$1,239	$1,350,800	$1,215,720	$1,664	$19,972	$1,870	$22,437	$3,534	$42,409
5P	V	1	1	844		844	264	$1,090,000	$1,291	$959,200		$1,135	$13,624	$1,275	$15,306	$2,411	$28,930
5Q	V	0	1	556		556	174	$770,000	$2,446	$677,600		$748	$8,979	$841	$10,088	$1,589	$19,067
6A	RS	2	2	1,021		1,021	321		$1,332	$1,196,800	$1,077,120	$1,380	$16,566	$1,551	$18,611	$2,931	$35,176
6B	V	1	1	729		729	229	$875,000	$1,200	$770,000		$985	$11,818	$1,106	$13,276	$2,091	$25,094
6C	RS	1	1	700		700	220		$1,279	$787,600	$708,840	$946	$11,353	$1,063	$12,755	$2,009	$24,108
6D	RS	1	1	709		709	223		$1,298	$809,600	$728,640	$959	$11,508	$1,077	$12,929	$2,036	$24,437

Unit	Rent Regulatory Status*	# BRs	# Baths	Approximate Apartment SF	Approximate Terrace SF	Approximate Total SF	Shares	Offering Price Renovated	Price PSF	Offering Price As-Is	180 Day Exclusive Purchase Period Price	Projected First Year's Maintenance Charges (Excluding PILOT)		Projected First Year's PILOT w/ 421-a Abatement		Projected First Year's Total Charges	
												Monthly	Annual	Monthly	Annual	Monthly	Annual
6E	V	2	2	1,170		1,170	368	$1,620,000	$1,385	$1,425,600		$1,583	$18,991	$1,778	$21,336	$3,361	$40,327
6F	RS	3	3	1,586		1,586	498		$1,775	$2,490,400	$2,241,360	$2,142	$25,701	$2,406	$28,873	$4,548	$54,574
6G	RS	1	1	871		871	274		$1,602	$1,201,200	$1,081,080	$1,178	$14,140	$1,324	$15,886	$2,502	$30,026
6H	RS	1	1	862		862	271		$1,549	$1,174,800	$1,057,320	$1,165	$13,985	$1,309	$15,712	$2,475	$29,697
6J	V	1	1	885		885	278	$1,275,000	$1,441	$1,122,000		$1,196	$14,347	$1,343	$16,117	$2,539	$30,464
6K	RS	1	1	842		842	264		$1,574	$1,166,000	$1,049,400	$1,135	$13,624	$1,275	$15,306	$2,411	$28,930
6L	RS	2	2	1,177		1,177	370		$1,801	$1,865,600	$1,679,040	$1,591	$19,095	$1,788	$21,452	$3,379	$40,546
6M	V	3	3	1,621		1,621	509	$2,995,000	$1,841			$2,189	$26,268	$2,459	$29,511	$4,648	$55,779
6N	V	2	2	1,239		1,239	389	$1,565,000	$1,263			$1,673	$20,075	$1,879	$22,553	$3,552	$42,629
6P	RS	1	1	844		844	265		$1,309	$972,400	$875,160	$1,140	$13,676	$1,280	$15,364	$2,420	$29,039
6Q	RS	0	1	556		556	175		$2,482	$686,400	$617,760	$753	$9,031	$845	$10,146	$1,598	$19,176
7A	V	2	2	1,021		1,021	322	$1,380,000	$1,352	$1,214,400		$1,385	$16,617	$1,556	$18,669	$2,940	$35,286
7B	RS	1	1	729		729	230		$1,221	$783,200	$704,880	$989	$11,869	$1,111	$13,334	$2,100	$25,204
7C	RS	1	1	700		700	221		$1,300	$800,800	$720,720	$950	$11,405	$1,068	$12,813	$2,018	$24,217
7D	RS	1	1	709		709	224		$1,319	$822,800	$740,520	$963	$11,560	$1,082	$12,987	$2,046	$24,546
7E	RS	2	2	1,170		1,170	369		$1,402	$1,443,200	$1,298,880	$1,587	$19,043	$1,783	$21,394	$3,370	$40,437
7F	V	3	3	1,586		1,586	501	$2,865,000	$1,794	$2,521,200		$2,155	$25,856	$2,421	$29,047	$4,575	$54,903
7G	V	1	1	871		871	275	$1,390,000	$1,619	$1,223,200		$1,183	$14,192	$1,329	$15,944	$2,511	$30,135
7H	RS	1	1	862		862	272		$1,566	$1,196,800	$1,077,120	$1,170	$14,037	$1,314	$15,770	$2,484	$29,806
7J	RS	1	1	885		885	279		$1,458	$1,144,000	$1,029,600	$1,200	$14,398	$1,348	$16,175	$2,548	$30,574
7K	RS	1	1	842		842	266		$1,591	$1,188,000	$1,069,200	$1,144	$13,727	$1,285	$15,422	$2,429	$29,149
7L	RS	2	2	1,177		1,177	372		$1,818	$1,892,000	$1,702,800	$1,600	$19,198	$1,797	$21,568	$3,397	$40,765
7M	RS	3	3	1,621		1,621	512		$1,860	$2,657,600	$2,391,840	$2,202	$26,423	$2,474	$29,685	$4,676	$56,108
7N	V	2	2	1,239		1,239	391	$1,585,000	$1,279	$1,394,800		$1,682	$20,179	$1,889	$22,669	$3,571	$42,848
7P	RS	1	1	844		844	266		$1,327	$985,600	$887,040	$1,144	$13,727	$1,285	$15,422	$2,429	$29,149
7Q	V	0	1	556		556	176	$790,000	#REF!	$695,200		$757	$9,082	$850	$10,203	$1,607	$19,286
8A	RS	2	2	1,021		1,021	324		$1,371	$1,232,000	$1,108,800	$1,393	$16,721	$1,565	$18,785	$2,959	$35,505
8B	V	1	1	729		729	231	$905,000	$1,241			$993	$11,921	$1,116	$13,392	$2,109	$25,313
8C	V	1	1	700		700	222	$925,000	$1,321	$814,000		$955	$11,456	$1,073	$12,871	$2,027	$24,327
8DE***	V	2	2	1,879		1,879	596		$1,340			$2,563	$30,758	$2,880	$34,554	$5,443	$65,312
8F	RS	3	3	1,586		1,586	503		$1,813	$2,543,200	$2,288,880	$2,163	$25,959	$2,430	$29,163	$4,593	$55,122
8G	V	1	1	871		871	276	$1,405,000	$1,636	$1,236,400		$1,187	$14,243	$1,333	$16,001	$2,520	$30,245
8H	RS	1	1	862		862	273		$1,584	$1,210,000	$1,089,000	$1,174	$14,089	$1,319	$15,828	$2,493	$29,916
8J	RS	1	1	885		885	281		$1,475	$1,157,200	$1,041,480	$1,208	$14,501	$1,358	$16,291	$2,566	$30,793
8K	V	1	1	842		842	267	$1,365,000	$1,609			$1,148	$13,779	$1,290	$15,480	$2,438	$29,259
8L	RS	2	2	1,177		1,177	373		$1,835	$1,909,600	$1,718,640	$1,604	$19,250	$1,802	$21,626	$3,406	$40,875
8M	RS	3	3	1,621		1,621	514		$1,878	$2,679,600	$2,411,640	$2,211	$26,527	$2,483	$29,801	$4,694	$56,327
8N	V	2	2	1,239		1,239	393	$1,605,000	$1,295	$1,412,400		$1,690	$20,282	$1,899	$22,785	$3,589	$43,067
8P	RS	1	1	844		844	268		$1,345	$998,800	$898,920	$1,153	$13,830	$1,295	$15,538	$2,447	$29,368
8Q	V	0	1	556		556	176	$800,000	$2,554	$704,000		$757	$9,082	$850	$10,203	$1,607	$19,286
9A	RS	2	2	1,021		1,021	325		$1,391	$1,249,600	$1,124,640	$1,398	$16,772	$1,570	$18,843	$2,968	$35,615
9B	RS	1	1	729		729	232		$1,262	$809,600	$728,640	$998	$11,973	$1,121	$13,450	$2,119	$25,423
9C	RS	1	1	700		700	223		$1,343	$827,200	$744,480	$959	$11,508	$1,077	$12,929	$2,036	$24,437
9D	V	1	1	709		709	226	$965,000	$1,361	$849,200		$972	$11,663	$1,092	$13,102	$2,064	$24,765
9E	V	2	2	1,170		1,170	373	$1,680,000	$1,436			$1,604	$19,250	$1,802	$21,626	$3,406	$40,875
9F	RS	3	3	1,586		1,586	505		$1,832	$2,565,200	$2,308,680	$2,172	$26,062	$2,440	$29,279	$4,612	$55,341
9G	RS	1	1	871		871	278		$1,653	$1,249,600	$1,124,640	$1,196	$14,347	$1,343	$16,118	$2,539	$30,465
9H	V	1	1	862		862	275	$1,390,000	$1,601	$1,223,200		$1,183	$14,192	$1,329	$15,945	$2,511	$30,136
9J	V	1	1	885		885	282	$1,330,000	$1,492	$1,170,400		$1,213	$14,553	$1,363	$16,350	$2,575	$30,903
9K	V	1	1	842		842	268	$1,380,000	$1,627	$1,214,400		$1,153	$13,830	$1,295	$15,539	$2,447	$29,369
9L	V	2	2	1,177		1,177	375	$2,190,000	$1,852			$1,613	$19,353	$1,812	$21,743	$3,425	$41,095
9M	RS	3	3	1,621		1,621	517		$1,897	$2,701,600	$2,431,440	$2,223	$26,681	$2,498	$29,976	$4,721	$56,657
9N	RS	2	2	1,239		1,239	395		$1,312	$1,430,000	$1,287,000	$1,699	$20,385	$1,909	$22,902	$3,607	$43,287
9P	RS	1	1	844		844	269		$1,363	$1,012,000	$910,800	$1,157	$13,882	$1,300	$15,597	$2,457	$29,479
9Q	RS	0	1	556		556	177		$1,457	$712,800	$641,520	$761	$9,134	$855	$10,262	$1,616	$19,396
10A	V	2	2	1,021		1,021	327	$1,440,000	$1,410	$1,267,200		$1,406	$16,875	$1,580	$18,959	$2,986	$35,835
10B	V	1	1	729		729	233	$935,000	$1,283	$822,800		$1,002	$12,024	$1,126	$13,509	$2,128	$25,533

Unit	Rent Regulatory Status*	# BRs	# Baths	Approximate Apartment SF	Approximate Terrace SF	Approximate Total SF	Shares	Offering Price Renovated	Price PSF	Offering Price As-Is	180 Day Exclusive Purchase Period Price	Projected First Year's Maintenance Charges (Excluding PILOT)		Projected First Year's PILOT w/ 421-a Abatement		Projected First Year's Total Charges	
												Monthly	Annual	Monthly	Annual	Monthly	Annual
10C	RS	1	1	700		700	224		$1,364	$840,400	$756,360	$963	$11,560	$1,082	$12,988	$2,046	$24,547
10D	V	1	1	709		709	227	$980,000	$1,382	$862,400		$976	$11,714	$1,097	$13,161	$2,073	$24,876
10E	RS	2	2	1,170		1,170	375		$1,453	$1,496,000	$1,346,400	$1,613	$19,353	$1,812	$21,743	$3,425	$41,095
10F	V	3	3	1,586		1,586	508	$2,940,000	$1,851	$2,587,200		$2,185	$26,217	$2,454	$29,454	$4,639	$55,671
10G	V	1	1	871		871	279	$1,435,000	$1,670	$1,262,800		$1,200	$14,398	$1,348	$16,176	$2,548	$30,575
10H	V	1	1	862		862	276	$1,405,000	$1,618	$1,236,400		$1,187	$14,243	$1,334	$16,002	$2,520	$30,246
10J	V	1	1	885		885	283	$1,345,000	$1,508	$1,183,600		$1,217	$14,605	$1,367	$16,408	$2,584	$31,013
10K	RS	1	1	842		842	270		$1,645	$1,227,600	$1,104,840	$1,161	$13,934	$1,305	$15,655	$2,466	$29,588
10L	RS	2	2	1,177		1,177	377		$1,869	$1,944,800	$1,750,320	$1,621	$19,456	$1,822	$21,858	$3,443	$41,314
10M	V	3	3	1,621		1,621	519	$3,095,000	$1,915	$2,723,600		$2,232	$26,785	$2,508	$30,092	$4,740	$56,876
10N	V	2	2	1,239		1,239	397	$1,645,000	$1,328	$1,447,600		$1,707	$20,488	$1,918	$23,018	$3,626	$43,506
10P	V	1	1	844		844	270	$1,165,000	$1,380	$1,025,200		$1,161	$13,934	$1,305	$15,655	$2,466	$29,588
10Q	V	0	1	556		556	178	$820,000	$2,626	$721,600		$765	$9,186	$860	$10,320	$1,626	$19,506
11A	RS	2	2	1,021		1,021	329		$1,430	$1,284,800	$1,156,320	$1,415	$16,979	$1,590	$19,075	$3,005	$36,054
11B	V	1	1	729		729	235	$950,000	$1,303	$836,000		$1,011	$12,127	$1,135	$13,625	$2,146	$25,753
11C	RS	1	1	700		700	225		$1,386	$853,600	$768,240	$968	$11,611	$1,087	$13,046	$2,055	$24,657
11D	V	1	1	709		709	228	$995,000	$1,403	$875,600		$981	$11,766	$1,102	$13,219	$2,082	$24,986
11E	V	2	2	1,170		1,170	376	$1,720,000	$1,470	$1,513,600		$1,617	$19,404	$1,817	$21,800	$3,434	$41,205
11F	RS	3	3	1,586		1,586	510		$1,869	$2,609,200	$2,348,280	$2,193	$26,320	$2,464	$29,570	$4,657	$55,890
11G	V	1	1	871		871	280	$1,450,000	$1,688	$1,276,000		$1,204	$14,450	$1,353	$16,234	$2,557	$30,684
11H	RS	1	1	862		862	277		$1,636	$1,249,600	$1,124,640	$1,191	$14,295	$1,338	$16,060	$2,530	$30,355
11J	RS	1	1	885		885	285		$1,525	$1,196,800	$1,077,120	$1,226	$14,708	$1,377	$16,524	$2,603	$31,232
11K	RS	1	1	842		842	271		$1,663	$1,240,800	$1,116,720	$1,165	$13,985	$1,309	$15,713	$2,475	$29,698
11L	RS	2	2	1,177		1,177	379		$1,886	$1,962,400	$1,766,160	$1,630	$19,559	$1,831	$21,974	$3,461	$41,534
11M	RS	3	3	1,621		1,621	522		$1,934	$2,745,600	$2,471,040	$2,245	$26,939	$2,522	$30,266	$4,767	$57,205
11N	V	2	2	1,239		1,239	399	$1,665,000	$1,344	$1,465,200		$1,716	$20,591	$1,928	$23,134	$3,644	$43,725
11P	RS	1	1	844		844	272		$1,398	$1,038,400	$934,560	$1,170	$14,037	$1,314	$15,771	$2,484	$29,807
11Q	V	0	1	556		556	179	$830,000	$2,662	$730,400		$770	$9,237	$865	$10,378	$1,635	$19,616
12A	V	2	2	1,021		1,021	330	$1,480,000	$1,450	$1,302,400		$1,419	$17,030	$1,594	$19,133	$3,014	$36,164
12B	RS	1	1	729		729	236		$1,324	$849,200	$764,280	$1,015	$12,179	$1,140	$13,683	$2,155	$25,862
12C	RS	1	1	700		700	226		$1,407	$866,800	$780,120	$972	$11,663	$1,092	$13,103	$2,064	$24,766
12D	RS	1	1	709		709	229		$1,425	$888,800	$799,920	$985	$11,818	$1,106	$13,277	$2,091	$25,095
12E	V	2	2	1,170		1,170	378	$1,740,000	$1,487	$1,531,200		$1,626	$19,508	$1,826	$21,916	$3,452	$41,424
12F	V	3	3	1,586		1,586	513	$2,990,000	$1,888	$2,631,200		$2,206	$26,475	$2,479	$29,744	$4,685	$56,219
12G	RS	1	1	871		871	282		$1,705	$1,289,200	$1,160,280	$1,213	$14,553	$1,363	$16,350	$2,575	$30,903
12H	V	1	1	862		862	279	$1,435,000	$1,653	$1,262,800		$1,200	$14,398	$1,348	$16,176	$2,548	$30,575
12J	V	1	1	885		885	286	$1,375,000	$1,542	$1,210,000		$1,230	$14,759	$1,382	$16,582	$2,612	$31,342
12K	RS	1	1	842		842	272		$1,681	$1,254,000	$1,128,600	$1,170	$14,037	$1,314	$15,771	$2,484	$29,807
12L	RS	2	2	1,177		1,177	381		$1,903	$1,980,000	$1,782,000	$1,639	$19,662	$1,841	$22,090	$3,479	$41,753
12M	RS	3	3	1,621		1,621	524		$1,952	$2,767,600	$2,490,840	$2,254	$27,043	$2,532	$30,382	$4,785	$57,424
12N	RS	2	2	1,239		1,239	401		$1,360	$1,482,800	$1,334,520	$1,725	$20,695	$1,937	$23,250	$3,662	$43,945
12P	RS	1	1	844		844	273		$1,416	$1,051,600	$946,440	$1,174	$14,089	$1,319	$15,829	$2,493	$29,917
12Q	RS	0	1	556		556	180		$2,698	$739,200	$665,280	$774	$9,289	$870	$10,436	$1,644	$19,725
14A	V	2	2	1,021		1,021	333	$1,500,000	$1,469	$1,320,000		$1,432	$17,185	$1,609	$19,307	$3,041	$36,492
14B	RS	1	1	729		729	238		$1,344	$862,400	$776,160	$1,024	$12,282	$1,150	$13,799	$2,173	$26,081
14C	V	1	1	700		700	228	$1,000,000	$1,429	$880,000		$981	$11,766	$1,102	$13,219	$2,082	$24,986
14D	RS	1	1	709		709	231		$1,446	$902,000	$811,800	$993	$11,921	$1,116	$13,393	$2,110	$25,314
14E	RS	2	2	1,170		1,170	382		$1,504	$1,548,800	$1,393,920	$1,643	$19,714	$1,846	$22,148	$3,489	$41,862
14F	RS	3	3	1,586		1,586	518		$1,907	$2,653,200	$2,387,880	$2,228	$26,733	$2,503	$30,034	$4,731	$56,767
14G	V	1	1	871		871	284	$1,480,000	$1,722	$1,302,400		$1,221	$14,656	$1,372	$16,466	$2,594	$31,123
14H	V	1	1	862		862	281	$1,450,000	$1,671	$1,276,000		$1,208	$14,501	$1,358	$16,292	$2,566	$30,794
14J	V	1	1	885		885	289	$1,390,000	$1,559	$1,223,200		$1,243	$14,914	$1,396	$16,756	$2,639	$31,671
14K	V	1	1	842		842	275	$1,440,000	$1,698	$1,267,200		$1,183	$14,192	$1,329	$15,945	$2,511	$30,136
14L	V	2	2	1,177		1,177	384	$2,270,000	$1,920	$1,997,600		$1,651	$19,817	$1,855	$22,264	$3,507	$42,082
14M	RS	3	3	1,621		1,621	529		$1,971	$2,789,600	$2,510,640	$2,275	$27,301	$2,556	$30,671	$4,831	$57,972
14N	RS	2	2	1,239		1,239	404		$1,376	$1,500,400	$1,350,360	$1,737	$20,849	$1,952	$23,424	$3,689	$44,273

Unit	Rent Regulatory Status*	# BRs	# Baths	Approximate Apartment SF	Approximate Terrace SF	Approximate Total SF	Shares	Offering Price Renovated	Price PSF	Offering Price As-Is	180 Day Exclusive Purchase Period Price	Projected First Year's Maintenance Charges (Excluding PILOT)		Projected First Year's PILOT w/ 421-a Abatement		Projected First Year's Total Charges	
												Monthly	Annual	Monthly	Annual	Monthly	Annual
14P	RS	1	1	844		844	275		$1,434	$1,064,800	$958,320	$1,183	$14,192	$1,329	$15,945	$2,511	$30,136
14Q	V	0	1	556		556	181	$850,000	$1,529	$748,000		$778	$9,340	$875	$10,494	$1,653	$19,835
15A	RS	2	2	1,021		1,021	335		$1,489	$1,337,600	$1,203,840	$1,441	$17,288	$1,619	$19,423	$3,059	$36,712
15B	RS	1	1	729		729	239		$1,365	$875,600	$788,040	$1,028	$12,334	$1,155	$13,857	$2,183	$26,191
15C	RS	1	1	700		700	230		$1,450	$893,200	$803,880	$989	$11,869	$1,111	$13,335	$2,100	$25,205
15D	V	1	1	709		709	232	$1,040,000	$1,467	$915,200		$998	$11,973	$1,121	$13,451	$2,119	$25,424
15E	V	2	2	1,170		1,170	384	$1,780,000	$1,521	$1,566,400		$1,651	$19,817	$1,855	$22,264	$3,507	$42,082
15F	RS	3	3	1,586		1,586	520		$1,926	$2,675,200	$2,407,680	$2,236	$26,836	$2,512	$30,150	$4,749	$56,986
15G	V	1	1	871		871	286	$1,495,000	$1,739	$1,315,600		$1,230	$14,759	$1,382	$16,582	$2,612	$31,342
15H	V	1	1	862		862	283	$1,465,000	$1,711	$1,289,200		$1,217	$14,605	$1,367	$16,408	$2,584	$31,013
15J	RS	1	1	885		885	290		$1,576	$1,236,400	$1,112,760	$1,247	$14,966	$1,401	$16,814	$2,648	$31,780
15K	V	1	1	842		842	276	$1,455,000	$1,716	$1,280,400		$1,187	$14,243	$1,334	$16,002	$2,520	$30,246
15L	V	2	2	1,177		1,177	386	$2,290,000	$1,937	$2,015,200		$1,660	$19,920	$1,865	$22,380	$3,525	$42,301
15M	RS	3	3	1,621		1,621	532		$1,990	$2,811,600	$2,530,440	$2,288	$27,456	$2,570	$30,845	$4,858	$58,301
15N	RS	2	2	1,239		1,239	406		$1,392	$1,518,000	$1,366,200	$1,746	$20,953	$1,962	$23,540	$3,708	$44,493
15P	RS	1	1	844		844	277		$1,451	$1,078,000	$970,200	$1,191	$14,295	$1,338	$16,060	$2,530	$30,355
15Q	V	0	1	556		556	182	$860,000	$1,547	$756,800		$783	$9,392	$879	$10,552	$1,662	$19,944
16A	RS	2	2	1,021		1,021	336		$1,508	$1,355,200	$1,219,680	$1,445	$17,340	$1,623	$19,481	$3,068	$36,821
16B	RS	1	1	729		729	240		$1,385	$888,800	$799,920	$1,032	$12,385	$1,160	$13,915	$2,192	$26,301
16C	RS	1	1	700		700	231		$1,471	$906,400	$815,760	$993	$11,921	$1,116	$13,393	$2,110	$25,314
16D	V	1	1	709		709	234	$1,055,000	$1,488	$928,400		$1,006	$12,076	$1,131	$13,567	$2,137	$25,643
16E	RS	2	2	1,170		1,170	385		$1,538	$1,584,000	$1,425,600	$1,656	$19,869	$1,860	$22,322	$3,516	$42,191
16F	RS	3	3	1,586		1,586	523		$1,945	$2,697,200	$2,427,480	$2,249	$26,991	$2,527	$30,324	$4,776	$57,315
16G	V	1	1	871		871	287	$1,510,000	$1,757	$1,328,800		$1,234	$14,811	$1,387	$16,640	$2,621	$31,451
16H	RS	1	1	862		862	284		$1,729	$1,302,400	$1,172,160	$1,221	$14,656	$1,372	$16,466	$2,594	$31,123
16J	RS	1	1	885		885	292		$1,593	$1,249,600	$1,124,640	$1,256	$15,069	$1,411	$16,930	$2,667	$31,999
16K	V	1	1	842		842	277	$1,470,000	$1,734	$1,293,600		$1,191	$14,295	$1,338	$16,060	$2,530	$30,355
16L	V	2	2	1,177		1,177	388	$2,310,000	$1,954	$2,032,800		$1,669	$20,024	$1,875	$22,496	$3,543	$42,520
16M	RS	3	3	1,621		1,621	534		$2,008	$2,833,600	$2,550,240	$2,297	$27,559	$2,580	$30,961	$4,877	$58,520
16N	V	2	2	1,239		1,239	408	$1,745,000	$1,408	$1,535,600		$1,755	$21,056	$1,971	$23,656	$3,726	$44,712
16P	V	1	1	844		844	278	$1,240,000	$1,469	$1,091,200		$1,196	$14,347	$1,343	$16,118	$2,539	$30,465
16Q	V	0	1	556		556	183	$870,000	$1,565	$765,600		$787	$9,444	$884	$10,610	$1,671	$20,054
17A	RS	2	2	1,021		1,021	338		$1,528	$1,372,800	$1,235,520	$1,454	$17,443	$1,633	$19,597	$3,087	$37,040
17B	RS	1	1	729		729	241		$1,406	$902,000	$811,800	$1,036	$12,437	$1,164	$13,973	$2,201	$26,410
17C	RS	1	1	688		688	228		$1,519	$919,600	$827,640	$981	$11,766	$1,102	$13,219	$2,082	$24,986
17D	V	1	1	700		700	232	$1,070,000	$1,529	$941,600		$998	$11,973	$1,121	$13,451	$2,119	$25,424
17E	RS	2	2	1,146		1,146	379		$1,588	$1,601,600	$1,441,440	$1,630	$19,559	$1,831	$21,974	$3,461	$41,534
17F	RS	3	3	1,553		1,553	514		$2,009	$2,719,200	$2,447,280	$2,211	$26,527	$2,483	$29,802	$4,694	$56,328
17G	V	1	1	863		863	286	$1,525,000	$1,802	$1,342,000		$1,230	$14,759	$1,382	$16,582	$2,612	$31,342
17H	V	1	1	852		852	282	$1,495,000	$1,766	$1,315,600		$1,213	$14,553	$1,363	$16,350	$2,575	$30,903
17J	V	1	1	873		873	289	$1,435,000	$1,632	$1,262,800		$1,243	$14,914	$1,396	$16,756	$2,639	$31,671
17K	V	1	1	836		836	277	$1,485,000	$1,764	$1,306,800		$1,191	$14,295	$1,338	$16,060	$2,530	$30,355
17L	V	2	2	1,166		1,166	386	$2,330,000	$1,990	$2,050,400		$1,660	$19,920	$1,865	$22,380	$3,525	$42,301
17M	RS	3	3	1,594		1,594	528		$2,067	$2,855,600	$2,570,040	$2,271	$27,249	$2,551	$30,613	$4,822	$57,863
17N	RS	2	2	1,213		1,213	401		$1,455	$1,553,200	$1,397,880	$1,725	$20,695	$1,937	$23,250	$3,662	$43,945
17P	RS	1	1	833		833	276		$1,507	$1,104,400	$993,960	$1,187	$14,243	$1,334	$16,002	$2,520	$30,246
17Q	V	0	1	556		556	184	$880,000	$1,583	$774,400		$791	$9,495	$889	$10,668	$1,680	$20,164
18A	RS	2	2	1,011		1,011	336		$1,573	$1,399,200	$1,259,280	$1,445	$17,340	$1,623	$19,481	$3,068	$36,821
18B	RS	1	1	729		729	242		$1,433	$924,000	$831,600	$1,041	$12,489	$1,169	$14,031	$2,210	$26,520
18C	V	1	1	688		688	229	$1,070,000	$1,548	$941,600		$985	$11,818	$1,106	$13,277	$2,091	$25,095
18D	V	1	1	700		700	233	$1,095,000	$1,557	$963,600		$1,002	$12,024	$1,126	$13,509	$2,128	$25,533
18E	V	2	2	1,146		1,146	381	$1,850,000	$1,614	$1,628,000		$1,639	$19,662	$1,841	$22,090	$3,479	$41,753
18F	RS	3	3	1,553		1,553	516		$2,032	$2,758,800	$2,482,920	$2,219	$26,630	$2,493	$29,918	$4,712	$56,547
18G	RS	1	1	863		863	287		$1,837	$1,372,800	$1,235,520	$1,234	$14,811	$1,387	$16,640	$2,621	$31,451
18H	V	1	1	852		852	283	$1,520,000	$1,790	$1,337,600		$1,217	$14,605	$1,367	$16,408	$2,584	$31,013
18J	RS	1	1	860		860	286		$1,680	$1,284,800	$1,156,320	$1,230	$14,759	$1,382	$16,582	$2,612	$31,342

Unit	Rent Regulatory Status*	# BRs	# Baths	Approximate Apartment SF	Approximate Terrace SF	Approximate Total SF	Shares	Offering Price Renovated	Price PSF	Offering Price As-Is	180 Day Exclusive Purchase Period Price	Projected First Year's Maintenance Charges (Excluding PILOT)		Projected First Year's PILOT w/ 421-a Abatement		Projected First Year's Total Charges	
												Monthly	Annual	Monthly	Annual	Monthly	Annual
18K	V	1	1	836		836	278	$1,510,000	$1,788	$1,328,800		$1,196	$14,347	$1,343	$16,118	$2,539	$30,465
18L	V	2	2	1,166		1,166	388	$2,365,000	$2,015	$2,081,200		$1,669	$20,024	$1,875	$22,496	$3,543	$42,520
18M	RS	3	3	1,594		1,594	530		$2,092	$2,895,200	$2,605,680	$2,279	$27,352	$2,561	$30,729	$4,840	$58,082
18N	RS	2	2	1,213		1,213	403		$1,480	$1,579,600	$1,421,640	$1,733	$20,798	$1,947	$23,366	$3,680	$44,164
18P	RS	1	1	833		833	277		$1,531	$1,126,400	$1,013,760	$1,191	$14,295	$1,338	$16,060	$2,530	$30,355
18Q	RS	0	1	556		556	185		$1,610	$792,000	$712,800	$796	$9,547	$894	$10,726	$1,689	$20,273
19A	V	3	3	1,530	332	1,862	539	$3,235,000	$2,212	$2,846,800		$2,318	$27,817	$2,604	$31,251	$4,922	$59,068
19B	RS	3	3	1,662	501	2,163	597		$2,292	$3,379,200	$3,041,280	$2,568	$30,810	$2,885	$34,614	$5,452	$65,424
19C	RS	1	1	718	102	820	248		$2,235	$1,364,000	$1,227,600	$1,067	$12,798	$1,198	$14,379	$2,265	$27,177
19D	V	2	2	1,239	250	1,489	435	$2,750,000	$2,098	$2,420,000		$1,871	$22,449	$2,102	$25,221	$3,973	$47,671
19E	RS	2	2	1,171	322	1,493	418		$2,092	$2,090,000	$1,881,000	$1,798	$21,572	$2,020	$24,236	$3,817	$45,808
19F	V	2	2	1,288	157	1,445	443	$2,175,000	$1,689	$1,914,000		$1,905	$22,862	$2,140	$25,685	$4,046	$48,547
20A	RS	3	3	1,628		1,628	546		$1,735	$2,486,000	$2,237,400	$2,348	$28,178	$2,638	$31,657	$4,986	$59,835
20B	RS	3	3	1,662		1,662	558		$2,040	$2,983,200	$2,684,880	$2,400	$28,797	$2,696	$32,353	$5,096	$61,150
20C	RS	1	1	718		718	241		$1,845	$1,166,000	$1,049,400	$1,036	$12,437	$1,164	$13,973	$2,201	$26,410
20D	V	2	2	1,239		1,239	416	$2,300,000	$1,856	$2,024,000		$1,789	$21,469	$2,010	$24,120	$3,799	$45,588
20E	V	2	2	1,171		1,171	393	$2,040,000	$1,742	$1,795,200		$1,690	$20,282	$1,899	$22,786	$3,589	$43,068
20F	V	2	2	1,288		1,288	432	$1,850,000	$1,436	$1,628,000		$1,858	$22,295	$2,087	$25,047	$3,945	$47,342
21A	RS	3	3	1,628		1,628	549		$1,766	$2,530,000	$2,277,000	$2,361	$28,333	$2,653	$31,831	$5,014	$60,164
21B	RS	3	3	1,662		1,662	560		$2,058	$3,027,200	$2,724,480	$2,408	$28,901	$2,706	$32,469	$5,114	$61,369
21C	RS	1	1	718		718	242		$1,880	$1,188,000	$1,069,200	$1,041	$12,489	$1,169	$14,031	$2,210	$26,520
21D	V	2	2	1,239		1,239	418	$2,330,000	$1,881	$2,050,400		$1,798	$21,572	$2,020	$24,236	$3,817	$45,808
21E	V	2	2	1,171		1,171	395	$2,070,000	$1,768			$1,699	$20,385	$1,909	$22,902	$3,607	$43,287
21F	V	2	2	1,288		1,288	434	$1,880,000	$1,460			$1,866	$22,398	$2,097	$25,163	$3,963	$47,561
22A	RS	3	3	1,628		1,628	551		$1,781	$2,552,000	$2,296,800	$2,370	$28,436	$2,662	$31,947	$5,032	$60,383
22B	RS	3	3	1,662		1,662	563		$2,076	$3,049,200	$2,744,280	$2,421	$29,055	$2,720	$32,643	$5,142	$61,698
22C	RS	1	1	718		718	243		$1,901	$1,201,200	$1,081,080	$1,045	$12,540	$1,174	$14,089	$2,219	$26,629
22D	RS	2	2	1,239		1,239	420		$1,905	$2,072,400	$1,865,160	$1,806	$21,675	$2,029	$24,352	$3,836	$46,027
22E	RS	2	2	1,171		1,171	397		$1,785	$1,839,200	$1,655,280	$1,707	$20,488	$1,918	$23,018	$3,626	$43,506
22F	V	2	2	1,288		1,288	436	$1,900,000	$1,475	$1,672,000		$1,875	$22,501	$2,107	$25,279	$3,982	$47,780
23A	RS	3	3	1,628		1,628	554		$1,797	$2,574,000	$2,316,600	$2,383	$28,591	$2,677	$32,121	$5,059	$60,712
23B	RS	3	3	1,662		1,662	565		$2,094	$3,071,200	$2,764,080	$2,430	$29,159	$2,730	$32,759	$5,160	$61,917
23C	RS	1	1	718		718	244		$1,922	$1,214,400	$1,092,960	$1,049	$12,592	$1,179	$14,147	$2,228	$26,739
23D	V	2	2	1,239		1,239	421	$2,380,000	$1,929	$2,094,400		$1,811	$21,727	$2,034	$24,410	$3,845	$46,136
23E	RS	2	2	1,171		1,171	398		$1,802	$1,856,800	$1,671,120	$1,712	$20,540	$1,923	$23,076	$3,635	$43,616
23F	V	2	2	1,288		1,288	438	$1,920,000	$1,491	$1,689,600		$1,884	$22,604	$2,116	$25,395	$4,000	$47,999
24A	V	3	3	1,628		1,628	556	$2,950,000	$1,812	$2,596,000		$2,391	$28,694	$2,686	$32,237	$5,078	$60,931
24B	V	3	3	1,662		1,662	568	$3,515,000	$2,112	$3,093,200		$2,443	$29,313	$2,744	$32,933	$5,187	$62,246
24C	RS	1	1	718		718	245		$1,943	$1,227,600	$1,104,840	$1,054	$12,643	$1,184	$14,205	$2,237	$26,849
24D	RS	2	2	1,239		1,239	423		$1,953	$2,116,400	$1,904,760	$1,819	$21,830	$2,044	$24,526	$3,863	$46,356
24E	RS	2	2	1,171		1,171	400		$1,819	$1,874,400	$1,686,960	$1,720	$20,643	$1,933	$23,192	$3,653	$43,835
24F	V	2	2	1,288		1,288	440	$1,940,000	$1,506	$1,707,200		$1,892	$22,707	$2,126	$25,511	$4,018	$48,219
25A	RS	3	3	1,628		1,628	559		$1,827	$2,618,000	$2,356,200	$2,404	$28,849	$2,701	$32,411	$5,105	$61,260
25B	RS	3	3	1,662		1,662	570		$2,130	$3,115,200	$2,803,680	$2,451	$29,417	$2,754	$33,049	$5,205	$62,465
25C	RS	1	1	718		718	246		$1,964	$1,240,800	$1,116,720	$1,058	$12,695	$1,189	$14,263	$2,247	$26,958
25D	RS	2	2	1,239		1,239	425		$1,977	$2,138,400	$1,924,560	$1,828	$21,933	$2,053	$24,642	$3,881	$46,575
25E	V	2	2	1,171		1,171	402	$2,150,000	$1,836	$1,892,000		$1,729	$20,746	$1,942	$23,308	$3,671	$44,054
25F	V	2	2	1,288		1,288	442	$1,960,000	$1,522	$1,724,800		$1,901	$22,811	$2,136	$25,627	$4,036	$48,438
26A	RS	3	3	1,628		1,628	561		$1,843	$2,640,000	$2,376,000	$2,413	$28,952	$2,711	$32,527	$5,123	$61,479
26B	V	3	3	1,662		1,662	573	$3,565,000	$2,148	$3,137,200		$2,464	$29,572	$2,769	$33,223	$5,233	$62,794
26C	RS	1	1	718		718	248		$1,985	$1,254,000	$1,128,600	$1,067	$12,798	$1,198	$14,379	$2,265	$27,177
26D	RS	2	2	1,239		1,239	427		$2,002	$2,160,400	$1,944,360	$1,836	$22,036	$2,063	$24,757	$3,899	$46,794
26E	RS	2	2	1,171		1,171	404		$1,853	$1,909,600	$1,718,640	$1,737	$20,849	$1,952	$23,424	$3,689	$44,273
26F	V	2	2	1,288		1,288	444	$1,980,000	$1,537	$1,742,400		$1,909	$22,914	$2,145	$25,743	$4,055	$48,657
27A	V	3	3	1,628		1,628	564	$3,025,000	$1,858	$2,662,000		$2,426	$29,107	$2,725	$32,701	$5,151	$61,808
27B	RS	3	3	1,662		1,662	576		$2,166	$3,159,200	$2,843,280	$2,477	$29,726	$2,783	$33,396	$5,260	$63,123

Unit	Rent Regulatory Status*	# BRs	# Baths	Approximate Apartment SF	Approximate Terrace SF	Approximate Total SF	Shares	Offering Price Renovated	Price PSF	Offering Price As-Is	180 Day Exclusive Purchase Period Price	Projected First Year's Maintenance Charges (Excluding PILOT)		Projected First Year's PILOT w/ 421-a Abatement		Projected First Year's Total Charges	
												Monthly	Annual	Monthly	Annual	Monthly	Annual
27C	V	1	1	718		718	249	$1,440,000	$2,006	$1,267,200		$1,071	$12,850	$1,203	$14,437	$2,274	$27,287
27D	RS	2	2	1,239		1,239	429		$2,026	$2,182,400	$1,964,160	$1,845	$22,140	$2,073	$24,873	$3,918	$47,013
27E	RS	2	2	1,171		1,171	406		$1,870	$1,927,200	$1,734,480	$1,746	$20,953	$1,962	$23,540	$3,708	$44,493
27F	V	2	2	1,288		1,288	446	$2,000,000	$1,553	$1,760,000		$1,918	$23,017	$2,155	$25,859	$4,073	$48,876
28A	V	3	3	1,594		1,594	554	$3,050,000	$1,913	$2,684,000		$2,383	$28,591	$2,677	$32,121	$5,059	$60,712
28B	RS	3	3	1,627		1,627	566		$2,237	$3,181,200	$2,863,080	$2,434	$29,210	$2,735	$32,817	$5,169	$62,027
28C	V	1	1	709		709	247	$1,455,000	$2,052	$1,280,400		$1,062	$12,747	$1,193	$14,321	$2,256	$27,068
28D	RS	2	2	1,224		1,224	426		$2,083	$2,204,400	$1,983,960	$1,832	$21,985	$2,058	$24,699	$3,890	$46,684
28E	V	2	2	1,143		1,143	398	$2,210,000	$1,934	$1,944,800		$1,712	$20,540	$1,923	$23,076	$3,635	$43,616
28F	RS	2	2	1,266		1,266	440		$1,596	$1,777,600	$1,599,840	$1,892	$22,707	$2,126	$25,511	$4,018	$48,219
PHA	V	3	3	1,594		1,594	557	$3,150,000	$2,117	$2,772,000		$2,395	$28,746	$2,691	$32,295	$5,087	$61,041
PHB	RS	3	3	1,627		1,627	568		$2,360	$3,300,000	$2,970,000	$2,443	$29,313	$2,744	$32,933	$5,187	$62,246
PHC	RS	1	1	709		709	248		$2,257	$1,346,400	$1,211,760	$1,067	$12,798	$1,198	$14,379	$2,265	$27,177
PHD	V	2	2	1,224		1,224	428	$2,600,000	$2,247	$2,288,000		$1,841	$22,088	$2,068	$24,815	$3,909	$46,904
PHE	V	2	2	1,143		1,143	399	$2,285,000	$2,143	$2,010,800		$1,716	$20,591	$1,928	$23,134	$3,644	$43,725
PHF	V	2	2	1,266		1,266	442	$2,085,000	$1,761	$1,834,800		$1,901	$22,811	$2,136	$25,627	$4,036	$48,438
Building Total				**305,828**	**1,664**	**307,492**	**100,000**	**$220,570,000**	**721**	**$433,316,400**	**$226,896,120**	**$430,056**	**$5,160,670**	**$483,159**	**$5,797,903**	**$913,214**	**$10,958,573**

***RS = Rent Stabilized and V = Vacant.**

****4N is the Resident Manager's Unit.**

*****8DE the a Sales Gallery.**

Unsold Shares For Future Requirements	**33,333**

Notes to Schedule A

1. All Apartments being offered for sale are offered for residential use only. Purchasers should note that any floor plan or sketch shown to a prospective Purchaser including those set forth in the Plan, is only an approximation of the dimensions and layout of each Apartment. While the Plans of the Building and the Apartments set forth in the Plan are meant to reflect existing conditions, the actual layout of an Apartment may have been altered by a current or former tenant or otherwise; accordingly, each Apartment should be inspected prior to purchase to determine its actual dimensions, layout and physical condition. The plans of the Apartments contained in Part II of the Plan may not reflect changes in layout or other alterations performed by tenants within particular Apartments. The number of bedrooms and bathrooms has been disclosed in accordance with the method of calculation employed by the Division of Housing and Community Renewal. Sponsor has reserved the right to negotiate with individual Purchasers, other than Tenants in Occupancy for whom such negotiation would constitute a discriminatory inducement, to perform special work in an Apartment which may require a modification in the floor plans for certain Apartments.

2. The square foot area and dimensions of the Apartments listed in Schedule A or on the Floor Plans are approximate, within reasonable tolerances, and were obtained by using the method customarily used in New York City to measure Apartments. Each Apartment is measured horizontally from the exterior face of the exterior wall and or window system (columns, mechanical pipe shafts, shaft ways, chases, chase ways and conduits are not deducted) to the centerline of the partition separating one Apartment from another Apartment, or the centerline of a shear-wall separating one Apartment from another Apartment to the corridor face of common corridors, to the shaft face of shear-walls of stairs, elevators and to the mechanical side face of walls of other mechanical equipment spaces or any Common Areas not within an Apartment or to the exterior face of the opposite exterior wall and/or window system. Each Terrace is measured from the exterior face of the exterior wall to the outside face of the parapet wall. This method of measurement is applicable to all Apartments. All dimensions of rooms and other interior areas shown on the floor plans were calculated from the interior faces of walls exclusive of structural and mechanical enclosures projecting into the space. Accordingly, as is customary in New York, the square foot areas of each Apartment as set forth in Schedule A and the Floor Plans may significantly exceed the useable floor area of each Apartment.

3. Based upon the Opinion of Reasonable Relationship provided by Allied Partners, a copy of which is included in the Plan, the distribution of Shares among each Apartment has been determined by a number of factors, including, but not limited to, its respective floor space and relative value to other space in the Building. Further, the Opinion states that the distribution of Shares is reasonable and equitable and the cash Offering Price of each block of Shares allocated to each Apartment is not less than an amount that bears a reasonable relationship to the portion of the fair market value of the Apartment Corporation's equity in the Property and Building attributable to each Apartment and the contribution by Sponsor to the capital of the Apartment Corporation and the value of the Shares that Sponsor owns is not less than an amount that bears a reasonable relationship to the portion of the fair market value of the Apartment Corporation's equity in the Property and Building attributable to each Apartment.

4. Each Tenant in Occupancy has the exclusive right to purchase the Apartment such Tenant in Occupancy occupies on the Filing Date for a period of 180 days from the Presentation Date of the Plan, at the discounted Offering prices set forth in Schedule A. However, during the Exclusive Purchase Period, Sponsor shall have the right to declare the Plan effective, assign the Ground Lease to the Apartment Corporation and convey the Shares allocated to Apartments to Purchasers pursuant to a fully executed Purchase Agreement. The Offering prices payable by Purchasers may be increased only by duly filed amendment but may be decreased on an individually negotiated basis with a Purchaser (other than a Tenants in Occupancy until the Effective Date of the Plan) without amendment to the Plan. Any across-

the-board change in the Offering prices that affects a line or major grouping of Apartments or is to be advertised will be made by duly filed amendment to the Plan. See the Section of the Plan entitled "Changes in Prices and Apartments" concerning other terms of sale.

5. In addition to the payment of the Purchase Price, each Purchaser (other than Sponsor or a Holder of Unsold Shares) will be (i) required to make a non-refundable contribution to the Working Capital Fund of the Building in an amount equal to 2 months' Residential Maintenance Charges in effect at the time of such Closing assessed against such Apartment; and will be (ii) 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 financing, 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 Apartment at the time of closing. Purchasers should consult with their attorneys as to the exact closing costs they will incur. 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 estimates contained in this schedule were prepared on the assumption that the First Year of Apartment Corporation Operation will be the year from January 1, 2022, and are based on an estimate of the receipts and expenses of the Apartment Corporation for the projected year. The actual First Year of Apartment Corporation Operation may be earlier or later than such year. If the actual or anticipated date of commencement of the First Year of Apartment Corporation Operation is delayed by more than 6 months from the commencement of the projected First Year of Apartment Corporation Operation, Sponsor will amend the Plan to include a revised budget disclosing current projections. If such amended projections exceed original projections by 25% or more, Sponsor will offer all Purchasers the right to rescind for a period of 15 days after the Presentation Date of the amendment setting forth the right to rescind.

   The estimated monthly Maintenance Charges for each Apartment is based on the Schedule B – Budget for First Year of Apartment Corporation Operation as certified by Sponsor's Budget Expert. Each Shareholder will be responsible for PILOT for such Apartment, payments under a loan or loans, if any, obtained to finance the purchase of the Apartment, the cost of electricity supplied to the Apartment, which is submetered and payable either to the Board or directly to the utility company engaged by the Board to perform submetering services as directed by the Board, the cost of cable television services, the cost of telephone and internet provider services and the insurance coverage which must be maintained by each Shareholder as set forth in the By-Laws. Capital repairs, replacements, additions, improvements, alterations and restorations to the Common Areas or Residential Common Areas are either Maintenance Expenses or Residential Maintenance Expenses which will be borne by all Shareholders or solely by the Shareholders, as the case may be.

   The aggregate monthly rents payable by the Tenants in Occupancy were $1,900,515.20 as of February 28, 2021.

6. Based on the PILOT projection opinion prepared by Metropolitan Valuation Services, Inc. dated December 21, 2020, the First Year of Apartment Corporation Operation commencing January 1, 2022, it is estimated that the aggregate PILOT, with the Partial PILOT Exemption, payable with respect to the Property for the First Year of Apartment Corporation Operation will be approximately (i) $5,797,903.00 assuming a transitional assessed valuation for the Property of $46,331,330.00 at a tax rate of 12.514% for the 2022/2023 tax year. The Ground Lease provides for a partial PILOT exemption program that is similar to Section 421-a of the New York State Real Property Tax Law (the "Partial PILOT Exemption"). The scheduled Partial PILOT Exemption, pursuant to the terms of the Ground Lease, is twenty (20%) percent for each tax year. Purchasers are advised to read Sponsor's PILOT

Consultant's entire PILOT analysis which is located in Part I of this Plan, for details about the projected PILOT assessments, both with and without the Partial PILOT Exemption.

7. These figures represent the aggregate estimated monthly carrying charges which include estimated Maintenance Charges and estimated PILOT. No warranty, guaranty or assurance is given that: (i) any projected or estimated amount set forth above (including, without limitation, the estimates of the Property's assessed valuations during the First Year of Apartment Corporation Operation, and the projection of the average PILOT rate that will be in effect during such First Year of Apartment Corporation Operation will approximate the actual amount; (ii) any of the projections or estimates made above and in Schedule A are accurate.

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SCHEDULE A-1 – RESIDENT MANAGER'S APARTMENT OFFERING PRICE AND CLOSING COSTS

The 20 River Terrace Apartment Corporation: Schedule A-1

Unit	Resident Manager's Unit Purchase Price	Resident Manager's Unit Closing Costs	Resident Manager's Unit Offering Price w/ Closing Costs
1E	$4,880	$194	$5,073
3B	$3,505	$139	$3,644
3C	$3,278	$130	$3,408
3D	$3,308	$131	$3,439
3E	$5,469	$217	$5,686
3F	$7,418	$295	$7,713
3G	$4,079	$162	$4,241
3H	$4,033	$160	$4,194
3J	$2,704	$107	$2,811
3K	$3,550	$141	$3,691
3L	$3,943	$157	$4,099
3M	$7,584	$301	$7,885
3N	$5,801	$230	$6,032
3P	$3,943	$157	$4,099
3Q	$4,169	$166	$4,335
4A	$4,804	$191	$4,995
4B	$3,429	$136	$3,565
4C	$3,293	$131	$3,424
4D	$3,338	$133	$3,471
4E	$5,499	$218	$5,717
4F	$7,448	$296	$7,744
4G	$4,094	$163	$4,256
4H	$4,048	$161	$4,209
4J	$4,154	$165	$4,319
4K	$3,958	$157	$4,115
4L	$5,529	$220	$5,749
4M	$7,614	$302	$7,917
4N*			
4P	$3,973	$158	$4,131
4Q	$2,613	$104	$2,717
5A	$4,819	$191	$5,010
5B	$3,444	$137	$3,581
5C	$3,308	$131	$3,439
5D	$3,353	$133	$3,487
5E	$5,529	$220	$5,749
5F	$7,494	$298	$7,791
5G	$4,109	$163	$4,272
5H	$4,064	$161	$4,225
5J	$4,184	$166	$4,351
5K	$3,973	$158	$4,131
5L	$5,559	$221	$5,780
5M	$7,660	$304	$7,964
5N	$5,847	$232	$6,079
5P	$3,988	$158	$4,146
5Q	$2,628	$104	$2,733
6A	$4,849	$193	$5,042
6B	$3,459	$137	$3,597
6C	$3,323	$132	$3,455
6D	$3,369	$134	$3,502
6E	$5,559	$221	$5,780
6F	$7,524	$299	$7,823
6G	$4,139	$164	$4,304
6H	$4,094	$163	$4,256
6J	$4,200	$167	$4,366
6K	$3,988	$158	$4,146
6L	$5,590	$222	$5,812
6M	$7,690	$305	$7,995
6N	$5,877	$233	$6,110
6P	$4,003	$159	$4,162
6Q	$2,643	$105	$2,748
7A	$4,864	$193	$5,058
7B	$3,474	$138	$3,612
7C	$3,338	$133	$3,471
7D	$3,384	$134	$3,518
7E	$5,575	$221	$5,796
7F	$7,569	$301	$7,870
7G	$4,154	$165	$4,319
7H	$4,109	$163	$4,272
7J	$4,215	$167	$4,382
7K	$4,018	$160	$4,178
7L	$5,620	$223	$5,843
7M	$7,735	$307	$8,043
7N	$5,907	$235	$6,142
7P	$4,018	$160	$4,178
7Q	$2,658	$106	$2,764
8A	$4,895	$194	$5,089
8B	$3,489	$139	$3,628
8C	$3,353	$133	$3,487
8DE**	$9,004	$358	$9,361
8F	$7,599	$302	$7,901
8G	$4,169	$166	$4,335
8H	$4,124	$164	$4,288
8J	$4,245	$169	$4,414
8K	$4,033	$160	$4,194
8L	$5,635	$224	$5,859
8M	$7,766	$308	$8,074
8N	$5,937	$236	$6,173
8P	$4,048	$161	$4,209
8Q	$2,658	$106	$2,764
9A	$4,910	$195	$5,105
9B	$3,505	$139	$3,644
9C	$3,369	$134	$3,502
9D	$3,414	$136	$3,549
9E	$5,635	$224	$5,859

The 20 River Terrace Apartment Corporation: Schedule A-1

Unit	Resident Manager's Unit Purchase Price	Resident Manager's Unit Closing Costs	Resident Manager's Unit Offering Price w/ Closing Costs
9F	$7,630	$303	$7,933
9G	$4,200	$167	$4,366
9H	$4,154	$165	$4,319
9J	$4,260	$169	$4,429
9K	$4,048	$161	$4,209
9L	$5,665	$225	$5,890
9M	$7,811	$310	$8,121
9N	$5,967	$237	$6,204
9P	$4,064	$161	$4,225
9Q	$2,673	$106	$2,780
10A	$4,940	$196	$5,136
10B	$3,520	$140	$3,659
10C	$3,384	$134	$3,518
10D	$3,429	$136	$3,565
10E	$5,665	$225	$5,890
10F	$7,675	$305	$7,980
10G	$4,215	$167	$4,382
10H	$4,169	$166	$4,335
10J	$4,275	$170	$4,445
10K	$4,079	$162	$4,241
10L	$5,695	$226	$5,922
10M	$7,841	$311	$8,152
10N	$5,998	$238	$6,236
10P	$4,079	$162	$4,241
10Q	$2,689	$107	$2,795
11A	$4,970	$197	$5,168
11B	$3,550	$141	$3,691
11C	$3,399	$135	$3,534
11D	$3,444	$137	$3,581
11E	$5,680	$226	$5,906
11F	$7,705	$306	$8,011
11G	$4,230	$168	$4,398
11H	$4,184	$166	$4,351
11J	$4,305	$171	$4,476
11K	$4,094	$163	$4,256
11L	$5,726	$227	$5,953
11M	$7,886	$313	$8,200
11N	$6,028	$239	$6,267
11P	$4,109	$163	$4,272
11Q	$2,704	$107	$2,811
12A	$4,985	$198	$5,183
12B	$3,565	$142	$3,707
12C	$3,414	$136	$3,549
12D	$3,459	$137	$3,597
12E	$5,711	$227	$5,937
12F	$7,750	$308	$8,058
12G	$4,260	$169	$4,429
12H	$4,215	$167	$4,382
12J	$4,320	$172	$4,492
12K	$4,109	$163	$4,272
12L	$5,756	$229	$5,985
12M	$7,917	$314	$8,231
12N	$6,058	$241	$6,299
12P	$4,124	$164	$4,288
12Q	$2,719	$108	$2,827
14A	$5,031	$200	$5,230
14B	$3,595	$143	$3,738
14C	$3,444	$137	$3,581
14D	$3,489	$139	$3,628
14E	$5,771	$229	$6,000
14F	$7,826	$311	$8,137
14G	$4,290	$170	$4,461
14H	$4,245	$169	$4,414
14J	$4,366	$173	$4,539
14K	$4,154	$165	$4,319
14L	$5,801	$230	$6,032
14M	$7,992	$317	$8,310
14N	$6,103	$242	$6,346
14P	$4,154	$165	$4,319
14Q	$2,734	$109	$2,843
15A	$5,061	$201	$5,262
15B	$3,610	$143	$3,754
15C	$3,474	$138	$3,612
15D	$3,505	$139	$3,644
15E	$5,801	$230	$6,032
15F	$7,856	$312	$8,168
15G	$4,320	$172	$4,492
15H	$4,275	$170	$4,445
15J	$4,381	$174	$4,555
15K	$4,169	$166	$4,335
15L	$5,831	$232	$6,063
15M	$8,038	$319	$8,357
15N	$6,134	$244	$6,377
15P	$4,184	$166	$4,351
15Q	$2,749	$109	$2,858
16A	$5,076	$202	$5,278
16B	$3,625	$144	$3,769
16C	$3,489	$139	$3,628
16D	$3,535	$140	$3,675
16E	$5,817	$231	$6,048
16F	$7,903	$314	$8,216
16G	$4,337	$172	$4,509
16H	$4,291	$170	$4,462
16J	$4,412	$175	$4,587

The 20 River Terrace Apartment Corporation: Schedule A-1

Unit	Resident Manager's Unit Purchase Price	Resident Manager's Unit Closing Costs	Resident Manager's Unit Offering Price w/ Closing Costs
16K	$4,185	$166	$4,352
16L	$5,863	$233	$6,095
16M	$8,069	$320	$8,389
16N	$6,165	$245	$6,410
16P	$4,201	$167	$4,367
16Q	$2,765	$110	$2,875
17A	$5,107	$203	$5,310
17B	$3,642	$145	$3,786
17C	$3,445	$137	$3,582
17D	$3,506	$139	$3,645
17E	$5,727	$227	$5,954
17F	$7,767	$308	$8,075
17G	$4,321	$172	$4,493
17H	$4,261	$169	$4,430
17J	$4,367	$173	$4,540
17K	$4,185	$166	$4,352
17L	$5,832	$232	$6,064
17M	$7,978	$317	$8,295
17N	$6,059	$241	$6,300
17P	$4,170	$166	$4,336
17Q	$2,780	$110	$2,891
18A	$5,077	$202	$5,279
18B	$3,657	$145	$3,802
18C	$3,460	$137	$3,598
18D	$3,521	$140	$3,660
18E	$5,757	$229	$5,986
18F	$7,797	$310	$8,106
18G	$4,337	$172	$4,509
18H	$4,276	$170	$4,446
18J	$4,321	$172	$4,493
18K	$4,201	$167	$4,367
18L	$5,863	$233	$6,095
18M	$8,008	$318	$8,326
18N	$6,089	$242	$6,331
18P	$4,185	$166	$4,352
18Q	$2,795	$111	$2,906
19A	$8,144	$323	$8,468
19B	$9,021	$358	$9,379
19C	$3,747	$149	$3,896
19D	$6,573	$261	$6,834
19E	$6,316	$251	$6,567
19F	$6,694	$266	$6,960
20A	$8,250	$328	$8,578
20B	$8,431	$335	$8,766
20C	$3,642	$145	$3,786
20D	$6,286	$250	$6,535
20E	$5,938	$236	$6,174
20F	$6,528	$259	$6,787
21A	$8,295	$329	$8,625
21B	$8,462	$336	$8,798
21C	$3,657	$145	$3,802
21D	$6,316	$251	$6,567
21E	$5,968	$237	$6,205
21F	$6,558	$260	$6,818
22A	$8,326	$331	$8,656
22B	$8,507	$338	$8,845
22C	$3,672	$146	$3,818
22D	$6,346	$252	$6,598
22E	$5,999	$238	$6,237
22F	$6,588	$262	$6,850
23A	$8,371	$332	$8,703
23B	$8,537	$339	$8,876
23C	$3,687	$146	$3,833
23D	$6,361	$253	$6,614
23E	$6,014	$239	$6,253
23F	$6,618	$263	$6,881
24A	$8,401	$334	$8,735
24B	$8,582	$341	$8,923
24C	$3,702	$147	$3,849
24D	$6,392	$254	$6,645
24E	$6,044	$241	$6,285
24F	$6,648	$265	$6,913
25A	$8,446	$336	$8,783
25B	$8,613	$343	$8,956
25C	$3,717	$149	$3,866
25D	$6,422	$256	$6,678
25E	$6,074	$242	$6,316
25F	$6,679	$266	$6,945
26A	$8,477	$338	$8,814
26B	$8,658	$345	$9,003
26C	$3,747	$150	$3,897
26D	$6,452	$257	$6,709
26E	$6,104	$243	$6,348
26F	$6,709	$267	$6,976
27A	$8,522	$339	$8,861
27B	$8,703	$347	$9,050
27C	$3,762	$150	$3,913
27D	$6,482	$258	$6,741
27E	$6,135	$245	$6,379
27F	$6,739	$269	$7,008
28A	$8,371	$333	$8,704
28B	$8,552	$341	$8,893
28C	$3,732	$149	$3,881
28D	$6,437	$257	$6,693

The 20 River Terrace Apartment Corporation: Schedule A-1

Unit	Resident Manager's Unit Purchase Price	Resident Manager's Unit Closing Costs	Resident Manager's Unit Offering Price w/ Closing Costs
28E	$6,014	$240	$6,254
28F	$6,648	$265	$6,913
PHA	$8,416	$335	$8,751
PHB	$8,582	$342	$8,924
PHC	$3,747	$150	$3,897
PHD	$6,467	$258	$6,725
PHE	$6,029	$240	$6,269
PHF	$6,679	$266	$6,945
Total	**$1,505,000**	**$59,801**	**$1,564,801**

***Unit 4N is the Resident Manager's Unit**

****8DE is the Sales Gallery.**

SCHEDULE A-2 – TITLE INSURANCE REIMBURSEMENT

The 20 River Terrace Apartment Corporation:
Schedule A-2

Unit	Title Insurance Closing Costs
1E	$4,422
3B	$3,176
3C	$2,971
3D	$2,998
3E	$4,956
3F	$6,722
3G	$3,696
3H	$3,655
3J	$2,451
3K	$3,217
3L	$3,573
3M	$6,872
3N	$5,257
3P	$3,573
3Q	$3,778
4A	$4,353
4B	$3,108
4C	$2,984
4D	$3,025
4E	$4,983
4F	$6,749
4G	$3,710
4H	$3,669
4J	$3,765
4K	$3,587
4L	$5,011
4M	$6,900
4N*	
4P	$3,600
4Q	$2,368
5A	$4,367
5B	$3,121
5C	$2,998
5D	$3,039
5E	$5,011
5F	$6,790
5G	$3,724
5H	$3,683
5J	$3,792
5K	$3,600
5L	$5,038
5M	$6,941
5N	$5,298
5P	$3,614
5Q	$2,382
6A	$4,394
6B	$3,135
6C	$3,012
6D	$3,053
6E	$5,038
6F	$6,818
6G	$3,751
6H	$3,710
6J	$3,806
6K	$3,614
6L	$5,065
6M	$6,968
6N	$5,325
6P	$3,628
6Q	$2,396
7A	$4,408
7B	$3,149
7C	$3,025
7D	$3,067
7E	$5,052
7F	$6,859
7G	$3,765
7H	$3,724
7J	$3,820
7K	$3,642
7L	$5,093
7M	$7,009
7N	$5,353
7P	$3,642
7Q	$2,409
8A	$4,436
8B	$3,162
8C	$3,039
8DE**	$8,159
8F	$6,886
8G	$3,778
8H	$3,737
8J	$3,847
8K	$3,655
8L	$5,106
8M	$7,037
8N	$5,380
8P	$3,669
8Q	$2,409
9A	$4,449
9B	$3,176
9C	$3,053
9D	$3,094
9E	$5,106
9F	$6,913
9G	$3,806

The 20 River Terrace Apartment Corporation:
Schedule A-2

Unit	Title Insurance Closing Costs
9H	$3,765
9J	$3,861
9K	$3,669
9L	$5,134
9M	$7,078
9N	$5,408
9P	$3,683
9Q	$2,423
10A	$4,477
10B	$3,190
10C	$3,067
10D	$3,108
10E	$5,134
10F	$6,956
10G	$3,821
10H	$3,779
10J	$3,875
10K	$3,697
10L	$5,162
10M	$7,106
10N	$5,436
10P	$3,697
10Q	$2,438
11A	$4,505
11B	$3,218
11C	$3,081
11D	$3,122
11E	$5,148
11F	$6,983
11G	$3,834
11H	$3,793
11J	$3,903
11K	$3,711
11L	$5,190
11M	$7,147
11N	$5,463
11P	$3,725
11Q	$2,452
12A	$4,519
12B	$3,232
12C	$3,095
12D	$3,136
12E	$5,176
12F	$7,024
12G	$3,862
12H	$3,821
12J	$3,916
12K	$3,725
12L	$5,217
12M	$7,175
12N	$5,491
12P	$3,738
12Q	$2,465
14A	$4,560
14B	$3,259
14C	$3,122
14D	$3,163
14E	$5,231
14F	$7,092
14G	$3,889
14H	$3,848
14J	$3,957
14K	$3,766
14L	$5,258
14M	$7,243
14N	$5,532
14P	$3,766
14Q	$2,479
15A	$4,587
15B	$3,273
15C	$3,150
15D	$3,177
15E	$5,258
15F	$7,120
15G	$3,916
15H	$3,875
15J	$3,971
15K	$3,779
15L	$5,285
15M	$7,284
15N	$5,559
15P	$3,793
15Q	$2,493
16A	$4,601
16B	$3,287
16C	$3,163
16D	$3,204
16E	$5,272
16F	$7,161
16G	$3,930
16H	$3,889
16J	$3,998
16K	$3,793
16L	$5,313
16M	$7,311
16N	$5,587

The 20 River Terrace Apartment Corporation:
Schedule A-2

Unit	Title Insurance Closing Costs
16P	$3,807
16Q	$2,506
17A	$4,628
17B	$3,300
17C	$3,122
17D	$3,177
17E	$5,190
17F	$7,038
17G	$3,916
17H	$3,862
17J	$3,957
17K	$3,793
17L	$5,285
17M	$7,229
17N	$5,491
17P	$3,779
17Q	$2,520
18A	$4,601
18B	$3,314
18C	$3,136
18D	$3,191
18E	$5,217
18F	$7,065
18G	$3,930
18H	$3,875
18J	$3,916
18K	$3,807
18L	$5,313
18M	$7,257
18N	$5,518
18P	$3,793
18Q	$2,534
19A	$7,380
19B	$8,174
19C	$3,396
19D	$5,956
19E	$5,723
19F	$6,066
20A	$7,476
20B	$7,640
20C	$3,300
20D	$5,696
20E	$5,381
20F	$5,915
21A	$7,517
21B	$7,667
21C	$3,314
21D	$5,723
21E	$5,409
21F	$5,942
22A	$7,544
22B	$7,708
22C	$3,328
22D	$5,751
22E	$5,436
22F	$5,970
23A	$7,585
23B	$7,736
23C	$3,341
23D	$5,764
23E	$5,450
23F	$5,997
24A	$7,613
24B	$7,777
24C	$3,355
24D	$5,792
24E	$5,477
24F	$6,025
25A	$7,654
25B	$7,804
25C	$3,369
25D	$5,819
25E	$5,504
25F	$6,052
26A	$7,681
26B	$7,845
26C	$3,396
26D	$5,847
26E	$5,532
26F	$6,079
27A	$7,722
27B	$7,886
27C	$3,410
27D	$5,874
27E	$5,559
27F	$6,107
28A	$7,585
28B	$7,750
28C	$3,382
28D	$5,833
28E	$5,450
28F	$6,025
PHA	$7,626
PHB	$7,777
PHC	$3,396
PHD	$5,860

The 20 River Terrace Apartment Corporation:
Schedule A-2

Unit	Title Insurance Closing Costs
PHE	$5,463
PHF	$6,052

Total	**$1,363,910**

***Unit 4N is the Resident Manager's Unit**
****8DE is the Sales Gallery.**

SCHEDULE B –BUDGET FOR FIRST YEAR OF APARTMENT CORPORATION OPERATION

SCHEDULE B

THE 20 RIVER TERRACE APARTMENT CORPORATION
20 River Terrace
New York, New York
Projected Budget for
the First Year of Cooperative Operation
January 1, 2022 to December 31, 2022

PROJECTED INCOME

A. Maintenance Charges	10,846,070
B. Parking Garage Rental Income	61,503
C. Other Receipts	51,000
TOTAL REVENUE	10,958,573

PROJECTED EXPENSES	**Total Pro Rata Share (SF) Residential % PILOT Allocation**
1) Labor	$1,734,276
2) Heat/Hot Water/Cooking Gas	$386,813
3) Electricity	$479,485
4) Water & Sewer Charges	$119,557
5) Administration	$65,600
6) Repairs & Maintenance	$328,877
7) Services & Supplies	$509,751
8) PILOT	$5,797,903
9) 421-A Differential	$161,127
10) Insurance	$445,000
11) Base Rent	$297,183
12) Civic Facilities	$167,692
13) Management Fee	$150,000
14) Legal, Audit & Professional Fees	$26,500
15) Amenity Operations	$35,832
16) Resident Manager Unit	$90,000
17) Franchise Tax	$112,977
18) Contingency	$50,000
TOTAL EXPENSES	**$10,958,573**

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

SCHEDULE B NOTES
The 20 River Terrace Apartment Corporation
20 River Terrace
New York, New York

ESTIMATED SCHEDULE OF RECEIPTS AND EXPENSES FOR THE FIRST FULL YEAR OF OPERATION

JANUARY 1, 2022 THROUGH DECEMBER 31, 2022

Amounts are projected on the assumption that the first year of the Cooperative's operation will be the 12-month period from January 1, 2022 through December 31, 2022. The actual first year of operation may be earlier or later than that 12-month period. If the actual or anticipated first year of Cooperative operation is delayed by six months or more from the projected budget year, the Plan will be amended to include an updated budget with revised projections if revised projections are necessary. If the aggregate of the revised projections exceeds the aggregate of the original projections by 25% or more, Sponsor will offer all purchasers the right, for a period of at least fifteen (15) days, to rescind their Agreements and have their deposits refunded. Deposits will be returned within fifteen (15) business days after Sponsor receives Purchaser's timely rescission notice.

Projected Receipts

A. Apartment Cooperative Maintenance Charges ($10,846,070)

The projected expense for the first year of Cooperative operation is $10,958,573. That amount is partially offset by Parking Garage Income, in the amount of $61,503 and further described in Note B, and Other Receipts, projected to be $51,000 and further described in Note C. The net amount due from the Shareholders, after reimbursements, is projected to be $10,846,070 during the first year of Cooperative operation.

B. Parking Garage Rental Income ($61,503)

The Parking Garage will be obligated to pay 0.7804% of certain Cooperative operating expenses, as further described in the Master Lease. Specifically, the Parking Garage will pay 0.7804% of the following items detailed below.

Heat (Note 2)	$329,314
Repairs & Maintenance (Note 6)	$235,877
Services & Supplies (Note 7)	$78,583
Insurance Cost (Note 10)	$445,000
Management Fee (Note 13)	$150,000
Legal, Audit & Prof. Fees (Note 14)	$26,500
Franchise Tax (Note 17)	$112,977
Contingency (Note 18)	$50,000

Sub Total	$1,428,251
$1,169,425 x 0.7804%	**$11,146**

The Parking Garage will also utilize the services of the Resident Manager and one porter. The two staff members have historically spent 10% of their time on certain parts of the Building defined as the Common Area, from which the Parking Garage benefits. The Parking Garage will be responsible for 0.7804% of these services.

10% of the cost of Labor	$28,539
$28,539 x 0.7804%	**$223**

Water consumption is minimal, and the Parking Garage will not reimburse the Cooperative for this expense. A restroom, a water hose connection on the ramp, and a second water hose connection at the rear of the space are located within the Parking Garage. Additionally, the Parking Garage is responsible for 0.7804% of PILOT, 421-A Differential, Base Rent, and Civic Facilities expenses, totaling $50,132. Notes 8, 9, 11 and 12 provide more details on these expenses.

Parking Garage Unit Total	**$61,503**

C. Other Receipts ($51,000)

Other receipts include estimated reimbursements of $7,000 from the Battery Park City Authority for the BPCA Facility's sub-metered water usage, as well as for water usage in similar public bathrooms located in the Verdesian, a neighboring building, located at 211 North End Avenue, New York, New York 10282, that is owned and controlled by an entity of which some of the principals are also certain principals of the sponsor. Additionally, the Verdesian reimburses the Cooperative for water that is supplied to the Verdesian for toilet flushing for all apartment bathrooms, a public bathroom in the ground floor hallway and staff locker rooms. The Verdesian could be disconnected from the Building's water service and reconnected with the municipal water source at any time. Other receipts also include month to month storage income from 41 storage bins located in the cellar ($24,000). The monthly rate is $75 and 40 of the 41 storage bins are rented. The 41st unit is utilized by the Building. The budget estimates $20,000 of income related to the operation of the common laundry facilities installed in the basement pursuant to an agreement with Coinmach. The agreement commenced on January 1, 2017 and ends on December 31, 2023. Sponsor reserves the right to replace Coinmach with another vendor if, or so long as, Sponsor controls the Apartment Corporation.

Projected Expenses

1. Labor ($1,734,276)

The labor expense estimate includes wages, workers compensation, disability insurance, welfare and pension costs, payroll taxes and the cost of sick days, holidays, and vacation pay for a projected Building staff level of 1 Resident Manager, 7 Lobby men, 3 Handymen and 4 Porters. The level of staffing for the Building complies with all applicable housing and labor laws. The Building is currently staffed with 1 full-time Resident Manager, 5 full-time Concierge, 3 full-time Handymen, and 6 full-time porters. All Building staff employees are union members. Accordingly, the Building staff wages, welfare and pension figures described are in accordance with the industry pattern contract currently in effect with local 32BJ of the Service Employees International Union, AFL-CIO with projected overtime, holiday pay, sick pay, and increases for future contracts that will be in effect for the budget period. The four year contract ends in April 2022.

Wages

Building Staff (#)	**Wages/Yr./Person**	**Total Wages**
Resident Manager (1)	$167,464	$167,464
Lobby men (7)	$67,877	$475,136
Porters (4)	$67,877	$271,506
Handyman (3)	$74,070	$222,210
Subtotal		$1,136,316

Taxes and Benefits

Workers Comp @ 4.50% of applicable wages	$51,134
FICA @ 6.20% of applicable wages	$70,452
Medicare @ 1.45% of applicable wages	$16,477
NYS Unemployment Insurance @ 2.90% of applicable wages	$8,524
Federal Unemployment Insurance @ 0.60% of applicable wages	$1,764
NYS Disability Insurance @ $3.29 per applicable employee	$592
Metro Commuter Mobility Tax @0.34%	$3,863
Subtotal	$152,806

Union Welfare/Pension

Welfare	$332,951
Pension	$98,865
Legal, Training, Annuity	$12,228
Subtotal	$445,154
Total	**$1,734,276**

The Cooperative's share of the labor expense is $1,734,053. See Note B for the detail of the Parking Garage's allocation of this charge.

2. Heat/Hot Water and Cooking Gas (\$386,813)

Domestic heat, hot water and cooking gas for the Apartments are provided by two (2) 400-ton direct gas fired absorption chiller units.

Based on estimates in a letter dated January 12, 2021 from Cosentini, Consulting Engineers, A Tetra Tech Company whose address is Two Pennsylvania Plaza, New York, NY 10121, the following projections are made for the cost for heat, hot water and cooking gas for the Building. The projected costs herein are estimated based on the three (3) year historical utility data that was available for the Property from calendar years 2015 through 2017. Such years were chosen to give prospective Purchasers the most relevant historical Building operating information available as of the Filing Date.

Common Areas, Apartment Cooking and Hot Water Gas – 44,000 Therms per year @ $1.10 per Therm = $48,400
Heat – 252,000 Therms per year @ $1.10 per Therm = $277,200

Subtotal – 296,000 Therms per year @ $1.10 per Therm = $325,600

A ten percent (10%) inflation factor has been added at a cost of $32,560.

An eight percent (8%) sales tax and other charge factor has been added at a cost of $28,653.

The Parking Garage will be responsible for 0.7804% of the heat expense. Cooking gas, common elements and hot water are the sole responsibility of the Shareholders.

3. Electricity (\$479,485)

Based on estimates in a letter dated January 12, 2021 from Cosentini, Consulting Engineers, A Tetra Tech Company whose address is Two Pennsylvania Plaza, New York, NY 10121, the following projections are made for the cost for electricity for all Apartments. The projected costs herein are estimated based on the three (3) year

historical utility data that was available for the Property from calendar years 2015 through 2017. Such years were chosen to give prospective Purchasers the most relevant historical Building operating information available as of the Filing Date.

Consumption and expense for the Common Areas are estimated to be 2,018,036 KWH per year @ $.20 per KWH = $403,607.

A ten percent (10%) inflation factor has been added at a cost of $40,361.

An eight percent (8%) sales tax and other charge factor has been added at a cost of $35,517.

Additionally, the Apartments are submetered and Shareholders are responsible for payment for electricity expense within the Apartment. Quadlogic, located at 33-00 Northern Blvd., Long Island City, NY 11101, monitors and records usage, and invoices the residents. The fee for their service is $1,400.00 per month. Refer to Schedule B-1 in Part I of the Plan.

The Parking Garage will use an estimated 45,00 0KWH per year @ $.20 per = $9,000. The Parking Garage is directly metered.

A ten-percent (10%) inflation factor has been added at a cost of $900.

4. Water and Sewer ($119,557)

Domestic water provided to the Building is measured by a single water meter. The specific projections are based on estimates in a letter dated January 1, 2021 by Cosentini, Consulting Engineers, A Tetra Tech Company whose address is Two Pennsylvania Plaza, New York, NY 10121. The projected costs herein are estimated based on the three (3) year historical utility data that was available for the Property from calendar year 2015 through 2017. Such years were chosen to give prospective Purchasers the most relevant historical Building operating information available as of the Filing Date.

The annual cost of water, without accounting for building specific credits, is assumed to be $63,321. This is derived by assuming a water rate of $3.99 per 100cf and usage of an estimated 1,587,018 CF per year. The sewer rate is estimated to be $100,680 or $159% of the water expense. The total annual water and sewer expense without accounting for credits is $164,001.

The Building is entitled to a 25% Comprehensive Water Reuse Program Credit. The credit is issued by the NYC Department of Environmental Protection and is applied on each invoice. The Building is eligible for this benefit due to the installation of low flow fixtures and the 25,000 gallon per day sewage treatment (black water) plant located in the cellar of the Building. The plant treats a portion of the Building's sewage and was designed to provide high quality treated and disinfected reclaimed (black) water for use in water closets, the cooling tower, and make-up irrigation. The 25% discount lowers the expected annual cost of water and sewer to $123,001.

Moreover, the annual expense is discounted an additional 10%, or $12,300 to account for water that supplies the Cooling Tower.

An eight percent (8%) inflation factor has been added at a cost of $8,856.

The BPCA Facility is sub-metered and reimburses the Building for water use twice a year. Additionally, the Verdesian, a neighboring building, consumes water provided by the Building. The Verdesian also is sub-metered and reimburses the Building twice a year. The Verdesian's access to the Building's water production can be disconnected at any time. The Parking Garage is not separately metered and will not contribute to water expense, as it utilizes a minimal amount of water.

5. Administration ($65,600)

This figure includes anticipated expenses for such items as telephone, internet access, professional fees, office supplies, and miscellaneous expense. The budgeted amount is based upon a 3 year average.

6. Repairs and Maintenance ($328,877)

This figure includes projected expenses for painting, maintenance, and repair costs of the Common Areas (i.e., HVAC equipment, common mechanical equipment, fans, pumps, valves, roofs, exterior walls, doors, etc.) and other repairs to Common Areas. Projected expenses related to the Common Areas are allocated to the Apartments, with the Parking Garage responsible for specific charges outlined below. Shareholders will be responsible for the cost of repairs and painting in the interior of their Apartments.

Specifically, the Parking Garage will share in the following expenses that are deemed to benefit the Parking Garage.

HVAC Maintenance	$ 130,877
HVAC Repairs	$ 96,000
Fire & Safety Equipment	$ 9,000
	$235,877
$235,877 x 0.7804% =	$1,841

No provision has been made to cover the cost of any major capital expenditures. If such expenditure is required, each Shareholder will be obligated to pay its pro-rata share of such expenditure.

7. Services and Supplies ($509,751)

This figure represents the estimated annual cost of services and supplies (including service contracts) provided to and for the benefit of the Apartments and Common Areas. It includes, for instance, such items as the elevator service contract, exterior

landscaping and snow removal, intercom/security system maintenance, exterminating, uniform expense, lobby flowers, permits and miscellaneous operating expenses. The budgeted amount is based upon a 3 year average.

The Parking Garage will share in the following expenses that are deemed to benefit the Parking Garage:

Alarm Maintenance	$ 20,083
Exterminating	$ 12,000
Landscaping (ground level)	$ 22,200
Landscaping Supplies (ground level)	$ 3,000
Snow Removal	$ 3,300
LEED	$ 18,000
	$ 78,583
$78,583 x 0.7804% =	$ 613

8. Payment in Lieu of Taxes (PILOT) ($5,797,903)

It is estimated that the Payment in Lieu of Taxes (PILOT) for the first year of the Cooperative operation will be $5,797,903. The budgeted PILOT amount due for the 2022/2023 tax year has been utilized for the purpose of budgeting. Purchasers are advised that after the expiration of the Partial Pilot Exemption in 2024, and thereafter, the PILOT will be higher than the projected PILOT that is disclosed in Schedule A to the Plan. Please see Special Risk #5 and the section entitled "Ground Lease Summary" located in Part I of the Plan for further details.

9. 421-A Differential ($161,127)

The 421-A Differential is estimated to be $161,127 in the first year of Cooperative operation. The amount due for the 2022/2023 tax year has been used for the purpose of budgeting. Please see the section of the Offering Plan titled "Ground Lease Summary" located in part 1 of the Plan for further details.

10. Insurance ($445,000)

These insurance premiums are based on an estimate from Willis Towers Watson; 5 Concourse parkway, Atlanta, GA, dated February 1, 2021. The letter is attached as an exhibit.

COVERAGE SUMMARY – COMMERCIAL PACKAGE

Insurance Carrier: TBD

A.M. Best Rating: A- VII or higher

Commercial Property

Causes of Loss:	Special Form
Valuation:	Replacement Cost 12 Months -Loss of Income
Co-Insurance Clause:	Nil - Agreed Amount – No Coinsurance - Building 100% Loss of Income
Deductible(s):	$25,000 - All Other Perils $100,000 - Flood $100,000 – Earthquake

Building Coverage	$162,865,712
Business Income Coverage	$17,929,174
Flood Coverage (Only in Zones B, C, X or D)	$1,000,000
Earthquake Coverage	$1,000,000
Ordinance or Law – Increased Cost of Construction	$1,000,000
Ordinance or Law – Demolition	$1,000,000
Boiler and Machinery Coverage.	$50,000,000
Backup of Sewers and Drains	$1,000,000
<u>Commercial General Liability (Occurrence Form)</u>	
General Aggregate	$2,000,000
Products and Completed Operations	$2,000,000
Personal and Advertising Injury	$1,000,000
Each Occurrence	$1,000,000
Medical Expense	$5,000
<u>Hired and Non-Owned Automobile Liability</u>	
Combined Single Limit	$1,000,000

The above Property coverage waived co-insurance (Agreed Amount coverage) and is indicated on a Replacement Cost basis. In the broker's opinion, the building limit quoted is adequate to replace the Building.

The Property & Casualty policy will also include the following terms:

- Shareholders included as Additional Insured with respect to common areas.
- Policies will not be cancelled without prior notice to the Cooperative Board.
- Waiver of Subrogation.
- Severability of interests endorsement because of acts of the named insured or Shareholders.
- Waiver of pro-rata reduction if Shareholders obtain additional coverages.

Each individual Shareholder should consider the desirability of obtaining additional insurance at his own cost for the following coverage. Coverage for the "Shareholder" is not included above.

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

Commercial Umbrella	
Each Occurrence	$50,000,000
General Aggregate.	$50,000,000
Self-Insured Retention	$0

COVERAGE SUMMARY – DIRECTORS' AND OFFICERS' LIABILITY

Insurance Carrier: TBD
A.M. Best Rating: A- VII or higher

Directors' and Officers' Liability	
Each Claim	$2,000,000
Self-Insured Retention	$25,000

COVERAGE SUMMARY – COMMERCIAL CRIME

Insurance Carrier: TBD
A.M. Best Rating: A- VII or higher

Commercial Crime	
Employee Dishonesty	$500,000
Retention	$25,000
TOTAL ESTIMATED ANNUAL PREMIUM	**$455,000**

This coverage does not include claims for personal injury or property damage resulting from occurrences in individual Apartments, nor does it include the coverage found in a standard "homeowners" policy for any belongings, improvements or furniture or other personal property in an Apartment. Shareholders are required to carry their own liability and casualty insurance covering occurrences in their Apartment, pursuant to the By-laws.

The Shareholders and Parking Garage will share the insurance premium cost based on their Shares or the terms of the Master Lease Agreement.

11. Base Rent ($297,183)

Pursuant to the terms of the Ground Lease between the Cooperative and Battery Park City Authority it is estimated that the Base Rent and Base Rent Adjustment charges for the first year of the Cooperative operation will be $297,183. Base Rent expense is

estimated to be $264,360 and Base Rent Adjustment expense is estimated to be $32,823. The budgeted amount due for the Lease Year beginning May 1, 2022 has been utilized for the purpose of budgeting. Sponsor anticipates that the Base Rent will increase substantially as of the First Appraisal Date (as defined in the Plan) if the Apartment Corporation is unable to negotiate a new Base Rent with BPCA. Please refer to Special Risk #2 and the section entitled "Ground Lease Summary" located in Part I of the Plan for further details**.**

12. Civic Facilities Payment ($167,692)

Pursuant to the terms of the Ground Lease between the Cooperative and Battery Park City Authority, it is estimated that the Civic Facilities payment for the ground lease for the first year of the Cooperative operation will be $167,692. The budgeted amount due for the Lease Year beginning May 1, 2022 has been utilized for the purpose of budgeting. Please refer to the section of the entitled "Ground Lease Summary" located in Part I of the Plan for further details.

13. Management ($150,000)

This figure represents the estimated annual cost of management services. Sponsor expects to have the Apartment Corporation enter into a written agreement with Allied Partners Residential Management LLC, a New York limited liability company, having an address at 770 Lexington Avenue, New York, New York 10282, for a term of two years effective on the date of the First Closing. The Shareholders will share this expense based on their respective Share Allocation. Further information with respect to management services may be found in the section of this plan entitled "Management Agreement".

14. Legal, Audit & Professional Fees ($26,500)

This figure is budgeted to provide $14,000 for auditing and accounting fees in connection with the preparation of the first year's audited financial statements and tax returns for the Cooperative, based on an estimate prepared by Cotter & Kavanaugh LLP, whose office is located at 230 Park Avenue, Suite 1535 New York 10169. The budget amount also projects $6,500 for other legal services and $6,000 for other professional fees rendered in connection with the operation of the Cooperative. The Shareholders will share these costs based on their respective Share Allocation.

15. Amenity Operations ($35,832)

This figure represents the estimated annual cost of a service agreement with URBN Playground, a fitness company. URBN Playground programs fitness classes and provides personal training services to the residents. The expense is allocated to the Apartments. Classes are currently not being offered, but classes are expected to resume in the second half of 2021. A contract will be executed at that time. URBN Playground's office is located at 85 Broad Street, New York, NY 10004.

16. Resident Manager's Apartment ($90,000)

The budgeted item includes estimated rent and utilities (i.e., electricity, gas, cable, telephone, internet) costs for the Resident Manager's Apartment (4N) to be acquired by the Apartment Corporation on behalf of the Shareholders only for the use of the Resident Manager. See Special Risk 12 for details concerning the Apartment Corporation's acquisition of the Resident Manager's Apartment.

Prior to the sale, Sponsor anticipates leasing Apartment 4N, to the Apartment Corporation. The lease will initially be for a one-year term with an initial rent of $7,200 per month. Sponsor has the right to increase the rent at any time after the expiration of the initial lease term. Sponsor is responsible for the payment of Maintenance Charges associated with the Resident Manager's Apartment, until ownership of the Apartment is conveyed to the Apartment Corporation.

Additionally, the Cooperative will be responsible for all utilities (i.e. electricity, Gas, local telephone service, cable TV and internet access) consumed by the Resident Manager, budgeted at $300 per month. All expenses for the Resident Manager's Apartment will be borne by the Shareholders.

17. Franchise Tax ($112,977)

The anticipated corporate and franchise taxes payable during the first year of Cooperative operation are budgeted to be $112,977.

18. Contingency ($50,000)

This amount, to be used at the discretion of the Apartment Corporation, is intended to benefit the Shareholders by providing a fund for unanticipated expenses not included in the budget and for possible increases in one or more items of operating expense above the amounts projected. Such fund is not intended to be for major capital repairs or replacement items likely to be needed within the first five years of Cooperative operation.

IN THE OPINION OF ALLIED PARTNERS RESIDENTIAL MANAGEMENT LLC, THE FOREGOING ESTIMATED BUDGET IS SUFFICIENT TO PAY THE PROJECTED OPERATING EXPENSES FOR THE COOPERATIVE'S FIRST YEAR OF OPERATION, ASSUMING SUCH FIRST YEAR TO BE THE 12-MONTH PERIOD COMMENCING ON THE DATE SET FORTH ABOVE. THE FOREGOING BUDGET, HOWEVER, IS NOT INTENDED AND SHOULD NOT BE TAKEN AS A GUARANTEE BY ANYONE THAT THE ANNUAL MAINTENANCE CHARGES FOR THE FIRST OR ANY SUBSEQUENT YEAR OF COOPERATIVE OPERATION WILL BE PRECISELY AS SET FORTH IN THIS BUDGET.

SCHEDULE B-1 – INDIVIDUAL ENERGY COST PROJECTION

Cosentini
A TETRA TECH COMPANY

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January 12, 2021

Mr. Christopher Albanese, President
Albanese Organization
1050 Franklin Avenue
Garden City, NY 11530

Re: Solaire – 20 River Terrace
New York, NY 10282
CA Project No. 170008

Dear Mr. Albanese:

The following are apartment energy utilities consumption costs estimates for Schedule B1 for the above referenced project. There are total of 291 apartments in the building in addition to elevator lobbies, corridors, and other common areas of the building. Below please find a list of loads and projected electrical cost based on $0.20/KWH and $11 /month ($132/year) building charges for apartment units.

Projections/assumptions were based on previous 3 years of consumption for each unit in the building. Utility rates are only published for the present time, and although we have made assumptions for escalation, we cannot predict what the rates will be in 2022.

The total annual KWH per unit and utility costs are based on best practice estimated amounted of hours of use of the lights, appliances and air conditioning systems as below., The utility consumption is based on the unit size.

- Lighting & Receptacle: 2190 h/year

We have assumed that all the lights and all the receptacle in the apartments are being used during 6h in a 24h period.

- Kitchen Appliances: 2190 h/year

We have assumed that all the kitchen appliances in the apartments are being used during 6h in a 24h period.

- Washer / Dryers: 365 h/year

We have assumed that all the washer and dryer are being used during 60min in a 24h period.

- Air Conditioning: 5110 h/year

We have assumed that all the air conditioning system in the apartments are being used during 14h in a 24h period

FLOOR UNIT #	TOTAL ANNUAL KWH	TOTAL ANNUAL KWH COST IN DOLLARS	TOTAL ANNUAL COST WITH BUILDING CHARGES (EXCLUDES SALES TAX) IN DOLLARS
01E	8400	1680	1812s
03B	1320	264	396
03C	876	175	307
03D	1272	255	387
03E	4824	965	1097
03F	3780	756	888
03G	3000	600	732
03H	3408	682	812
03J	1236	247	379
03K	5016	1003	1135
03L	6708	1342	1474
03N	5220	1044	1176
03P	2592	518	650
03Q	6660	1332	1464
04A	8664	1733	1865
04B	2424	485	717
04C	4176	835	967
04D	1932	386	518
04E	7320	1464	1596
04F	3336	667	799
04G	4644	929	1061
04H	2760	552	684
04J	5496	1099	1231
04K	4344	869	1001
04L	7032	1406	1538
04M	6096	1219	1351
04N	3576	715	847
04P	3960	792	924
04Q	1944	389	521
05A	4872	975	1107
05B	1704	341	473
05C	3228	658	790
05D	1272	254	386

05E	6480	1296	1428
05F	4980	996	1128
05G	2580	516	648
05H	2376	475	707
05J	2544	509	641
05K	3996	799	931
05L	6144	1229	1361
05M	11940	2388	2520
05N	3576	715	847
05P	5964	1193	1325
05Q	1944	389	521
06A	5640	1128	1260
06B	2568	514	646
06C	4848	970	1102
06D	5724	1145	1277
06E	8520	1704	1836
06F	9576	1915	2047
06G	4632	926	1058
06H	6816	1363	1495
06J	3924	785	917
06K	3780	756	888
06L	4284	857	989
06M	7584	1517	1649
06N	3828	766	898
06P	5820	1164	1296
06Q	2688	538	670
07A	3672	734	866
07B	3432	686	818
07C	2868	574	706
07D	2580	516	648
07E	3768	754	886
07F	12852	2570	2702
07G	2496	499	631
07H	5124	1025	1157
07J	4440	889	1021
07K	3060	612	744
07L	4800	960	1092
07M	7008	1402	1534
07N	7380	1476	1608

07P	2580	516	648
07Q	2760	552	684
08A	4500	900	1032
08B	6792	1358	1490
08C	4092	820	952
08D	4440	888	1020
08E	6144	1229	1361
08F	12852	2570	2702
08G	2520	504	636
08H	3816	762	894
08J	1836	366	498
08K	3228	644	776
08L	4320	864	996
08M	7008	1401	1533
08N	5364	1072	1204
08P	3996	800	932
08Q	1654	330	462
09A	6048	1208	1340
09B	2124	424	556
09C	1620	324	456
09D	1392	280	412
09E	6276	1254	1386
09F	12228	2444	2576
09G	2520	504	636
09H	3120	624	756
09J	7008	1401	1533
09K	3924	784	916
09L	4320	864	996
09M	10332	2066	2198
09N	7308	1460	1592
09P	4740	948	1080
09Q	2160	432	564
10A	4944	988	1120
10B	5136	1026	1158
10C	2736	546	678
10D	5736	1166	1298
10E	5820	1184	1316
10F	7752	1550	1682
10G	3528	704	836

10H	2040	408	540
10J	7008	1401	1533
10K	2808	561	693
10L	4320	864	996
10M	10728	2144	2276
10N	6024	1204	1336
10P	5976	1194	1326
10Q	1464	292	424
11A	7272	1454	1586
11B	4968	992	1124
11C	3648	728	860
11D	4176	834	966
11E	5268	1052	1184
11F	7752	1550	1682
11G	2916	583	715
11H	4176	835	967
11J	4416	883	1015
11K	3552	710	842
11L	7248	1449	1581
11M	10368	2073	2205
11N	5640	1128	1260
11P	3084	617	749
11Q	2160	432	564
12A	4320	864	996
12B	3696	740	872
12C	6312	1262	1394
12D	4188	837	969
12E	5268	1053	1185
12F	6168	1233	1365
12G	5304	1060	1192
12H	3600	720	852
12J	1740	348	480
12K	5292	1058	1190
12L	7248	1449	1581
12M	6348	1269	1401
12N	5784	1156	1288
12P	1488	298	430
12Q	1692	340	472
14A	7104	1420	1552

14B	3696	740	872
14C	3960	792	924
14D	3276	654	786
14E	7404	1480	1612
14F	4800	960	1092
14G	4284	856	988
14H	1776	354	486
14J	3600	720	852
14K	3048	609	741
14L	7248	1449	1581
14M	6816	1362	1494
14N	6768	1352	1484
14P	1476	294	426
14Q	3492	700	832
15A	4044	808	940
15B	3264	652	784
15C	2784	556	688
15D	3408	680	812
15E	6876	1374	1506
15F	4800	960	1092
15G	4284	856	988
15H	3876	774	906
15J	4116	822	954
15K	1980	396	528
15L	4164	832	964
15M	6228	1245	1377
15N	7032	1406	1538
15P	2784	556	688
15Q	3372	674	806
16A	5832	1164	1296
16B	2460	492	624
16C	3132	626	758
16D	4284	856	988
16E	4284	856	988
16F	4800	960	1092
16G	4284	856	988
16H	4992	998	1130
16J	1500	300	432
16K	4248	849	981

16L	4164	832	964
16M	7320	1464	1596
16N	4512	902	1034
16P	4236	847	979
16Q	2748	550	682
17A	4188	838	970
17B	4284	856	988
17C	2640	528	660
17D	3996	800	932
17E	3816	762	894
17F	10344	2068	2200
17G	2088	417	549
17H	2904	580	712
17J	3060	612	744
17K	6708	1341	1473
17L	8136	1627	1759
17M	8364	1672	1804
17N	5328	1065	1197
17P	4236	847	979
17Q	1416	283	415
18A	5616	1122	1254
18B	4044	808	940
18C	2832	566	698
18D	3552	710	842
18E	5148	1029	1161
18F	5040	1008	1140
18G	2352	470	602
18H	2904	580	712
18J	5148	1029	1161
18K	6012	1202	1334
18L	5016	1003	1135
18M	10260	2052	2184
18N	6588	1316	1448
18P	4236	847	979
18Q	2508	501	633
19A	5000	1000	1132
19B	7032	1406	1538
19C	3840	768	900
19D	5784	1156	1288

19E	7368	1472	1604
19F	5800	1160	1292
20A	9768	1954	2086
20B	7032	1406	1538
20C	3840	768	900
20D	4200	840	972
20E	2256	451	583
20F	10440	2088	2220
21A	6000	1200	1332
21B	13296	2660	2792
21C	1380	276	408
21D	7644	1528	1660
21E	4800	960	1092
21F	7752	1550	1682
22A	5472	1092	1224
22B	7164	1432	1564
22C	1380	276	408
22D	9576	1914	2046
22E	4800	960	1092
22F	7764	1552	1684
23A	5472	1092	1224
23B	4560	912	1044
23C	3480	696	828
23D	9576	1914	2046
23E	6420	1284	1416
23F	3936	788	920
24A	3564	712	844
24B	4560	912	1044
24C	1152	230	362
24D	6876	1375	1507
24E	3600	720	852
24F	6048	1209	1341
25A	5532	1106	1238
25B	10200	2040	2172
25C	4944	988	1120
25D	5760	1152	1284
25E	4920	964	1096
25F	6900	1380	1512
26A	7152	1430	1562

26B	10200	1040	1172
26C	3000	600	732
26D	3024	604	736
26E	8364	1672	1804
26F	2376	474	606
27A	8076	1614	1746
27B	7116	1413	1545
27C	6012	1202	1334
27D	3024	604	736
27E	9564	1912	2044
27F	3396	678	810
28A	12240	2448	2580
28B	6552	1310	1442
28C	6012	1202	1334
28D	3024	604	736
28E	8640	1728	1860
28F	6252	1250	1382
PHA	6708	1340	1472
PHB	12996	2600	2732
PHC	3252	650	782
PHD	4392	878	1010
PHE	10236	2047	2179
PHF	5448	889	1021

You have advised us of your intention to reproduce this letter in connection with the Offering Plan for the Property, and we hereby consent to such use.

Sincerely,

COSENTINI ASSOCIATES

Rati Marvania
Senior Associate



X:\WP\FILES\170008.17_18_19 (Solaire Site 18a 20 River Terrace)\Apartment Electric Utility Cost estimation RM 011918.Revised on 020618_092419.Updated on 040820docx

OPINION OF REASONABLE RELATIONSHIP

Allied Partners

August 5, 2021

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

Re: Offering Plan for Leasehold Cooperative Ownership
20 River Terrace Apartment Corporation
20 River Terrace, New York, New York

Gentlemen:

The undersigned was engaged by River Terrace Associates ("Sponsor") in connection with the offering plan for the captioned project promulgated by Sponsor (the "Offering Plan"), and has reviewed Scheduled A entitled "Purchase Price and Related Information" prepared by Sponsor and included in the Offering Plan ("Schedule A").

As of the date of this letter, it is our opinion that (i) the distribution of shares of 20 River Terrace Apartment Corporation (the "Apartment Corporation") shown in Schedule A is reasonable and equitable, (ii) the cash purchase price for each block of shares allocated to each Residence (as defined in the Offering Plan) as shown on Schedule A, and value of each such block of shares, are not less than an amount that bears a reasonable relationship to the portion of the fair market value of the Apartment Corporation's equity in the Leasehold Estate and Building (as such terms are defined in the Offering Plan) attributable to each such Residence and (iii) the contribution by Sponsor to the capital of the Apartment Corporation and the value of the shares that Sponsor owns are each not less than an amount that bears a reasonable relationship to the portion of the fair market value of the Apartment Corporation's equity in the Leasehold Estate and Building attributable to the Residences to which such shares are allocated.

The distribution of shares among each of the Residences has been determined by a number of factors including, but not limited to, the respective floor space and relative value to other Residences in the Apartment Corporation.

Allied Partners is licensed as a real estate brokerage firm in the State of New York. The principals of the Firm are engaged in the real estate and brokerage business and have been actively associated with sale and management of condominium and cooperative buildings. We are not owned or controlled by and have no beneficial interest in Sponsor or the Leasehold Property.

The undersigned has no beneficial interest in the Apartment Corporation or Sponsor and its compensation for preparing the opinion is not contingent upon the profitability of the offering. We consent to the reproduction of this letter in the Plan.

Very truly yours,

By: _____
Russell Heigel
Senior Vice President

770 Lexington Avenue, 9th Floor ▪ New York, NY 10065
P (212) 935-4900 ▪ F (212) 935-4995
www.alliedpartners.com

GROUND LEASE SUMMARY

The Ground Lease for the Property is dated as of April 4, 2001 and has been amended by that certain first amendment to the Ground Lease dated July 8, 2002 and that certain second amendment to the Ground Lease dated October 22, 2002 (collectively, the "Ground Lease"). The following is a summary of the principal provisions of the Ground Lease. A full copy of the Ground Lease is located in Part II of this Plan. Purchasers are advised to read the Ground Lease in its entirety before purchasing an Apartment.

Landlord

The landlord under the Ground Lease is Battery Park City Authority, d/b/a Hugh L. Carey Battery Park City Authority, a body corporate and politic constituting a public benefit corporation of the State of New York, having an office at One World Financial Center, New York, New York 10281 ("Landlord").

Tenant

The Tenant under the Ground Lease is River Terrace Associates, LLC ("Tenant") which is the Sponsor under this Offering Plan. Pursuant to the terms of the Ground Lease, as of the date of the First Closing, the Cooperative Board, on behalf of all Shareholders, shall become the Tenant under the Ground Lease.

Term

The Ground Lease term will expire on June 17, 2069. The Ground Lease does not provide for a renewal and, therefore, if the Board is unable to obtain an extension to the Ground Lease, the Shareholders will be required to surrender their Leasehold Cooperative interest and vacate the Property. Purchasers are advised that as the Ground Lease term diminishes, the value of the Apartment will diminish. Therefore, as the Ground Lease term diminishes, it may be increasingly difficult to obtain financing on an Apartment or to refinance an existing loan on an Apartment. Sponsor makes no representation as to the likelihood of obtaining a Ground Lease extension or renewal or the right of any Shareholder to remain in occupancy in such Shareholder's Apartment once the Ground Lease term expires.

Base Rent

Pursuant to the Ground Lease, the annual "Base Rent" from May 1, 2019 through and including April 30, 2020 is $249,113. Such Base Rent shall incrementally increase through the end of the first twenty-three (23) Ground Lease Years (the "First Period"), as shown below:

Ground Lease Year:	First Period Base Rent (Annual):
May 1, 2019 – April 30, 2020	$249,113
May 1, 2020 – April 30, 2021	$254,095
May 1, 2021 – April 30, 2022	$259,177
May 1, 2022 – April 30, 2023	$264,360
May 1, 2023 – April 30, 2024	$269,647

For the Ground Lease Year commencing on the "First Appraisal Date" (i.e., April 4, 2024), and continuing for a period of 15 Ground Lease Years (the "Second Period"), Base Rent shall be a per annum amount equal to the greater of (i) the Base Rent Floor (defined in the Ground Lease as the greater of (a) six percent (6%) of the fair market value of the Land, considered as unencumbered by the Ground Lease and the Master Ground Lease and as unimproved except for site improvements and street, park and

infrastructure improvements made in Battery Park City by the Landlord, determined as of April 4, 2024 or (b) the Base Rent payable in Ground Lease Year immediately preceding the period for which such Base Rent Floor was determined) or (ii) $3,731,130 less PILOT due in the last year of the First Period (i.e. January 9, 2004 through the end of the first twenty-three (23) years of the Ground Lease) before reduction for any abatement that may be operable, as will be escalated as follows: during the Second Period, Base Rent will escalate on April 4, 2029 and on April 4, 2034 by the greater of (x) fifteen percent (15%) of the Base Rent set for the prior five (5) Ground Lease Years or (y) the percentage of increase, if any, of the Consumer Price Index for the last month of the prior five (5) Ground Lease Year period (i.e. March, 2024 and March, 2029, respectively).

For each Ground Lease Year commencing on April 4, 2039 and continuing for a period of fifteen (15) Ground Lease Years thereafter (the "Third Period"), Base Rent shall be an amount per annum equal to the Base Rent Floor determined as of the first day of the Third Period, as will be escalated as follows: on April 4, 2044 and April 4, 2049 by the greater of (x) fifteen percent (15%) of the Base Rent set for the prior five (5) Ground Lease Years or (y) the percentage of increase, if any, of the Consumer Price Index as determined for the month in which. The applicable escalation date occurs over the Consumer Price Index for the last month of the prior five (5) Ground Lease Year period (i.e., March, 2039 and March, 2044, respectively).

For each Ground Lease Year commencing on April 4, 2054 and continuing thereafter until the Expiration Date (the "Fourth Period"), Base Rent shall be an amount per annum equal to the Base Rent Floor determined as of the first day of the Fourth Period, as will be escalated as follows: on April 4, 2059 and April 4, 2064 by the greater of (x) fifteen percent (15%) of the Base Rent set for the prior five (5) Ground Lease Years or (y) the percentage of increase, if any, of the Consumer Price Index as determined for the month in which the applicable escalation date occurs over the Consumer Price Index for the last month of the prior five (5) Ground Lease Year period (i.e., March, 2054 and March, 2059, respectively).

WHILE SPONSOR ANTICIPATES THAT THE BASE RENT WILL INCREASE SUBSTANTIALLY AS OF THE FIRST APPRAISAL DATE, SPONSOR MAKES NO REPRESENTATION AS TO AMOUNT OF THE BASE RENT AS OF THE FIRST APPRAISAL DATE, AND THEREAFTER. PURCHASERS ARE ADVISED TO SEEK THE ADVICE OF LEGAL COUNSEL PRIOR TO EXECUTING A PURCHASE AGREEMENT.

The total rent due under the Ground Lease (the "Rent") includes (but is not limited to) the Base Rent, PILOT-Base Rent Adjustment, PILOT, Section 421-a Differential Rent, Civic Facilities Payments and Impositions (all as more fully discussed below) and other sums due under the Ground Lease and is a Maintenance Expense of the Apartment Corporation included in the Maintenance Charges payable by Shareholders.

Payment in Lieu of Taxes ("PILOT")

Pursuant to the Ground Lease, Tenant is obligated to pay to Landlord an annual sum equal to the real property taxes assessed against the Property or any portion thereof that would be payable but for the Property's tax exempt status, payable in equal semi-annual installments, which is referred to in the Ground Lease as a "Payment in Lieu of Taxes" or "PILOT." In the event that Tenant is unable to estimate the PILOT for the coming tax year due to the failure of the City of New York to set a tax rate, Tenant shall pay, as estimated PILOT, an amount equal to the amount payable in the second half of the preceding tax year. In the event that the PILOT estimate exceeds the PILOT that would have been due had the City of New York imposed a tax rate, such overpayment will be credited to the Tenant. However, in the event that the estimated PILOT is less than the PILOT as demined pursuant to the final tax rate, the Shareholders shall be responsible for the payment of the balance in accordance with their allocable Shares.

Sponsor anticipates that PILOT payments with respect to each Apartment under the Ground Lease will be calculated based on the tax assessment for such Apartment. Since PILOT constitutes a portion of the Rent due under the Ground Lease, PILOT payments will be made directly to the Landlord by the Cooperative Board in lieu of real estate tax payments being made to the New York City Department of Finance. A portion of Maintenance Charges paid by Shareholders will represent Shareholders pro-rata share of real estate taxes attributable to the Building and allocable to each Apartment.

Partial PILOT Exemption

Tenant applied for, and was granted, a 10-year partial PILOT tax exemption (the "10-year Exemption"), whereby PILOT was reduced by an amount equal to the assessed value of the Land in the year prior to the construction of the Building. The 10-year Exemption was analogous to the partial tax exemption that was available at that time to fee owners of new residential construction projects pursuant to Section 421-a of the Real Property Tax Law. In 2002, the United States Congress approved the issuance of Liberty Bonds, to be issued by the New York State Housing Finance Agency ("HFA") for the construction of residential mixed-income housing in Lower Manhattan. The issuance of the Liberty bonds for the construction of the Building qualified the Property for an additional 20-year partial PILOT tax exemption (the "20-year Exemption"). The 10-year Exemption expired on July 1, 2014. The 20-year Exemption was in its sixteenth year commencing on July 1, 2019. **COMMENCING ON JULY 1, 2016, THE 20-YEAR EXEMPTION BEGAN TO PHASE-OUT BY 20% EVERY TWO (2) YEARS, AS FOLLOWS:**

Tax Year (July1-June 30)	Partial PILOT Exemption Percentage
2019/2020	60%
2020/2021	40%
2021/2022	40%
2022/2023	20%
2023/2024	20%

Section 421- Differential Rent and PILOT-Base Rent Adjustment

Section 421-a Differential Rent

At or around the time that the Liberty Bonds were issued for the construction of the Property, Landlord and Tenant agreed, as memorialized in the Second Amendment to the Ground Lease, that Tenant would pay to Landlord twenty-five percent (25%) of the PILOT savings between the 20-year Exemption and the 10-year Exemption. Such payment is referred to in the lease as the Section 421-a Differential. The Section 421-a Differential was calculated based on an assumed taxable valuation of the Property. As an example, for the 2018/2019 tax year, PILOT (without exemption) for the Property was assumed to be $3,472,538, the 20-year exemption was assumed to be $1,786,277 and the 10-year Exemption was assumed to be $0:

$3,472,538	assumed PILOT (without exemption) for the Property
$1,786,277	assumed 20-year Exemption
$1,686,261	assumed PILOT (with exemption)
$0	assumed 10-year Exemption
$1,786,277	assumed Difference between 20-year Exemption and 10-year Exemption

x 25%
$446,569 421-a Differential

Commencing on July 1, 2019, the Section 421-a Differential, which was based on assumed taxable valuations of the Property, is as follows:

Tax Year	Section 421-a Differential
2019/2020	$455,501
2020/2021	$309,740
2021/2022	$315,935
2022/2023	$161,127
2023/2024	$164,350
2024/2025	$0

PILOT-Base Rent Adjustment

When the Second Amendment to the Ground Lease was being negotiated by Landlord and Tenant, the parties made an assumption that the assessed value of the Land for the 2003/2004 tax year would be $3,335,800.00, and any difference between that assumed assessed value and the actual assessed value for the 2003/2004 tax year would be either paid to the Landlord or credited to Tenant, as appropriate. Since the actual assessed value for the 2003/2004 was $3,073,500.00, Tenant pays Landlord the difference between the assumed PILOT and the actual PILOT as additional rent. The following is the projection of the PILOT-Base Rent Adjustment for the 2021/2022 tax year through the 2023/2024 tax year:

Tax Year	Projected Tax Rate [A]	Assumed Land Assessed Value ($3,335,800) [B] [A x B] = [C]	Actual Land Assessed Value (3,073,500) [D] [A x D] = [E]	PILOT-Base Rent Adjustment [C – E]
2021/2022	12.390%	$413,306	$380,807	$32,499
2022/2023	12.514%	$417,442	$384,618	$32,824
2023/2024	12.639%	$421,612	$388,460	$33,152

Sponsor has no ability to project the actual tax rates that will be in effect in any given tax year and, therefore, the PILOT-Base rent dollar amounts are estimates and not guaranteed numbers.

Percentage Rent

Percentage Rent (as defined in the Ground Lease) payable by Sponsor, as Parking Garage Tenant, under the Parking Garage Lease, will equal three percent (3%) of the Gross Non-Residential Revenue (as defined in the Ground Lease) during each calendar year. After the execution of the Parking Garage Lease, and no later than thirty (30) days after the end of each calendar quarter, Sponsor shall deliver to the Apartment Corporation a statement Quarterly Percentage Rent Statement (as defined in the Ground Lease), and pay to the Apartment Corporation three percent (3%) of the Gross Non-Residential Revenue based upon the Quarterly Percentage Rent Statement. The Apartment Corporation shall then pay the Percentage Rent along with the Quarterly Percentage Rent Statement directly to BPCA. BPCA shall have the right to pursue the Apartment Corporation directly for any non-payment of Percentage Rent.

Purchasers are advised that in the event of a default by Sponsor, as Parking Garage Tenant, in its obligations under the Parking Garage Lease, the Apartment Corporation, as Parking Garage Landlord, will be responsible for the payment of the Percentage Rent to BPCA in order to comply with the terms of the Ground Lease, and BPCA shall have the right to pursue the Apartment Corporation directly for any non-payment of Percentage Rent. The Cooperative Board may have to utilize reserves, impose Special Assessments, increase Maintenance Charges or borrow or raise additional capital from Shareholders to pay the Percentage Rent. In such event, the Apartment Corporation, as Parking Garage Landlord will be entitled to exercise all its rights and remedies at Law, including, without limitation, the right to commence eviction proceedings against Sponsor, as Parking Garage Tenant.

Civic Facilities Payment

Each Ground Lease Year, Sponsor, and, after the First Closing, the Cooperative Board, is obligated to pay an annual sum, representing its allocable share of the amounts spent by Landlord with respect to the operation, maintenance, repair, restoration, replacement and upgrading of Rockefeller Park, the North Neighborhood Esplanade, Vesey Street Area, Murray Street Triangle, the Median Parks, (as the foregoing terms were defined in Article 26 of the Ground Lease), existing and future parks and recreation areas, sidewalks, street trees and other facilities set forth in the Ground Lease (the "Civic Facilities Payments"). Since the Civic Facilities Payments constitute a portion of the Rent due under the Ground Lease, Civic Facilities Payments will be made directly to the Landlord by the Cooperative Board on behalf of the Shareholders. The Civic Facilities Payments will cover, at Landlord's election, the cost of insuring Landlord's Civic Facilities and maintaining a reasonable reserve fund for each Ground Lease Year. The estimated amount of Civic Facilities Payments in the First Year of Apartment Corporation Operation is included as a line-item in the Schedule B to this Plan, to be collected by the Cooperative Board on behalf of the Shareholders and paid to the Landlord when due.

As soon as practicable at the end of every payment period, Landlord shall submit to Tenant a written statement setting forth the cost of such operation, maintenance, repair, restoration, replacement and upgrading, together with supporting documentation. Within ten (10) days after the date of such statement and documentation are submitted, Tenant shall pay the amount, if any, by which its allocable share exceeds the Civic Facilities Payment made during such payment period, or, if the payment exceeds its share, Tenant has the right to offset the excess against the next monthly installment(s) of Civic Facilities Payments.

In the event the Civic Facilities or any portion thereof shall be destroyed or damaged by fire or other casualty or shall have been taken by the exercise of the right of condemnation or eminent domain, if the reasonable cost of restoring or replacing any portion of Landlord's Civic Facilities (including, without limitation, construction costs, bidding costs, attorneys', architects', engineers' and other professional fees and disbursements, and supervisory fees and disbursements) shall exceed the aggregate of the monies available to Landlord therefor from the reserve fund created pursuant to Section 26.05(a) of the Ground Lease and the net proceeds, if any, of insurance or condemnation available to Landlord for such purpose, Sponsor (prior to the Cooperative Conversion Date) or the Apartment Corporation (after the Cooperative Conversion Date), shall pay to Landlord an amount equal to the product obtained by multiplying 0.0895 (said figure being computed as set forth in Section 26.05(a)(iii)) of the Ground Lease by such excess. Landlord shall submit to Sponsor or the Apartment Corporation, as the case may be, a statement setting forth (i) the cost of such restoration or replacement (together with supporting documentation) and (ii) on an itemized basis, the monies available to pay such cost. Within thirty (30) days of the date any such statement and documentation are submitted to Sponsor, prior to the Cooperative Conversion Date, Sponsor shall make the payment provided for above. Notwithstanding the foregoing, after the Cooperative Conversion Date, such payment shall be made by the Apartment Corporation within forty-five (45) days of the date any such statement and documentation are submitted to the Apartment Corporation. All monies payable to Landlord under Section 26.05(c) of the Ground Lease shall constitute Rent under the Ground Lease.

Impositions

Tenant shall pay Landlord all of the following charges, which are imposed by a federal, state or local government agency, department, corporation, commission, board, bureau, instrumentality or political subdivision (other than Landlord): (i) real property assessments other than real estate taxes imposed by the City of New York; (ii) personal property taxes; (iii) occupancy and rent taxes; (iv) water, water meter, and sewer rents, rates and charges; (v) excises; (vi) license and permit fees; (vii) service charges with respect to police protection, fire protection, street and highway construction, maintenance and lighting, sanitation and water supply, if any (viii) fines, penalties and other similar governmental charges applicable to the foregoing and any interest or cost with respect thereto and (ix) except for real estate taxes imposed by the City of New York, any and other governmental levies, fees, transfer taxes, rents, assessments or taxes and charges. Each imposition must be paid on the due date of such imposition, meaning the last date that such imposition can be paid without any fine, penalty, interest or cost being added or imposed by reason of non-payment. If the Property becomes subject to real estate taxes imposed by the City of New York, Landlord shall pay the taxes on or before the due date.

Use

Tenant has the right to occupy the Building in accordance with the Certificate of Occupancy, the Master Development Plan and the Design Guidelines (as defined in the Ground Lease) and for no other purpose, subject to the provisions of the Ground Lease.

Insurance

Tenant shall, at all times after substantial completion of the Building and thereafter throughout the term of the Ground Lease, maintain the insurance coverage set forth in Article 7 of the Ground Lease. Tenant is required to maintain, at is sole cost and expense, "All Risk of Physical Loss" insurance which covers the full replacement cost of the Building, including coverage for loss/damage by water, flood, subsidence, earthquake, and when obtainable war risks. The replacement value of the Building shall be determined every three (3) years, as often as required by Purchaser's Lender and upon conversion of the Property to an Apartment Corporation, the Building must be reassessed annually.

Tenant shall also be required to maintain commercial general liability insurance; boiler and machinery insurance; sprinkler and leakage insurance; worker's compensation insurance; if applicable, business automobile liability insurance for any automobile, including all owned, non-owned and hire vehicles; all other insurance and endorsements in such amounts as may be required by Landlord, in its reasonable determination.

All required insurance (except worker's compensation) shall name Landlord and the landlord under the Master Ground Lease as additional insureds to the extent of their respective interests in the Property and shall be prior with respect to any other coverages provided in favor of the Landlord or the landlord under the Master Ground Lease.

Damage or Destruction

Damage or destruction to the Building shall not relieve Tenant from its obligations under the Ground Lease. Tenant shall give Landlord notice of damage to the Building within seventy-two (72) hours, if the estimated cost of the restoration is more than $150,000 (as adjusted pursuant to Section 7 of the Ground Lease). Tenant, whether or not such damage or destruction shall have been insured, shall restore, alter, replace and rebuild the Building to as nearly as possible to the condition, quality, character and class as existed prior to the casualty. Any changes and alteration shall be subject to the Landlord's approval, in

accordance with Master Development Plan, the Design Guidelines and the Construction Documents (all as defined in the Ground Lease). The Ground Lease shall not be terminated, nor shall any rent be abated, due to damage or destruction of the Building.

Repairs and Maintenance

Tenant, or the Cooperative Board upon submission to Cooperative ownership, shall be obligated to take good care of the Property, to keep and maintain the Property in a first class condition, and to make all repairs, including without limitation, the Building, the roofs, foundations and appurtenances, all sidewalks, all vaults not controlled by a utility company, water, sewer and gas connections, pipes and mains which are located on or service the Property. In addition, Tenant is obligated to construct, maintain, repair, replace and restore and manage the Property in good and safe order and condition.

Tenant at its sole cost shall keep the Property clean and free from dirt, snow, ice, rubbish, obstructions to sidewalks and grounds, in front of or adjacent to the Property and any parking facilities or plazas on the Land.

Changes and Alterations

Tenant shall not demolish, replace or materially alter the improvements or any part thereof, or make any addition thereto (hereinafter "Capital Improvements"), unless Tenant obtains and delivers to Landlord copies of all permits, licenses, consents, certificates and/or approvals from applicable governmental authorities. Further, all Capital Improvements shall be of such a character so as not to reduce the value of the Property below its value immediately before construction of such Capital Improvement. No construction of any Capital Improvement shall commence until Tenant shall have delivered to Landlord certificates with respect to the insurance policies required under the Ground Lease, a complete set of building plans and specifications and other requirements associated with the Capital Improvement as further specified in Article 13 of the Ground Lease depending on the scope of work to be completed.

Events of Default

Each "Event of Default" is enumerated in Article 24 of the Ground Lease. Broadly, they include events such as: failure to timely pay Base Rent or additional charges under the Ground Lease; failure by Tenant to perform one or more of the terms, conditions or covenants of the Ground Lease; if Tenant abandons the Property; subject to conditions in the Ground Lease, if the Ground Lease is assigned, subleased, transferred, mortgaged or encumbered without Landlord's approval; if a levy under execution or attachment is made against the Property and such execution or attachment is not vacated or removed within thirty (30) days; if Tenant fails to maintain its entity existence in good standing or to pay applicable taxes when due and such failure continues for thirty (30) days after notice from Landlord or a governmental entity; if Tenant fails to deliver any letter of credit as required under the Ground Lease; and if guarantor under the Guaranty of Completion default and the default continues ten (10) days after notice to Landlord.

Purchasers are advised that Events of Default may, under certain circumstances stipulated in the Ground Lease, lead to termination of the Ground Lease by Landlord. However, no termination of the Ground Lease shall relieve Tenant from its liabilities and obligations, including monetary obligations under the terms of the Ground Lease.

Condemnation

If all or substantially all of the Property is taken for any public or quasi-public purpose by the exercise of the right of condemnation or eminent domain or by agreement among Landlord, Tenant and

those authorized to exercise such right, the Ground Lease and Ground Lease term shall terminate and expire on the date of such taking. If less than all or substantially all of the Property is taken, the Ground Lease and the term shall continue without abatement of the Base Rent and additional charges under the Ground Lease, provided, however, there shall be an equitable adjustment for PILOT thereafter due by Tenant and Landlord.

If all or substantially all of the Property is taken or condemned, the awards or damages for such condemnation shall be apportioned as follows: (i) Landlord shall be paid so much of the award which is for or attributable to the value of (A) the Land so taken, considered as encumbered by the Ground Lease and the Battery Park City Master Ground Lease and as unimproved. And (B) Landlord's Civic Facilities and other site improvements made by Landlord taken in any proceeding with respect to such taking; (ii) there shall next be paid to the Purchaser's Lender so much of the balance of such award as shall equal the unpaid principal indebtedness secured by such Security Agreement with interest thereon at the rate specified therein to the date of payment; (iii) for a period of forty (40) years from the Scheduled Completion Date (as defined in the Ground Lease), to each additional loan, so much of the balance of such award as shall equal the unpaid principal indebtedness secured by such Security Agreement with interest thereon at the rate specified thereon to the date of payment; (iv) there shall next be paid to Landlord so much of the award which is for or attributable to the value of Landlord's reversionary interest in that part of the Building taken in such proceeding (it being agreed between Landlord and Tenant that, notwithstanding anything herein contained to the contrary, for a period of forty (40) years from the Scheduled Completion Date, the value of Landlord's reversionary interest in the Building shall be deemed to be zero); and (v) subject to rights of any Purchaser's Lender, Tenant shall receive the balance, if any, of the award.

If the temporary use of all or any part of the Property is taken for any public or quasi public purpose by the exercise of the right of condemnation or eminent domain or by agreement among Landlord, Tenant and those authorized to exercise such right, Tenant shall give prompt notice thereof to Landlord. The Term shall not be reduced and Tenant shall continue to pay the full base rent and additional charges pursuant to the Ground Lease. However, Tenant shall be entitled to receive any award or payments for use, subject to the terms of the Ground Lease.

Conditions to Transferring Sponsor's Interest

Under the terms of the Ground Lease, Sponsor is permitted to transfer its interest in the Ground Lease without Landlord's consent, provided the following:

1. There is no default in the payment of Base Rent, Percentage Rent, PILOT, and Civic Facilities Payments (whether or not notice of such default has been delivered to Sponsor) and no other default as to which notice shall have been given shall have occurred and be continuing under the Ground Lease.

2. Sponsor delivered to Landlord a true and correct copy of the Apartment Corporation Plan and any amendments, modifications and supplements thereto.

3. Sponsor delivered to Landlord a true and correct copy of the letter of acceptance of the Apartment Corporation Plan issued by the New York State Department of Law.

4. Sponsor delivered to Landlord a true and correct copy of the letter accepting the amendment declaring the Apartment Corporation Plan effective issued by the New York State Department of Law

5. Sponsor delivered to Landlord such other documents in connection therewith as may be reasonably requested by Landlord.

BPCA Affirmative Action Program

Pursuant to the Ground Lease, Sponsor and its respective legal representatives, successors and permitted assigns, including without limitation, the Apartment Corporation, shall be required to (i) comply with all of the non-discrimination and affirmative action obligations set forth in the Ground Lease, and (ii) use its commercially reasonable best efforts to cause each of its Contractors (as defined in Exhibit C to the Ground Lease) to comply with all of such Contractor's non-discrimination and affirmative action obligations as set forth in the Ground Lease and construction contract or other instrument pursuant to which such Contractor furnishes materials or services for the Property. The Board of Directors shall be required to stay apprised of any changes to Law, whether by statute or executive order, which may impose additional obligations, with respect to Exhibit C to the Ground Lease, on the Apartment Corporation.

Indemnification of BPCA

The Ground Lease provides that Tenant shall not do, or knowingly permit any Subtenant, Shareholder or sublessee of an Apartment or any employee, agent or contractor of Tenant or of any Subtenant, Shareholder or sublessee of an Apartment to do any act or thing upon the Property which may reasonably be likely to subject BPCA to any liability or responsibility for injury or damage to persons or property, or to any liability by reason of any violation of any Requirement (as defined in the Ground Lease), and shall use its best efforts to exercise such control over the Property so as to fully protect BPCA against any such liability. Tenant, to the fullest extent permitted by law, shall indemnify and save BPCA, any former landlord under the Ground Lease and the State of New York and their agents, directors, officers and employees (collectively, the "Indemnitees''), harmless from and against any and all liabilities, suits, obligations, fines, damages, penalties, claims, costs, charges and expenses, including, without limitation, reasonable engineers', architects' and attorneys fees and disbursements, which may be imposed upon or incurred by or asserted against any of the Indemnitees by reason of any occurrences listed in Section 19.10 of the Ground Lease during the Term of the Ground Lease.

THE FOREGOING DOES NOT PURPORT TO BE SUMMARY OF THE ENTIRE LEASE. THE COMPLETE LEASE IS INCLUDED IN PART II OF THIS PLAN AND SHOULD BE CAREFULLY REVIEWED BY EACH PURCHASER AND SUCH PURCHASER'S ATTORNEY. ANY CONFLICT BETWEEN THE FOREGOING SUMMARY AND THE COMPLETE LEASE INCLUDED IN PART II OF THIS PLAN SHALL BE RESOLVED IN FAVOR OF THE COMPLETE LEASE.

CHANGES IN PRICES AND APARTMENTS

Subject to conditions hereinafter set forth, Sponsor has the right to change the amount of any offering prices from the amounts shown in Schedule A of the Plan. The offering prices set forth in Schedule A must be changed by a duly filed amendment to the Plan when the change of price is an across-the-board increase or decrease affecting one or more lines of Apartments or Apartment models, or is to be advertised, or is a price increase for an individual Purchaser. The Sponsor may enter into a Purchase Agreement with a Purchaser to sell Shares to one or more Apartments at prices lower than those set forth in Schedule A without filing an amendment. Offering prices may be negotiated by Sponsor under certain circumstances. Sponsor will not increase prices to be paid by a Tenant in Occupancy nor will it accept Purchase Agreements from Non-Tenant Purchasers for occupied Apartments, for a period of 180 days from the Presentation Date of this Plan. Sponsor may offer incentives to Tenants in Occupancy (e.g., lower down payment, right to buy a different or additional apartment at a discounted price, right of assignment, upgraded appliances or fixtures), but such incentives may not be "discriminatory inducements" to purchase until the Effective Date of the Plan based on the sale of at least 15% of the Apartments to Tenants in Occupancy who affirm that they or an immediate family member intends to reside in the apartment after the Closing. In other words, before the Plan has been declared effective, Sponsor must offer all Tenants in Occupancy the same incentives across-the-board, or the same incentives to all Tenants in Occupancy of certain Apartment types (studios, 1-bedrooms etc.). Such offers must be disclosed either in the Plan or in an amendment to the Plan. Sponsor reserves the right to amend the Plan from time to time to add and/or delete negotiable terms. No party other than Sponsor will have the right to approve any changes in price, whether before or after the First Closing.

If Sponsor changes the Offering Price of Shares of one or more Apartments, the Purchaser of such Shares may pay, or may have paid, more or less than other Purchasers of comparable Apartments having the same Share Allocation. However, a price change will not alter the Share Allocation of, or the amount of the Maintenance Charges payable by, the Shareholders.

In order to meet the possible varying demands for number and type of Apartments, or to meet the particular needs of prospective Purchasers, or for any other reason, Sponsor reserves the right to change: (a) the layout of, or number of rooms in, Apartments to which Unsold Shares have been allocated, and (b) the size and/or number of Apartments to which Shares have been allocated by subdividing one or more Apartments into two or more separate Apartments, by combining two or more separate Apartments to which Unsold Shares have been allocated into one or more Apartments to which Unsold Shares have been allocated, by altering the boundary walls of any Apartments to which Unsold Shares have been allocated, or otherwise, including, without limitation, the use of any portion of the Common Area adjacent to such Apartments to which Unsold Shares have been allocated to the extent that such portion is not required to be maintained as Common Areas pursuant to the terms of the By-Laws. Such right may be exercised by Sponsor from time to time, both before and after the First Closing, without the consent or approval of the Managing Agent, the Cooperative Board, any Shareholder, a Purchaser's Lender, or any other party. However, Sponsor will first obtain the approval of all governmental authorities having jurisdiction thereof whose approval is required by law. No change will be made by Sponsor in the size or number of Apartments, their respective Share Allocation, or in the size or quality of Common Areas except by amendment to the Offering Plan and to the By-Laws. Unless the affected Purchaser provides a written consent, no material change will be made by Sponsor in Apartment size, layout or Share Allocation if a Purchase Agreement has been executed and delivered to the Sponsor for that Apartment and such Purchaser is not in default. Sponsor must obtain an opinion of reasonable relationship and amend the Plan with respect to any reallocation of Shares.

No material change will be made in the size or quality of Common Areas unless Purchasers not in default receive a right to rescind their Purchase Agreements for fifteen (15) days after the presentation of an amendment to this Plan that discloses such material change.

If Sponsor changes the size and/or number of Apartments to which Unsold Shares have been allocated, Sponsor will increase or decrease the Share Allocation appurtenant thereto accordingly. As a result of such reapportionment, the amount of the Maintenance Charges (including PILOT) allocated to the Apartments to which Unsold Shares have been allocated affected thereby will increase or decrease proportionately, but the amount of the Maintenance Charges (including PILOT) allocated to all other Apartments will not be modified.

This Plan will be amended to reflect any of the foregoing changes.

To the extent permitted by law, if the size or configuration of an Apartment is changed in compliance with the Plan and/or By-Laws and, in connection therewith, a wall, space or other area forming a part of the Common Areas is sold to service and benefit only such Apartment by being razed or incorporated in such Apartment (such as a portion of a hallway between two Apartments that services or connects such Apartments only), then such Common Area shall be deemed for the exclusive use and benefit of the Shareholder of such Apartment and additional Shares shall be allocated to such Apartment.

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THE PARKING GARAGE

There is one (1) Parking Garage in the Apartment Corporation containing approximately 41 attended parking spaces. The Parking Garage is located on the cellar level of the Building.

Annual Rent and Additional Rent

In accordance with the terms of the Parking Garage Lease, a draft of which is set forth in Part II of the Plan, Sponsor, as "Parking Garage Tenant", shall pay to the Apartment Corporation, as "Parking Garage Landlord", an annual rent of $89,941.00, and any Additional Rent, as defined in the Parking Garage Lease.

Percentage Rent

Percentage Rent (as defined in the Ground Lease) payable by Sponsor, as Parking Garage Tenant, under the Parking Garage Lease, will equal three percent (3%) of the Gross Non-Residential Revenue (as defined in the Ground Lease) during each calendar year. After the execution of the Parking Garage Lease, and no later than thirty (30) days after the end of each calendar quarter, Sponsor shall deliver to the Apartment Corporation a statement Quarterly Percentage Rent Statement (as defined in the Ground Lease), and pay to the Apartment Corporation three percent (3%) of the Gross Non-Residential Revenue based upon the Quarterly Percentage Rent Statement. The Apartment Corporation shall then pay the Percentage Rent along with the Quarterly Percentage Rent Statement directly to BPCA. BPCA shall have the right to pursue the Apartment Corporation directly for any non-payment of Percentage Rent.

Purchasers are advised that in the event of a default by Sponsor, as Parking Garage Tenant, in its obligations under the Parking Garage Lease, the Apartment Corporation, as Parking Garage Landlord, will be responsible for the payment of the Percentage Rent to BPCA in order to comply with the terms of the Ground Lease, and BPCA shall have the right to pursue the Apartment Corporation directly for any non-payment of Percentage Rent. If such event were to occur, the Cooperative Board may have to utilize reserves, impose Special Assessments, increase Maintenance Charges or borrow or raise additional capital from Shareholders to pay the Percentage Rent. In such event, the Apartment Corporation, as Parking Garage Landlord would be entitled to exercise all its rights and remedies at Law, including, without limitation, the right to commence eviction proceedings against Sponsor, as Parking Garage Tenant.

The rent payable by the Sponsor (as set forth in Schedule B) is believed to be sufficient to cover the expenses fairly attributable to the Parking Garage in the first year of the Apartment Corporation's operation.

Operation of the Parking Garage

Sponsor entered into a lease (the "Parking Garage Sublease") with Imperial Parking (U.S.), LLC ("Parking Garage Sub-Tenant") for a term of five (5) years commencing on December 1, 2020. In accordance with the Parking Garage Sublease, the Parking Garage Sub-Tenant makes parking spaces available to the general public on an hourly, per diem or monthly basis for fees determined solely by the Parking Garage Sub-Tenant. Purchasers may rent the parking spaces from the Parking Garage Sub-Tenant, and all payments shall be made payable to the Parking Garage Sub-Tenant, unless otherwise provided by the Parking Garage Sub-Tenant. Neither the Cooperative Board, Non-Purchasing Tenants nor any Shareholders (other than Sponsor) shall have any right to the rents, profits or revenues from the rental or use of any space in Parking Garage.

Simultaneously with the Cooperative Conversion, the Apartment Corporation and Sponsor will enter into a long-term sublease ("Parking Garage Lease") with respect to the Parking Garage located in the cellar level of the Building, as shown on the Floor Plans in Part II of the Plan. The Parking Garage Lease will expire simultaneously with the Ground Lease, subject to any further extensions granted by BPCA. The Parking Garage Lease may be assigned, transferred, sublet or financed in whole or in part without the

consent of the Apartment Corporation and without the imposition of any transfer costs, flip taxes or fees imposed by the Apartment Corporation, provided Sponsor remains liable on the Parking Garage Lease.

The Parking Garage will be operated by the Parking Garage Sub-Tenant twenty-four (24) hours a day and seven (7) days a week throughout the term of the Garage Lease, and the use of the Parking Garage may generate noise, traffic, fumes or other disturbances, including idling vehicles and traffic congestion in the vicinity of the Building, over which the Shareholders will have no control. In addition, garbage collection for the Parking Garage, which must be separately arranged by the Sponsor or its tenant, and is not included in Schedule B, may occur late at night and in the early hours of the morning.

Shareholder and Non-Purchasing Tenant Rights

The Parking Garage Lease shall provide that Shareholders and Non-Purchasing Tenants and subtenants ("Residents") shall be given first priority to park on a monthly basis in the Parking Garage over parties that do not reside in the Building ("Outsiders"). No Resident shall have the right to park more than one (1) vehicle in the Parking Garage at a time on a monthly basis. In the event that there are no monthly parking spaces available when a Resident requests a monthly parking space from the Garage Tenant, either (i) because one or more parking spaces are then being occupied by Outsiders, or (ii) because a Resident occupies more than one parking space, then the Parking Garage Tenant shall terminate the monthly parking agreement, or, with respect to Residents, terminate the monthly parking agreements for vehicles exceeding one (1) vehicle, in order to accommodate the Resident's request, no more than thirty (30) days after receiving such request. However, since there will be more Resident than parking spaces, Sponsor makes no representation that a parking space will be available to Residents at any given time.

The Parking Garage Lease shall provide that the Parking Garage Sub-Tenant shall not charge Residents more than the prevailing monthly parking rate at parking garages within comparable luxury residential buildings in the immediate area for similar vehicles, excluding, however, the parking garage located at the Verdesian, 211 North End Avenue, New York, New York. Sponsor reserves the right to offer Purchasers the opportunity to purchase parking spaces in the Parking Garage pursuant to the terms of a license ("Parking Space License"). In the event Sponsor decides to sell Parking Space Licenses, Sponsor will amend the plan to disclose the terms of such offer.

Sponsor's Rights

Without prior consent or approval of the Apartment Corporation, the Parking Garage may be used for any purpose permitted by Law under the applicable building codes and zoning ordinances. No representation is made with respect to: (a) any other uses to which the Parking Garage or any part thereof may be used at any time, or (b) who, as tenant(s), will operate or occupy the Parking Garage or any part thereof at any time after the expiration of the Garage Lease, or (c) Sponsor's continued ownership of the Parking Garage or any part thereof, or (d) the Parking Garage Sub-Tenant's continued compliance with the Garage Lease terms. Sponsor reserves the right to offer the Parking Garage for sale to the public at a future date, pursuant to an amendment to this Plan that has been filed with the Department of Law or pursuant to a "No-Action," "No Jurisdiction," or similar ruling issued by the Department of Law.

Neither the Cooperative Board nor the Shareholders will have the right to disapprove either any change in the use of the Parking Garage (or any part thereof), or any amendment to the Building's Certificate of Occupancy to authorize another use for the Parking Garage (or any part thereof).

The Sponsor has the right to freely sub-lease the Parking Garage or any part thereof without the Cooperative Board having any right of first refusal to sub-lease, or to procure a third party to sub-lease, the same.

Sponsor reserves the right to offer Purchasers the opportunity to purchase parking spaces in the Parking Garage pursuant to the terms of a license ("Parking Space License"). In the event Sponsor decides to sell Parking Space Licenses, Sponsor will amend the plan to disclose the terms of such offer.

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RIGHTS OF EXISTING TENANTS

(a) Each "Tenant in Occupancy" (defined below) shall have the exclusive right for a period of 180 days from the Presentation Date of this Plan (the "Exclusive Purchase Period") within which to purchase the Apartment such Tenant in Occupancy occupied on the Filing Date of this Plan at the discounted offering price set forth in Schedule A, during which time the Tenant in Occupancy's Apartment shall not be shown to a third party unless the Tenant in Occupancy has, in writing, waived its right to purchase. Tenants in Occupancy do not have any exclusive right to purchase any Apartment other than the Apartment such Tenant in Occupancy occupied on the Filing Date of the Plan. In order to exercise this exclusive right to purchase, the Tenant in Occupancy must deliver a signed Purchase Agreement and the required Down Payment to the Selling Agent during the Exclusive Purchase Period. Sponsor has agreed that during the Exclusive Purchase Period, the Offering Prices for Shares allocated to Apartments that are occupied by Tenants in Occupancy will not be increased nor will the Selling Agent accept Purchase Agreements from Non-Tenant Purchasers (Purchasers who do not meet the definition of Tenant in Occupancy) for occupied Apartments. Notwithstanding the foregoing, during the Exclusive Purchase Period, Sponsor shall have the right to declare the Plan effective, assign the Ground Lease to the Apartment Corporation and convey the Shares allocated to Apartments to Purchasers pursuant to a fully executed Purchase Agreement.

(b) The Purchase Agreement to be used by Tenants in Occupancy who purchase during any Exclusive Purchase Period will not be modified, except by a duly filed amendment to this Plan.

(c) If, prior to the expiration of any Exclusive Purchase Period which begins prior to the First Closing, Sponsor amends the terms and conditions of this Plan to be more favorable to Tenants in Occupancy, a Tenant in Occupancy who executed and submitted a Purchase Agreement and the Down Payment before Sponsor amended the terms of this Plan shall benefit from the more favorable terms and conditions.

(d) A Tenant in Occupancy who resides in an Apartment as of the Presentation Date of any amendment to this Plan in which Sponsor offers Tenants in Occupancy any further exclusive purchase period after the initial 180 day Exclusive Purchase Period shall have the right to purchase Shares to such Apartment on the terms offered by Sponsor in such amendment. **IN THE EVENT THAT A TENANT IN OCCUPANCY TIMELY EXERCISES SUCH RIGHT TO PURCHASE THE SHARES TO SUCH APARTMENT, A NON-OCCUPANT PURCHASER WHO EXECUTED A PURCHASE AGREEMENT FOR SUCH SHARES SHALL BE SO NOTIFIED, THE FULLY EXECUTED PURCHASE AGREEMENT THAT WAS ENTERED INTO BY SUCH NON-OCCUPANT PURCHASER SHALL BE AUTOMATICALLY DEEMED NULL AND VOID, AND SUCH NON-OCCUPANT PURCHASER'S DOWN PAYMENT, PLUS ANY ACCRUED INTEREST, SHALL BE PROMPTLY RETURNED WITHOUT ANY FURTHER RECOURSE TO SUCH NON-OCCUPANT PURCHASER, AND WITHOUT ANY FURTHER OBLIGATION ON THE PART OF SPONSOR.**

(e) The term "Tenant in Occupancy" shall include: (a) a bona fide tenant in occupancy on the Filing Date; (b) a bona fide tenant with the right to renew a lease on the filing date; (c) a bona fide tenant who has the right to continued occupancy on the Filing Date; (d) a bona fide tenant of record with an unexpired lease on the Filing Date even though the tenant has sublet the Apartment or the Apartment is not the Tenant in Occupancy's primary Apartment; (e) a bona fide sublessee in occupancy on the Filing Date, if such sublessee sublets from a non-bona fide tenant, or has obtained written permission to purchase Shares to the Apartment from the bona fide tenant of record; and (f) an occupant on the Filing Date entitled to protection under Article 7C of the Multiple Dwelling Law. Nothing contained herein shall be construed to deprive the Sponsor of any legal remedy for illegal occupancy.

(f) The term "Tenant in Occupancy" shall not include the estate or legal representative of a bona fide tenant who was in occupancy of an Apartment on the Filing Date who died on or after the Filing Date. Tenants in Occupancy do not have any special right to purchase Apartments they do not occupy.

(g) **THIS IS A NON-EVICTION PLAN. NO NON-PURCHASING TENANT WILL BE EVICTED BY REASON OF CONVERSION TO COOPERATIVE OWNERSHIP.**

(h) The following summary of rights of existing tenants is set forth in accordance with Section 352-eeee of New York State General Business Law (the "GBL"), a copy of which is set forth in Part II of this Plan. Tenants in Occupancy derive substantial protections under the GBL. The rights granted under this Plan to Non-Purchasing Tenants may not be abrogated or reduced notwithstanding any expiration of, or amendment to, Section 352-eeee of the GBL.

(i) Pursuant to the General Business Law section 352-eeee(2)(c)(ii), the term "Non-Purchasing Tenant" means a person who has not purchased under the Plan and who is a Tenant entitled to possession at the time the Plan is declared effective or a person to whom an Apartment is rented subsequent to the effective date. A person who sublets an Apartment from "a purchaser under the Plan" (as such term is defined in the GBL) shall not be deemed a Non-Purchasing Tenant. Purchasers should be aware, however, that courts are divided on the issue of whether a person who rents an Apartment from a Sponsor after the effective date of conversion is a Non-Purchasing Tenant. In the case Paikoff v. Harris, the court held that a person "to whom a dwelling Apartment is rented subsequent to the effective date" of conversion is a Non-Purchasing Tenant. Paikoff v. Harris was decided in the Second Department, which does not include Manhattan. In Park West Village Associates v. Nishioka, the court held that the term Non-Purchasing Tenants only includes tenants of record at the time of conversion. Park West Village Associates v. Nishioka was decided in the First Department, which includes Manhattan.

(ii) Under this non-eviction Plan, tenants whose leases expire and against whom holdover proceedings are commenced before the Plan is declared effective retain only the minimal protections available to the common-law "tenant at sufferance," and ARE NOT PROTECTED from eviction for failure to purchase or any other reason applicable to expiration of tenancy and from unconscionable rent increases absent some special circumstance, as found by a court of competent jurisdiction. Tenants who lease Apartments after the Plan is declared effective ARE NOT PROTECTED from eviction for failure to purchase or any other reason applicable to expiration of tenancy and from unconscionable rent increases. Unconscionable increases are defined by law as increases that are "beyond ordinary rentals for comparable apartments during the period of their occupancy. However, the rentals of Non-Purchasing Tenants who reside in Apartments not subject to government regulation as to rentals and continued occupancy and Non-Purchasing Tenants who reside in Apartments with respect to which government regulation as to rentals and continued occupancy is eliminated or becomes inapplicable after this Offering Plan is declared effective shall not be subject to unconscionable increases in rents which would be beyond ordinary rentals for comparable Apartments during the period of their occupancy. In other words, in determining comparability, consideration will be given to such factors as building services, level of maintenance and operating expenses.

(iii) Notwithstanding anything in this Plan to the contrary, as of the Filing Date, Sponsor represents that all leased Apartments are rent stabilized by virtue of the Partial PILOT Exemption pursuant to the Ground Lease and they will remain rent stabilized until either (i) the vacancy of such Apartment, provided that such vacancy occurs at any time after the First Closing, or (ii) the lease renewal following the expiration of the Partial PILOT Exemption, on June 30, 2024 (such date hereinafter referred to as the "Exemption Expiration Date"). Notwithstanding that Sponsor represents that rent stabilized Apartments will become deregulated on lease renewal following the expiration of such leases after the Exemption Expiration Date, pursuant to an agreement between Sponsor and the Department of Law, for

the five (5) year period after the Exemption Expiration Date, Sponsor (or any other owner of such Apartments) will limit rent increases on Apartments that are rented by Non-Purchasing Tenants (as defined in the Plan) to the greater of (i) increases permitted by the Rent Guidelines Board for rent stabilized apartments or (ii) two and a half percent (2.5%) for 1-year leases or four percent (4%) for 2-year leases. However, Sponsor will have no such restrictions on the rents that it may charge to tenants who are not Non-Purchasing Tenants, after rent stabilized leases expire following the Exemption Expiration Date.

(iv) Non-Purchasing Tenants are advised that complaints of "unconscionable rent increases" may be referred to the New York State Department of Law, Real Estate Finance Bureau, 28 Liberty Street, 21st Floor, New York, New York 10005-1413. Notwithstanding the foregoing, under current law, Sponsor is not entitled to seek a major capital improvement ("MCI") rent increase to the extent that Sponsor has taken a credit against the Reserve Fund as the result of such MCI and, therefore, Sponsor does not intend to seek such a rent increase from the New York State Division of Housing and Community Renewal with respect to Non-Purchasing Tenants whose rents are regulated.

(v) No eviction proceedings will be commenced at any time after the effective date against Non-Purchasing Tenants for failure to purchase or any other reason applicable to expiration of tenancy; provided that such proceedings may be commenced for non-payment of rent, illegal use or occupancy of the premises, refusal of reasonable access to the Apartment Corporation or its managing agent or a breach of the Non-Purchasing Tenant's obligations to the owner of the Apartment or such other grounds for eviction as may then be permitted by law; and provided further that an owner of an Apartment may not commence an action to recover possession from a Non-Purchasing Tenant on the grounds that such owner seeks the Apartment for the use and occupancy of such owner or such owner's family.

(vi) Non-Purchasing Tenants who reside in Apartments subject to government regulation as to rentals and continued occupancy prior to the conversion of the Building to Cooperative ownership shall continue to be subject thereto. Nothing contained herein shall be deemed to extend greater rights to a Non-Purchasing Tenant than such tenant would have had if the Building had not been converted to Cooperative ownership, except as otherwise provided in subparagraph (iii) above.

(vii) This Plan may not be amended at any time to provide that it shall be an eviction plan.

(viii) The rights granted under this Plan to "purchasers under the Plan" (as such term is defined in the GBL) and to Non-Purchasing Tenants may not be abrogated or reduced notwithstanding any expiration of, or amendment to, the GBL.

(ix) All Apartments occupied by Non-Purchasing Tenants will be managed by the same managing agent who manages all other Apartments in the Building. Such managing agent will provide to Non-Purchasing Tenants all services and facilities required by Law on a non-discriminatory basis. Sponsor will guarantee the obligation of the Managing Agent to provide all such services and facilities until such time as Sponsor surrenders control of the Cooperative Board.

(x) It shall be unlawful for any person to engage in any course of conduct, including, but not limited to, interruption or discontinuance of essential services, which substantially interferes with or disturbs the comfort, repose, peace or quiet of any tenant in such tenant's use or occupancy of such tenant's Apartment or the facilities related thereto. The Attorney General may apply to a court of competent jurisdiction for an order restraining such conduct and, if the Attorney General deems it appropriate, an order restraining the owner from selling the Apartment or from proceeding with this Plan of conversion. Nothing contained in the GBL shall be deemed to preclude the tenant from applying on such tenant's own behalf for similar relief.

(xi) Any provision of a lease or other rental agreement which purports to waive a tenant's rights under the GBL or rules and regulations promulgated pursuant to the GBL shall be void as contrary to public policy.

(xii) Tenants or their representatives may physically inspect the Property at any time subsequent to the submission of this Plan to the Department of Law, during normal business hours, upon written request made by them to Sponsor, provided such representatives are registered architects or professional engineers licensed to practice in the State of New York.

The By-Laws of the Apartment Corporation provide that Non-Purchasing Tenants will be promptly notified of changes in ownership of the Apartment in which they reside by any Purchasers of such Apartment, and that the Cooperative Board will retain and make available such information.

Tenants in Occupancy who sign a Purchase Agreement must continue to pay rent to the Sponsor, pursuant to the terms of their lease, until the Closing to their Apartment.

No assignment of a Purchase Agreement by a Purchaser (including a Purchaser who is a Tenant in Occupancy) shall be permitted without Sponsor's prior written consent, which may be withheld or delayed for any reason or for no reason. Please refer to the Section entitled "Assignment of Purchase Agreements" found in Part 1 of this Plan for more information.

Subsequent to the First Closing under this Plan, and for each original sale of an Apartment by Sponsor thereafter, a Non-Purchasing Tenant will be notified in writing by Sponsor of the name and address of the person or persons who purchased such Non-Purchasing Tenant's Apartment. Upon a resale of such Apartment, the seller and each subsequent seller will be obligated to notify the Non-Purchasing Tenant in writing within ten (10) days following the change in ownership of the name and address of the non-occupant Purchaser.

If prior to the expiration of any Exclusive Purchase Period which begins prior to the First Closing, Sponsor amends the terms and conditions of this Offering to be more favorable to Tenants in Occupancy, a Tenant in Occupancy who executed and submitted a Purchase Agreement and Down Payment before Sponsor amended the terms of this Plan shall benefit from the more favorable terms and conditions.

In the event a Purchaser purchases an Apartment not occupied by such Purchaser, such purchase shall be at the offering price offered to Non-Tenant Purchasers and subject to (i) the terms and conditions of the existing lease or tenancy of the Apartment, and (ii) the rights and obligations set forth in the GBL. The Purchaser and its successors shall continue to be bound as long as such lease or tenancy continues.

If a Tenant in Occupancy purchases an Apartment, then from and after the Closing to such Apartment, such Tenant in Occupancy would no longer be subject to, or have any rights afforded tenants in occupancy, under the GBL.

Non-Purchasing Tenants shall have no rights with respect to their Apartments except as same may specifically be set forth above and in the GBL. A Non-Purchasing Tenant shall not have any period of time during which such Non-Purchasing Tenant has the right to purchase its Apartment on the terms obtained by an outside Purchaser. Nothing contained herein shall be deemed to grant Non-Purchasing Tenants any additional rights of occupancy with respect to the Apartments.

See the Section of this Plan entitled "Effective Date of Plan" for a discussion of Sponsor's obligation to periodically post the percentage of Purchase Agreements received by the Selling Agent.

Sponsor reserves the right to renovate certain Common Areas and, where permitted, take a credit against its reserve fund contribution.

In accordance with the Housing Stability and Tenant Protection Act of 2019, Sponsor shall not increase preferential rents to legal rents (for Apartments that are subject to preferential rents). However, on any lease renewal, Sponsor may increase preferential rents pursuant to the Rent Guidelines Board allowable increases in effect at that time.

Since PILOT constitutes a portion of the Rent due under the Ground Lease, PILOT payments will be made directly to the Landlord by the Cooperative Board in lieu of real estate tax payments being made to the New York City Department of Finance. Sponsor makes no projection or other representation about the PILOT that will be imposed on the Apartments beyond the First Year of Apartment Corporation Operation. **PURCHASERS ARE ADVISED THAT AFTER THE EXPIRATION OF THE PARTIAL PILOT EXEMPTION IN 2024, AND THEREAFTER, THE PILOT WILL BE HIGHER THAN THE PROJECTED PILOT THAT IS DISCLOSED IN THE ANALYSIS BY METROPOLITAN VALUATION SERVICES, INC. ("SPONSOR'S PILOT CONSULTANT") FOR THE FIRST YEAR OF APARTMENT CORPORATION OPERATION.**

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OBLIGATIONS OF SHAREHOLDERS OF APARTMENTS OCCUPIED BY NON-PURCHASING TENANTS

A Person purchasing an Apartment that is occupied by another does so subject to: (a) the existing lease for the Apartment, if any (and any renewal thereof pursuant to Law or effected prior to the date on which the Purchaser's Purchase Agreement is accepted), (b) the existing occupancy of the Apartment, and (c) rights of the tenant thereof, if any, under the Rent Laws and under the GBL, including the right to stay in possession of the Apartment pursuant to the GBL, as more fully discussed in the Section entitled "Rights of Existing Tenants".

No representations or statements of any kind as to the requirements of the GBL are given, except as expressly set forth in this Plan, and a prospective Purchaser interested in purchasing an occupied Apartment in which he does not reside or lease, (a "Non-Occupant Purchaser") is advised to consult with his attorney regarding the application and effect of the foregoing laws and regulations in order to become fully apprised of his rights as a purchaser and his obligations to any existing tenant or occupant.

After consummation of the sale of an Apartment to a Non-Occupant Purchaser, such Non-Occupant Purchaser will own Shares allocated to the Apartment, subject to the lease or tenancy of the present tenant and subject to all rights, if any, afforded such tenant under the GBL and this Plan. Under the GBL, the Non-Purchasing Tenant may not be evicted at any time for failure to purchase or any other reason applicable to expiration of tenancy, provided that eviction proceedings may be commenced for non-payment of rent, illegal use or occupancy of the Apartment, refusal of reasonable access to the Apartment Corporation or its managing agent, a breach by the Non-Purchasing Tenant of his obligations to the owner of the Apartment, or such other grounds for eviction as may then be permitted by law. In addition, no eviction proceedings may be commenced against a Non-Purchasing Tenant on the grounds that the Non-Occupant Purchaser seeks the Apartment for the use and occupancy of himself or his family.

If a Non-Occupant Purchaser acquires an Apartment occupied by another, then on the Closing Date of such Apartments, the Non-Occupant Purchaser will become the landlord of such tenant and the latter will become the Non-Occupant Purchaser's tenant. Such Non-Occupant Purchaser will be required under the Purchase Agreement executed by him to pay the Maintenance Charges or Special Assessments charged against the Apartment by the Cooperative Board, regardless of whether such Maintenance Charges or Special Assessments are greater or less than the rent payable by the tenant or occupant, and regardless of whether or not the rent is received. In addition, such Non-Occupant Purchaser will be responsible for the performance of all obligations of the landlord under the lease with the tenant or occupant, including, without limitation, the obligation to maintain, replace and repair any plumbing fixtures, refrigerator, range, dishwasher, lighting fixtures, and other equipment, if any, which are included in the Apartment, not owned by the tenant or occupant and to paint the Apartment, as provided in the Purchase Agreement or applicable Law.

The Purchase Agreement contains a provision whereby each Non-Occupant Purchaser of an Apartment irrevocably appoints the then managing agent of the Building (which managing agent may be replaced from time to time by the Cooperative Board) as his agent, coupled with an interest, to provide, for the account and at the expense of the Non-Occupant Purchaser, all services and facilities required by Law on a non-discriminatory basis, to the Non-Purchasing Tenant who has a right to occupy the Apartment such Non-Occupant Purchaser is purchasing until such time as said right to occupy terminates. In addition, each Non-Occupant Purchaser agrees: (a) to deposit with the Managing Agent at the Closing to the Apartment, a sum not less than an amount equal to two (2) month's Maintenance Charges for such Apartment to be used as working capital to furnish such services and facilities, and (b) upon written notice by the Managing Agent that the deposit has been diminished, to replenish such fund within a thirty (30) day period. Sponsor shall guarantee the obligation of the Managing agent to provide such services and facilities until such time

as Sponsor surrenders control of the Cooperative Board. Each Non-Occupant Purchaser of an Apartment will be required to indemnify Sponsor for all costs expended by Sponsor on such Non-Occupant Purchaser's behalf. The foregoing obligations of a Non-Occupant Purchaser do not apply to Sponsor.

Upon each resale of an Apartment occupied by another, the Managing Agent shall notify the Non-Purchasing Tenant thereof in writing within ten (10) days following the change in ownership of the name and address of the new Non-Occupant Purchaser.

The Non-Occupant Purchaser is under no obligation to join any industry organization, such as the Rent Stabilization Association. However, if the tenancy of the Apartment owned by the Non-Occupant Purchaser is rent stabilized, the Non-Occupant Purchaser shall be required to annually register the rent for such Apartment with the New York State Division of Housing and Community Renewal. If the tenancy of the Apartment owned by the Non-Occupant Purchaser is rent stabilized, rent increases imposed by the Non-Occupant Purchaser may not exceed those permitted under the Rent Stabilization Code. If the tenancy of the Apartment owned by the Non-Occupant Purchaser is subject to the GBL, the Non-Occupant Purchaser may not impose "unconscionable rent increases". If the tenancy of the Apartment owned by the Non-Occupant Purchaser is Rent Stabilized or subject to the applicable provisions of the GBL, upon the Non-Purchasing Tenant's vacating of such Apartment, such Apartment then shall not be subject to any rent regulations.

No representation is made or warranty given as to whether the GBL or the Rent Laws will continue to apply to any Apartment in the Building or whether there will be any future amendments thereto. Nothing contained herein shall be deemed to prevent Sponsor or any Purchaser of an occupied Apartment, from enjoying the benefits from any amendment to the Rent Laws or any court ruling which may be deemed to benefit Sponsor.

A Person who is interested in purchasing an Apartment in which he does not reside is advised to examine the lease for such Apartment to ascertain the rental thereof, expiration date and obligations imposed on the landlord thereof. Theses leases are on file at the office of the Managing Agent. It is further recommended that such person consult with their own attorney in order to become fully apprised of the effect of the GBL and the Rent Laws, as well as the lease for the Apartment, on his rights as a Non-Occupant Purchaser and his obligations to the existing tenant or occupant.

A Non-Occupant Purchaser of an Apartment subject to a lease will be entitled to receive the unapplied portion of any security deposit held by the Sponsor under the terms of such lease. Such security must be held by the Non-Occupant Purchaser, in trust, in an interest bearing account in accordance with Section 7-103 of the New York General Obligations Law. Upon receipt of such security deposit, the Non-Occupant Purchaser will be required to acknowledge, in writing, receipt thereof and agree to indemnify Sponsor against all claims or liability in connection therewith.

The Non-Occupant Purchaser of an Apartment has the obligation to pay the amount due as Maintenance Charges for said Apartment, as well as to pay Special Assessments and PILOT for such Apartment, even if the amount is more than the rent received from the Non-Purchasing Tenant. All litigation costs, fees, and any dues related to the tenancy of Non-Purchasing Tenant, are the sole responsibility of the Non-Occupant Purchaser of the Apartment in question.

INTERIM USE AND OCCUPANCY AGREEMENTS

Sponsor will not permit interim leasing or pre-closing occupancy of vacant Apartments.

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ACCOUNTANT'S CERTIFIED STATEMENTS OF OPERATION

RIVER TERRACE ASSOCIATES, LLC
(A Limited Liability Company)

FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2020 AND 2019

RIVER TERRACE ASSOCIATES, LLC
(A Limited Liability Company)

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COTTER & KAVANAUGH LLP

230 PARK AVENUE, SUITE 1535, NEW YORK, NY 10169 TEL: 212 268 9023 FAX: 212 268 9024

INDEPENDENT AUDITOR'S REPORT

To the Members of
River Terrace Associates, LLC
(A Limited Liability Company)

We have audited the accompanying financial statements of River Terrace Associates, LLC (the "Company"), a New York limited liability company, which comprise the balance sheets as of December 31, 2020 and 2019, and the related statements of income, changes in members' deficit, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of River Terrace Associates, LLC as of December 31, 2020 and 2019, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis-of-Matter

As discussed in Note 2 o) to the financial statements, in March 2020, the World Health Organization declared the outbreak of a novel coronavirus ("COVID-19") a pandemic. The Company is unable to determine if the COVID-19 pandemic will have a material impact on the Company's future operations. Our opinion is not modified with respect to this matter.

Other Matter-Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supporting schedules on page 21 are presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information shown on page 21 is fairly stated in all material respects in relation to the financial statements as a whole.

Cotter & Kavanaugh LLP

New York, New York
April 26, 2021

RIVER TERRACE ASSOCIATES LLC
(A Limited Liability Company)
BALANCE SHEETS

	December 31, 2020	December 31, 2019
ASSETS		
Leasehold interest, net of accumulated depreciation	$ 58,897,674	$ 61,145,012
Deferred costs, net of accumulated amortization	201,823	227,250
Cash and cash equivalents	5,910,738	6,601,904
Cash held-in-escrow	14,750,616	11,451,623
Tenants' accounts receivable, net of allowance of $25,632	121,818	86,546
Tenants' security deposits	1,306,384	1,773,846
Straight-line rent receivable	-	40,049
Construction in progress	4,045,162	1,373,440
Other assets	2,966,929	2,047,048
	$ 88,201,144	$ 84,746,718
LIABILITIES AND MEMBERS' DEFICIT		
Liabilities:		
Mortgage note payable	$ 101,500,000	$ 101,500,000
Less debt issuance costs (net of accumulated amortization of $2,060,472 and $1,963,779, respectively)	(846,459)	(943,152)
Mortgage note payable, net	100,653,541	100,556,848
Accounts payable and accrued expenses	763,765	363,751
Deferred ground rent payable	156,080	182,395
Accrued interest payable	4,243	68,992
Tenants' security deposits payable	1,206,954	1,734,247
Prepaid rents	236,595	297,793
	103,021,178	103,204,026
Commitments, contingencies, and other matters		
Members' deficit	(14,820,034)	(18,457,308)
	$ 88,201,144	$ 84,746,718

See accompanying notes to financial statements.

RIVER TERRACE ASSOCIATES LLC
(A Limited Liability Company)
STATEMENTS OF INCOME

	For the Years Ended December 31,	
	2020	2019
Revenues:		
Residential rental income	$ 16,836,659	$ 19,753,311
Commercial rental income	101,576	302,899
Other income	259,440	427,782
Interest income	138,650	232,861
Total revenues	17,336,325	20,716,853
Expenses:		
Operating expenses	3,248,054	3,187,945
Financial expenses	1,763,805	3,111,277
Utilities	851,948	928,078
Administrative expenses	917,779	1,846,216
Ground rent	808,358	873,145
Payments in lieu of taxes	3,550,423	2,934,134
Abandoned development costs	-	1,526,673
Total expenses	11,140,367	14,407,468
Income before depreciaiton and amortization	6,195,958	6,309,385
Depreciation and amortization	2,558,684	2,524,048
Net income	$ 3,637,274	$ 3,785,337

See accompanying notes to financial statements.

RIVER TERRACE ASSOCIATES LLC
(A Limited Liability Company)
STATEMENTS OF CHANGES IN MEMBERS' DEFICIT
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	Total Members' Deficit	Albanese BPC, LLC	The Northwestern Mutual Life Insurance Company
Balance - January 1, 2019	$ (22,242,645)	$ (7,413,474)	$ (14,829,171)
Net income	3,785,337	1,261,653	2,523,684
Balance - December 31, 2019	(18,457,308)	(6,151,821)	(12,305,487)
Net income	3,637,274	1,212,304	2,424,970
Balance - December 31, 2020	$ (14,820,034)	$ (4,939,517)	$ (9,880,517)

See accompanying notes to financial statements.

RIVER TERRACE ASSOCIATES, LLC
(A Limited Liability Company)
STATEMENTS OF CASH FLOWS

	For the Years Ended December 31, 2020	2019
Cash flows from operating activities:		
Net income	$ 3,637,274	$ 3,785,337
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	2,558,684	2,524,048
Fair market value adjustment on interest rate cap	98,558	15
Non-cash charge for interest	96,693	584,673
Straight-line rent receivable	40,049	(11,399)
Changes in operating assets and liabilities:		
Increase in:		
Tenants' accounts receivable, net of allowance	(35,272)	(33,946)
Other assets	(900,609)	(248,919)
Increase (decrease) in:		
Accounts payable and accrued expenses	400,014	(47,341)
Deferred ground rent payable	(26,315)	(21,430)
Accrued interest payable	(64,749)	(11,624)
Tenants' security deposits payable	(527,293)	237,356
Prepaid rents	(61,198)	154,593
Net cash provided by operating activities	5,215,836	6,911,363
Cash flows from investing activities:		
Additions to leasehold interest	(285,919)	(2,813,363)
Construction in progress	(2,671,722)	985,416
Net cash used in investing activities	(2,957,641)	(1,827,947)
Cash flows from financing activities:		
Purchase of interest rate cap	(117,830)	-
Net increase in cash, cash equivalents, and restricted cash	2,140,365	5,083,416
Cash, cash equivalents, and restricted cash - beginning of year	19,827,373	14,743,957
Cash, cash equivalents, and restricted cash - end of year	$ 21,967,738	$ 19,827,373
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	$ 559,087	$ 1,505,267

See accompanying notes to financial statements.

RIVER TERRACE ASSOCIATES LLC
(A Limited Liability Company)
Notes to financial statements
(Income Tax Basis)
DECEMBER 31, 2020 AND 2019

Note 1 – Organization

a) Formation

River Terrace Associates, LLC (the "Company") was organized on August 23, 2000 as a New York Limited Liability Company for the purpose of acquiring the leasehold interest and constructing and operating a residential rental building. The Company was initially organized as a single member limited liability company, with Albanese BPC, LLC ("Albanese") as the sole member. On March 16, 2001 the operating agreement was amended and restated to reflect the admission of Northwestern Mutual Life Insurance Company ("Northwestern Mutual") as a member of the Company (the "Operating Agreement").

b) General

The Company constructed an environmentally sustainable 27 story, 292 unit residential apartment building at 20 River Terrace in the Battery Park City section of New York City (the "Property") in 2003. The Property contains a recreational facility and a 41 car indoor parking garage. Pursuant to the terms of the Mortgage (see Note 5) and the Regulatory Agreement, 5% of the apartments have been set-aside for occupancy by tenants of moderate income. At December 31, 2020 and 2019 the occupancy was 62% and 89%, respectively.

Profits, losses and cash flow distributions are allocated to the members pursuant to the terms of the Operating Agreement. The members are entitled to a 9.75% per annum, compounded annually, cumulative preferred return on their Initial Investment Account, as defined in the Operating Agreement, payable out of cash flow. Initial Investment Account includes capital contributed by members plus $3,300,000 credited to Albanese for development services. As of December 31, 2020 and 2019, the unpaid preferred return for Albanese Initial Investment Account was $464,597 and $291,438, respectively. As of December 31, 2020 and 2019, the unpaid cumulative preferred return for the Northwestern Mutual Initial Investment Account was $1,498,147 and $939,775, respectively.

Note 2 – Summary of Significant Accounting Policies

a) Basis of Accounting

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP").

b) Cash, Cash Equivalents, and Restricted Cash

For purpose of the balance sheets and statements of cash flows, cash and cash equivalents consist of cash and other high liquid resources, such as money market funds, with an original maturity of three months or less when purchased. Restricted cash included in escrow deposits on the balance sheets consists of cash deposited into escrow accounts for interest reserve, replacement reserve, and real estate tax escrow are in accordance with the long-term financing arrangements per the contractual requirements of the lender. When the related long-term debt is paid off, the restriction will lapse.

Note 2 – Summary of Significant Accounting Policies (continued)

The following table provides a reconciliation of cash and cash equivalents reported within the balance sheets that sum to the total of the same such amounts shown in the statements of cash flows.

	For the Years Ended December 31,	
	2020	2019
Cash and cash equivalents	$ 5,910,738	$ 6,601,904
Tenants' security deposits	1,306,384	1,773,846
Cash held-in-escrow	14,750,616	11,451,623
Total cash, cash equivalents, and restricted cash shown in the statement of cash flows	$ 21,967,738	$ 19,827,373

c) Leasehold Interest

Leasehold interest is recorded at cost. Ordinary repairs and maintenance, including minor replacements and painting, are expensed as incurred; major replacements that extend the useful life, increase capacity or increase income generated by the asset are capitalized. Depreciation is computed on the straight-line method over the estimated asset lives as follows:

Building	40 Years
Land improvements	15 Years
Furniture, fixtures and equipment	5 - 7 Years

Management continually monitors events and changes in circumstances which could indicate that the carrying amount of the leasehold interest may not be recoverable. When events or changes in circumstances are present, management assesses the recoverability of the leasehold interest by determining whether the carrying value of the leasehold interest will be recovered through the undiscounted future cash flows expected to be generated from the use and eventual disposition of the leasehold interest. If the carrying amount of the leasehold interest exceeds its estimated future cash flows, the impairment to be recognized is measured by the amount by which the carrying amount of the leasehold interest exceeds its fair value. No such impairment loss was required as of December 31, 2020 and 2019.

d) Deferred Costs

Deferred leasing costs are amortized on a straight-line basis over the term of the related leases. Costs incurred in connection with entering into a ground lease agreement have been capitalized and are amortized on a straight-line basis over the term of the ground lease. Costs incurred in connection with obtaining the real estate tax abatement pursuant to Section 421(a) of the New York Real Property Tax Law have been capitalized and are amortized over the twenty-year abatement period.

Note 2 – Summary of Significant Accounting Policies (continued)

e) Rental Income and Straight-Line Rent Receivable

In 2019, the Company adopted ASU 2014-09 *Revenue from Contracts with Customers*, which supersede the revenue recognition requirements in ASC 605, *Revenue Recognition*, as well as most industry-specific guidance, and provide a principles-based, comprehensive framework in ASC 606, *Revenue from Contracts with Customers*. This standard also specifies the accounting for certain costs to obtain or fulfill a contract with a customer and provides enhanced disclosure requirements. The adoption of this standard had no material impact on the financial statements. The majority of the Company's revenue is derived from residential and commercial leases and other lease income, which are excluded from this standard.

Rental income is derived principally from short-term residential leases. Leases are accounted for as operating leases with revenue recognized over the lease term. Rental income for the garage was recognized on a straight-line basis over the non-cancellable term of the lease. The cumulative difference between the rental income recognized using this straight-line method and the contractual payments of rent in accordance with the lease was shown as straight-line rent receivable on the accompanying balance sheets. During 2020, the garage lease was terminated.

f) Tenants' Accounts Receivable

Tenants' accounts receivables consist of receivables from tenants for rent and other charges recorded according to the terms of their leases. Tenant receivables do not bear interest, although a late charge sometimes will be billed to tenants with receivables that are past due. Tenant receivables are periodically evaluated for collectability based on the tenants' past history, their current status, and financial condition. Changes in the estimated collectability of tenant receivables are recorded in the statements of income for the period in which the estimate is revised. Tenant receivables that are deemed uncollectible are offset against the allowance for doubtful accounts. At December 31, 2020 and 2019, the Company's allowance for doubtful accounts amounted to $25,632. The Company holds tenant security deposits as collateral for tenant receivables.

g) Ground Rent and Deferred Ground Rent Payable

Aggregate ground rent is recognized on a straight-line basis over the non-cancelable term of the ground lease. The cumulative differences between the ground rent incurred and the contractual payment of ground rent in accordance with the ground lease is shown as deferred ground rent payable on the accompanying balance sheets.

h) Income Taxes

No provisions for federal, state and local income taxes are made in the accounts of the Company as any resulting tax liabilities are those of the members. Each member is responsible for reporting its allocable share of the Company's income, deductions, gains, losses, and credits. Further, the members' capital accounts reflected in the accompanying financial statements may differ from amounts reported in the Company's federal income tax return due to differences in accounting methods adopted for financial and tax reporting purposes.

Note 2 – Summary of Significant Accounting Policies (continued)

The Company's income tax filings are subject to audit by various taxing authorities. The Company's open audit periods are 2017 through 2020. In evaluating the Company's tax provisions and accruals, future taxable income, and the reversal of temporary differences, interpretations, and tax planning strategies are considered. The Company believes their estimates are appropriate based on current facts and circumstances.

i) Use of Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

j) Derivative Instruments

Derivative instruments not meeting the criteria for hedge accounting treatment are recorded on the balance sheets at fair value with any change in fair value reflected in financial expenses on the accompanying statements of income.

k) Debt Issuance Costs

Debt issuance costs include fees and associated costs incurred to obtain financing and are amortized over the term of the loan or related agreement using the effective-interest method in 2020 and 2019. Debt issuance costs net of accumulated amortization are presented as a direct reduction in the carrying amount of debt on the accompanying balance sheets, and the related amortization of debt issuance costs is a component of financial expenses on the accompanying statements of income.

l) Credit Risk

Credit risk represents the risk that the Company would incur a loss if the counterparties failed to perform pursuant to the terms of their agreements.

The Company has an agreement with Fannie Mae ("FNMA") to provide additional credit enhancement and liquidity support for the Mortgage and Bonds (see Note 5). Should the Company be unable to make payments under the terms of the Mortgage, FNMA has agreed to make the payments due. The Company also has cap agreements with financial institutions to limit the interest rate on the Bonds (see Note 5).

The Company is subject to credit risk to the extent that FNMA may be unable to fulfill their obligations to make payments due under the terms of the Mortgage should the Company fail to do so. The Company is also subject to credit risk on the cap agreements to the extent that the counterparties may be unable to pay the interest due should the interest rate exceed the rate fixed by the agreements.

Note 2 – Summary of Significant Accounting Policies (continued)

m) Concentrations

The Company operates one property located in Manhattan, New York. Future operations could be affected by changes in the economy or other conditions in that geographical area.

n) COVID-19 Pandemic

In March 2020, the World Health Organization designated COVID-19 as a pandemic. While the Company has taken various actions in response to the COVID-19 pandemic, the ultimate impact on its results of operations, cash flows, financial condition and liquidity will depend on (i) the duration and severity of the pandemic, (ii) the duration and nature of governmental responses to contain the spread of the disease and assist consumers and businesses, (iii) consumer and business responses to the pandemic, including preference for where and how to live and work, and (iv) how quickly and to what extent normal economic and operating conditions can resume. Because of this uncertainty, any estimate of the expected impact of the COVID-19 pandemic on its results of operations, cash flows, financial condition, or liquidity for the periods beyond the year December 31, 2020, is uncertain.

Note 3 – Leasehold Interest

The Company's investment in leasehold interest is comprised of the following:

	For the Years Ended December 31,	
	2020	2019
Building	$100,165,879	$ 99,879,960
Land improvements	2,165,609	2,165,609
Furniture, fixtures and equipment	13,812,908	13,812,908
	116,144,396	115,858,477
Less: Accumulated depreciation	(57,246,722)	(54,713,465)
	$ 58,897,674	$ 61,145,012

Depreciation expense for the years ended December 31, 2020 and 2019 amounted to $2,533,257 and $2,498,622, respectively. The Company's leasehold interest has been pledged as collateral for the Mortgage and Credit Enhancement Instrument (see Note 5).

Note 4 – Deferred Costs

The Company's deferred cost consists of the following:

	For the Years Ended December 31,	
	2020	2019
Deferred leasing costs	$ 85,000	$ 85,000
Deferred ground lease costs	232,616	232,616
Tax abatement costs	540,541	540,541
	858,157	858,157
Less: Accumulated amortization	(656,334)	(630,907)
	$ 201,823	$ 227,250

Amortization expense for the years ended December 31, 2020 and 2019 amounted to $25,427 and $25,426, respectively.

Scheduled amortization of deferred costs for the next five years and in the aggregate thereafter is approximately as follows:

Years Ending December 31,	Amount
2021	$ 19,000
2022	16,000
2023	12,000
2024	6,000
2025	3,000
Thereafter	145,000
	$ 201,000

Note 5 – Mortgage Note Payable

The Company obtained financing for the Property from the New York State Housing Finance Agency ("NYSHFA"), whereby NYSHFA issued and sold $101,500,000 of tax-exempt bonds, ("Tax-Exempt Bonds") and $15,000,000 of taxable bonds ("Taxable Bonds") (collectively, the "Bonds") and loaned the proceeds to the Company (the "Mortgage"). Only the Tax-Exempt Bonds are currently outstanding. Principal and interest payments required on the Mortgage are equal to the amounts required to be paid by NYSHFA to the holders of the Bonds. The Bonds and Mortgage mature May 15, 2034.

Note 5 – Mortgage Note Payable (continued)

The Bonds and Mortgage bear interest at a variable rate calculated weekly based upon the remarketing agent's determination of the rate required to allow the Bonds to be sold at par plus accrued interest, up to a maximum interest rate of 12% per annum (the "Variable Interest Rate"). Such maximum rate may be increased under certain circumstances from time to time by the NYSHFA up to 15%. At December 31, 2020 and 2019, the interest rate on the Tax-Exempt Bonds was .09% and 1.68%, respectively. Under certain circumstances described in the Bond Resolution, the Company may change the interest rate to an Adjustable Interest Rate or to a Fixed Interest Rate, as defined in the Bond Resolution, and after any such change (other than a change to the Fixed Interest Rate), to another Adjustable Interest Rate or back to the Variable Interest Rate.

Upon any change in the method of determination of the interest rate or termination or expiration of the credit enhancement instrument discussed below, the Bonds become subject to mandatory redemption. During the period when interest on the Bonds is determined under the Variable Interest Rate or the Adjustable Interest Rate, the Bonds are redeemable at the option of the bondholders. Following conversion to a Fixed Interest Rate, the Bonds shall no longer be subject to redemption at the option of the bondholders. J.P. Morgan Securities Inc. (the "Remarketing Agent") has been retained to remarket any Bonds which are redeemed. In the event that any redeemed Bonds cannot be resold, additional Mortgage principal payments would become due.

Mortgage interest incurred for the years ended December 31, 2020 and 2019 amounted to $552,396 and $1,493,643, respectively. As of December 31, 2020 and 2019 the outstanding Mortgage was $101,500,000.

On August 11, 2017, the Company entered into an interest rate cap agreement with SMBC Capital Markets, Inc. ("Rate Cap") that was effective August 15, 2017 and expired August 15, 2020, limiting the interest rate on the Tax-Exempt Bonds to 3.75%. For the Rate Cap, the notional value of the interest covering the interest payment due on the Tax-Exempt Bonds was $97,149,094. On August 15, 2020, the Company entered into a new interest rate cap agreement with Wells Fargo Bank, National Association to limit the interest rate on the Bonds to 1.00% for a term of three years expiring on August 15, 2023 with a notional amount of $88,828,928. At December 31, 2020 and 2019 the aggregate fair value of the interest rate cap agreement was $19,272 and $-0-, respectively, and is included in other assets on the accompanying balance sheets. For the years ended December 31, 2020 and 2019 a loss of $98,558 and $15, respectively, has been incurred as additional mortgage interest expense and is included in financial expenses on the accompanying statements of income.

In connection with the Mortgage, the Company is contingently liable under the terms of the Reimbursement Agreement with FNMA, who has agreed in accordance with the Credit Enhancement Instrument to make payments due under the terms of the Mortgage if the Company fails to do so, in amounts not to exceed the principal of the outstanding Bonds plus an accrued interest amount more fully described in the Credit Enhancement Instrument. The Credit Enhancement Instrument is being used to provide credit enhancement and liquidity support for the bonds. The Credit Enhancement Instrument will terminate on the earlier of the date the Bonds are repaid in full or on the date alternate security is substituted for the Credit Enhancement Instrument.

Note 5 – Mortgage Note Payable (continued)

If, for any reason, the Company is unable to replace or renew the Credit Enhancement Instrument or provide other security, the Bonds and the Mortgage become due and payable. The Company cannot change the interest rate mode without the permission of FNMA.

In addition, the Company is required to pay the following financing fees related to the financing:

a) A fee payable monthly to NYSHFA, equal to $146,625 per annum.

b) A fee payable to the Remarketing Agent equal to 0.075% per annum of the principal amount of the outstanding Bonds.

c) A fee payable to FNMA equal to the sum of:

i) 0.57% per annum of the principal amount of the outstanding Bonds less the sum in the principal reserve fund.

ii) 0.15% per annum of the balance in the principal reserve fund.

iii) 0.13% per annum of the outstanding Bonds less the balance in the principal reserve fund.

iv) 0.15% per annum of the unpaid balance of the Mortgage while the interest rate on the Bonds is a Term Rate for an original Term Rate
v) five years, or the Variable Interest Rate.

d) A fee payable to FNMA equal to the prime rate plus 2% per annum of funds provided by FNMA under the Reimbursement Agreement for the Company and amounts withdrawn from the principal reserve fund. No fees were incurred in 2020 and 2019.

e) A prepayment premium if the Mortgage is prepaid or if the Credit Enhancement Instrument is replaced or terminated within ten years of its issuance.

Total periodic financing fees incurred for the years ended December 31, 2020 and 2019 were $1,016,158 and $1,032,946, respectively, and is included in financial expenses on the accompanying statements of income.

Note 6 – Ground Lease

The Company is a tenant under a ground lease (the "Lease") with the Battery Park City Authority ("BPCA"), which commenced on April 4, 2001 and expires on June 17, 2069.

Note 6 – Ground Lease (continued)

The Lease provides for the following payments:

a) Commencing January 9, 2004 and ending on April 3, 2024, the Company pays base ground rent ranging from $181,465 in the third lease year to $269,647 for the lease year ending April 3, 2024 adjusted upwards or downwards annually for the Payments In Lieu of Taxes ("PILOT") – Base Rent Adjustment plus an amount equal to the Section 421 (a) Differential Rent, as defined in the Lease.

b) Commencing on April 3, 2024 and for each period of fifteen years, base ground rent shall be adjusted in accordance with the Lease.

c) PILOT are payable in accordance with the formula as set forth in the Lease. PILOT incurred for the years ended December 31, 2020 and 2019 was $3,550,423 and $2,934,134, respectively.

d) Additional rent equal to 3% of the Gross Non-Residential Revenue as defined in the Lease (the "Percentage Rent"). Percentage Rent incurred for the years ended December 31, 2020 and 2019 was $8,876 and $8,745, respectively.

e) Additional amounts based upon maintenance of certain civic facilities.

Ground rent, percentage rent, and facilities maintenance charges incurred for the years ended December 31, 2020 and 2019 amounted to $808,358 and $873,145, respectively.

As of December 31, 2020, future minimum ground rent payable during the first 23-year lease period (January 9, 2004 through April 3, 2024) under the terms of the Lease for the next four years is approximately as follows:

Years Ending December 31,	Amount
2021	$ 254,000
2022	259,000
2023	264,000
2024	270,000
	$ 1,047,000

Pursuant to the terms of the Lease, title to the building and its components is recorded in the name of the Battery Park City Authority.

Note 7 – Related Party Transactions

Leasing and Asset Management Fees

In accordance with the Leasing Agency Agreement commencing December 1, 2003, the Company is obligated to pay American Realty & Management, Inc ("ARM"), an affiliate of Albanese, a leasing and asset management fee equal to 1.5% of the gross income of the Property. Leasing and asset management fees incurred during the years ended December 31, 2020 and 2019 amounted to $262,890 and $308,078, respectively, and is included in administrative expenses on the accompanying statements of income. In addition, the Company is required to reimburse ARM for leasing personnel costs incurred by ARM for the Property. During the years ended December 31, 2020 and 2019 leasing personnel costs incurred were $178,786 and $230,914, respectively, and is included in administrative expenses on the accompanying statements of income.

Note 8 – Rental Income

The Company's primary source of rental income is from rental of residential apartments under leases with initial terms of one or two years. During 2020, the garage lease was terminated and the Company hired a third party entity to operate the garage space with all income or loss reported to the Company.

Note 9 – Commitments, Contingencies and Other Matters

a) PILOT Abatement

The Company's PILOT payments in accordance with the ground lease agreement is reduced by the amount equal to the exemption for real estate taxes for a twenty-year period in accordance with Section 421(a) of the New York Real Property Tax Law that would be applicable as if the Company was the fee owner of the Property. To receive this abatement, the Company agrees that all residential units in the Property will be subject to the New York City Rent Stabilization Law which restricts the percentage increases in rent charged on new and renewed leases.

b) Cash Held-in-Escrow

- Principal Reserve Fund

In accordance with the terms of the Mortgage, the Company is required to make monthly deposits to the principal reserve fund. The fund is used at times to pay down the Mortgage and redeem Bonds. The balance in the account as of December 31, 2020 and 2019 is $14,047,405 and $10,828,581, respectively.

Scheduled principal reserve fund payments for the next five years and in the aggregate thereafter are as follows:

Note 9 – Commitments, Contingencies and Other Matters (continued)

Years Ending December 31,	Amount
2021	$ 3,520,772
2022	3,851,044
2023	4,212,299
2024	4,607,441
2025	5,039,651
Thereafter	66,221,388
	$ 87,452,595

- PILOT, Ground Rent and Insurance

  In accordance with the terms of the Reimbursement Agreement, the Company is required to make monthly escrow payments to fund the payment of PILOT, facility maintenance charge, ground rent and insurance. The balance in the account as of December 31, 2020 and 2019 is $316,584 and $291,360, respectively.

- Replacement Reserve Escrow

  In accordance with the terms of the Reimbursement Agreement, the Company is required to make monthly escrow payments to fund the replacement of Property assets. The balance in the account as of December 31, 2020 and 2019 is $102,834 and $58,872, respectively.

- Hedge Reserve

  In accordance with the terms of the Hedge Reserve Escrow Agreement, the Company is required to make deposits on a monthly basis into a hedge reserve. The deposit requirement is adjusted annually as necessary. The balance in the account at December 31, 2020 and 2019 is $283,793 and $272,810, respectively.

c) Guarantees

Affiliates of Albanese and Northwestern Mutual have guaranteed to pay certain of the Company's obligation under the Reimbursement Agreement should the Company fail to do so.

d) Management Fees

Under the terms of a management agreement with Rose Associates Inc. ("Rose"), the Company is obligated to pay management fees equal to the greater of $10,000 per month or 1% of the gross income for each month. Management fees incurred during the years ended December 31, 2020 and 2019 amounted to $171,766 and $205,368, respectively, and is included in administrative expenses on the accompanying statements of income.

Note 9 – Commitments, Contingencies and Other Matters (continued)

e) Reimbursed Salaries

Under an agreement with Rose, the Company reimburses 40% of the salaries of the general manager and assistant property manager, including a percentage of all benefits customarily provided by Rose to such personnel, not to exceed 30% of base salary. For the year ended December 31, 2020 and 2019 reimbursed salaries and benefits reimbursed to Rose amounted to $122,871 and $112,480, respectively, and is included in operating expenses on the accompanying statements of income.

f) Abandoned Development Costs

The Company originally explored the concept of converting the residential apartment building into for sale condominiums. During 2019, the Company abandoned its plans to convert the residential apartment building into for sale condominiums and has expensed all related accumulated costs. During 2019 the Company wrote-off $1,526,673 of the accumulated development costs, which is included in abandoned development costs in the accompanying statements of income.

g) Potential Conversion

The Company is now exploring the concept of converting a housing cooperative regime. Exploratory costs relating to the potential conversion for the years ended December 31, 2020 and 2019 approximated $2,672,000 and $1,373,000, respectively, and is included in construction in progress on the accompanying balance sheets.

Note 10 – Multiemployer Pension Plan

The Company participates in the Building Service 32BJ (the "Union") pension plan, health plan and other welfare plans under a collective bargaining agreement (CBA) that covers certain employees. The CBA expires on April 20, 2022 and management intends to renew the expiring agreement after contract negotiations.

The pension plan is a multiemployer, noncontributory defined benefit pension plan. The pension plan is administered by a joint board of trustees and employer trustees and operates under EIN 13-1879376. The pension plan year runs from July 1st to June 30th. Employers contribute to the pension plan in accordance with the CBA, which generally provides that the employers contribute to the pension plan at a fixed rate on behalf of each covered employee. Separate actuarial information regarding such pension plans is not made available to the contributing employers by the union administrators or trustees, since the plans do not maintain separate records for each reporting unit. However on September 27, 2019, the actuary certified that for the

plan year beginning on July 1, 2019, the pension plan was in critical status under the Pension Protection Act of 2006. The pension plan trustees adopted a rehabilitation plan consistent with this requirement. No surcharges have been paid to the pension plan as of December 31, 2020.

Note 10 – Multiemployer Pension Plan (continued)

The health plan and other welfare plans provide health and other general benefits to eligible participants under the terms of the CBA with the Union. The health plan is administered by a board of trustees with equal representation by the employees and the Union. The health plan and other welfare plans receive contributions in accordance with the CBA, which generally provides that the employers contribute to the health plan and other welfare plans at fixed rates on behalf of each covered employee.

Contributions the Company made to the multiemployer benefit plans which is included in operating expenses on the accompanying statements of income are as follows:

	For the Years Ended December 31,	
	2020	2019
Health plan	$ 279,696	$ 263,484
Pension plan	81,225	73,899
Other welfare plans	34,359	29,220
	$ 395,280	$ 366,603

Note 11 – Litigation

On January 18, 2017 the Company and affiliates of the Company entered into a consent decree with the U.S. Department of Justice ("DOJ") to settle an action by the DOJ alleging that the design and construction of the building, together with two other buildings developed and owned by affiliates of the Company (the "Buildings") failed to comply with certain provisions of the Fair Housing Act ("FHA") (the "Settlement").

The significant terms of the Settlement are as follows:

- The Company agreed to retrofit the building's common areas and residential units to meet with requirements of HFA in accordance with the specifications as described in the agreement.

- The Company and affiliates agreed on a joint and several basis to pay up to $500,000 of claims made by the current and former tenants determined to be effected by the inadequate accessible features at the Buildings. The Company and affiliates agreed to deposit an initial $175,000 into a settlement fund. The determination of the payment of claims will be administered by the DOJ. On March 16, 2017 the Company transferred $60,462 as its share of the initial deposit in the fund. The Company is not aware of any pending claims, and does not anticipate there will be claims in excess of the initial deposit. The balance in the account as of December 31, 2020 and 2019, was $59,370 and $58,784, respectively.

Note 11 – Litigation (continued)

- The Company and affiliates agreed to pay a $45,000 civil penalty as part of the settlement agreement. On March 16, 2017 the Company paid $15,547 as its share of the penalty.

As of December 31, 2020 and 2019 the Company has $692,242 and $691,303, respectively, set aside for future payment of cost of the retrofits, potential claims from tenants and the penalty. For the years ending December 31, 2020 and 2019, the Company incurred approximately $303,124 and $291,523, respectively, of retrofits to the Property, which is included in operating expenses on the accompanying statements of income.

Note 12 – Subsequent Events

Subsequent events have been evaluated through April 26, 2021, the date the financial statements were available to be issued. There were no events or transactions subsequent to December 31, 2020 that required recognition or disclosure in the financial statements.

RIVER TERRACE ASSOCIATES, LLC
(A Limited Liability Company)
SUPPORTING SCHEDULES

	For the Years Ended December 31,	
	2020	2019
Operating expenses:		
Payroll	$ 1,124,080	$ 1,113,261
Payroll taxes and employee benefits	583,215	542,905
Property and liability insurance	166,589	140,137
Repairs and maintenance	1,203,010	1,185,787
Repairs and maintenance - supplies	137,449	151,459
Uniforms	11,679	8,037
Miscellaneous	22,032	46,359
	$ 3,248,054	$ 3,187,945
Financial expenses:		
Interest - mortgage	$ 552,396	$ 1,493,643
Letter of credit fees and other financing fees	1,016,158	1,032,946
Fair market value adjustment on interest rate cap	98,558	15
Non-cash charge for interest	96,693	584,673
	$ 1,763,805	$ 3,111,277
Utilities:		
Electricity	$ 465,138	$ 554,806
Gas	195,013	126,195
Water and sewer	191,797	247,077
	$ 851,948	$ 928,078
Administrative expenses:		
Management fees	$ 171,766	$ 205,368
Leasing and asset management fees	441,676	538,992
Office expenses	78,799	131,331
Rent-up expenses	43,228	388,604
Professional fees	111,915	540,425
Miscellaneous	70,395	41,496
	$ 917,779	$ 1,846,216
Amortization:		
Deferred leasing costs	$ 8,500	$ 8,500
Deferred ground lease costs	3,413	3,412
Tax abatement costs	13,514	13,514
	$ 25,427	$ 25,426

PROCEDURE TO PURCHASE

Purchase Agreement

A Person desiring to purchase an Apartment in the Apartment Corporation, or the authorized parties thereof if the Person is other than a natural person, shall be required to execute in quadruplicate a Purchase Agreement in the form set forth in Part II of this Plan and return it to the Sponsor, together with a check in the amount of (i) fifteen percent (15%) of the Purchase Price for Non-Tenant Purchasers, and (ii) ten percent (10%) of the Purchase Price for Tenant-Purchasers, representing the Down Payment, drawn to the order of "Seiden & Schein, P.C., as Escrow Agent." The Down Payment may be increased for special work in the Apartment ordered by the Purchaser and agreed to by the Sponsor and itemized in the Purchase Agreement. Seiden & Schein, P.C. shall be the "Escrow Agent" for the Down Payment pursuant to the Purchase Agreement and Offering Plan.

If, prior to the expiration of any exclusive purchase period which begins prior to the First Closing, Sponsor amends the terms and conditions of this Plan to be more favorable to a Tenant in Occupancy, a Tenant in Occupancy who executed and submitted a Purchase Agreement and the Down Payment before Sponsor amended the terms of this Plan shall benefit from the more favorable terms and conditions.

Tenants in Occupancy will be afforded not less than three (3) business days to review this Plan and all filed amendments prior to executing a Purchase Agreement. Sponsor must accept a Purchase Agreement from a Tenant in Occupancy who submits a signed Purchase Agreement and check for the Down Payment to Sponsor during the time within which the Tenant in Occupancy has the exclusive right to purchase an Apartment under this Plan. Such Tenant in Occupancy will receive a fully executed counterpart of his Purchase Agreement from Sponsor.

Non-Tenant Purchasers will be afforded not less than three (3) business days to review this Plan and all filed amendments prior to executing a Purchase Agreement. If a Non-Tenant Purchaser has not been afforded at least three (3) business days prior to executing a Purchase Agreement, such Non-Tenant Purchaser will have seven (7) days after delivering an executed Purchase Agreement together with the Down Payment to rescind the Purchase Agreement and have the Down Payment refunded promptly. Such rescinding Non-Tenant Purchaser must either personally deliver a written notice of rescission to the Sponsor within such 7-day period or mail the notice of rescission to the Sponsor and have the mailing post-marked within such 7-day period.

No Purchase Agreement shall be binding upon the Sponsor until a duplicate thereof has been executed by the Sponsor and has been delivered to Purchaser. Unless a Purchase Agreement, executed by Sponsor, is delivered to Purchaser within twenty (20) days after it has been received by the Sponsor, it shall be deemed rejected and canceled, and the Down Payment paid by Purchaser shall be promptly refunded, without interest, and upon such refund being made, neither party shall have any further rights or obligations hereunder with respect to the other. The Sponsor shall have the right to reject any Purchase Agreement (except with respect to Tenants in Occupancy during any exclusive purchase period) without cause or explanation to Purchaser, provided such rejection is not based upon gender, race, creed, color, national origin or ancestry or other grounds proscribed by Law. In the event that Sponsor elects not to execute a Purchase Agreement, the Down Payment paid by Purchaser shall be promptly refunded, without interest, and upon such refund being made neither party shall have any further rights or obligations hereunder with respect to the other.

A Tenant in Occupancy who resides in an Apartment as of the Presentation Date of any amendment to this Plan in which Sponsor offers Tenants in Occupancy any further exclusive purchase period after the initial 180 day Exclusive Purchase Period shall have the right to purchase such Apartment on the terms

offered by Sponsor in such amendment. **IN THE EVENT THAT A TENANT IN OCCUPANCY TIMELY EXERCISES SUCH RIGHT TO PURCHASE THE APARTMENT, A NON-OCCUPANT PURCHASER WHO EXECUTED A PURCHASE AGREEMENT FOR SUCH APARTMENT SHALL BE SO NOTIFIED, THE FULLY EXECUTED PURCHASE AGREEMENT THAT WAS ENTERED INTO BY SUCH NON-OCCUPANT PURCHASER SHALL BE AUTOMATICALLY DEEMED NULL AND VOID, AND SUCH NON-OCCUPANT PURCHASER'S DOWN PAYMENT, PLUS ANY ACCRUED INTEREST, SHALL BE PROMPTLY RETURNED WITHOUT ANY FURTHER RECOURSE TO SUCH NON-OCCUPANT PURCHASER, AND WITHOUT ANY FURTHER OBLIGATION ON THE PART OF SPONSOR.**

Sponsor may declare the Plan effective by entering into Purchase Agreements for the sale of a minimum of 15% of the Apartments offered for sale (i.e., 44 Apartments of 290 Apartments offered for sale) in the Building to Tenants in Occupancy and other Purchasers who represent that they or members of their immediate family intend to reside in the Apartment. Pursuant to an agreement between Sponsor and the Department of Law, only 10% of the Apartments that were vacant on the date that the last Tenant in Occupancy was served with the Revised Red-Herring (i.e., 29 vacant Apartments) ("Vacant Apartments") may be counted towards effectiveness. Therefore, Sponsor may declare the Plan effective with a combination of Vacant Apartments, Apartments that became vacant after the last Tenant in Occupancy was served with the Revised Red-Herring, and Apartments occupied by Tenants. However, there is no limitation on the number of vacant Apartments that may be counted towards effectiveness if they became vacant after the date on which all Tenants in Occupancy were served with the Revised Red-Herring. In addition, in the event that Sponsor combines Apartments in the Building, the number of fully executed Purchase Agreements that will be required to declare this Plan effective may be reduced. Even if the Plan is declared effective with a minimum number of sales, it is possible that Sponsor may be able to convey Apartments with fewer than the minimum number of sales if Purchasers counted towards effectiveness do not ultimately Close. 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 Closing.

The Department of Law shall require both Tenant Purchasers and Non-Tenant Purchasers to execute an affidavit at the time that they execute a Purchase Agreement as part of an investigative process ("Effectiveness Affidavit"). Forms of the Effectiveness Affidavits are attached to the form of Purchase Agreement, which is located in Part II of this Plan. Purchasers must return the Effectiveness Affidavit simultaneously with the executed Purchase Agreement. Purchasers are advised to seek the advice of an attorney before executing the affidavit. The submission of any misinformation to the Department of Law, including a false instrument, shall be deemed a violation of the GBL, and may also subject both Sponsor and the Purchaser to both civil and criminal liability. Purchasers may also be required to submit to the Department of Law additional information concerning the intended occupancy of the Apartment that they are purchasing and otherwise cooperate with the Department of Law's inquiry into the intended occupancy of the Apartment. A Purchaser who fails to (i) complete and return to the Effectiveness Affidavit; (ii) deliver any and all additional information the Department of Law may require; and (iii) otherwise cooperate in any inquiry the Department of Law may initiate, will be deemed to have defaulted under the Purchase Agreement. A default of these obligations shall entitle Sponsor to all rights and remedies, including, without limitation, the right to retain, as and for liquidated damages, the entire Down Payment and any interest earned on the Down Payment, as set forth below. After this Plan is declared effective, the Sponsor shall fix dates for Closing to all Apartments for which Purchase Agreements have been fully executed. Sponsor will give each Purchaser not less than thirty (30) days' prior written notice of the date, time and place (in the City of New York) for the transfer of the Apartment. Purchasers may, but are not required to, waive this thirty (30) day notice. At the Closing, such Purchaser shall pay the balance of the Purchase Price stated in the Purchase Agreement with his unendorsed, personal certified check or by official cashier's

check. Purchaser may apply the proceeds of any financing obtained by such Purchaser to make such payment, provided that it is made in the form stated above.

Escrow

The Escrow Agent

The law firm of Seiden & Schein, P.C., with an address at 570 Lexington Avenue, 14th Floor, New York, New York 10022, telephone number (212) 935-1400, shall serve as escrow agent ("Escrow Agent") for Sponsor and Purchaser.

The Escrow Account

The Escrow Agent has established the escrow account at Bank Leumi USA having an office at 579 Fifth Avenue, New York, New York 10017 and Signature Bank located at 200 Park Avenue South, Suite 501, New York, New York 10003 (the "Bank"), a bank authorized to do business in the State of New York. The escrow account is entitled Seiden & Schein, P.C., Attorney Account ("Escrow Account"). All Tenant Purchaser deposits and Down Payments shall be deposited in the same bank. The signatories on the at Bank Leumi USA Escrow Account authorized to withdraw funds are Jay G. Seiden, Esq., Alvin Schein, Esq., Adam A. Levenson, Esq., and David Lu, Esq., each of whom has an office at 570 Lexington Avenue, 14th Floor, New York, New York 10022. The signatories on the Signature Bank Escrow Account authorized to withdraw funds are Jay G. Seiden, Esq., Alvin Schein, Esq., and Adam A. Levenson, Esq., each of whom has an office at 570 Lexington Avenue, 14th Floor, New York, New York 10022. All designated signatories are admitted to practice law in the State of New York. Neither the Escrow Agent nor any authorized signatories on the account are the Sponsor, Selling Agent, Managing Agent, or any principal thereof, or have any beneficial interest in the Escrow Account.

The name of Purchaser shall be added to the title of a sub-account of the Escrow Account, which shall also be at either Bank Leumi USA having an office at 579 Fifth Avenue, New York, New York 10017, or Signature Bank located at 200 Park Avenue South, Suite 501, New York, New York 10003. The Escrow Account is federally insured by the FDIC to the maximum amount of $250,000. Such $250,000 coverage includes, in the aggregate, the Down Payment, plus any and all other deposits that Purchaser has on account at Bank Leumi USA or Signature Bank. Any Purchaser deposits at Bank Leumi USA or Signature Bank (including the Down Payment) which, in the aggregate, exceed $250,000 will not be insured by the FDIC.

All checks constituting the "Down Payment" are to be made payable to the order of "Seiden & Schein, P.C., as Escrow Agent" and all checks in payment of the balance of the Purchase Price (due at the Closing) are to be made payable to the order of Sponsor or as otherwise directed by Sponsor, with all checks, in either case, drawn on a member bank of the New York Clearing House Association.

Any additional deposits made for upgrades, extras, or custom work ("Special Work Deposits") shall be initially deposited into the Escrow Account, and released in accordance to the terms of the Purchase Agreement between Purchaser and Sponsor.

The Down Payment and the Special Work Deposit and herein referred to collectively as the "Deposit."

The Down Payment will be held in an interest-bearing account, provided Purchaser furnishes a completed W-8 or W-9 form, and, unless the Purchaser defaults, interest will be credited to the Purchaser at Closing. The account is a variable-rate account, paying money market rates. The interest rate to be earned in the Escrow Account will fluctuate daily and, as of the Filing Date, is less than 1% per annum.

Interest will begin to accrue upon placing the Down Payment into the Escrow Account. All interest earned thereon shall be paid to or credited to the Purchaser at closing. No fees of any kind may be deducted from the Escrow Account, and the Sponsor shall bear all costs associated with the maintenance of the Escrow Account.

The Apartments

Some Apartments may have partitions therein that were erected by the current tenant or a previous tenant. Such partitions, if erected, may have created spaces that do not conform to building code/zoning requirements. Sponsor represents that it will remove all non-conforming partitions, if any, that have been erected in Apartments to which Unsold Shares have been allocated when and if existing tenants vacate. Sponsor and Sponsor's architect were able to inspect some, but not all, Apartments. Existing tenants purchasing an Apartment that has non-complying partitions, or Non-Tenant Purchasers who purchase an Apartment that is occupied by an existing tenant, purchase the Apartment at their own risk. In the event that a violation is issued against the Apartment Corporation for this condition, the Shareholder(s) who own Shares to the subject Apartment(s) (including Sponsor with respect to Apartments to which Unsold Shares have been allocated) will be required to cure the violation at such Shareholder's sole cost and expense and at no cost to the Sponsor, except with respect to vacant Apartments to which Unsold Shares have been allocated owned by Sponsor. Purchasers should note that information on violations is subject to change and that the most up to date information is available on the website for the Department of Buildings at https://www1.nyc.gov/site/buildings/index.page.

The floor plans provided in Part II of this Plan reflect certain Apartments that Sponsor and its architect were able to inspect. However, Sponsor and its architect had to make certain assumptions about layouts for Apartments that were unable to be inspected. All Purchasers are encouraged to walk through the Apartment prior to executing a Purchase Agreement to determine the actual layout of the Apartment.

Except as otherwise stated in this Plan, the Apartments are being sold "as is" in the condition in which they exist at the time a Purchaser signs a Purchase Agreement, subject to ordinary wear and tear, except as otherwise provided in this Plan. Sponsor will maintain the Building and the Common Areas until the First Closing, subject to ordinary wear and tear. Sponsor's obligation to make repairs in any Apartment shall cease upon the Closing of such Apartment, except for repairs which Sponsor was obligated to make prior to the Closing. Each Purchaser will be given a reasonable opportunity to examine the Apartment prior to Closing, subject to the rights of any tenant or occupant of such Apartment, and is urged to make a careful inspection thereof.

All personal property located within the Apartment that is owned by the Sponsor and which is described in this Plan or in the Purchase Agreement is included in the conveyance to the Purchaser, unless specifically indicated otherwise. All personal property affixed to or located within the Common Areas that is owned by the Sponsor and is used in connection with the operation of the Common Areas is included in the property transferred to the Apartment Corporation. The existing lease of a tenant who has purchased an Apartment will be terminated as of the Closing to the Apartment, and such tenant will not have any rights afforded by nor be subject to, the Rent Laws or the GBL.

The Purchase Agreement

A form of Purchase Agreement is located in Part II of this Plan. The relevant escrow trust fund provisions are included in Exhibit A of the Purchase Agreement. Escrow Agent shall execute the Purchase Agreement, solely as to Exhibit A of the Purchase Agreement, prior to delivering the Purchase Agreement, fully executed, to Purchaser.

Notification to Purchaser

Within five (5) business days after the Purchase Agreement has been tendered to Escrow Agent, along with the Deposit, Escrow Agent shall sign the Purchase Agreement and place the Deposit into the Escrow Account. Within ten (10) business days after the Deposit has been placed into the Escrow Account, Escrow Agent shall send written notice to the Purchaser and Sponsor, confirming the Deposit. The notice shall provide the account number and the initial interest rate to be earned on the Down Payment. Any Special Work Deposit shall be initially deposited into the Escrow Account, and released in accordance to the terms of the Purchase Agreement.

The Escrow Agent is obligated to send notice to Purchaser once the Deposit is placed in the Escrow Account. If Purchaser does not receive written notice of such deposit within fifteen (15) business days after tender of the executed Purchase Agreement and Deposit, he or she may cancel the Purchase Agreement within ninety (90) days after tender of the Purchase Agreement and Deposit to Escrow Agent. Complaints concerning the failure to honor such cancellation requests may be referred to the New York State Department of Law, Real Estate Finance Bureau, 28 Liberty Street, 21st Floor, New York, New York 10005-1413. Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Deposit was timely placed in the Escrow Account in accordance with the New York State Department of Law's regulations concerning deposits and requisite notice was timely mailed to the Purchaser.

Default by Purchaser

Any conflict between the Plan and the Purchase Agreement shall be resolved in favor of the Plan, unless otherwise provided in a negotiated rider to the Purchase Agreement this is executed by Purchaser and Sponsor. If Purchaser shall fail to pay any portion of the Purchase Price when due, fail to Close on the date, hour and place specified by Sponsor or fail to perform any of Purchaser's other obligations, including, without limitation, the obligation to furnish any lender promptly with such information as such lender may require, and the obligation to accept a commitment on the terms set forth in the Purchase Agreement, such failure shall constitute a default by Purchaser, and Sponsor may send notice to Purchaser of Sponsor's intention to cancel the Purchase Agreement if such default is not timely cured. TIME IS OF THE ESSENCE FOR PURCHASER TO CURE ANY DEFAULT UNDER THE PURCHASE AGREEMENT WITHIN THE APPLICABLE PERIOD. "Time is of the essence" means that if such default is not cured within thirty (30) days from the mailing date of such written notice, Sponsor may (but shall not be obligated to) elect to cancel the Purchase Agreement by notice of cancellation to Purchaser sent after the cure period has expired. Upon such cancellation by Sponsor, the Down Payment monies held with respect to the particular Apartment shall be paid over to the Sponsor as and for liquidated damages, subject to certain restrictions, as disclosed in the "Release of Funds" section, below, and thereafter the Purchase Agreement shall become null and void. In the event a default is disputed in writing by notice from Purchaser to Seiden & Schein, P.C., during the time to cure period and the default, in Sponsor's opinion, is not timely cured, and Sponsor thereafter cancels the Purchase Agreement, then Seiden & Schein, P.C. shall have the right to continue to hold the Down Payment pending resolution of such dispute (judicial or otherwise) or pay the Down Payment into court. Sponsor shall not seek the remedy of specific performance in connection with Purchase Agreements as to which there has been a default by Purchaser.

Release of Funds

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

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

The Escrow Agent shall release the Down Payment if so directed:

(a) pursuant to terms and conditions set forth in the Purchase Agreement upon Closing to the Apartment; or

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

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

(d) pursuant to an award issued upon the completion of binding arbitration.

In the event that the Down Payment is to be released pursuant to an arbitration award pursuant to paragraph (d), above, Escrow Agent shall release such Down Payment no earlier than ninety (90) days after the delivery of such award determination to Sponsor and Purchaser.

If the Escrow Agent is not directed to release the Down Payment pursuant to paragraphs (a) through (d) above, and the Escrow Agent receives a request by either party to release the Down Payment, then the Escrow Agent must give both the Purchaser and Sponsor prior written notice of not fewer than thirty (30) days after the expiration of the thirty (30) day default cure period (time being of the essence) before releasing the Down Payment (the "30 Day Escrow Notice"). If the Escrow Agent has not received notice of objection to the release of the Down Payment prior to the expiration of the 30 Day Escrow Notice, the Down Payment shall be released to Sponsor as liquidated damages and the Escrow Agent shall provide further written notice to both parties informing them of said release. If the Escrow Agent receives a written notice from either party objecting to the release of the Down Payment within the thirty (30) day period pursuant to the 30 Day Escrow Notice, the Escrow Agent shall continue to hold the Down Payment until otherwise directed pursuant to paragraphs (a) through (d) above. Notwithstanding the foregoing, the Escrow Agent shall have the right at any time to deposit the Down Payment contained in the Escrow Account with the New York County Clerk and shall give written notice to both parties of such deposit.

The Sponsor shall not object to the release of the Down Payment to:

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

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

If a Purchaser timely elects to rescind their Purchase Agreement, Sponsor shall, within 30 days after receipt of notice of such rescission, return to Purchaser all Down Payments and all other sums deposited by Purchaser hereunder, together with interest earned thereon, if any.

If this Plan abandoned, the Down Payment will be returned to Purchasers under their respective Purchase Agreements, in full, within five (5) days after an amendment abandoning the Plan has been filed with the Department of Law. Upon the return of the Down Payment, the Purchase Agreement will be null and void and Sponsor will have no further obligation or liability to such Purchaser under this Plan or under

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

The Purchase Agreement provides that all disputes including, but not limited to, disputes concerning breach of contract, express and implied warranties, personal injuries and/or illness, mold-related claims, representations and/or omissions by Sponsor, on-site and off-site conditions and all other torts and statutory causes of action ("Claims") shall be resolved by binding arbitration in New York County in accordance with the rules and procedures of Arbitration of the American Arbitration Association or its successor or an equivalent organization mutually agreed upon by the parties. In addition, the Purchase Agreement provides that Purchaser may not initiate any arbitration proceeding for any Claim(s) unless and until Purchaser has first given Sponsor specific written notice of each claim (at 1050 Franklin Avenue, Garden City, New York 11530, Attn: Warranty Dispute Resolution) and given Sponsor a reasonable opportunity after such notice to cure any default, including the repair of the Apartment(s), in accordance with the Offering Plan. 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 Plan in the event Sponsor prevails in defending or enforcing Sponsor's rights under this Plan. In the event Purchaser prevails in defending Purchaser's rights under this Plan, each party shall pay its own legal fees and disbursements.

Waiver Void

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

Risk of Loss

The risk of loss from fire or other casualty with respect to the Apartment shall remain with the Sponsor until the Closing for the Apartment. The Sponsor, at its sole discretion, reserves the right to either (i) repair or restore such Apartment within a reasonable amount of time, whereupon Purchaser shall be obligated to close without an abatement in the Purchase Price and without any claim against Sponsor by reason of any damage to the Apartment or the Building resulting from such fire or casualty, or (ii) not repair or restore, or having commenced any such repair or restoration, to thereafter elect not to complete such repair and restoration, and in either case (as to subparagraph (ii)) grant Purchaser the right to rescind the Purchase Agreement. If Purchaser does not exercise such right of rescission by written notice to Sponsor, within ten (10) days after Sponsor grants such right to Purchaser by written notice to Purchaser, then Purchaser shall be deemed to have irrevocably waived such right to rescind, and shall be obligated to Close the Apartment without any abatement of the Purchase Price and without any other claim against Sponsor by reason of any damage to the Apartment or the Building by fire or other casualty.

Notwithstanding the above, in the event that Purchaser, or one claiming by or through Purchaser, enters into possession of the Apartment prior to the Closing, then Purchaser shall bear the risk of loss or other casualty with respect to the Apartment for damages not covered by Sponsor's insurance. Additionally, Purchaser shall be responsible for damage to, or loss or other condition in, the Apartment and Sponsor shall not be obligated to repair any damages to the Apartment or its appliances, fixtures and equipment in excess of what is covered by its insurance policy. All personal property located within the Apartment that is owned by the Sponsor and which is described in this Plan in the Purchase Agreement is included in the conveyance to the Purchaser, unless specifically indicated otherwise. All personal property affixed to or located within the Common Areas that is owned by the Sponsor is included in the property transferred to the Apartment Corporation at date of the Cooperative Conversion.

Financing

The obligations of a Purchaser under a Purchase Agreement are not conditioned on obtaining financing. Any prospective purchaser who executes a Purchase Agreement and does not obtain financing may lose their Deposit if he or she is unable to otherwise raise the monies for the balance of the Purchase Price. Prospective Purchasers who require financing are advised to consult with a lending institution before executing a Purchase Agreement. No representation is made by Sponsor as to the availability or cost of such financing. Once a Purchaser signs the purchase agreement, the Purchaser shall be obligated to close the transaction whether or not the purchaser obtains financing. In the event a Purchaser does not have sufficient funds to pay the balance of the Purchase Price due at the closing, for any reason whatsoever, Purchaser shall be deemed to be in default under the Purchase Agreement.

Recognition Agreement

In the event that Purchaser finances the purchase of Shares allocated to an Apartment, Purchaser, Purchaser's Lender and the Cooperative Board, shall execute a Recognition Agreement ("Recognition Agreement"). The Recognition Agreement states that the lien of such security interest (as set forth in a Security Agreement) is in all cases subordinate to the lien of the Apartment Corporation for that portion of Maintenance Charges. No Security Agreement on the Shares to an Apartment shall be valid or enforceable against any person unless and until the holder thereof shall have executed and delivered a Recognition Agreement.

Credit Check

All Purchasers must provide the Selling Agent with necessary authorization for the Selling Agent to conduct a credit check of the Purchaser.

The Purchase Agreement and Plan do not contain, and will not be modified to contain, any provision waiving the Purchaser's rights or abrogating the Sponsor's obligations under the Offering Plan or under Article 23-A of the General Business Law, other than the ability of Purchaser to waive his right to thirty (30) days prior written notice to the Closing to the Apartment.

Restriction on Advertising for Sale or Selling an Apartment Within One Year of Sponsor Sale

As set forth in the Purchase Agreement and the By-Laws, a Purchaser who acquired an Apartment from Sponsor ("Sponsor Sale") is prohibited from (a) listing the Apartment for sale with any broker or placing or authorizing any listing in any broker's listing system or other listing service or from otherwise advertising, offering, promoting or publicizing the availability of the Apartment 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 Shares allocated to the Apartment or reselling such Shares prior to the first anniversary of the Closing of the Sponsor's Sale, except to such Shareholder' 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 Shareholder or to an entity with respect to which such Shareholder (individual or otherwise) owns more than 50% of the legal and beneficial interest thereof, or to a lender or its nominee, who has acquired Shares allocated to any Apartment at a foreclosure sale of its lien. Purchasers may not sell their Shares without first giving the Cooperative Board a right of first refusal and obtaining a waiver of the Board's right of first refusal to purchase or sublease the Apartment. The Cooperative Board shall not be permitted to waive its right of first refusal for any Apartment where a Closing occurred within 12 months of the Sponsor Sale. The foregoing restriction shall not apply from and after the date that Sponsor has conveyed Shares to all of

the Apartments. The foregoing restriction shall not apply from and after the date that Sponsor has conveyed Shares to all of the Apartments.

Prohibition Against Advertising Apartment For Sale or Rental Prior to Closing

Prior to the Closing, a Purchaser is prohibited from listing the Apartment for sale or rental 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 Apartment for sale or rental, 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 Purchaser will be deemed a material default under the Purchase Agreement, and Sponsor may, at its option, cancel the Purchase Agreement and retain, as liquidated damages, the entire Down Payment made by the Purchaser, together with any interest earned thereon.

Foreign Government Purchaser

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 Apartment Corporation 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 Apartment Corporation 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 Apartment Corporation Documents. Such Purchaser will be required to make the entire Down Payment equal to 15% of the Purchase Price at the time such Purchaser delivers the executed Purchase Agreement.

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ASSIGNMENT OF PURCHASE AGREEMENTS

No assignment of a Purchase Agreement of a Purchaser shall be permitted without Sponsor's prior written consent, which may be withheld or delayed for any reason or no reason. Sponsor and Selling Agent may not discriminate against any person on the basis of race, creed, color, national origin, sex, age, disability, marital status or other grounds prohibited by law.

Any purported assignment by a Purchaser in violation of the Purchase Agreement will be voidable at the option of Sponsor. Sponsor's refusal to consent to an assignment will not entitle a Purchaser to cancel the Purchase Agreement or give rise to any claim for damages against Sponsor. Under no circumstances will Sponsor consent to an assignment of the Purchase Agreement in which the Purchaser will receive consideration over and above the Purchase Price payable to Sponsor. If Sponsor, in its sole discretion consents to a Purchaser's request for an assignment of the Purchase Agreement, the assignee of the Purchase Agreement shall be required to Close the Apartment on the originally scheduled Closing Date set forth in the Purchase Agreement. If Sponsor, in its sole discretion, consents to a Purchaser's request for an assignment of the Purchase Agreement, then the Purchaser shall be required to pay Sponsor's attorneys a fee of $500.00, in advance, for preparation of an assignment agreement and any necessary revisions to the other closing documents.

Where Sponsor consents to an assignment of a Purchase Agreement, such Purchase Agreement may be counted toward the effectiveness of this Plan, provided that (i) the assignee provides an affidavit to Sponsor stating that the assignee was not procured by Sponsor, the Selling Agent or the Managing Agent and the assignee intends that he or a specified member of his immediate family will personally occupy the Apartment, and (ii) the Purchase Agreement is signed by the Tenant and the Down Payment due to Sponsor as of the date of the affidavit has been paid by the Tenant to Sponsor.

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EFFECTIVE DATE OF PLAN

All Purchase Agreements signed by Sponsor shall be contingent upon Sponsor's declaring the Offering Plan effective pursuant to the requirements stated below and terms of the Plan. These requirements must be satisfied within fifteen (15) months of the date the Plan is accepted for filing by the Department of Law. The Closing to any Apartment shall not occur until after the Plan has been declared effective and an amendment has been filed with the Department of Law substantiating same.

1. Sponsor may declare the Plan effective by entering into Purchase Agreements for the sale of a minimum of 15% of the Apartments offered for sale (i.e., 44 Apartments of 290 Apartments offered for sale) in the Building to Tenants in Occupancy and other Purchasers who must represent that they or members of their immediate family intend to reside in the Apartment by completing an affidavit, which form is set forth in Exhibit B to the Purchase Agreement in Part II of this Plan.

2. Sponsor may declare the Plan effective by entering into Purchase Agreements for the sale of a minimum of 15% of the Apartments offered for sale (i.e., 44 Apartments of 290 Apartments offered for sale) in the Building to Tenants in Occupancy and other Purchasers who represent that they or members of their immediate family intend to reside in the Apartment. Pursuant to an agreement between Sponsor and the Department of Law, only 10% of the Apartments that were vacant on the date that the last Tenant in Occupancy was served with the Revised Red-Herring (i.e., 29 vacant Apartments) ("Vacant Apartments") may be counted towards effectiveness. Therefore, Sponsor may declare the Plan effective with a combination of Vacant Apartments, Apartments that became vacant after the last Tenant in Occupancy was served with the Revised Red-Herring, and Apartments occupied by Tenants. However, there is no limitation on the number of vacant Apartments that may be counted towards effectiveness if they became vacant after the date on which all Tenants in Occupancy were served with the Revised Red-Herring. Even if the Plan is declared effective with a minimum number of sales, it is possible that Sponsor may be able to convey Apartments with fewer than the minimum number of sales if Purchasers counted towards effectiveness do not ultimately Close. 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 Closing.

3. Pursuant to a memorandum that was issued by the Department of Law on April 13, 2015, Sponsor shall have the right to amend this Plan to reduce the number of Apartments being offered ("Base Apartments") due to Apartment combinations prior to or at the submission of an amendment to this Plan that declares this Plan effective. Sponsor may further reduce the number of Base Apartments at the time that this Plan is declared effective if there are one or more fully executed Purchase Agreements for contiguous Apartments for the purpose of combining them.

As to Tenants in Occupancy on the Filing Date of this Plan, the Purchase Agreement must be executed and delivered pursuant to an offering made without discriminatory inducements.

4. After the conditions in the preceding Paragraph 1 have been met, Sponsor may, at its option, declare this Plan effective.

5. When Purchase Agreements have been executed and delivered for the sale of 80% of all Apartments (233 Apartments out of 290 Apartments offered for sale) in the Building, and all the conditions referred to in the foregoing Paragraph 1 have been met, Sponsor must declare this Plan effective.

This Plan may not be amended at any time to provide that it shall be an eviction plan.

If this Plan is not declared effective within fifteen (15) months from the Filing Date, it will be deemed abandoned, void and of no effect and all monies will be returned to Purchasers under their respective Purchase Agreements, in full, within five (5) days after an amendment abandoning the Plan has been filed with the Department of Law. Upon the return of the Down Payment, the Purchase Agreement will be null and void and Sponsor will have no further obligation or liability to such Purchaser under this Plan or under the Purchase Agreement. In the event of abandonment, no new Cooperative Offering Plan relating to the Building shall be submitted to the Attorney General for at least twelve (12) months after such abandonment.

Sponsor will, on the 30th, 60th, 88th and 90th day after the Presentation Date of this Plan and at least once every thirty (30) days until this Plan is either declared effective or abandoned, as the case may be, and on the 2nd day before the expiration of any Exclusive Purchase Period provided in an amendment to this Plan, (i) file with the Attorney General, Real Estate Financing Bureau, 28 Liberty Street, 21st Floor, New York, New York 10005-1413, a written statement, under oath, setting forth the percentage of Apartments in the Building which are the subject of Purchase Agreements executed by Tenants in Occupancy or Tenant Purchasers who represent that they intend that they or one or more specified members of their immediate family occupy the Apartment when it becomes vacant as of the date of such statement and as of a specified time; and (ii) before noon on the day such statement is filed, post a copy of such statement in a prominent place accessible to all tenants in the Building. The percentage referred to in clause (i) of the immediately preceding sentence shall be computed in the same manner as Sponsor shall compute the minimum percentage needed to declare this Plan effective. The statement which is posted in the Building and filed with the Attorney General shall include the following: the date and time of the statement, the Filing Date of this Plan, the Presentation Date of this Plan and any current amendment, the last day of any Exclusive Purchase Period, the number of Tenants in Occupancy and Tenant Purchasers who have executed Purchase Agreements, the number of Apartments counted in the base and the percentage of purchasers. Copies of all filed and posted written statements will be available for inspection at the office of the Selling Agent and the Attorney General. All filed and posted written statements shall remain posted until the next filed and written statement is posted.

The Plan may be abandoned, at Sponsor's sole option, at any time before the amendment substantiating effectiveness is filed and before eighty percent (80%) of the Apartments have been purchased. The Plan, if abandoned, shall be abandoned by filing with the Department of Law (i) an amendment to this Plan in appropriate form, and (ii) a completed RS-3 form ("Notification to the Attorney General of the State of New York of Abandonment of Offering") duly signed by Sponsor. Such amendment shall explain the basis for abandonment and must state how any funds received pursuant to the Plan will be distributed. All monies paid by Purchasers pursuant to Purchase Agreements shall be refunded to them in full, with interest, if any, within five (5) days after an amendment abandoning the Plan has been filed with the Department of Law. The Sponsor may not abandon the Plan after the amendment substantiating effectiveness is filed for any reason other than: (i) a defect in title which cannot be cured without litigation or cannot be cured for less than one-half of one percent of the total amount of the offering, or (ii) work orders of a mortgagee or violations that cannot be cured for less than one-half of one percent of the total amount of the Offering, or (iii) substantial damage or destruction of the Building by fire or other casualty which cannot be cured for less than one-half of one percent of the total amount of the Offering, or (iv) the taking of any material portion of the Property by condemnation or eminent domain. In calculating the costs referred to in clauses (iii) and (iv), above, any dollar amount relied upon as the basis for abandonment of this Plan after it has been declared effective shall exclude any attorney fees and any title defects that existed on the Presentation Date of this Plan and are either known to the Sponsor or are a matter of public record. Notwithstanding the foregoing, there will be no obligation on the part of the Sponsor to incur expense or engage in litigation to cure title defects.

The Plan will be declared effective by the commencement of service by mail delivery or personal service of written notice to every tenant and all Purchasers stating that the Plan is declared effective. Mail delivery may be by regular, registered or certified mail, with or without return receipt requested, at the last known Apartment of such offeree or, if the offeree has provided written information of an alternative address for notices, addressed to such alternative address. If Sponsor has no information of the last known Apartment address, but has knowledge of a business address for such offeree, the mailing shall be made to such business address. Service by personal delivery shall be deemed complete upon delivery and service by mail shall be deemed complete on the fifth day after the date of mailing. Within three (3) business days after such notice is given, an amendment to the Plan will be submitted by Sponsor to the

Attorney General stating that the Plan has been declared effective on a specified date. If requested, Sponsor will submit to the Department of Law copies of all Purchase Agreements, together with any amendments or modifications to such Purchase Agreements, within five (5) business days after the request is received.

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CONTRACT OF EXCHANGE

Sponsor will enter into an agreement with the Apartment Corporation prior to the effective date of the Plan ("Contract of Exchange") in which it will agree to assign the Ground Lease to the Apartment Corporation and then transfer to the Apartment Corporation all fixtures, furniture, appliances and articles of personal property used in connection therewith and owned by Sponsor. The Contract of Exchange contains the provisions set forth in this section.

On the Cooperative Conversion Date, Sponsor will cause the Corporation to purchase leasehold title insurance from Title Company, insuring the Apartment Corporation's legal title to the Property. Coverage is anticipated to cost $1,363,910 ("Title Insurance Cost") although may change based on factors such as price increases and effective title insurance rates. In connection therewith, at each Closing, the Purchaser will be required to reimburse the Sponsor for the Title Insurance Cost based on the number of Shares allocated to the Apartment being purchased by the Purchaser. Based on the estimated Title Insurance Cost, as of the filing date of this Plan, the amount per Share is estimated to be approximately $13.64. Such payment must be paid by bank check or Purchaser's personal certified check payable to the Apartment Corporation and the same shall be separate from the Working Capital Fund Contribution required of each Purchaser.

To the extent there is a credit against the Transfer Tax due in connection with the sale of the Apartment as the result of the Transfer Tax previously paid by Sponsor in connection with the Cooperative Conversion, such credit will inure solely to the benefit of Sponsor. Each Purchaser will be required to pay to Sponsor at Closing, the amount of the credit which may be attributable to Purchaser's Apartment, either by certified check or bank wire, in Sponsor's discretion, as a reimbursement to Sponsor for the Transfer Tax previously paid by Sponsor on the Cooperative Conversion Date. Purchaser will owe the balance of such Transfer Tax due, if any, to the taxing authorities.

The Apartment Corporation will acquire the Property subject to the terms of the Ground Lease. Subject to the foregoing, the Property shall be, as of the Cooperative Conversion, 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 title is subject, either (a) 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 the Title Company; or (b) as to which the Title Company will insure (without additional premium to Sponsor) that such lien or encumbrance will not be collected out of or enforced against the Property.

The Contract of Exchange provides that the following items (to the extent applicable) will be apportioned between Sponsor and the Apartment Corporation at the Cooperative Conversion as of and including the Cooperative Conversion Date:

(i) Employees' wages, vacation, severance pay, pension and welfare benefits and accruals, uniforms and all other payments or obligations relating to the employees of the Building.

(ii) Deposits with utility companies and fees for assignable permits and licenses, if any.

(iii) Charges for electricity and other utilities.

(iv) Cost of fuel on hand (plus sales tax), if any.

(v) Charges and receipts in connection with service, maintenance and concession contracts.

(vi) Cost of Building supplies on hand at cost (including sales tax).

(vii) Premiums for transferable insurance policies, if any.

(viii) Management fees, if any.

(ix) Real estate taxes, assessments, water and sewer charges, business improvement district charges and like charges, ad valorem taxes, personal property taxes, if any, and similar charges, if any.

(x) Maintenance Charges, if any.

(xi) Any other pre-paid items and other customary adjustments.

(xii) Rent and any security deposit under the Ground Leases.

If any of the foregoing items to be apportioned cannot be adjusted at the Cooperative Conversion because they are not fully ascertainable, they shall be apportioned and adjusted to the extent reasonably possible at the Cooperative Conversion, 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 the closing adjustments and other items set forth herein including the cost of title insurance, 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 Apartment Corporation and delivered to Sponsor at the Cooperative Conversion to be repaid on the first anniversary of the Cooperative Conversion.

All costs and expenses of this offering, including but not limited to, selling expenses, commissions, and filing fees under GBL Section 352-e, printing, organization of the Apartment Corporation, insurance, recording charges and legal fees for Sponsor in connection with the Plan will be the obligation of, and will be paid by, Sponsor. The cost of title insurance insuring the Apartment Corporation's leasehold interest in the Property and recording charges of documents relating to the Cooperative Conversion will be the obligation of, and will be paid by, the Apartment Corporation out of the Working Capital Fund. See the Section entitled "Working Capital Fund and Apportionments" for details concerning the payment of these costs.

Sponsor reserves the right to renew, extend or modify any existing service, maintenance or concession contract affecting the Property or any part thereof and to enter into new contracts under such terms and conditions as Sponsor desires. If the terms and conditions of contracts to be assumed by the Apartment Corporation are materially changed, the Plan will be amended to disclose such change.

If there are pending proceedings for the reduction of real estate taxes on· the Property for the tax year in which the Cooperative Conversion occurs, the Apartment Corporation will continue such proceedings with the attorney previously employed by Sponsor, and Sponsor (through such attorney) shall have the sole right to negotiate and settle all claims in connection with such proceedings. The cost of such proceedings and any refund shall be apportioned between Sponsor and the Apartment Corporation according to the respective portions of the tax year that each holds the Property. Any refund covering a period prior to the Cooperative Conversion shall belong to Sponsor.

If prior to the Cooperative Conversion, fire or other casualty damages the Property, Sponsor will repair any resulting damage in accordance with the terms of the Ground Lease. If Sponsor elects not to repair the damage (and provided such election is permitted by the terms of the Ground Lease), the Plan will be abandoned, all Purchase Agreements will be deemed cancelled and Purchasers not in default under their Purchase Agreements will Down Payments refunded, with interest, if any. In such event, the Apartment Corporation, Sponsor and Purchasers will be relieved and discharged of all liability under the Plan, the Contract of Exchange and the Purchase Agreements.

The price for the acquisition of the Property shall be paid on behalf of the Apartment Corporation by delivery to or on account of Sponsor of the proceeds from the sale of all Shares which are the subject of pending Purchase Agreements and by the issuance to Sponsor(s) of all Unsold Shares. Sponsor may regard the acquisition price as being reduced by closing expenses incurred in connection with the preparation and presentation of the Plan, as well as sales expenses.

As of the Cooperative Conversion, Sponsor will be the sole Holder of Unsold Shares. Therefore, until Sponsor conveys such Unsold Shares to another party, Sponsor (i) will remain the Ground Lease Lessor under any leases attributable to any Apartments as to which such Unsold Shares are allocated, (ii) will be entitled to any rents received under such leases and (ii) will be obligated to pay the Maintenance Charges and Special Assessments assessed against such Unsold Shares, whether or not the rental income received under the leases is greater than the Maintenance Charges.

The Apartment Corporation will indemnify and hold harmless Sponsor and Holders of the Unsold Shares for all claims, actions and liabilities (including, without limitation, reasonable attorneys' fees and litigation expenses) incurred as a result of the failure on the part of Apartment Corporation to operate the Property or to perform any obligation to be performed by it as the Apartment Corporation under the Proprietary Lease; however, such indemnity shall not be app1icable during any period that a majority of the Cooperative Board consists of non-resident members elected by the Holders of Unsold Shares.

Sponsor reserves the right to assign the Property or the Contract of Exchange on or prior to the Cooperative Conversion in accordance with the terms of the Ground Lease. In the event of such assignment, the assignee shall then be obligated to comply with all of the terms and conditions affecting the Shareholder under the Ground Lease, the transferor under the Contract of Exchange as well as Sponsor's obligations under the Plan, as applicable. No such assignment shall relieve Sponsor of any of its obligations to the Apartment Corporation under the Contract of Exchange or the Plan. Conflicts between the provisions of the Contract of Exchange and the provisions of the Plan shall be resolved in favor of the Plan.

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APARTMENT 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. Recording charges, fees and taxes set forth below pertain to Apartments 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 in an amount equal to 2 month's Maintenance Charges with respect to the Apartment based on the Apartment Corporation's budget in effect as of the Closing Date. See Schedule A for estimated Maintenance Charges based on the First Year's Budget. The payment of the Working Capital Fund contribution shall be required of all Shareholders, whether purchased from Sponsor or on a resale.

(b) Although Transfer Taxes under New York Law shall be paid by the seller, the responsibility for payment of such taxes may be modified by contract and transferred to the Purchaser. It is customary in New York City for Purchasers of Shares from a sponsor of a cooperative conversion to pay Transfer Taxes. Under this Offering Plan and the Purchase Agreement, Purchasers shall be required to pay the New York City and New York State transfer taxes due upon their purchase of Shares to an Apartment. The New York State Legislature passed the 2019-2020 New York State budget which included modifications to the New York State Transfer Tax and the New York State Mansion Tax which introduced a progressive rate structure tied to the total consideration of the conveyance, and applies only to conveyances of residential real property when the consideration for the conveyance is $2 million or more, as more particularly set forth below (the "Supplemental Tax"). The legislation took effect on July 1, 2019 and applies to conveyances occurring in the five boroughs of New York City on or after such date.

The Supplemental Tax is hereby calculated as follows:

(c) New York State Real Estate Transfer Tax ("State Transfer Tax") is currently equal to either:

(i) $2 per $500 of Purchase Price if less than $3,000,000, or

(ii) 3.25 per $500 of Purchase Price if $3,000,000 or more,

plus, if applicable, a New York State Additional Tax ("Mansion Tax") of either:

(A) (i) 1% where the Purchase Price equals at least $1,000,000 but less than $2,000,000, or

(B) 1.25% where the Purchase Price equals at least $2,000,000 but less than $3,000,000, or

(C) 1.5% where the Purchase Price equals at least $3,000,000 but less than $5,000,000, or

(D) 2.25% where the Purchase Price equals at least $5,000,000 but less than $10,000,000, or

(E) 3.25% where the Purchase Price equals at least $10,000,000 but less than $15,000,000, or

(F) 3.5% where the Purchase Price equals at least $15,000,000 but less than $20,000,000, or

(G) 3.75% where the Purchase Price equals at least $20,000,000 but less than $25,000,000, or

(H) 3.9% where the Purchase Price equals at least $25,000,000.

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 RPT Tax, which is generally a statutory obligation borne by a seller, and/or the payment of the seller's attorney's closing fees which would otherwise be payable by seller, the amount of the RPT Tax and/or seller's attorney's closing fees will be treated as additional consideration to the Purchase Price ("Bulked Up Consideration") for the transaction subject to the RPT Tax. Consequently, the amount of the RPT Tax is computed as follows:

	Purchase Price $500,000 or less	Purchase Price Greater than $500,000 but less than $3,000,000	Purchase Price is $3,000,000 or more
Tentative City Tax:			
- Purchase Price	$400,000	$1,500,000	$3,500,000
- Sponsor's Attorney Closing Fee ("Closing Fee")	$3,000	$3,000	$3,000
- Aggregate Consideration	$403,000	$1,503,000	$3,503,000
- City Tax Rate	x 1%	x 1.425%	x 1.425%
Tentative City Tax	$ 4,030	$ 21,418	$ 49,918
City Tax:			
Bulked Up Consideration	$407,030	$1,524,418	$3,552,918
Tax Rate	x 1%	x 1.425%	x 1.425%
Approximate City Tax	$ 4,070	$ 21,723	$ 50,629

When the consideration 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 and the RPT Tax.

The New York City Department of Finance takes the following position 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 Apartment:

The tax on the Apartment 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 Apartments:

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

The New York City Department of Finance currently takes the position that: (i) the "residential" 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 cooperative Apartment;" and (ii) the "commercial" 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 Residential Apartment.

To the extent there is a credit against the Transfer Tax due in connection with the sale of the Apartment as the result of the Transfer Tax previously paid by Sponsor in connection with the Cooperative Conversion, such credit will inure solely to the benefit of Sponsor. Each Purchaser will be required to pay to Sponsor at Closing, the amount of the credit which may be attributable to Purchaser's Apartment, either by certified check or bank wire, in Sponsor's discretion, as a reimbursement to Sponsor for the Transfer Tax previously paid by Sponsor on the Cooperative Conversion Date. Purchaser will owe the balance of such Transfer Tax due, if any, to the taxing authorities.

If Purchaser obtains financing, Purchaser will be responsible for the payment of all filing fees, origination, appraisal and closing costs and other expenses in connection therewith (including legal fees) in amounts determined by governmental authorities and such lender.

In addition to the above-specified costs and expenses, a Security Agreement on an Apartment may provide that the Shareholder deposit monthly with the lender 1/12 of the annual fire and casualty insurance policy premiums for the Apartment, 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 insurance premiums, or other amounts, in order that sufficient funds will be available for the lender to pay the same when due.

At Closing, the legal fees of Seiden & Schein, P.C., in the amount of $3,000.00 per Apartment, will be payable by Purchaser to Seiden & Schein, P.C. An additional fee of $1,500.00 per Closing shall be due and payable to Sponsor's attorneys for any Closing which occurs outside the office of Seiden & Schein, P.C. Further, an additional fee of $500.00 shall be payable by Purchaser to Sponsor's attorneys for the work involved for each assignment and/or cancellation of a Purchase Agreement or contract. Assignments are permitted only pursuant to the terms of the Offering Plan. An additional fee of $500.00 shall be due and payable to Sponsor's attorneys for any previously scheduled Closing which is adjourned by Purchaser less than five (5) business days before such Closing is scheduled to occur.

On the Cooperative Conversion Date, Sponsor will cause the Corporation to purchase leasehold title insurance from Title Company, insuring the Apartment Corporation's legal title to the Property. Coverage is anticipated to cost $1,363,910 ("Title Insurance Cost") although may change based on factors such as price increases and effective title insurance rates. In connection therewith, at each Closing, the Purchaser will be required to reimburse the Sponsor for the Title Insurance Cost based on the number of Shares allocated to the Apartment being purchased by the Purchaser. Based on the estimated Title Insurance Cost, as of the filing date of this Plan, the amount per Share is estimated to be approximately $13.64. Such payment must be paid by bank check or Purchaser's personal certified check payable to the Apartment Corporation and the same shall be separate from the Working Capital Fund Contribution required of each Purchaser.

Example of Estimated Closing Costs for a Typical Apartment

A numerical example of estimated closing costs and expenses for a single Apartment with a Purchase Price of $2,400,000 and a mortgage of $2,000,000 are set forth below by way of illustration only. All tax rates and recording rates are subject to change:

ITEM	DESCRIPTION	AMOUNT
NYC RPT Tax	NOTE: New York City transfer taxes are based upon bulked-up consideration of $2,437,242.75. The NYC RPT rate is 1.425%.	$34,730.70
NYS Mansion Tax	1.25% of bulked-up consideration	$30,585.68
NYS Transfer Tax	The tax rate is $2 for every $500	$9,600.00
Title Insurance Reimbursement to Sponsor	Approximately $13.64 per Share (based on 386 Shares)	$5,265.04
Closing fees to Seiden & Schein, P.C.	Basic closing fee	$3,000
Working Capital Contribution	2 months Maintenance Charges	See Schedule A
Total Estimated Closing Costs	Excluding Working Capital Contribution	$83,181.43

Other fees which cannot be estimated because they pertain to events outside of Sponsor's control and/or statutory requirement include, but are not limited to, Purchaser's attorney's fee, lender's attorney's fee, possible commitment fee or loan origination fee, appraisal fee, application fee, credit check fee, and other fees and expenses payable to Purchaser's lender, and monthly Maintenance Charges prospectively from the Closing Date.

Closing Adjustments

(i) In addition to the above costs, each Purchaser of an Apartment will be responsible for the fees and expenses of the Purchaser's own attorney, if any. As a result of the variable factors with respect to each Apartment, such as Purchase Price, terms of a possible mortgage commitment and mortgage application and appraisal costs, fees of Purchaser's attorney and fees of the attorney representing Purchaser's lending institution, Sponsor suggests that Purchasers review their closing costs with an attorney.

(ii) The Purchaser will be required to pay to the Cooperative Board the Maintenance Charges (which shall include the PILOT) allocable to such Purchaser's Apartment monthly in advance. Maintenance Charges assessed during the month in which the Apartment closes shall be adjusted with the Sponsor as of the midnight preceding the Closing Date, provided, however, that Sponsor shall be reimbursed by Purchaser for the cost of any Maintenance Charges which Sponsor was obligated to pay to the Cooperative Board as a result of any unauthorized delay in Closing by Purchaser. The amount of such Maintenance Charges to be assessed against each Apartment will be fixed by the Cooperative Board. Maintenance Charges to be initially assessed are expected to conform to those shown in Schedule A contained herein.

(iii) Water and sewer charges for the Building will be adjusted between the Sponsor and the Apartment Corporation as of the midnight preceding the First Closing.

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RIGHTS AND OBLIGATIONS OF SPONSOR

No bond or other security has been furnished to secure the performance of the Sponsor's obligations. Although at the time the Offering Plan is accepted for filing, the Sponsor will be financially capable of performing Sponsor's obligations, the subsequent ability of the Sponsor to perform its obligations will depend upon Sponsor's financial condition at that time.

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

1. The Sponsor will pay all expenses incurred prior to the establishment of the Apartment Corporation in connection with its operation and will bear and pay all costs and expenses incurred in connection with the creation of the Apartment Corporation whenever such costs or expenses are incurred, or in connection with the sale of all of the Apartments held or owned by the Sponsor, except as noted in the section of this Plan titled "Apartment Closing Costs and Adjustments", and will pay or have paid, except as otherwise provided in the Plan, all selling expenses of Sponsor, including, but not limited to, advertising and printing costs, architect's fees, attorneys' fees for other than for individual Apartments, organization costs, brokerage commissions, engineer's fees, appraisal and any surveying fees and costs.

2. Sponsor will pay any Transfer Tax due in connection with the Cooperative Conversion. To the extent there is a credit against the Transfer Tax due in connection with the sale of the Apartment as the result of the Transfer Tax previously paid by Sponsor in connection with the Cooperative Conversion, such credit will inure solely to the benefit of Sponsor. Each Purchaser will be required to pay to Sponsor at Closing, the amount of the credit which may be attributable to Purchaser's Apartment, either by certified check or bank wire, in Sponsor's discretion, as a reimbursement to Sponsor for the Transfer Tax previously paid by Sponsor on the Cooperative Conversion Date. Purchaser will owe the balance of such Transfer Tax due, if any, to the taxing authorities.

3. As a condition of Closing to any Apartment any liens affecting such Apartment shall be removed or otherwise remedied to the extent Sponsor is required to do so under the Purchase Agreement.

4. On the Cooperative Conversion Date, Sponsor will assign to the Cooperative Board, and the Cooperative Board will, on behalf of all Shareholders, assume, all assignable service and maintenance contracts and agreements relating to the Property and apportion any charges thereunder, if any. The Apartment Corporation will indemnify Sponsor against all claims and liability thereunder that relate to matters and events occurring on or after the day upon which the First Closing occurs.

5. Sponsor shall procure fire and casualty insurance coverage on behalf of the Apartment Corporation, at the Apartment Corporation's expense, to be effective at the First Closing, in the amount set forth in Schedule B, which Schedule sets forth the projected budget for the First Year of Apartment Corporation Operation.

6. Sponsor shall be obligated to defend any suits or proceedings arising out of its acts or omissions which constitute gross negligence or willful misconduct, but shall not be obligated to indemnify the Cooperative Board or the Shareholders against any such suits or proceedings.

Sponsor shall not be liable for or obligated to defend any suits, proceedings or claims (i) as to any Apartment arising out of any occurrence taking place on or after the earlier of the Closing to such Apartment or the leasing thereof to, or at the direction of, any Purchaser, or (ii) as to the Common Areas, arising out of any occurrence taking place on or after the date of the First Closing, except suits, proceedings or claims arising out of the gross negligence or willful misconduct of Sponsor or material misrepresentations made by Sponsor in the Offering Plan. Sponsor shall not be liable for or obligated to defend any suits, proceedings or claims arising out of any occurrence which was prior to the date of the First Closing except suits, proceedings or claims arising out of the gross negligence or willful misconduct of Sponsor or material misrepresentations made by Sponsor in the Offering Plan.

7. Sponsor shall keep copies of this Plan, exhibits and documents referred to in this Plan on file at Sponsor's offices for six (6) years from the date the Offering Plan is accepted for filing by the Department of Law.

8. During the time the principal of the Sponsor controls the Cooperative Board, it is within its sole power to enforce the obligations of the Sponsor pursuant to the Plan and pertaining to the Common Areas. Therefore, Sponsor agrees that during such period it will, in its capacity as the controlling member of the Cooperative Board, cause the Cooperative Board to enforce such obligations.

9. Provided that the Sponsor does not cause the Cooperative Board to delay the collection of Maintenance Charges, as provided above, Sponsor will pay all Maintenance Charges from the date of the First Closing, PILOT, Special Assessments and other expenses allocable to any Apartments owned by the Sponsor, so long as Sponsor shall continue to own the same. However, Sponsor, where Purchaser has caused an unauthorized delay in Closing, shall be entitled to reimbursement of Maintenance Charges (including PILOT) for the period commencing on the date the Closing should have occurred (but for such unauthorized delay in Closing) and ending on the actual date of Closing to the Apartment to such Purchaser. Please see the Section found in Part I of this Plan entitled "Closing Costs and Adjustments" for further information. Sponsor represents that it has the financial resources to meet its obligations with respect to Apartments to which Unsold Shares have been allocated. Sponsor's financial obligations to the Apartment Corporation will be funded from sales proceeds and/or its own funds.

The Property is currently encumbered by that certain Amended and Restated Multifamily Mortgage, Assignment of Rents and Security Agreement by and between Applicant, as borrower, and the New York State Housing Finance Agency ("HFA"), as lender, dated as of May 27, 2004 and recorded with the New York City Office of the City Register (the "City Register") on August 30, 2004 at CRFN 2004000537524, which was simultaneously assigned to Fannie Mae, and recorded with the City Register on August 30, 2004 at CRFN 2004000537529 (the "Fannie Mae Mortgage"). Sponsor intends to satisfy the Fannie Mae Mortgage and terminate the Regulatory Agreement, pursuant to section 3.1(a)(iv) thereof, on or before the Cooperative Conversion Date.

Each of the obligations of the Sponsor contained in this section shall be enforceable by any Shareholder as to its Apartment or the Cooperative Board on behalf of the Shareholders as to Common Areas. The representations contained in paragraphs 1 through 8 of this section shall survive Closing, as stated. All representations under this Plan, all obligations pursuant to the GBL, and such additional obligations under this Plan, which are to be performed subsequent to the Closing of each Apartment, will survive Closing. Sponsor makes no other representation or warranties, except as provided above. However, nothing herein shall be construed to limit any rights, which Purchasers may otherwise have pursuant to

Article 23-A of the General Business Law, Part 23 of the Regulations promulgated by the Attorney General and the Offering Plan.

Sponsor makes no warranties as to kitchen appliances, except that it will assign to the Purchaser any manufacturer's warranties thereon and any manufacturer's warranties existing for other items in Purchaser's Apartment to the extent same are assignable. Sponsor makes no warranties as to appliances, equipment, or fixtures, except that it will assign to the Purchaser any assignable manufacturer's warranties thereon. Purchasers are advised that warranties vary in length, depending partly on when the appliances, equipment, or fixtures covered by such warranties are first installed. Sponsor makes no representation as to which, if any, of the warranties will continue to remain in force upon the Closing date of any particular Apartment, nor does Sponsor make any representation as to the length of time any such warranty will remain in effect.

Notwithstanding the foregoing, Sponsor will not be responsible for correcting or repairing any latent defects of construction or defects in the installation or operation of any appliances, equipment or fixtures with respect to which assignable warranties or other undertakings (however denoted) from contractors, materialmen, or others, are assigned to the Board or Shareholders. **In addition, in no event shall the Sponsor be responsible for any immaterial condition resulting from (i) normal wear and tear or natural deterioration or from the normal settling or shifting of the Building (ii) for defects of an insubstantial nature, such as, without limitation, partial or total death of any trees, shrubs, bushes or other landscape improvements, nail pops, ridging on sheet rock walls, lumber shrinkage, door sticking or window sticking due to weather, door warpage, scratches in stone or porcelain surfaces, bath and kitchen tile grouting, walls not square, electrical plates not straight, discoloration or shrinkage, slight separation between base and floor, (iii) normal settlement and deflection or any consequential damage resulting therefrom including, without limitation, cracks in any concrete roof pavers, or concrete cracks which do not impair the structural soundness of the Building, (iv) variations in any floor levels, (v) ceiling imperfections, (vi) minor painting defects, (vii) alignment of bathroom finishes, (viii) air infiltration from windows, (ix) normal plumbing system, heating system and air conditioning system noises, (x) normal floor noises and creaking, (xi) carpet or floor discoloring or stretching, (xii) variations in width, length or tone of wood floor strips, also, normal shrinkage or expansion of wood flooring due to changes in moisture content of wood, (xiii) repair of chips, scratches, mars, breaks or other defects in windows and window sashes, sliding glass doors, shower doors, electrical fixtures and globes, painted surfaces, sinks, tubs, basins, kitchen cabinets and countertops, vanity tops and cabinets, ceramic tile, marble floors, saddles, appliances, woodwork and doors, mirrors, hardware, appliance cabinets and flooring, (xiv) subsequent to the Closing, paint touch-ups, repairs of dented appliances, or replacement of fluorescent light ballasts, (xv) cracks or variations in tone, finish or color of any stone used in bathrooms or cracks, variations in tone, finish or color of vanity tops or other stone surfaces, (xvi) salting or color variation in exterior colored mortar and deep colored brick, (xvii) ponding and/or controlled drainage on the roof surface, or (xviii) cracks in any pressure treated wood or redwood used or intended for use outside the Building. Sponsor shall be obligated to repair only abnormally chipped stone, formica, granite, Corian, and porcelain surfaces, which repair shall be made by filling the stone, formica, granite, or Corian, or refinishing the porcelain, but Sponsor shall not be obligated to replace such stone, formica, granite, Corian or porcelain surfaces.**

In no event shall Sponsor be responsible for Apartment-to-Apartment and/or hallway-to-Apartment odor and noise transmission which is the result of activities such as, but not limited to, cooking and cigarette smoking, by Shareholders, or other Building occupants.

Shareholders shall Close on their Apartments subject to the Ground Lease "as is" in all respects and Sponsor shall have no obligation to amend the Ground Lease, or cause it to be amended, for any reason after the First Closing.

Sponsor's Rights of Access

(a) General

As a condition of sales of Shares pursuant to this Plan, Sponsor reserves to itself, its successors, assigns, designees, invitees, contractors, agents, employees and tenants any and all easements and rights of access, in and to Apartments (including any appurtenant terraces) and Common Areas consistent with the purposes of the Plan and Sponsor's rights and obligations thereunder.

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

Without in any way limiting the generality of rights reserved in Paragraph "a" above, such rights reserved to Sponsor specifically include the following:

(i) The right to maintain any vacant and Apartments to which Unsold Shares have been allocated(s), as general and sales and leasing office(s) and/or model Apartment(s) and to maintain personnel at the Property, to post signs, and to conduct other activities connected with promotion, sales or leasing, such as inspection by and display of vacant or leased Apartments, as well as all Common Areas, to prospective purchasers or Shareholders;

(ii) Right of access in and to Apartments and Common Areas for purposes of repair, refurbishment, correction, alterations, finishing, servicing (including but not limited to garbage collection) and similar work, as well as the marketing of Apartments;

(iii) Right to show vacant or leased Apartments; and

(iv) Right to obtain unlimited front door keys upon request; and

(v) Utility and other easements for the benefit of Shareholders and Common Areas.

Sponsor, Sponsor-designees and any partner of any entity affiliated directly or indirectly with Sponsor shall exercise all rights of access so as to limit, to the extent practicable, unnecessary interference with use of the Property by Shareholders. Sponsor, Sponsor-designees and any partner of any entity affiliated directly or indirectly with Sponsor agrees to repair damage directly attributable to and caused by Sponsor, Sponsor-designees and any partner of any entity affiliated directly or indirectly with Sponsor or its agents as a result of exercising such rights of access.

Sponsor's Right to Perform Alterations

Sponsor shall have the right to alter any Apartment or Common Area with the terms of this Plan, including, but not limited to, the right to combine two or more Apartments.

In addition, Sponsor reserves the right to convert one or more Apartments to which Unsold Shares have been allocated into one or more Common Areas for the benefit of all Shareholders.

In August 2020, Sponsor began to undertake an upgrade and expansion to certain residential amenities in the Building (the "Amenity Upgrade"). The Amenity Upgrade will include a lounge, private dining room with kitchen, and media room, and will be achieved by integrating Apartments 1C and 1D into the new amenity spaces, after which there will be a total of two-hundred and ninety (290) Apartments (including one (1) Resident Manager's Apartment) located within the Building. HFA has consented to the Middle-Income Tenant who previously occupied Apartment 1C to be moved to an Apartment of comparable or better size, location, appliances and fixtures (a "Comparable Apartment"). With HFA's approval, the Middle-Income Tenant occupying Apartment 1E has been be moved to a Comparable Apartment during the Amenity Upgrade work. Purchasers should refer to the Floor Plans in Part II of this Plan for details regarding the location of the Amenity Upgrade. Sponsor anticipates that the Amenity Upgrade and Select Vacant Apartment Upgrade will be completed within 9-12 months from the start of construction (i.e., August, 2020), subject to delays caused by Force Majeure.

In August 2020, Sponsor began to upgrade vacant Apartments 6M, 6N, 8B, 8D/8E, 8K, 9E, 9L, 21E, and 21F ("Select Vacant Apartments") at Sponsor's sole cost and expense. The upgrade to the Select Vacant Apartments will include new engineered wood flooring, painted wood base, and gypsum wallboard that has been primed and painted with low-VOC paint, kitchen and bathroom flooring, finishes and appliances, as more particularly disclosed in the report prepared by CookFox Architects, DPC ("CookFox Report") which is annexed to the Description of Property and Specifications in Part II of this Plan. Sponsor anticipates that the upgrade to the Select Vacant Apartments will be completed within 9-12 months from the start of construction (i.e., August, 2020), subject to delays caused by Force Majeure. All Vacant Apartments, other than the Select Vacant Apartments, may be purchased in "as-is" condition, or Purchasers may opt, for an additional fee, for Sponsor to renovate the Apartment in accordance with the specifications in the CookFox Report. Purchasers should refer to Schedule A for the difference in offering price for an "as-is" Apartment versus an upgraded vacant Apartment. ***Purchasers should refer to the CookFox Report annexed to the Description of Property and Building Condition in Part II of this Plan, for details regarding the Amenity Upgrade and the upgrade to the Select Vacant Apartments.***

Upon the issuance of a work permit for the Amenity Upgrade and the upgrade to the Select Vacant Apartment, Sponsor (i) distributed a notice to tenants regarding a Tenant Protection Plan that has been approved by the Department of Buildings, and (ii) posted such notice in a conspicuous manner in the Building lobby, as well as on each floor within ten feet of the elevator. Sponsor has made, and will continue to make, commercially reasonable efforts to prevent the migration of dust from all work areas, and to protect and maintain the Common Areas so as to minimize the impact that the construction work has on Building residents. In addition, Sponsor will comply with all applicable codes and Law with respect to any construction work in the Building.

Sponsor's Obligation to Repair Damage to Apartments

The risk of loss from fire or other casualty with respect to the Apartment shall remain with the Sponsor until the Closing for the Apartment. The Sponsor, at its sole discretion, reserves the right to either repair or restore such Apartment within a reasonable period of time, whereupon Purchaser shall be obligated to close without abatement in the Purchase Price, or not repair or restore and grant Purchaser the right to rescind the Purchase Agreement. Notwithstanding the above, in the event that Purchaser, or one claiming by or through Purchaser, is a tenant of the Apartment or enters into possession of the Apartment prior to the Closing, then Purchaser shall bear the risk of loss or other casualty with respect to the Apartment for damages not covered by Sponsor's insurance. Additionally, Purchaser shall be responsible for damage to, or loss or other condition in, the Apartment and Sponsor shall not be obligated to repair any damages to the Apartment or its appliances, fixtures and equipment in excess of what is covered by its insurance policy.

Sponsor's Right to Rent Rather than Sell Apartments

All the Apartments being offered are intended to be sold as Cooperative Apartments in accordance with this Plan at the prices disclosed in Schedule A. These prices have been established solely by the Sponsor and are not subject to review or approval by the Department of Law or any other governmental agency.

Sponsor reserves the unconditional right to rent Apartments rather than sell them. Sponsor represents that it will endeavor to sell, rather than rent, at least 15% of the Apartments (i.e., 44 Apartments of 290 Apartments offered for sale) to Purchasers who represent that they are purchasing for their personal occupancy. However, Sponsor does not represent or guarantee that all Purchasers representing 15% of the Apartments will actually Close. Sponsor does not represent that it will endeavor to sell, rather than rent, the remaining eighty-five percent (85%) of the Apartments. The Apartments reserved by Sponsor may remain unsold indefinitely, and Sponsor may dispose of such Apartments as it chooses, including selling to investors, renting to tenants, permitting occupancy by relatives or others, allowing them to remain vacant, or selling to Purchasers who represent that they are purchasing for personal occupancy. In accordance with the terms of this Plan, Sponsor has the right to sell Apartments to Purchasers for investment or resale. Accordingly, it is possible that certain Shareholders will not be residents of the Building. Notwithstanding the foregoing, except as otherwise specifically provided in the Ground Lease, in no event shall Sponsor sell or lease any Apartment to any Person in which an ownership interest in the aggregate, of five percent (5%) or greater is then held, directly or indirectly, by any individual (i) who has ever been convicted of a felony, (ii) against whom any action or proceeding is pending to enforce rights of the State of New York or any agency, department, public authority or public benefit corporation thereof arising out of a mortgage obligation to the State of New York or to any such agency, department, public authority or public benefit corporation, or (iii) with respect to whom any notice of substantial monetary default which remains uncured has been given by the State of New York or any agency, department, public authority or any public benefit corporation thereof arising out of a mortgage obligation to the State of New York or to any such agency, department, public authority or public benefit corporation. The foregoing restriction shall apply to any Person (x) purchasing more than fifteen percent (15%) of the Apartments from Sponsor or any other Person, or (y) subletting more than fifteen percent (15%) of the Apartments from Sponsor or any other Person, but shall not otherwise apply to any Shareholder.

Tenant Buyouts

To the extent permitted by Law, Sponsor reserves the right to selectively offer, in its sole discretion, buyout payments in amounts to be determined by Sponsor, and subject to tenants' rights, to negotiate monetary or other incentives to some Tenants in Occupancy to induce them to vacate and surrender their apartments. In such event, Sponsor will amend this Plan to disclose the buyout offer. The Department of Law takes no position on the legality of buyout agreements and recommends that tenants seek the advice of counsel on whether acceptance of a buyout offer is a waiver of rights under the rent regulation laws. Tenants may not accept a buyout offer until the Department of Law has accepted the Plan for filing. Tenants are under no obligation to accept a buyout offer, and there shall be no penalty for rejecting a buyout offer. Tenants are advised that it may be difficult to find comparable, rent-regulated apartments after accepting a buyout offer.

Delay in Collection of Maintenance Charges

During the Sponsor Control Period, Sponsor shall have the right, in its sole and absolute discretion, to cause the Cooperative Board to waive the collection of some or all of the Apartment Corporation Maintenance Charges from Shareholders from the date of the First Closing up until such time as Sponsor chooses (the "Waiver Period"); provided, however, that Sponsor shall be solely responsible for the payment

of all actual expenses to operate the Apartment Corporation 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 Closing; (ii) Sponsor will notify all Shareholders in writing of the expiration of the Waiver Period at least 30 days prior to such expiration and will disclose such fact in the following amendment to the Plan; (iii) during any such Waiver Period, Sponsor will timely pay all expenses of the Apartment Corporation, including but not limited to insurance premiums; (iv) upon the commencement of the collection of Maintenance Charges, there will not be an assessment for any item set forth in the approved budget for the Apartment Corporation. Notwithstanding that Sponsor will pay the actual expenses of the Apartment Corporation during the Waiver Period, it shall be the responsibility of each Shareholder to pay all other expenses attributable to such Shareholder's Apartment, such as, but not limited to, payment in lieu of taxes, utility charges for individual apartments and insurance coverage for the Apartment. Sponsor will remain obligated to update the budget for the Apartment Corporation, as provided in the By-Laws.

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CONTROL BY SPONSOR

Sponsor shall control the Cooperative Board until the earlier of (i) the date upon which Sponsor owns 50% or less of Shares allocated to Apartments; or (ii) five (5) years from the First Closing ("Sponsor Control Period").

Until the First Annual Meeting of the Shareholders (the "First Annual Meeting"), the Cooperative Board shall consist of 2 Directors designated from time to time by Sponsor. Accordingly, until the First Annual Meeting and during the Sponsor Control Period, Sponsor will have absolute voting control of the Cooperative Board and will thus have control of maintenance, facilities and services to be provided, as well as determining the Maintenance Charges to be paid by Shareholders.

The First Annual Meeting will be held within 1 year of the First Closing. At such meeting, the incumbent 2 Director Cooperative Board designated by Sponsor will resign and a new Cooperative Board, consisting of 7 Directors, will be installed as described below.

At elections of Directors to the Cooperative Board held at and after the First Annual Meeting, but before the expiration of the Sponsor Control Period, Sponsor shall have the right to designate 4 of the 7 Directors of the Cooperative Board, who may be persons related to and/or affiliated with Sponsor or other Holder of Unsold Shares; and Sponsor, any Holder of Unsold Shares and all other Shareholders shall have the right to vote their respective Shares for the remaining 3 Directors of the Cooperative Board who shall not be related to or affiliated with Sponsor or other Holder of Unsold Shares. The 7-Director Cooperative Board shall have the powers and duties necessary for, or incidental to, the administration of the affairs of the Apartment Corporation, except that the Directors shall have the powers and duties necessary for, or incidental to, the administration of the affairs of the Apartment Corporation, provided that determinations of the Directors do not materially Adversely Affect the use and operation of the Parking Garage or BPCA Facility.

At elections of Directors to the Cooperative Board held after the expiration of the Sponsor Control Period, but while Sponsor still owns at least 1 Apartment to which Unsold Shares have been allocated, Sponsor shall have the right to designate at least 1 of the 7 Directors of the Cooperative Board, who may be a person related to and/or affiliated with Sponsor or other Holder of Unsold Shares; and Sponsor, any Holder of Unsold Shares and all other Shareholders shall have the right to vote their respective Shares for the remaining 7 Directors of the Cooperative Board in accordance with the By-Laws, who shall not be related to or affiliated with Sponsor or other Holder of Unsold Shares. Board Directors may not be changed except in accordance with the procedures described in the By-Laws.

Sponsor and other Holders of Unsold Shares may not exercise veto power over expenses described in Schedule B or over expenses required: (a) to comply with applicable laws or regulations; (b) to remedy any notice of violation; (c) to remedy any work order by a mortgagee or an insurer; or (d) to remedy a notice of default from a mortgagee. Notwithstanding the foregoing, Sponsor may exercise veto power over other expenses for a period ending not more than five years after closing, or whenever the Unsold Shares constitute less than 25% of Shares, whichever is sooner.

As long as the Sponsor or Holders of Unsold Shares shall continue to own (1) one Apartment, the Cooperative Board may not, without the Sponsor's or Holder of Unsold Shares prior written consent, (i) amend the By-Laws so as to in any way adversely affect the Sponsor or Holder of Unsold Shares or (ii) interfere with the offer and sale or leasing of Apartments at the Property; the operations of general or sales or leasing offices at the Property; or actions necessary for renovation, repair or correction at the Property, as required by Sponsor or Holder of Unsold Shares. The Sponsor or or Holder of Unsold Shares shall have the right to withhold its consent to any of the foregoing actions. However, notwithstanding these

restrictions, the Sponsor shall not withhold its consent to the making of capital repairs to the Common Areas or assessment of any Maintenance Charge for expenses required to comply with applicable Law.

Directors of the Cooperative Board will serve without compensation. All officers of the Apartment Corporation shall also serve without compensation. Sponsor represents that for as long as it or any of its designees are Directors of the Cooperative Board neither it nor any of its designees will vote for remuneration for either Directors of the Cooperative Board or officers of the Apartment Corporation.

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

The Cooperative Board may not, without the consent of Sponsor, reduce or eliminate any services provided to Non-Purchasing Tenants under the Rent Laws or their tenancies or as may be otherwise required by law. Obligations of Sponsor under the Plan with respect to the Building and the Apartments shall be enforceable by the Cooperative Board on behalf of all Shareholders.

Prospective Purchasers should note that there is no provision in the Apartment Corporation By-Laws to the effect that, following the end of the Sponsor Control Period, a majority of Directors of the Cooperative Board must be owner-occupants or members of an owner-occupant's household who are unrelated to Sponsor and Sponsor's principals. PURCHASERS FOR THEIR OWN OCCUPANCY MAY NEVER GAIN CONTROL OF THE COOPERATIVE BOARD UNDER THE TERMS OF THIS PLAN. Further, Shareholders who are owner-occupants and Shareholders who are non-residents (including Sponsor) may have inherent conflicts on how the Apartment Corporation should be managed because of their differing reasons for purchasing (i.e., purchase of an Apartment as a home as opposed to an investment).

Each Director of the Board shall perform duties, and shall exercise powers, in good faith and with a view to the interests of the Apartment Corporation, and in compliance with Section 713 of the New York Business Corporation Law ("BCL"), as may be amended from time to time. Accordingly, no Director designated by Sponsor shall vote on an issue of whether to sue the Sponsor.

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THE APARTMENT CORPORATION AND BY-LAWS

The Apartment Corporation

The Apartment Corporation will be a not-for-profit corporation organized and existing under the Laws of the State of New York. The Apartment Corporation will authorize capital of 133,333 Shares, at par value. Pursuant to this Plan, the Apartment Corporation will issue 100,000 Shares to the Apartments, and withhold 33,333 Shares for future allocation (i.e., if the size or configuration of an Apartment is changed by an immaterial portion of a Common Area (such as a hallway between two Apartments that services or connects such Apartments only) being incorporated into the Apartment. Until the Cooperative Conversion Date the Sponsor will own all of the issued Shares of the Apartment Corporation.

The Cooperative Board

Under the By-Laws of the Apartment Corporation, the affairs of the Apartment Corporation will be managed by a Cooperative Board. Until the First Annual Meeting of the Shareholders (the "First Annual Meeting"), the Cooperative Board shall consist of 2 Directors designated from time to time by Sponsor, which shall be Russell C. Albanese and Christopher V. Albanese, both of whom are principals of the Sponsor. The First Annual Meeting will be held within 1 year of the First Closing.

The First Annual Meeting will be held within 1 year of the First Closing. At such meeting, the incumbent 2 Director Cooperative Board designated by Sponsor will resign and a new Cooperative Board, consisting of 7 Directors, will be installed as described in the Section in Part I of the Plan entitled "Control by Sponsor".

Commencing with the First Annual Meeting, the Cooperative Board shall consist of 7 individuals elected and/or designated in accordance with the terms of the By-Laws by the Shareholders (including Sponsor) (collectively, the "Directors"). Except for Directors designated by Sponsor and/or the Sponsor, all Directors of the Cooperative Board shall be either: (i) individual Shareholders or adult Family Members of an individual Shareholder; or (ii) individual Permitted Lenders; or (iii) officers, directors, shareholders, partners, principals, employees, or beneficiaries of corporations, partnerships, fiduciaries, or any other entities that are Shareholders or Permitted Lenders. The number or composition of Cooperative Board Directors may not be changed except in accordance with the procedures described in the By-Laws.

At elections of Directors to the Cooperative Board held after the expiration of the Sponsor Control Period, but while Sponsor still owns at least 1 Apartment to which Unsold Shares have been allocated, Sponsor shall have the right to designate at least 1 of the 7 Directors of the Cooperative Board, who may be a person related to and/or affiliated with Sponsor or other Holder of Unsold Shares; and Sponsor, any Holder of Unsold Shares and all other Shareholders shall have the right to vote their respective Shares for the remaining 7 Directors of the Cooperative Board in accordance with the By-Laws, who shall not be related to or affiliated with Sponsor or other Holder of Unsold Shares. Board Directors may not be changed except in accordance with the procedures described in the By-Laws.

Each Shareholder will have the right to vote for Directors of the Cooperative Board which will conduct the affairs of the Apartment Corporation. Each Shareholder (including Sponsor with respect to any Shares it then owns) present in person or by proxy shall be entitled to one vote for each Share registered in Shareholder's name at the time of service of notice of such meeting, or at such prior date (but not more than forty (40) days before such meeting) as may be prescribed by the Board for the closing of the corporate share transfer books or fixed by the Cooperative Board as the date for determining which Shareholders of record are entitled to notice of and to vote at such meeting. Proxies shall be in writing duly signed by the Shareholder, but need not be acknowledged or witnessed, and the person named as proxy by any

Shareholder need not be a Shareholder of the Corporation. Voting by Shareholders shall be by voice vote unless any Shareholders present at the meeting, in person or by proxy, demands a vote by written ballot, in which case the voting shall be by ballot, and each ballot shall state the name of the Shareholders voting and the number of Shares owned by a Shareholders and in addition, the name of the proxy if such ballot is cast by a proxy.

At each meeting of Shareholders each Shareholder (including Sponsor with respect to any Shares it then owns) present in person or by proxy shall be entitled to one vote for each Share registered in Shareholder's name at the time of service of notice of such meeting, or at such prior date as may be prescribed by the Board for the closing of the corporate share transfer books or fixed by the Board as the date for determining which Shareholders of record are entitled to notice of and to vote at such meeting. Proxies shall be in writing duly signed by the Shareholder, but need not be acknowledged or witnessed, and the person named as proxy by any Shareholder need not himself or herself be a Shareholder of the Corporation. Voting by Shareholders shall be by voice vote unless any Shareholders present at the meeting, in person or by proxy, demands a vote by written ballot, in which case the voting shall be by ballot, and each ballot shall state the name of the Shareholders voting and the number of Shares owned by a Shareholders and in addition, the name of the proxy if such ballot is cast by a proxy. All elections shall be determined by a plurality vote and unless otherwise specified in these By-Laws or the Certificate of Incorporation, the affirmative vote of a majority represented at any meeting of Shareholders shall be necessary for the transaction of any item of business and shall constitute the act of the Shareholders

Each Director of the 7-Director Cooperative Board will serve until the next regular annual meeting of Shareholders and until a successor is elected and qualified. Directors of the Cooperative Board, except for those Directors elected by the Sponsor, to be eligible for election, must be either a Shareholder, the principal or officer of a Shareholder, or the spouse of a Shareholder.

Notice of the annual meetings of Shareholders or of any special meetings of Shareholders shall be given by the Secretary, as directed by the Cooperative Board, to all Shareholders not less than ten (10) days or more than thirty (30) business days before such meeting. The notice of meeting shall be in writing and signed by the president or a vice president or the secretary or an assistant secretary. Such notice shall state the time when and the place at which such meeting is to be held, and a copy thereof shall be served, either personally or by mail, upon each Shareholder of record entitled to vote at such meeting.

All Directors and officers shall serve without compensation. The Cooperative Board shall have the powers and duties necessary for the administration of the affairs of the Apartment Corporation, including but not limited to: determination of the Maintenance Charges; adoption of rules and regulations covering the details of the Property; opening of bank accounts; purchasing, leasing or otherwise acquiring Shares allocated to Apartments; selling, leasing or financing Shares allocated to Apartments owned by the Cooperative Board; and generally managing or supervising the Apartment Corporation and Property as provided in the By-Laws. The Maintenance Expenses shall include such amounts as the Cooperative Board deems proper for the operation and maintenance of the Property, including, without limitation, an amount for working capital of the Apartment Corporation, for a general operating reserve, and to make up any deficit in the Maintenance Expenses for any prior year. The Board, in its discretion, may delegate such managerial powers as it sees fit to the officers of the Apartment Corporation. The Cooperative Board is authorized to employ a Managing Agent for the Apartment Corporation on such terms as the Cooperative Board may deem proper.

The Cooperative Board shall keep in good repair the Building, including, without limitation, the Apartments, except those portions the maintenance and repair of which are to be the responsibility of Shareholders under the terms of the Proprietary Lease, and Common Areas. Pursuant to the terms of the Proprietary Lease, Shareholders are responsible to keep the interior of the Apartment (including interior

walls, floors and ceilings, but excluding windows, window panes, window frames, sashes, sills, and entrance doors and doors leading to terraces, or patios appurtenant to this Agreement, and frames and saddles) in good repair, shall do all of the painting and decorating required for the interior of the Apartment, including, without limitation, the interior of window frames, sashes and sills. Shareholders shall be solely responsible for the maintenance, repair and replacement of interior walls, floors and ceilings, and all plumbing, electrical, gas and heating fixtures, appliances and equipment within the Apartment, including, without limitation, toilets, bathtubs, sinks, refrigerator, dishwasher, incremental units (if any), including the fans inside the units, heating / air-conditioning equipment, ranges and other appliances. If any Shareholder shall fail, after written notice from the Apartment Corporation, to make repairs, which are the Shareholder's responsibility, to any part of the Apartment, its fixtures or equipment, the Apartment Corporation may, at Shareholder's sole cost and expense, enter into the Apartment and make such repairs or remove the objectionable condition. The Apartment Corporation shall be entitled to recover from the Shareholder all expenses in connection with such repair and may place a lien against a Shareholder's Shares for the cost of completing the work. As a result, if a Shareholder fails to pay Maintenance and/or assessments, if any, and does not cure such default within the grace period provided in the Proprietary Lease, the Apartment Corporation may foreclose such lien and require the defaulting Shareholder's Shares and Proprietary Lease to be sold in the same manner as a foreclosure of a loan.

The Proprietary Lease imposes restrictions upon use, and provides that no Shareholder may sell or sublease an Apartment without first giving the Cooperative Board a right of first refusal to purchase or sublease the Apartment on the same terms and conditions.

If Shares allocated to an Apartment are to be purchased by the Apartment Corporation, such purchase may be made from the funds deposited in the working capital and/or contingency fund accounts of the Apartment Corporation. If the funds in such accounts are insufficient to effectuate such purchase, the Directors may levy an Assessment against each Shareholder (other than the Offeree Shareholder) in accordance with and/or the Directors may, in its discretion, finance the sale of the Shares; 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 Shares to be purchased. In addition, if the Outside Offeror was to assume the Shares allocated to the Apartment subject to the Offered Shareholder's existing Security Agreement pursuant to the Purchase Agreement, the Apartment Corporation may purchase the Shares allocated to the Apartment and assume the Shares to the Apartment subject to such financing. At the Closing, the Offeree Shareholder shall transfer the Shares allocated to the Apartment to the Apartment Corporation, by such transfer instruments required by the Directors with proper transfer taxes paid and/or documentary stamps affixed at the expense of the Offeree Shareholder, who shall also pay all other transfer taxes arising out of such sale notwithstanding any terms of the Purchase Agreement to the contrary. Maintenance Charges shall be apportioned between the Offeree Shareholder and Cooperative as of the date of the Closing, notwithstanding any terms of the Purchase Agreement to the contrary.

The foregoing restrictions upon the sale and sub-lease of Shares allocated to Apartments will not apply to Sponsor, or any Holder of Unsold Shares, with respect to any Unsold Shares allocated to Apartments, or to Shares allocated to Apartments acquired by a Purchaser's Lender in foreclosure, each of which will be free to sell or sub-lease their respective Apartments without first offering to sell or sub-lease to the Cooperative Board.

If an Apartment or the Building is damaged by fire or other cause covered by the casualty insurance, maintained by the Apartment Corporation, the insurance proceeds shall be used to repair or replace the Building and Apartments and the access thereto, including the structural walls, floors, ceilings, pipes, wiring and conduits in the Apartment. Notwithstanding the foregoing, the Apartment Corporation shall not be required to cause to be repaired or replaced belongings, betterments, improvements, furniture or other personal property in an Apartment. The Propriety Ground Lease requires that each Shareholder maintain

insurance coverage for their Apartment at their own expense. The Building policy will not provide fire and casualty losses to personal property, furniture, furnishings, replacements, additions, fixtures and improvements, or liability insurance for occurrences within a Shareholder's Apartment.

Please refer to the Section of the Plan entitled "Summary of Proprietary Lease" in Part I of this Plan for a discussion of the rights and obligations of the Cooperative Board with respect obtaining insurance for the Building, and reporting to Shareholders.

The Apartment Corporation may impose on its Shareholders and/or authorize its Managing Agent to collect from Shareholders, processing fees in connection with the sale, refinance and/or subletting of Apartments, fees to process applications for alterations to Apartments, and other similar fees. No assignment of any Proprietary Lease or transfer of the Shares of the Apartment Corporation shall take effect as against the Apartment Corporation for any purpose until the Shareholder has complied with the assignment requirements of the Proprietary Lease, a proper assignment has been delivered to the Apartment Corporation, the assignee has assumed and agreed to perform and comply with all the covenants and conditions of the assigned lease or has entered into a new lease for the remainder of the term of the Proprietary Lease, all Shares of the Apartment Corporation appurtenant to the Proprietary Lease have been transferred to the assignee, all sums due under the Proprietary Lease or otherwise have been paid to the Apartment Corporation, and all necessary consents have been obtained. As provided in the Proprietary Lease (included in Part II of this Offering Plan), notwithstanding the foregoing, a Holder of Unsold Shares shall have the right to freely and without charge sublet the Apartment to which Unsold Shares are allocated, on such terms and conditions as he deems desirable and shall also have the right, freely and without charge to sell such Unsold Shares and appurtenant Proprietary Lease to a third party.

The Cooperative Board may not discriminate against any person on the basis of race, creed, color, national origin, sex, age, disability, marital status or other grounds prohibited by law.

The Apartment Corporation shall hold a meeting of its Shareholders at least once annually, for the purpose of, among other things, election of members to the Cooperative Board. Advance written notice of such meeting shall be given to Shareholders. The Apartment Corporation shall keep full and correct books of account at its principal office and same shall be open during all reasonable business hours to inspection by Shareholders upon reasonable prior notice and request of Shareholders.

On the Cooperative Conversion Date, Sponsor may reserve the right to (a) to install, utilize, operate, maintain, repair, alter, rebuild, restore and replace satellite dishes, cell phone towers, antennae and similar equipment (collectively, the "Installations") on the roof and facade of the Building and to retain any and all income derived therefrom, (b) to enter upon any Apartment or elsewhere on the Property to install, utilize, operate, maintain, repair, alter, rebuild, restore and replace the Installations as may be necessary or appropriate, and (c) to grant such rights to do any of the foregoing to its designees, assignees and licensees. The Apartment Corporation shall not be entitled to any portion of fees, compensation or other profits received by Sponsor, its designees, assignees or licensees for the use of the Installations. Any and all Installations placed upon the roof and the facade of the Building by Sponsor, its designees, assignees or licensees shall be the exclusive property of Sponsor, its designees, assignees or licensees and neither the Apartment Corporation nor any Shareholder or occupant shall have any rights with respect thereto. Notwithstanding the foregoing, access to an Apartment in furtherance of the Installations and the rights reserved thereby with respect thereto shall be exercised in a manner so as to not unreasonably interfere with the use of the Apartments for their permitted purposes. Such entry shall be permitted on not less than one day's notice, except that no notice is necessary in the case of an emergency.

Amendments to Cooperative By-Laws

The By-Laws of the Apartment Corporation may be modified or amended by (i) the Shareholders at any Shareholders' meeting by affirmative vote of Shareholders present in person or by proxy owning in the aggregate at least two-thirds of the outstanding and issued Shares, provided that the proposed amendment or the substance thereof shall have been inserted in the notice of meeting or that all of the Shareholders of the Apartment Corporation are present in person or by proxy at that meeting, or (ii) the Cooperative Board at any meeting of the Cooperative Board, by vote of two-thirds of the number of Directors fixed pursuant to Section 4.1 of the By-Laws or fixed pursuant to resolution adopted by the Shareholders pursuant to Section 4.1 of the By-Laws, provided that the proposed amendment or the substance thereof shall have been inserted in the notice of meeting or that all of the directors are present in person. However, the Directors may not repeal a By-Law amendment adopted by the Shareholders as provided above. Notwithstanding the foregoing, during the first two years following the Cooperative Conversion Date, any change to the By-Laws shall require the consent of Shareholders representing at least 80% of the total authorized and issued Shares of the Apartment Corporation.

A complete copy of the Apartment Corporation's By-Laws is set forth in Part II of this Plan.

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UNSOLD SHARES

Unsold Shares are any Shares allocated to the Apartments which have not been transferred to a Purchaser pursuant to this Plan. The sale of Unsold Shares will not be limited to persons purchasing for their own account. Therefore, Sponsor, and any other individual or entity designated in writing by Sponsor who assumes the obligations of Sponsor with respect to the Unsold Shares owned by Sponsor or such other individual or entity, will be known as a "Holder of Unsold Shares". In order for Sponsor's designation to be valid, Sponsor must provide such designation, in writing, to such individual or entity.

On the Cooperative Conversion Date, all of the Unsold Shares will be acquired by Sponsor. Sponsor shall retain ownership of all Shares and the appurtenant Proprietary Leases until such Shares and Proprietary Leases are sold or otherwise conveyed by Sponsor under this Plan. As of the Cooperative Conversion Date, Sponsor, or any other Holder of Unsold Shares, shall pay Maintenance Charges with respect to all Unsold Shares it owns, until such time as the Unsold Shares are transferred to Purchasers. Sponsor will not furnish a bond or other security to secure Sponsor's obligation. Sponsor is a New York limited liability company. On the Cooperative Conversion Date, the Sponsor shall deliver to the Apartment Corporation a copy of a letter from a qualified expert that the consideration for the Unsold Shares meets the reasonable relationship standard of Internal Revenue Code Section 216.

Holders of Unsold Shares will not pool profits or losses with other Holders of Unsold Shares.

Sponsor shall be deemed to have guaranteed Maintenance Charges due under the Proprietary Lease from a Holder of Unsold Shares, as well as any assessments that may also be due from a Holder of Unsold Shares. This guarantee shall be in addition to the Apartment Corporation's lien upon the Unsold Shares to secure performance of all obligations of the Sponsor and Holders of Unsold Shares. Sponsor's guarantee shall exist only with respect to a Holder of Unsold Shares specifically designated as such by Sponsor while that Holder of Unsold Shares owns the Shares, and shall not run to transferees of such Holder of Unsold Shares. If a Holder of Unsold Shares or a person related by blood, marriage or adoption to the Holder of Unsold Shares takes occupancy of the Apartment to which the Unsold Shares are allocated, the Shares shall cease to be Unsold Shares and the Sponsor shall be relieved of further obligations with respect to that Apartment.

Sponsor represents that it has the necessary financial resources to meet its obligations with respect to the Unsold Shares. Sponsor will use the funds it receives from the sale of Shares allocated to the Apartments to meet its financial obligations on the Unsold Shares to the Apartment Corporation. If the Sponsor does not sell a sufficient number of Shares allocated to the Apartments to meet its financial obligations on the Unsold Shares, the principals of the Sponsor will use their funds to meet Sponsor's financial obligations unless other arrangements can be made with a lender.

Each Holder of Unsold Shares shall have the rights and be subject to the obligations set forth hereinafter:

1. Each Holder of Unsold Shares shall have the right, freely and without charge, to sublet the Apartment to which Unsold Shares are allocated to such person and on such terms and conditions as he deems desirable and shall also have the right, freely and without charge, to sell such Unsold Shares and transfer the appurtenant Proprietary Lease to a third party. A Holder of Unsold Shares shall not be subject to any right of first refusal with respect to subletting, sale or transfer of such Unsold Shares, nor the obligations to fill out any applications or otherwise comply with the transfer or leasing procedures imposed by the Apartment Corporation or Managing Agent on other Shareholders.

2. Notwithstanding any other provision contained in this Plan or any document executed in connection herewith, the Apartment Corporation shall not prevent, impede or interfere with the sale of any Unsold Shares or the subletting of an Apartment to which Unsold Shares are allocated. To this end, prospective purchasers of Unsold Shares, prospective subtenants of Apartments to which Unsold Shares are allocated and sales and rental personnel, if any, employed by a Holder of Unsold Shares shall be given access to the public areas of the Building, including, without limitation, lobbies, elevators and hallways, for purposes of ingress and egress, without being subject to any charge, fee, or other restriction.

3. Each Holder of Unsold Shares shall have the right to (i) use one or more Apartments to which Unsold Shares are allocated, as a model or an office (or both) in connection with the sale or subletting of such Apartments and (ii) to display "For Sale" and "For Rent" signs and similar promotional signs and material on or about the exterior of the Building, the lobby and Apartments to which Unsold Shares are allocated provided same is in accordance with applicable Law, codes and zoning regulations.

4. Upon request of a Holder of Unsold Shares, the Apartment Corporation shall enter into an agreement (commonly known as a "Recognition Agreement") with a lender designated by the Holder of Unsold Shares. All costs and expenses incurred by the Apartment Corporation in connection with such Recognition Agreement (including legal fees) shall be borne entirely by the Apartment Corporation, and no charge therefor may be assessed to said Holder of Unsold Shares, the heirs, legal representatives, successors or assigns, the individual acquiring the Proprietary Lease and the appurtenant shares from the Holder of Unsold Shares or the lender.

5. Each Holder of Unsold Shares shall have the right to make alterations and additions in or to the Apartment to which Unsold Shares are allocated (and to its fixtures and equipment) without obtaining the Apartment Corporation's consent, and without the payment of any fee or charge, provided the alterations or additions are done in accordance with applicable Law.

6. Each Holder of Unsold Shares shall have the right to change the number, size and/or layout of the Apartment to which Unsold Shares are allocated and to reallocate Unsold Shares in connection therewith, without obtaining the consent of the Apartment Corporation or its Shareholders and without payment of any fee or charge. However, all changes in the number or size of the Apartments to which Unsold Shares are allocated must be done in accordance with applicable Law and by amendment to this Plan and shall not prevent ingress or egress to exits, elevators or other Apartments. In addition, any reallocation of Unsold Shares must meet the reasonable relationship test and be disclosed in an amendment to the Plan. In the event of a dispute concerning the provisions of this paragraph, same will be decided by a recognized real estate expert selected by the Holder of Unsold Shares whose determination shall be conclusive and binding. In no event shall the total number of issued and outstanding shares be changed as a result of such reallocation.

7. No Holder of Unsold Shares shall have the right to cancel a Proprietary Lease unless (i) owners of a majority of all outstanding Shares (other than the Unsold Shares) have elected to cancel their Proprietary Leases; (ii) the Shares then being offered under the Plan constitute fifteen percent (15%) or less of the outstanding Shares of the Apartment Corporation, and (iii) at least five (5) years have elapsed since the Cooperative Conversion Date. On the effective date of cancellation, a Holder of Unsold Shares must pay to the Apartment Corporation a sum equal to the product of the then current monthly Maintenance Charges for the Unsold Shares allocated to an Apartment being surrendered multiplied by twenty-four (24).

8. The Apartment Corporation will defend, indemnify and hold harmless the Holders of Unsold Shares against any and all claims, actions, suits, judgments, losses, liabilities, penalties, costs and expenses (including, without limitation, reasonable attorneys' fees and disbursements and litigation expenses) incurred or required to be paid as a result of the Apartment Corporation's failure either (i) to operate the Building at the same level of services as those supplied on the Cooperative Conversion Date, or (ii) to perform any obligation to be performed by it as the Apartment Corporation under the Proprietary Lease.

9. So long as there are any Unsold Shares outstanding, no amendment, alteration, repeal or addition to the Certificate of Incorporation, By-Laws, Proprietary Lease or House Rules shall be made which would, directly or indirectly, abridge or otherwise adversely affect the rights, privileges, obligations or interests of any Holder of Unsold Share, unless all Holders of Unsold Shares shall consent thereto in writing.

10. Until such time as all Shares have been sold pursuant to this Plan, Sponsor (and/or any subsequent designated Holder of Unsold Shares) shall amend the Plan to provide current and accurate information about the offering, subject to Sponsor's right to file for an exemption from filing amendments under CPS-5. The Apartment Corporation shall be expected to cooperate in connection with the compilation of materials to be included in such amendments.

11. Any party selling Unsold Shares under this Plan shall comply with the trust fund and escrow provisions of GBL Sections 352-h and 352-e(2-b). A Holder of Unsold Shares designated as such by Sponsor who determines to sell the Unsold Shares under this Plan, must furnish to the Department of Law all information required for a principal of Sponsor under the Department of Law's regulations.

THE FOREGOING RIGHTS AND OBLIGATIONS OF EACH HOLDER OF UNSOLD SHARES SHALL SURVIVE THE CLOSING AND SHALL INURE TO THE BENEFIT OF, AND BE BINDING UPON, SUCH HOLDER OF UNSOLD SHARES AND SUCCESSORS AND ASSIGNS (OTHER THAN A BONA FIDE PURCHASER FOR PERSONAL OCCUPANCY BY SUCH BONA FIDE PURCHASER OR MEMBERS OF SUCH BONA FIDE PURCHASER'S FAMILY). THE PROVISIONS OF THIS SECTION SUPERSEDE PROVISIONS OF THE PROPRIETARY LEASE AND BY-LAWS REGARDING THE SUBJECT MATTER HEREOF AND IN THE EVENT OF ANY INCONSISTENCY OR CONFLICT, THE PROVISIONS OF THIS SECTION SHALL GOVERN AND THE COOPERATIVE SHALL BE BOUND THEREBY.

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PURCHASERS FOR INVESTMENT OR RESALE

Pursuant to applicable regulations, a "Purchaser for Investment or Resale" is a Purchaser who purchases shares allocated to three (3) or more Apartments in the Building, which Apartments are not for occupancy by such Purchaser or by persons related by blood, marriage or adoption to such Purchaser. Purchasers for Investment or Resale are not Holders of Unsold Shares under the Plan, and are not bound by the obligations of Sponsor. However, in connection with the sale of such Apartments by a Purchaser for Investment or Resale:

1. A Purchaser for Investment or Resale must register as a broker dealer pursuant to General Business Law 359-e.

2. A Purchaser for Investment or Resale must comply with the trust fund provisions of General Business Law Section 352-h.

3. A Purchaser For Investment or Resale must provide the following documents to a prospective purchaser at no cost to the purchaser, at least three (3) business days before entering into a purchase agreement:

   (a) A copy of the most recent financial statement of the Apartment Corporation, if any;

   (b) A copy of the most recent notice from the Apartment Corporation regarding the interest, and taxes deductible for income tax purposes, if any;

   (c) Copies of notices from the Apartment Corporation concerning changes in Maintenance Charges, potential assessments, planned major capital improvements and proposed refinancing of the building's mortgage(s), if any;

   (d) Copies of pleadings in pending lawsuits or proceedings, the outcome of which may affect the offering of the apartment, the seller's capacity to perform all of its obligations under the purchase agreement or the rights of an existing tenant of the apartment, if any;

   (e) If the apartment is occupied, copy of the tenant's, lease and a representation of the tenant's status under any applicable rent law and status as a senior citizen or eligible handicapped person or eligible senior citizen or eligible disabled person; (However, the latter status is inapplicable to a "Non-Eviction" Plan);

   (f) Copies of the By-Laws and Proprietary Lease of the Apartment Corporation, with any amendments thereto; and

   (g) A copy of any notice of uncured violations of record in the apartment that are the responsibility of the Tenant-Shareholder to cure.

FINANCIAL FEATURES

The basic financial plan of the Apartment Corporation is as follows:

Cash Amount of Offering
(based on the sale of 100,000 Shares) allocated to 290 Apartments*

*The actual cash proceeds from this offering may be significantly greater or less than the amount shown, depending on the actual Cash Price (as defined below) of the Shares (see the Section of the Plan entitled "Changes in Prices and Apartments" for the Sponsor's right to change the offering prices of Apartments).

The proceeds received from the Shares sold under this Plan (which represents the sum of the Purchase Prices of the Apartments and is hereinafter called the "Cash Price") will be used to pay Sponsor the cash portion of the consideration for the assignment of the Ground Lease to the Apartment Corporation.

The Cash Price is subject to the following adjustments:

(a) Increase or reduction, as the case may be, by the net difference in the actual cash received from the sale the Shares; and

(b) The Purchase Price of the Property shall be increased by a sum equal to all monies (including interest, if any) forfeited by defaulting purchasers under their respective Purchase Agreements for the Shares which Sponsor is entitled to, and does, retain as liquidated damages.

Prospective Purchasers are advised that the Ground Lease term will expire on June 17, 2069. On or before the Ground Lease expiration date, the Cooperative Board must either negotiate an extension of the Ground Lease or negotiate a new ground lease with the then-holder of the fee interest in the Property. If the Cooperative Board is unable to negotiate an extension to the Ground Lease or execute a new ground lease, then the leasehold estate will terminate and each Shareholder shall be required to surrender their leasehold cooperative interest and the right to possess and occupy such Shareholder's Apartment. IN ADDITION, AS THE GROUND LEASE TERM RUNS, THE VALUE OF EACH APARTMENT WILL DIMINISH. Therefore, as the Ground Lease term diminishes, obtaining financing, or refinancing will become increasingly difficult. Sponsor makes no guarantee that a Ground Lease extension will be granted or that a new Ground Lease will be executed once the Ground Lease term expires.

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SUMMARY OF PROPRIETARY LEASE

Each Shareholder will be issued a lease known as a Proprietary Lease. The Proprietary Lease gives the Shareholder the right to occupy such Shareholder's Apartment and it sets out the respective responsibilities of Shareholder and the Apartment Corporation. The form of Proprietary Lease contained in full in Part II of this Plan is in substantially the same form that Purchasers will receive by assignment and assumption. Below is a description of some of the rights and obligations of both the Apartment Corporation and Shareholders pursuant to the Proprietary Lease:

Term

The term of the Proprietary Lease, shall commence on each Purchaser's Closing Date and shall expire upon the expiration of the Ground Lease. Sponsor makes no representation or warranty as to Purchaser's ability to remain in occupancy or possession of Purchaser's Apartment upon expiration of the Ground Lease.

Shareholder's Obligation to Pay Maintenance

As a Shareholder, every Shareholder of the Apartment Corporation will be obligated to pay Maintenance for such Shareholder's Apartment as fixed by the Cooperative Board. Shareholders may not pay Maintenance more than one (1) month in advance of its due date.

Maintenance & Repair of Apartments

The Shareholder will be responsible for the cost of maintaining, repairing and replacing interior walls, floors, and ceilings and all appliances, plumbing fixtures, heating fixtures, and other fixtures and equipment, as well as painting and decorating such Shareholder's Apartment. The Apartment Corporation will be responsible for the cost of all other repairs, maintenance and replacements in connection with the Common Areas of the Building, subject to the provisions of the Proprietary Lease.

Alterations

With the exception of Sponsor with respect to the Unsold Apartments and any Holder of Unsold Shares, consent of the Apartment Corporation is required before any structural or non-structural alterations or additions may be made in the Apartment or to its fixtures and equipment (which consent may not be unreasonably withheld). No consent is required for non-structural interior alterations not affecting plumbing, electrical, heating, air conditioning or other Building systems, but the performance of such alterations are subject to reasonable time and manner regulations as may be adopted by the Apartment Corporation.

Terraces

Each Shareholder with a balcony or terrace appurtenant to Shareholder's Apartment shall have the exclusive right to use such balcony or terrace (subject to the Apartment Corporation's right of access to perform any maintenance and repair obligations under the Proprietary Lease), and shall be responsible for normal maintenance and repair to such balcony or terrace, and to any fencing or other enclosure around the balcony or terrace and to any decking, pavers or other surface of the balcony or terrace. Shareholders shall be obligated to keep all drains and gutters on or appurtenant to Shareholder's balcony or terrace free and clear of snow, ice, leaves and other debris, and to prevent any water back-up on the balcony or terrace.

Structural or extraordinary repairs to terraces shall be undertaken by the Apartment Corporation, the cost of which shall be paid by all Shareholders as a Maintenance Expense. Shareholders shall not install any structures or perform any construction on the balcony or terrace. Shareholders shall be subject to all use restrictions imposed by the Apartment Corporation with respect to or terraces, including, without limitation, restrictions on the type of materials for fencing and decking, maintenance and repair obligations for such fencing and decking, planting, furniture, plant containers, watering, barbecuing, alterations, laundry, play equipment, etc. Pursuant to the Proprietary Lease, the Apartment Corporation has certain obligations with respect to the roof and terraces, and the Apartment Corporation and its agents shall have a right of access to the roof, terraces for the repair and maintenance.

Subletting

With the exception of Sponsor with respect to Unsold Apartments and any Holder of Unsold Shares, Shareholders may sublease for a term of not less than, nor more than, twelve (12) months. However, the subleasing of a Shareholder's Apartment is subject to the Cooperative Board's right of first refusal. Any sublease which the Shareholder proposes to enter into shall be consistent with the terms of the Proprietary Lease, and may not be modified, amended, or extended without complying with the right of first refusal provisions in Article 16 of the Proprietary Lease in each instance. The Board, if permitted by applicable law and in accordance with Section 16.6 (iv) of the Proprietary Lease, shall have the power to terminate such sublease and/or to bring summary proceedings to evict any subtenant in the name of the Shareholder, in the event of default by the subtenant in the performance of such sublease.

Assignment

Subject to the Board's right of first refusal, each Shareholder may assign the Proprietary Lease and transfer the Shares to which it is appurtenant or any interest therein. Any purported assignment that does not comply with the terms of Article 16 of the Proprietary Lease shall be voidable at the sole election of the Board, and, if the Board shall so elect, the transferring Shareholder shall be deemed to have authorized and empowered the Board to institute legal proceedings to eject the purported purchaser in the name of such Shareholder. Such Shareholder shall reimburse the Apartment Corporation for all costs and expenses paid or incurred in connection with such proceedings, including, without limitation, reasonable attorneys' fees and disbursements and court costs. The foregoing shall not apply to Sponsor with respect to Unsold Shares or any Holder of Unsold Shares

Right of First Refusal

Shareholders shall have the right to re-sell the Shares allocated to such Shareholders' Apartment and assign the Proprietary Lease appurtenant thereto in compliance with the Proprietary Lease and the Apartment Corporation's By-Laws. Promptly after executing any contract to sell or sublease the Apartment to which Shares are allocated ("Sales Agreement" or "Sublease"), the Shareholder executing the contract ("Offeree Shareholder") must send notice thereof to the Cooperative Board by certified or registered mail, return receipt requested, which notice shall be accompanied by the fully executed, original counterpart of the Sales Agreement or Sublease, containing all of the terms offered in good faith by the prospective purchaser ("Outside Offeror"). Thereafter, upon the written demand of the Directors, the Offeree Shareholder shall submit to the Apartment Corporation, in writing, such further information with respect to the Outside Offeror and the Sales Agreement or Sublease as the Directors may reasonably request.

The sending of such notice above shall constitute an offer by the Offeree Shareholder to sell or sublease the Apartment (as the case may be). The Directors may elect, by sending written notice to the Offeree Shareholder by certified or registered mail not later than thirty (30) days after receipt of the notice, to purchase or sublease (as applicable) the Apartment upon the same terms and conditions as were contained

in the Sales Agreement or Sublease. Notwithstanding anything to the contrary contained herein, however, the Directors shall not exercise any option to purchase or sublease (as applicable) any Apartment without the prior approval of Shareholders owning at least fifty-one (51%) percent of Cooperative's Shares then issued and outstanding. The Offeree Shareholder shall have the right to vote in any vote conducted for the purpose of determining whether the Directors shall exercise its right to purchase or sublease the Offeree Shareholder's Apartment.

In the event that the Directors shall elect to purchase or sublease (as applicable) the Apartment, a Purchase Agreement or a sublease shall be executed in accordance with the terms of the Sales Agreement or Sublease, at the office of the attorneys for the Apartment Corporation within forty-five (45) days after the day upon which the Directors shall give notice of its election to accept such offer.

In the event that the Directors shall fail to accept an offer, the Offeree Shareholder shall be free to consummate the transaction embodied in the Sales Agreement or Sublease within sixty (60) days after (i) notice of refusal is sent to the Offeree Shareholder by the Directors or (ii) the expiration of the period within which the Directors might have accepted such offer. If the Offeree Shareholder shall fail to consummate the transaction embodied in the Sales Agreement or Sublease within such sixty (60) day period, then, should the Offeree Shareholder thereafter elect to sell or sublease the Apartment, the Offeree Shareholder shall be required again to comply with all of the terms and provisions of this paragraph, but not more often than once in any twelve (12) month period, except the Directors shall have the right to waive this for good cause shown, in their sole discretion.

The Directors may not discriminate against any person on the basis of race, creed, color, national origin, sex, sexual orientation, age, disability, marital status or other grounds prohibited by Law in connection with its exercise of its right of first refusal with respect to the sale or sublease of a Apartment.

The foregoing restrictions upon the sale and sublease of Shares allocated to Apartments will not apply to Sponsor, or any Holder of Unsold Shares, with respect to any Unsold Shares allocated to Apartments, or to Shares allocated to Apartments acquired by a Purchaser's Lender in foreclosure, each of which will be free to sell or sublease their respective Apartments without first offering to sell or sub-lease to the Cooperative Board.

Transfer Fees

Upon sale or sublease of Shares allocated to an Apartment, the Apartment Corporation does not require a Shareholder to pay any fees, taxes, "flip taxes" in connection with such sale or sublease. However, the Apartment Corporation shall impose fees to be paid to the Managing Agent for services performed by the Managing Agent in connection with such sale or sublease. In addition, the Apartment Corporation may not prevent a Shareholder from showing such Shareholder's Apartment and the public access areas of the Building to prospective assignees or subtenants.

Casualty Loss

Subject to the provisions concerning casualty contained in the Ground Lease, in the event of a fire or other casualty damage, the Apartment Corporation shall repair such damage to the Building using insurance proceeds or other funds. In the event of fire or other casualty damage, all insurance proceeds to which the Apartment Corporation is entitled shall be dedicated to repair or restoration of the damage. In the event that (i) the Building is totally destroyed, or (ii) the Building is so damaged that it cannot be repaired within a reasonable time, or (iii) the destruction or damage was not covered under the insurance policy then in effect, and if Shareholders owning at least 66-2/3% of the outstanding Shares of the Apartment

Corporation shall vote not to repair, restore or rebuild, then the Apartment Corporation may terminate all Proprietary Leases.

Termination

Shareholders may cancel the Proprietary Lease and surrender the Shares allocated to the Apartment Corporation (without receiving any compensation) on any December 31st after the third anniversary of the Cooperative Conversion Date, provided that written notice to the Apartment Corporation is given no later than July 1st of the year of cancellation. If a Shareholder elects to terminate, such Shareholder, upon vacating Shareholder's Apartment, will have no liability for the payment of Maintenance Charges after the effective date of cancellation, but will remain liable for any indebtedness owing prior to such effective date of cancellation. However, a party designated as a Holder of Unsold Shares may not cancel a Proprietary Lease unless (i) the owners of a majority of all outstanding Shares of the Apartment Corporation have given notice of intent to cancel their Proprietary Leases, or (ii) the Shares then being offered under the Offering Plan constitute fifteen percent (15%) or less of the outstanding Shares of the Apartment Corporation, and (iii) at least five (5) years have elapsed since the Cooperative Conversion Date, and on the effective date of cancellation, the Holder of Unsold Shares surrendering Shares under this Plan shall pay to the Apartment Corporation a sum equal to the product of the then current monthly Maintenance Charges for the Apartment or Apartments being surrendered multiplied by twenty-four (24).

Events of Default

On the happening of any of the following events of default, the Apartment Corporation may terminate the Proprietary Lease to an Apartment:

(i) The Proprietary Lease and appurtenant Shares are not owned by the same person;

(ii) Certain acts of bankruptcy or insolvency of the Shareholder (as described in the Proprietary Lease);

(iii) An assignment of the Proprietary Lease or subletting of the Apartment without compliance with its terms, or an unauthorized occupancy of the Apartment after notice and failure to cure within ten (10) days after notice;

(iv) Failure for one month to pay Rent (as defined in the Proprietary Lease) or other charges that is not cured within ten (10) days after notice;

(v) The affirmative vote of at least 66-2/3% of the then issued and outstanding Shares that the Shareholder has engaged in objectionable conduct;

(vi) The default by Shareholder of the terms of any loan secured by a pledge of the Ground Lease and Shares;

(vii) If 66-2/3% of the then issued and outstanding Shares shall affirmatively vote to terminate all Proprietary Leases;

(viii) If the Building shall be destroyed or damaged and the Shareholders shall decide not to repair or rebuild as more fully provided in the Proprietary Lease;

(ix) If the Building or a substantial portion thereof shall be taken by condemnation proceedings; or

(x) If the Shareholder shall fail to perform any other covenant of the Proprietary Lease and such failure shall not be cured within thirty (30) days after notice;

(xi) Upon termination or expiration of the Ground Lease.

Reference should be made to Paragraph 38 of the Proprietary Lease as to conditions (other than a default under the Proprietary Lease) under which the same may be terminated by the Apartment Corporation.

Upon the occurrence of such default that is uncured within the applicable grace period, if any, the Apartment Corporation may take possession of the Apartment and, at its option, relet same for the account of the defaulting Shareholder. Notwithstanding such reletting or termination, the Shareholder will continue to be liable for the payment of rent (i.e. Maintenance Charges) until his or her Apartment is sold; and if the proceeds of such sale are insufficient to liquidate the indebtedness owing to the Apartment Corporation, the Shareholder will remain liable for such deficiency. Any surplus will be paid over to the Shareholder after first paying out of the same all liens on such Shareholder's stock or Apartment (of which the Apartment Corporation has notice), in the order of priority of such liens.

Recognition & Pledge Agreements

The Proprietary Lease and appurtenant Shares may be pledged to a bank or other recognized lending institution in accordance with the terms of the Proprietary Lease, and the Apartment Corporation may enter into a Recognition Agreement with such lender, pursuant to which it may notify said lender of any default by the Shareholder under the Proprietary Lease, and the lender will have an additional period of time equal to the time originally given to the Shareholder within which to cure said default. If the Shareholder defaults under the loan, the Apartment Corporation will, on notice from the lender, transfer the Proprietary Lease and Shares of the defaulting Shareholder to the individual produced by the lender, provided that the lender shall have first paid all Maintenance Charges and other arrears due from the defaulting Shareholder.

The Proprietary Lease contains no restriction on the size of a loan to a Shareholder which may secured by a pledge of the Shares and Proprietary Lease. However, the Cooperative Board may from time to time establish a policy limiting the amount that may be borrowed by Shareholders.

It is noted that if a Purchaser has obtained financing, his or her right to surrender possession of the Apartment pursuant to the Proprietary Lease may be subject to any restrictions in the Security Agreement made with the lender, which normally would prohibit the Purchaser from exercising these rights while the loan is outstanding, or any Recognition Agreement entered into by Purchaser, Lender, and the Apartment Corporation.

Certain Rights of the Apartment Corporation

In accordance with General Business Law Section 352-l, the Apartment Corporation has the right to direct that the tenant of an Apartment owned by a "non-occupying" Shareholder pay rent directly to the Apartment Corporation instead of to the Shareholder, if the Shareholder defaults in payment of Maintenance and/or assessments and/or late fees for more than sixty (60) days.

Installations

On the Cooperative Conversion Date, Sponsor may reserve the right to (a) to install, utilize, operate, maintain, repair, alter, rebuild, restore and replace satellite dishes, cell phone towers, antennae and similar equipment (collectively, the "Installations") on the roof and façade of the Building and to retain any and all income derived therefrom, (b) to enter upon any Apartment or elsewhere on the Property to install, utilize, operate, maintain, repair, alter, rebuild, restore and replace the Installations as may be necessary or appropriate, and (c) to grant such rights to do any of the foregoing to its designees, assignees and licensees. The Apartment Corporation shall not be entitled to any portion of fees, compensation or other profits received by Sponsor, its designees, assignees or licensees for the use of the Installations. Any and all Installations placed upon the roof and the façade of the Building by Sponsor, its designees, assignees or licensees shall be the exclusive property of Sponsor, its designees, assignees or licensees and neither the Apartment Corporation nor any Shareholder or occupant shall have any rights with respect thereto. Notwithstanding the foregoing, access to an Apartment in furtherance of the Installations and the rights reserved thereby with respect thereto shall be exercised in a manner so as to not unreasonably interfere with the use of the Apartments for their permitted purposes. Such entry shall be permitted on not less than one day's notice, except that no notice is necessary in the case of an emergency."

Amendments to Proprietary Lease

The terms of the Proprietary Lease may be amended only by the approval of Shareholders owning at least 66 2/3% of the Apartment Corporation's outstanding Shares. Such changes shall be binding on all Shareholders even if they did not vote for such changes except that the proportionate share of rent or cash requirements payable by such Shareholder may not be increased.

Subordination to the Ground Lease

The Proprietary Lease is subject and subordinate to the Ground Lease. This means that any requirements contained in the Ground Lease which are not expressly stated in the Proprietary Lease will nevertheless be binding on Shareholders. Prospective Purchasers are referred to the section of this Plan entitled "Summary of Ground Lease" for a description of the requirements contained therein, and to the copy of the Ground Lease contained in Part II of this Plan.

THE FOREGOING DOES NOT PURPORT TO BE A COMPLETE SUMMARY OF THE ENTIRE PROPRIETARY LEASE. PURCHASER AND SUCH PURCHASER'S ATTORNEY SHOULD CAREFULLY REVIEW THE FORM OF PROPRIETARY LEASE WHICH IS INCLUDED IN PART II OF THIS PLAN.

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PAYMENT IN LIEU OF TAXES (PILOT)

Pursuant to the Ground Lease, Tenant is obligated to pay to Landlord an annual sum, payable in equal semi-annual installments, which is referred to in the Ground Lease as a "Payment in Lieu of Taxes" or "PILOT." PILOT payments will be made by the Cooperative Board directly to the Landlord in lieu of real estate tax payments being made to the New York City Department of Finance.

Since PILOT is part of the Rent, the Board will be responsible for insuring that the semi-annual payments are made to BPCA timely. Under the terms of the By-Laws, the PILOT payment shall be collected by the Board from Shareholders through the Shareholders' payment of Maintenance Charges, which will be allocated among all Shareholders in proportion to each Apartment's Common Interest. In the event that any Shareholders do not pay their Maintenance Charges (including PILOT), the Board has the authority to impose a Special Assessment to raise the funds required to make the PILOT payments. The Cooperative Board, on behalf of the Shareholders, will have the right to place a lien on each Apartment, including Apartments to which Unsold Shares have been allocated owned by Sponsor, for unpaid Maintenance Charges (including PILOT) assessed by the Cooperative Board.

Based on the PILOT projection opinion prepared by Metropolitan Valuation Services, Inc. dated December 21, 2020, the First Year of Apartment Corporation Operation commencing January 1, 2022, it is estimated that the aggregate PILOT, with the Partial PILOT Exemption, payable with respect to the Property for the First Year of Apartment Corporation Operation will be approximately (i) $5,797,903.00 assuming a transitional assessed valuation for the Property of $46,331,330.00 at a tax rate of 12.514% for the 2022/2023 tax year. The Ground Lease provides for a partial PILOT exemption program that is similar to Section 421-a of the New York State Real Property Tax Law (the "Partial PILOT Exemption"). The scheduled Partial PILOT Exemption, pursuant to the terms of the Ground Lease, is twenty (20%) percent for each tax year. Purchasers are advised to read Sponsor's PILOT Consultant's entire PILOT analysis which is located in Part I of this Plan, for details about the projected PILOT assessments, both with and without the Partial PILOT Exemption.

SPONSOR MAKES NO REPRESENTATION THAT THE ASSESSED VALUE OF THE PROPERTY, THE ESTIMATED ALLOCATIONS, OR THE TAX RATE PROJECTED IN THE SCHECHTER ANALYSIS WILL BE IMPOSED BY THE NEW YOUR CITY DEPARTMENT OF FINANCE. IT IS THEREFORE POSSIBLE THAT OWNERS OF APARTMENTS HAVING THE SAME SHARE ALLOCATION WILL PAY DIFFERENT AMOUNTS OF PILOT.

No representation or warranty can be made as to (a) whether there will be (i) a further increase in the actual valuation of the Property during the projected budget year or (ii) an increase in the assessed valuation of the Property by reason of the Cooperative Conversion or otherwise, or (b) the method of determining the assessed valuation (whether on a rent roll, market or other basis) or (c) the amount of any increase in the assessed valuation of the Property.

Purchasers should note that in the absence of the Partial PILOT Exemption, if the assessed valuation of the Property for real estate tax purposes is increased at any time as result of improvements to the Property or for any other reason, then greater amounts of PILOT than is shown in the Schechter assessed valuation analysis may be due with respect to the Property.

PILOT paid by Sponsor during the tax year in which the First Closing occurs is one of the items to be adjusted between Sponsor and each Purchaser at the Closing of each Apartment. See the Section entitled "Closing Costs and Adjustments" in Part I of this Plan for further discussion.

Since PILOT constitutes a portion of the Rent due under the Ground Lease, PILOT payments will be made directly to the Landlord by the Cooperative Board in lieu of real estate tax payments being made to the New York City Department of Finance. Sponsor makes no projection or other representation about the PILOT that will be imposed on the Apartments beyond the First Year of Apartment Corporation Operation. **PURCHASERS ARE ADVISED THAT AFTER THE EXPIRATION OF THE PARTIAL PILOT EXEMPTION IN 2024, AND THEREAFTER, THE PILOT WILL BE HIGHER THAN THE PROJECTED PILOT THAT IS DISCLOSED IN THE ANALYSIS BY METROPOLITAN VALUATION SERVICES, INC. ("SPONSOR'S PILOT CONSULTANT") FOR THE FIRST YEAR OF APARTMENT CORPORATION OPERATION.**

The By-Laws provide that the Board is entitled to execute and deliver documents necessary in connection with proceedings to obtain reduced real estate tax assessments with respect Shareholders, for the benefit and on behalf of (i) all Shareholders, or (ii) for individual Shareholders, provided that each such Shareholder indemnifies the Board from and against all claims, costs and expenses (including, without limitation, reasonable attorneys' fees) resulting from such proceedings. Under the terms of the Ground Lease, Tenant shall have the right to enter into proceedings to obtain reduced real estate tax assessments. However, the Ground Lease provides that, with limited exception, no such action or proceeding shall affect Tenant's obligation to pay PILOT.

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.

METROPOLITAN VALUATION SERVICES, INC. IS PILOT CONSULTANT TO SPONSOR. ALL PURCHASERS ARE HEREBY INFORMED THAT (I) ESTIMATES CONTAINED IN THE PLAN AND/OR THE PILOT OPINION LETTER ARE APPROXIMATIONS DERIVED FROM MATERIAL SUBMITTED BY SPONSOR AND ARE SUBJECT TO VARIATION. METROPOLITAN VALUATION SERVICES, INC. OFFERS NO WARRANTIES ON PILOT ASSESSMENTS, TAX CLASSIFICATIONS, TAXES OR TAX RATE FOR ANY PERIOD. ALL PURCHASERS ARE ADVISED THAT, ALTHOUGH THE ESTIMATES OF ASSESSED VALUATION UPON CONVERSION TO COOPERATIVE STATUS ARE GOOD FAITH ESTIMATES, SUCH ASSESSED VALUATIONS WHEN MADE MAY BE LESSER OR GREATER THAN AS ESTIMATED IN THE PLAN AND/OR PILOT OPNION LETTER.

SPECIAL TAX CONSEQUENCES OF CONTRACT OF EXCHANGE

The assignment of the Ground Lease to the Apartment Corporation has been structured to meet the requirements of Section 351 of the Internal Revenue Code ("IRC"). Pursuant to Section 351, property may be transferred to a controlled corporation in exchange for its stock, with gain being recognized by the transferor of the property only to the extent of any additional consideration, i.e., (a) cash or other property received by such transferor on the exchange, or (b) any excess liability to which the property is subject over the adjusted basis of the property to the transferor.

Sponsor is taking the position that the assignment of the Ground Lease to the Apartment Corporation qualifies as a transfer to a controlled corporation under IRC Section 351. The Apartment Corporation's basis for the Ground Lease will be the same basis as that of Sponsor at the time of the transfer, increased as provided in IRC Section 362 by any gain recognized by Sponsor in connection with such transfer, which gain cannot be estimated at this time.

If this Plan had been structured as a "sale" transaction under which the Apartment Corporation would purchase the Ground Lease from the Sponsor, then the Apartment Corporation's basis for depreciation would equal the purchase price of the Ground Lease paid to the Sponsor (plus certain acquisition costs). In a "sale" transaction, the price would equal the sum of (i) the net proceeds realized from the sale of Shares, (ii) the fair market value of the Unsold Shares and (iii) the mortgage indebtedness (if any) encumbering the Ground Lease.

If the transfer of the Ground Lease to the Apartment Corporation does, in fact, qualify as a Section 351 "Exchange", the Apartment Corporation's basis is lower than the basis it would otherwise obtain in a "sale" transaction and (i) the Apartment Corporation will have lower available depreciation deductions, and (ii) the Apartment Corporation will have a potentially greater tax liability in the event the Ground Lease is ever sold by the Apartment Corporation either voluntarily or involuntarily through a foreclosure of a mortgage, a condemnation, a substantial casualty or the like. In addition, a Shareholder who uses such Shareholder's Apartment in a trade or business may have lower depreciation deductions under IRC Section 216(c). The lower basis does not affect the tax treatment of a Shareholder upon a sale of such Shareholder's Shares unless said Shareholder has utilized the Apartment in a trade or business and claimed depreciation in regard thereto under IRC Section 216(c).

The Apartment Corporation's basis in the Ground Lease (whether determined under the sale rules or the Section 351/362 rules) will be reduced to the extent of the depreciation taken each year. It is possible that the amount of depreciation will exceed the amortization of any future leasehold mortgages. The amount by which the unpaid principal balance of the mortgage indebtedness exceeds the Apartment Corporation's basis would be of no consequence to the Apartment Corporation or its Shareholders unless the Ground Lease is sold. Under present tax laws, upon a sale of the Ground Lease, the Apartment Corporation would recognize gain at least equal to the extent of the amount by which the unpaid principal balance of the mortgage indebtedness exceeds the Apartment Corporation's basis irrespective of whether any cash is received on the sale. Subject to the two exceptions mentioned above, the Apartment Corporation would be required to pay corporate income taxes on such gain, which would reduce the net proceeds available for distribution to its Shareholders. The Shareholders of the Apartment Corporation would have no personal liability to pay such taxes.

INCOME TAX OPINION LETTER

1325 AVENUE OF THE AMERICAS ▪ NEW YORK, NEW YORK 10019
TELEPHONE: 212.451.2300 ▪ FACSIMILE: 212.451.2222

March 31, 2021

River Terrace Associates, LLC
1050 Franklin Avenue
Garden City, New York 11530

Re: 20 River Terrace Apartment Corporation (the "Apartment Corporation")

Gentlemen:

The 20 River Terrace Apartment Corporation (the "Apartment Corporation") will be organized under the laws of the State of New York, as described in the offering plan (the "Plan") to convert the leasehold estate and the building located at 20 River Terrace (the "Building") to cooperative ownership. You have requested our opinion as to (i) whether the Apartment Corporation will qualify as a cooperative housing corporation for federal, New York State, and New York City income tax purposes after consummation of the Plan, and (ii) whether the Shareholders of the Apartment Corporation will be entitled to deduct for Federal, New York State and New York City income tax purposes their proportionate share of the real estate taxes and mortgage interest paid by the Apartment Corporation. In this regard, you have advised us that, pursuant to the ground lease between the Hugh L. Carey Battery Park City Authority and the Sponsor ("River Terrace Ground Lease"), the tenant (which upon the Cooperative Conversion Date will be the Apartment Corporation) is required to make payments in lieu of real estate taxes. Any capitalized term in this opinion letter not defined herein shall have the same meaning as in the Plan.

To qualify as a cooperative housing corporation under Section 216(b)(1) of the Internal Revenue Code of 1986, as amended (the "Code"), the Apartment Corporation must satisfy each of the following four requirements:

1. The Apartment Corporation must have one and only one class of stock outstanding.

2. Each tenant-stockholder of the Apartment Corporation must be entitled, solely by reason of his or her ownership of shares, to occupy for dwelling purposes a cooperative apartment in the Building.

3. No tenant-stockholder of the Apartment Corporation may be entitled, either conditionally or unconditionally, to receive any distribution not out of earnings and profits of the Apartment Corporation except on complete or partial liquidation of the Apartment Corporation.

4. For the taxable year in which its tenant-stockholders wish to deduct interest or real estate taxes, the Apartment Corporation must meet one of the following tests (the "Annual Tests"):

(a) Eighty percent (80%) or more of the Apartment Corporation's gross income for the taxable year must be derived from "tenant-stockholders" (the "80% Test"). In order to meet the 80% Test, at least eighty percent (80%) of the Apartment Corporation's gross income must be derived from tenant-stockholders. Qualifying income includes regular maintenance charges paid to the Apartment Corporation by tenant-stockholders as well as charges paid by tenant-stockholders for storage spaces. Gross income from other sources, including interest on reserve funds, do not constitute qualifying income.

(b) At all times during such taxable year, eighty percent (80%) or more of the total square footage of the Apartment Corporation's property must be used or available for use by the tenant-stockholders for residential purposes or purposes ancillary to such residential use.

(c) Ninety percent (90%) or more of the expenditures of the Apartment Corporation paid or incurred during such taxable year must be paid or incurred for the acquisition, construction, management, maintenance, or care of the Apartment Corporation's property for the benefit of the tenant-stockholders.

The Code generally defines a "tenant-stockholder" as a person who is a stockholder in a cooperative housing corporation and whose stock is fully paid up in a specified amount. This amount is "an amount not less than an amount bearing a reasonable relationship to the portion of the value of the Apartment Corporation's equity in the apartment and the land on which it is situated which is attributable to the cooperative apartment which such person is entitled to occupy."

Stock will be fully paid up if it is paid for, in full in cash, at the closing. However, the amount paid for the stock must meet the "reasonable relationship" test described above. Whether or not such test is met is a question of fact.

In order to obtain a measure of assurance that the reasonable relationship test is met, the Sponsor has retained Roseterra Management to provide an opinion with respect to the Shares to be sold. The Sponsor has advised us that Roseterra Management is a licensed real estate broker. Roseterra Management has advised that it will issue an opinion stating that, as of the date of the opinion letter and based on the prices and share allocation in Schedule A of the Offering Plan, (i) the distribution of shares of the Apartment Corporation shown in Schedule A is reasonable and equitable, (ii) the cash purchase price for each block of shares allocated to each Apartment as shown on Schedule A, and value of each such block of shares, are not less than an amount that bears a reasonable relationship to the portion of the fair market value of the Apartment Corporation's equity in the Leasehold estate and Building attributable to each such Apartment and (iii) the contribution by Sponsor to the capital of the Apartment Corporation and the value of the shares that Sponsor owns are each not less than an amount that bears a reasonable relationship to the portion of the fair market value of the Apartment Corporation's equity in the Leasehold estate and Building attributable to the Apartment to which such shares are allocated. The Sponsor has agreed that the share allocation for Shares allocable to a Cooperative Apartment will be changed only if, in the opinion of Roseterra Management (or other qualified real estate expert), the new price bears such reasonable relationship.

Our opinion is based, in part, on the assumption that purchasers of Shares will meet the tenant-stockholder requirements described above. If the above requirements are not met by a purchaser, such purchaser will not qualify as a tenant-stockholder.

We have reviewed the (i) Plan, (ii) the proposed Certificate of Incorporation, By-Laws of the Corporation, and the form of Proprietary Lease, all of which are exhibits to the Plan and (iii) the proposed contracts under which the Apartment Corporation will acquire the River Terrace Ground Lease (either the "Contract of Sale" or "Contract of Exchange"). The Apartment Corporation's Certificate of Incorporation and By-Laws shall provide that the Apartment Corporation is authorized to issue only one class of stock, that each stockholder of the Apartment Corporation, solely by reason of his ownership of shares of stock of the Apartment Corporation, is entitled to occupy for dwelling purposes an Apartment and that no stockholder is entitled, either conditionally or unconditionally, to receive any distribution not out of earnings and profits of the Apartment Corporation, except upon complete or partial liquidation of the Apartment Corporation. If no action inconsistent with these provisions is taken by the Apartment Corporation or its stockholders, the requirements described in paragraphs numbered 1, 2, and 3 above will be met.

Based upon the foregoing and the documents referred to above, and assuming the Plan is consummated in accordance with its terms and that the agreement of the Sponsor with respect to the price of shares will be fulfilled, but without making any warranty with respect to the facts stated in the Plan or the expertise or opinion of Roseterra Management, it is our opinion that in any taxable year in which one of the Annual Tests (set forth in Paragraph 4) is met and the other conditions described in the paragraphs numbered 1, 2, and 3 above continue to be satisfied:

1. The Apartment Corporation will qualify as a cooperative housing corporation for such year within the meaning of Code Section 216(b)(1).

2. Subject to limitations of deduction of interest discussed below, each qualifying Shareholder will be entitled to deduct for Federal, New York State and New York City income tax purposes amounts paid or accrued to the Apartment Corporation within the taxable year, to the extent such amounts represent his or her proportionate share of interest allowable as a deduction to the Apartment Corporation paid or incurred by the Apartment Corporation on its indebtedness contracted in the acquisition, construction, alteration, rehabilitation, or maintenance of the Apartments, and in the acquisition of the leasehold estate constituting part of the Apartments, in each case to the extent that such Shareholder has paid during his or her taxable year to the Apartment Corporation an amount equal to such proportionate share of interest.

3. Subject to the limitations discussed in the following paragraph, interest on a loan secured by Shares paid or accrued by a Shareholder who is liable for the interest payment on such loan will be deductible for Federal income tax purposes in the appropriate year according to his method of accounting. In rendering this opinion, we assume that such interest is not prepaid, that the loan proceeds were used by the Shareholder to purchase the Cooperative Apartment, and that the Shareholder using the Cooperative Apartment is an individual.

In rendering this opinion, we further assume that the Shareholder will use his or her Cooperative Apartment exclusively for residential purposes and as his or her principal residence,

and that the amounts paid to the Apartment Corporation are not prepayments. It should be noted that Shareholders generally must itemize their income tax deductions to obtain any tax benefits from their ownership of stock in the Apartment Corporation.

Residential interest is deductible if paid or accrued during the taxable year on indebtedness which is secured by either the taxpayer's principal residence, as defined for purposes of exclusion of gain on sale under 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 Shares attributable to a Cooperative Apartment, this ceiling is $750,000, or $375,000 in the case of a married individual filing a separate return for taxable years beginning after December 31, 2017 and before January 1, 2026.[1] However, special limitations may apply to the deductibility of points and prepaid interest if any.

4. You have asked us whether a Shareholder will be able to deduct "Payment in Lieu of Taxes" or "PILOT" to the extent that such Shareholder has paid during his or her taxable year to the Apartment Corporation, an amount equal to his proportionate share of such PILOT.

In the case of the Apartment Corporation, the Apartment Corporation is obligated to pay to the Battery Park City Authority ("BPCA") an annual sum equal to the real property taxes assessed against the Building or any portion thereof that would be payable but for the property's tax exempt status, payable in equal semi-annual installments, which is referred to in the River Terrace Ground Lease as a "Payment in Lieu of Taxes" or "PILOT." In the event that Tenant is unable to estimate the PILOT for the coming tax year due to the failure of the City of New York to set a tax rate, Tenant shall pay, as estimated PILOT, an amount equal to the amount payable in the second half of the preceding tax year. In the event that the PILOT estimate exceeds the PILOT that would have been due had the City of New York imposed a tax rate, such overpayment will be credited to the Tenant. However, in the event that the estimated PILOT is less than the PILOT as determined pursuant to the final tax rate, the Shareholders shall be responsible for the payment of the balance in accordance with their allocable shares. Such PILOT payments are, and will be, partially exempted until June 30, 2024.

The PILOT is payable in lieu of real estate taxes, in the manner provided for in the regular taxing statutes, whether for subsidized (where the taxes are payable on a shelter rent basis) or conventionally financed properties, in order to provide revenue to the Hugh L. Carey Battery Park City Authority ("HLCBPCA"), a public benefit corporation of the State of New York for an expressed public purpose. This is evident from the definition of PILOT which describes a formula

[1] Without further Congressional action, the $750,000 and $375,000 threshold limitations will expire pursuant to a sunset provision contained in the 2017 Tax Cuts and Jobs Act. Accordingly, the $750,000 and $375,000 threshold limitations will be increased to $1,000,000 and $500,000 respectively for taxable years commencing on or after January 1, 2026. The deduction for interest payable on certain home equity indebtedness was repealed pursuant to the 2017 Tax Cuts and Jobs Act. However, as a result of a similar sunset provision contained in the 2017 Tax Cuts and Jobs Act, for taxable years commencing on or after January 1, 2026 (assuming no further Congressional action), an individual may again deduct interest on an additional $100,000 of home equity indebtedness in excess of the threshold limitations mentioned above (or $50,000 of home equity indebtedness in excess of the threshold limitations in the case of a married individual filing a separate return).

that mirrors the computation of traditional New York City real estate taxes. The PILOT payments are measured by and are equal to the amounts imposed by the regular taxing statutes. Since HLCBPCA, is a subsidiary or unit of the State of New York, payments made directly to the HLCBPCA would be deemed part of New York State's general revenue fund, and they would be designated for a public purpose rather than for some privilege, service, or regulatory function, or for some other local benefit tending to increase the value of the property upon which the payments are made.

Code Section 164 allows as a deduction the state, local and foreign real property taxes paid or accrued in the taxable year. Treas. Reg. Section 1.164-3(b) defines real property taxes as taxes imposed on interests in real property that are levied for the general public welfare. Treas. Reg. Sections 1.164-2(g) and 1.164-4 provide that assessments for local benefits are not treated as real property taxes.

Whether a particular charge is a "tax" within the meaning of Code Section 164 depends on its true nature as determined under Federal law. The designation given by local law is not determinative. A charge will constitute a tax if it is an enforced contribution, exacted pursuant to legislative authority in the exercise of taxing power, and imposed and collected for the purpose of raising revenues to be used for public or governmental purposes. *See* Rev. Rul. 71-49, 1971-1 C.B. 103; Rev. Rul. 61-152, 1961-2 C.B. 42.

Code Section 216 provides that a tenant-stockholder in a cooperative housing corporation ("CHC") shall be allowed a deduction for amounts paid or accrued to the CHC within his taxable year representing his proportionate share of real estate taxes paid or incurred by the CHC. To be proportionately deductible by the tenant-stockholders, such taxes must be allowable as a deduction to the CHC under Section 164 of the Code.

Section 164(a)(1) of the Code provides that "except as otherwise provided in this Section, state, local and foreign real property taxes shall be allowed as a deduction for the taxable year within which paid or accrued". Treas. Reg. Section 1.164-3 defines real property taxes to mean taxes imposed on interests in real property that are levied for the general public welfare.

Whether a particular charge falls into the category of a tax depends upon its real nature. If it is in the nature of a tax, it is not material that it is called by a different name.

The word "taxes" as used in the statute is nowhere defined in the Code, and it must be "given its ordinary and commonly accepted meaning as established by judicial decisions." *See* United Gas Improvement Company v. Commissioner, 25 B.T.A. 1382 (1932), *aff'd*. 64 Fed. 2d 957 (1933), Ct. D. 733, C.B. XII-2, 207 (1933). A tax has been defined as an enforced contribution, exacted pursuant to legislative authority in the exercise of the taxing power, and imposed and collected for the purpose of raising revenue to be used for public or governmental purposes. Revenue Ruling 61-152, 1961-2, CB 42.

Rev. Rul. 71-49, 1971-1 CB 103, involved tax equivalency payments to the New York City Educational Construction Fund, a public benefit corporation, by a cooperative housing corporation. The payments were applied to debt service on obligations funding public school

construction. The ruling holds that the cooperative housing corporation may deduct the payments as real property taxes under section 164 of the Code because: (1) The payments are measured by and are equal to the amounts imposed by the regular taxing statutes, (2) the payments are imposed by a specific state statute (even though the vehicle of a lease agreement is used), and the (3) the proceeds are designated for a public purpose rather than for some privilege, service, regulatory function, or for some other local benefit tending to increase the value of the property. Accordingly, each tenant-stockholder of the cooperative housing corporation was able to deduct the payments in the amount of the stockholder's proportionate share.

The PILOT obligations in this case satisfy the three-prong test of Rev. Rul 71-49 because they: (1) are imposed at the same general rate at which New York real property taxes are imposed; (2) are imposed pursuant to the New York Public Authorities Law; and (3) the proceeds may only be used for public purposes.

Normally, a cooperative housing corporation which owns its building and the land on which it is situate, may deduct its real estate taxes as taxes under Code Section 164. However, in this case, the Apartment Corporation will not own the land but will lease the land from the Hugh L. Carey Battery Park City Authority, pursuant to the River Terrace Ground Lease. The River Terrace Ground Lease will expire in the year 2069.

In Rev. Rul. 62-178, 1962-2 C.B. 91, the Internal Revenue Service held that a cooperative housing corporation which leases land and constructs thereon at its own expense a cooperative apartment building with an estimated useful life substantially shorter than the term of the ground lease may deduct under Code Section 164, real estate taxes it pays or incurs with respect to the building pursuant to the terms of the ground lease, even though legal title to the building is vested in the lessor of the land. Here, even though the Apartment Corporation did not construct the Building, the Apartment Corporation succeeded to the rights as tenant under the River Terrace Ground Lease and therefore should be treated as if it constructed the Building. Therefore, the provisions of Rev. Rul. 62-178 should apply to the Apartment Corporation, as if it constructed the Building.

Pursuant to an opinion letter from Thornton Tomasetti, the building has a useful life of approximately 40 years, which is less than remaining term of the River Terrace Ground Lease. Therefore, since the term of the River Terrace Ground Lease is substantially in excess of the useful life of the Building and the landlord will not receive any benefit from the Building during the term of the River Terrace Ground Lease, pursuant to the terms of Rev. Rul. 62-178, and subject to the limitations imposed on the deduction of itemized deductions and provided they itemize their deductions, the tenant-stockholders of the Apartment Corporation should be able to deduct for federal, New York State and New York City their proportionate share of the real estate taxes paid or accrued by the Apartment Corporation during the taxable year attributable to the Building and not the land upon which the Building is built. 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 tax year is limited to $10,000 ($5,000 in the case of a married individual filing a separate return).

Based on Code Sections 164 and 212 and the regulations thereunder, Rev. Rul. 71-49 and Rev. Rul. 62-178, subject to the limitations imposed pursuant to the 2017 Tax Cuts and Jobs Act, it is our opinion that the PILOT imposed is a tax for the purposes of Section 164 of the Code and the Shareholders will be entitled to deduct their proportionate share of PILOT paid or accrued by the Apartment Corporation during the taxable year as real estate taxes paid by the Apartment Corporation attributable to the Building. However, PILOT deducted as real estate taxes are not deductible for alternative minimum tax purposes.

5. We have been requested to comment on the federal income tax implications of the transaction in which the Building will be transferred to the Apartment Corporation. The form of this transaction can affect the basis of the Building to the Apartment Corporation for federal income tax purposes.

We have been advised that the Sponsor will transfer the leasehold estate and the Building to the Apartment Corporation in exchange for shares of stock of the Apartment Corporation in a transaction intended to qualify under Section 351 of the Code. We express no opinion as to whether such transfer will qualify under Section 351 of the Code. If the transaction does qualify, no gain or loss will be recognized to the Sponsor on the transfer, except that gain will be recognized if the Sponsor receives any money or property in the exchange other than qualifying stock. Under certain circumstances, under Section 357 of the Code, a mortgage encumbering the property transferred may cause the recognition of gain.

If Section 351 applies to the transaction then, under Section 362 of the Code, the original basis of the property transferred to the Apartment Corporation will be the same as the basis of the transferred property in the hands of the Sponsor immediately prior to the transfer increased in the amount of any gain recognized by the Sponsor on the transfer. This basis is known as a "carryover" basis. On the other hand, if the Sponsor sold the transferred property to the Apartment Corporation, instead of making the exchange referred to previously, the Sponsor would recognize gain or loss on the sale and the basis of the Property to the Apartment Corporation under Section 1012 of the Code would be the cost of the transferred property to the Apartment Corporation.

Since the transferred property in the hands of the Apartment Corporation would take a "cost basis" in a sale transaction while it would take a "carryover" basis in a qualifying Section 351 transaction, it follows that the basis of the transferred property to the Apartment Corporation will be lower under the Section 351 format if the carryover basis is lower than the cost would have been in a sale transaction. This lower basis could produce adverse tax effects for the Apartment Corporation. First, the amount of depreciation or recovery deductions to which the Apartment Corporation will be entitled will be reduced. Second, in the event the Apartment Corporation sells the transferred property, either voluntarily or through a mortgage foreclosure or otherwise, the amount of deductible loss would be reduced or the amount of taxable gain would be increased. In addition, the lower basis could reduce any depreciation deductions to which a tenant-stockholder using an apartment for business purposes might otherwise be entitled.

This opinion is not a warranty that any taxing authority will allow the deductions discussed and is based upon existing rules of law applied to the facts and documents referred to above. No assurances can be given that the tax laws and regulations of any taxing authority relied upon in

rendering this opinion will not change, so as to disallow or modify the deductions described herein in whole or in part. In no event will the Sponsor, the Sponsor's counsel, the Apartment Corporation, counsel to the Apartment Corporation, the selling agent or any other person be liable if the Apartment Corporation ceases to meet the requirements of the Code or the New York State or New York City tax laws, as amended, if there are changes in the facts relied upon in rendering this opinion, or if there are changes in the applicable statutes, regulations, decisional law, or Internal Revenue Service rulings on which this opinion has been based. Moreover, no opinion is expressed nor is any warranty made with respect to the tax consequences of the Plan or any other matter except as expressly set forth.

TAX COUNSEL IS COUNSEL TO SPONSOR AND THE APARTMENT CORPORATION AND NOT THE SHAREHOLDERS. EACH SHAREHOLDER SHOULD CONSULT SHAREHOLDER'S OWN TAX COUNSEL AS TO THE TAX CONSEQUENCES OF OWNING SHARES UNDER THE PLAN. TO ENSURE COMPLIANCE WITH REQUIREMENTS IMPOSED BY THE IRS IN CIRCULAR 230, ALL SHAREHOLDERS AND POTENTIAL SHAREHOLDERS ARE HEREBY INFORMED THAT (I) ANY TAX ADVICE CONTAINED IN THIS PLAN AND/OR THE ATTORNEY'S 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 SHAREHOLDER, EACH POTENTIAL SHAREHOLDER, AND THE APARTMENT CORPORATION SEEK ADVICE BASED ON ITS PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

We understand that this letter is to be made a part of the Plan and consent to its reproduction therein.

Very truly yours,



OLSHAN FROME WOLOSKY LLP

PILOT OPINION LETTER

December 21, 2020

River Terrace Associates, LLC
c/o The Albanese Organization
1050 Franklin Avenue
Garden City, NY 11530

re:

THE 20 RIVER TERRACE COOPERATIVE CORPORATON
Letter Opinion of Post-Conversion Payments in Lieu of Taxes (PILOT)
for inclusion in Cooperative Offering Plan
20 River Terrace, New York, NY
New York County Tax Map Block 16, Lot 180

Greetings:

You have requested us to provide an opinion of the post-conversion PILOT projection for inclusion in the offering prospectus for the sale of cooperative apartments at 20 River Terrace coincident with the initial fiscal year of cooperative operation commencing approximately January 1, 2022.

The improvements are located on a site bounded by River Terrace to the west, Park Place West to the north, Murray Street to the south, and North End Avenue to the east in the north end of the Battery Park City neighborhood of Manhattan. Records of the New York City Department of Finance (DOF) indicate that the property is improved with a twenty-seven (27) story mixed -use elevator building that contains 356,786 square feet of grade and above gross building floor area and is comprised of 291residential units and one (I) commercial unit. You have advised that the cooperative will contain 291 residential apartments, a parking garage containing 41 parking spaces and 1,400-square feet of space reserved for the continued use of Battery Park City Authority ("BPCA").

You have advised us that you are the Ground Lessee of the property pursuant to a lease with BPCA dated April 4, 2001 as amended on July 8, 2002 and October 22, 2002. The Ground Lease is set to expire on June 17, 2069. You further advise that the PILOT payments are to be equal to actual taxes "otherwise payable if the premises ... or the owner were not exempt therefrom." In addition, for tax years through 2023/24 (NYC real estate tax fiscal year ending June 30, 2024) the annual PILOT is to be "reduced by an amount equal to the abatement or exemption" that would be applied to the property assuming the property's eligibility for 20-year (tax years 2004/05 thru 2023/24) real estate tax exemption benefits pursuant to section 421-a of the New York Real Property Tax Law (the 421-a program).

In addition, you advise that the Ground Lease obligates you to pay, during tax years 2004/05 thru 2023/24, "Section 421-a Differential Rent" or "PILOT-Base Rent Adjustment" as set forth in the second amendment to the Ground Lease.

It has been the practice of the Real Property Assessment Department of the City of New York to review the assessed valuation of buildings for cooperative and condominium use. While there is a formula, which has been utilized by the Real Property Assessment Department in reassessing such properties in the past, it has not been employed consistently, and it is therefore not possible to estimate or determine the post-conversion assessed valuation of this property with any degree of certainty. However, the estimates presented below are based upon current policies and practices of that department. This letter only addresses the prospective PILOT for the initial year of the property's operation as a cooperative housing corporation

All prospective purchasers are advised that although the opinion of assessed valuation upon conversion to cooperative ownership is a good-faith estimate, such assessed valuation, when actually made, may be less or greater than as estimated herein.

The apartments are classified for real estate tax assessment purposes as a Class II category (All residential real property). The Class II tax rate for the 2016/17 tax year was $12.892 per $100.00 of assessed value, illustrating a nominal 0.1% increase of the rate from the prior tax year. The rate for the 2017/18 tax year was $12.719 per $100.00 of assessed value, illustrating a -1.3% rate of decrease from the prior year. The rate for the 2018/19 tax year was $12.612 per $100.00 of assessed value, illustrating a continued nominal rate of decrease at -0.8% from the prior year. The rate for the 2019/20 tax year was $12.473 per $100.00 of assessed value, illustrating a 1.1% decline from the prior year. The rate for the 2020/21 tax year is $12.267 per $100.00 of assessed value, illustrating a continued downward trend with a -1.7% decrease from the prior year. The rate for the 2021/22 tax year has not yet been announced.

There are three recognized appraisal methods that are employed by the Real Property Assessment Department to determine the full market value of income producing real property. These methods are the original cost method, capitalization of income approach, and the sales price comparison method.

The original cost method is based on the theory that the value of a given property is reflected by its cost of construction plus the acquisition cost of the underlying land. This method of valuation is considered a highly significant indicator of value with respect to new buildings. Relevant data used in the cost method include, but may not be limited to, material and labor costs.

The capitalization of income method is based upon the proposition that the annual net income generated by a property, when divided by the rate of return an investor at a given time would accept for his money in competing investment, yields a close estimate of the market value of the property. This is considered a superior approach for apartment rental investment properties.

The sales price comparison method is founded upon the belief that value can be ascertained by surveying market prices. Market value has been defined as that price which a property would bring in a competitive and open market, wherein both buyer and seller are acting prudently, knowledgeably, and assuming the price is not affected by undue stimulus. Further, the statute cited below provides that the sale price of a cooperative building as an entity and the sale of a condominium units are not the measure of value for assessment purposes. As such, the

addition of sales price of individual units may not be the basis for arriving at the assessed valuation of a residential condominium or cooperative housing corporation.

The standard for assessment for residential cooperative and condominium structures is set forth in Real Property Tax Law 581. In essence, the standard of assessment prescribed by statute for cooperative and condominium structures is that these buildings are to be assessed in the same manner as are rental apartment buildings. RPTL 581-a provides that multifamily rental facilities subject to a regulatory agreement may be valued by assessors based on the net operating income of the property.

In arriving at a determination if the current assessed valuation is reasonable, elements germane to traditional valuation methodologies were employed. This process examines development costs and land values; and, extrinsic indicia of value, including local inflation rates, location qualities, square footage, functionality of the improvements, scheduled amenities, net income producing potential and comparability to like-kind rental investment properties and facilities converted to cooperative or condominium, and a review of assessment valuations for comparable rental properties in the immediate vicinity. Reconciliation of the three approaches to valuation discussed above supports the current assessed valuation.

			Land	Total
Final	2016/17	Actual	$3,073,500	$54,500,000
		Transitional	$3,073,500	$47,451,100
Final	2017/18	Actual	$3,073,500	$54,500,000
		Transitional	$3,073,500	$49,839,260
Final	2018/19	Actual	$3,073,500	$55,300,000
		Transitional	$3,073,500	$52,197,120
Final	2019/20	Actual	$3,073,500	$56,820,600
		Transitional	$3,073,500	$54,421,120
Final	2020/21	Actual	$3,073,500	$58,978,350
		Transitional	$3,073,500	$56,019,790

Since the1982/83 tax year, Real Property Tax Law Section 1805 (3) provides for the creation of a transitional assessment system within the City of New York. Under the transitional assessment system, any increase in the assessed value of a property is phased in over a 5-year period in equal annual installments. However, the statute requires the Finance Department to include all physical (new construction, renovation, rehabilitation or addition of square footage to existing structures) changes directly in the taxable assessed valuation without the 5-year phase-in. The "actual assessment" is the target value, which will be reached at the end of the 5-year period, assuming the assessment is not increased in the interim. Pursuant to Real Property Tax Law Section 1805, the taxable assessment is determined to be the lesser of the actual assessed valuation or the transitional assessed valuation.

We have assumed, for purposes of the PILOT projection that the transitional (taxable) assessment will remain fairly static with a 1% annualized inflation factor applied to project the 2022/23 assessed value. This equates to a $57,145,788 Total Transitional assessed value for the 2022/23 tax year.

We have assumed, for the purpose of this tax projection that the Class II tax rate will remain somewhat static, with a 1.0% annualized inflation applied to project the 2022/23 tax year rate. This equates to a projected Class II tax rate of $12.514 per $100.00 of assessed value for the 2022/23 tax year.

The scheduled 421-a exemption percentages, pursuant to the terms of the Ground Lease, is forty (40%) percent for the 2020/21 and 2021/22 tax years, and twenty (20%) percent for the 2022/23 and 2023/24 tax years. As of January 5, 2022, which will be the basis for the property's 2022/23 assessed value, we estimate that the transitional assessed value will be $57,145,788. Based on an assumed 20% exemption of the increase over the pre-construction assessed value (as stipulated in the Ground Lease) of $3,073,500 the exempt assessed value would equal $10,814,458 resulting in a net transitional assessed value of $46,331,330 for the 2022/23 tax year.

Real property taxes are payable semi-annually, on July 1, and January 1 (as previously stated, the City operates on a fiscal year commencing July 1 and ending June 30). Taxes payable during calendar year 2022 will be comprised of the tax due for the second-half 2021/22 and the first-half 2022/23 tax year.

However, for the purpose of budgeting for the offering plan for the first year of Cooperative operation, the PILOT amount payable has been estimated as coincident with the 2022/23 tax year.

Tax Year 2022/23 PILOT payment estimates for the entire building are as follows:

With 421-a partial real estate tax exemption program benefit

[A]	$57,145,788	2022/23 Taxable AV
[B]	$3,073,500	less: Land (mini tax)
[A - B] = [C]	$54,072,288	421-a taxable AV basis
[D]	20%	exemption %
[C x D] = [E]	$10,814,458	AV exempt from tax
[C - E] = [F]	$43,257,830	AV not exempt from tax
[F + B] = [G]	$46,331,330	AV not exempt + land AV
[H]	12.514%	Tax Rate
[G x H] = [I]	**$5,797,903**	**PILOT annual**
[I ÷ 12]	***$483,159***	***budgeted on a monthly basis***

Without 421-a partial real estate tax exemption program benefit

[A]	$57,145,788	2022/23 Taxable AV
[B]	12.514%	Tax Rate
[A X B] = [C]	**$7,151,224**	**PILOT annual**
[C ÷ 12]	***$595,935***	***budgeted on a monthly basis***

PILOT-Base Rent Adjustment

When the Second Amendment to the Ground Lease was being negotiated by Landlord and Tenant, the parties made an assumption that the assessed value of the Land for the 2003/2004 tax year would be $3,335,800, and any difference between that assumed assessed value and the actual assessed value for the 2003/2004 tax year would be either paid to the Landlord or credited to Tenant, as appropriate. Since the actual assessed value for the 2003/2004 was $3,073,500, Tenant paid Landlord the difference between the assumed PILOT and the actual PILOT as additional rent. The following is the projection of the PILOT-Base Rent Differential for the 2021/22 thru 2023/24 tax years

Tax Year	Projected Tax Rate [A]	Assumed Land AV $3,335,800 **[B]** Assumed PILOT [A x B] = [C]	Actual Land AV $3,073,500 **[D]** Actual Land RETax [A x D] = [E]	PILOT-Base Rent Differential [C - E]
2021/2022	12.390%	$413,306	$380,807	$32,499
2022/2023	12.514%	$417,442	$384,618	$32,824
2023/2024	12.639%	$421,612	$388,460	$33,152

This letter was prepared at the sponsor's request. Certain figures set forth herein are approximations derived from material submitted by the sponsor and are subject to variation.

We have not passed upon the accuracy of any figures or estimates contained within the Plan, and offer no warranties of the amount of any liability for any period.

The opinions expressed above are based on our interpretations of the RPTL, Administrative Code of the City of New York, and the applicable rules and regulations of the Department of Finance in effect as of the date hereof. While we believe our opinions are well founded, they are not intended, and should not be construed as representations or warranties or as opinions at law.

You should be aware that the laws, regulations and practices of the Department of Finance upon which this opinion is predicated may in the future be revised in a manner adverse to your interests,

or that there may be an adverse interpretation(s) of the law or regulation by one or more agencies of the City of New York, or Courts of competent jurisdiction.

We hereby consent to the inclusion of this letter in its entirety in the Offering Plan.

Very truly yours,

METROPOLITAN VALUATION SERVICES, INC.

By: Steven J. Schleider, MAI
President
For the firm

MVS # 20-1296

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CERTIFICATION

I, Steven J. Schleider, MAI certify that to the best of my knowledge and belief that:

The statements of fact contained in this report are true and correct.

The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions and conclusions.

I have no present or prospective interest in the property that is the subject of this report, and have no personal interest or bias with respect to the parties involved.

I have not provided valuation services for the property described herein within the prior 3-year period.

I have no personal interest with respect to the parties involved with this assignment.

My engagement in this assignment was not contingent upon developing or reporting predetermined results.

My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.

I am aware of and have complied with The FIRREA and any and all state laws and regulations that apply to appraisals.

Steven J. Schleider has not made a personal inspection of the property that is the subject of this report. Steven J. Schleider has extensive experience in the appraisal of similar properties.

No one provided significant professional assistance to the person signing this report.

Steven J. Schleider has been duly certified to transact business as a Real Estate General Appraiser (New York State certification #46000016498).

METROPOLITAN VALUATION SERVICES, INC.

By: Steven J. Schleider, MAI
President

BASIC ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal report is subject to the following assumptions and limiting conditions:

- No responsibility is assumed for the legal description or for matters including legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.

- The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.

- Responsible ownership and competent property management are assumed.

- The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.

- All engineering is assumed to be correct. The plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.

- It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.

- It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined, and considered in the appraisal report.

- It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless nonconformity has been stated, defined, and considered in the appraisal report.

- It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.

- It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.

- The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.

BASIC ASSUMPTIONS AND LIMITING CONDITIONS (Continued)

- Possession of this report, or a copy thereof, does not carry with it the right of publication.

- The appraiser, by reason of this appraisal, is not required to give further consultation, testimony, or be in attendance in court with reference to the property in question unless arrangements have been previously made.

- Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without prior written consent and approval of the appraisers.

- The appraisers have inspected the subject property with the due diligence expected of a professional real estate appraiser. The appraisers are not qualified to detect hazardous waste and/or toxic materials. Any comment by the appraisers that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert in the field of environmental assessment.

- The presence of substances such as asbestos, urea-formaldehyde foam insulation or other potentially hazardous materials may affect the value of the property. No responsibility is assumed for any environmental conditions, or for any expertise or engineering knowledge required to discover them. The appraiser's descriptions and resulting comments are the result of the routine observations made during the appraisal process.

- The appraiser is authorized by the client to disclose all or any portion of this report and the related data to appropriate representatives of the Appraisal Institute, or other professional organizations of which the appraiser is a member or affiliate, if such disclosure is required to enable the appraiser to comply with bylaws and regulations of such organizations.

- All values rendered within this report assume marketing times of twelve months or less unless otherwise indicated.

- The American with Disabilities Act (ADA) became effective January 26, 1992. The appraisers have not made a specific compliance survey and analysis of the subject property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the subject property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this could have a negative effect upon the value of the property. Since the appraisers have no direct evidence relating to this issue, they did not consider possible non-compliance with the requirements of ADA in estimating the market value of the subject property.

STEVEN J. SCHLEIDER, MAI, FRICS, LEED AP BD+C
PRESIDENT – METROPOLITAN VALUATION SERVICES

STEVEN J. SCHLEIDER Co-founded Metropolitan Valuation Services, Inc. to serve a broad-base of clients developed over his career in real estate.

As director for a national valuation and due diligence firm, the vast majority of appraisal assignments relating to the post-recession wave of major residential construction, development and re-adaptive use projects in the New York area were conducted under his supervision. Additionally, the significant large-scale multi-family complexes in the region for FannieMae and FreddieMac loan portfolios were appraised by his team.

Mr. Schleider's experience in real estate is broad and his assignments have included development strategies, valuation and/or feasibility studies for market-rate and subsidized rental facilities, nursing home, age-restricted and assisted-living residences, cooperative and condominium apartment buildings, development projects in various stages of approval; and, valuation modeling and consulting for various lower- and moderate-income housing programs involving LIHTCs and low floater rate tax exempt revenue bond financing. Mr. Schleider's experience with HUD-based programs includes numerous section 8 facilities, MAP, and rent comparability surveys. These activities have been conducted on behalf of investment firms, international and domestic pension funds, major industrial corporations, leading foreign and domestic financial institutions, individual investors and leading law firms. Additionally, Mr. Schleider has developed and conducted seminars relating to multi-family valuation issues for the New York City Housing Development Corporation and the New York State Housing Finance Agency.

Mr. Schleider is a designated member of the Appraisal Institute (MAI), a fellow of the Royal Institute of Chartered Surveyors (FRICS) and is certified by the State of New York and State of New Jersey as a real estate General Appraiser. Mr. Schleider is also a LEED Accredited Professional with specialty in building design and construction (Leadership in Energy and Environmental Design) of the United States Green Building Council (USGBC). Mr. Schleider received his Bachelor of Arts degree from Berklee College and has completed numerous graduate courses in finance and economics at the Bernard M. Baruch School of Business, City University of New York. Mr. Schleider served as the 2011 President of the Metropolitan New York Chapter of the Appraisal Institute. He had previously served as President of the Associate and Affiliate Members Organization of the Metropolitan New York Chapter of the Appraisal Institute, and has chaired both the Admissions and Education Committees of the chapter. Starting in 2003, Mayor Michael Bloomberg appointed and re-appointed Mr. Schleider 3 times to the New York City Rent Guidelines Board: where he served for 11 years. Mr. Schleider is a member of the Real Estate Board of New York and currently serves on its Housing Committee and has chaired its Appraisal Committee.

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RESERVE FUND

Pursuant to §26-701 et seq. of the New York City Administrative Code, (hereinafter the "Reserve Fund Law"), a full text of which is set forth in Part II of this Plan, the sponsor of an offering plan for the conversion of a building from rental to Cooperative status has to establish a reserve fund (the "Reserve Fund") to be used exclusively for making capital repairs, replacements and improvements necessary for the health and safety of the residents of such building.

The Reserve Fund shall not be used to reduce the Maintenance Charges as projected in Schedule A of this Plan and it shall not be used to reduce Maintenance Charges after the First Year of Apartment Corporation Operation.

Sponsor shall, within thirty (30) days after the First Closing, establish and transfer to the Cooperative Board, a Reserve Fund in an amount equal to either:

(i) three (3%) percent of the sum of the cost of all Apartments offered for sale pursuant to this Plan at the last price which was offered to Tenants in Occupancy of the Building prior to the Effective Date of this Plan regardless of the number of sales made (the "Total Price"), or

(ii) The aggregate of: (i) three (3)% percent of the actual sales prices of all Apartments offered for sale pursuant to this Plan which are sold by Sponsor at the Effective Date of this Plan, provided, however, that if such amount is less than one (1%) percent of the Total Price, then the Reserve Fund shall be established as a minimum of one (1%) percent of the Total Price; plus (ii) supplemental contributions to be made by Sponsor at a rate of three (3%) percent of the actual sales price of Apartments for each Apartment offered for sale under this Plan held by Sponsor and sold to bona fide purchasers subsequent to the Effective Date of this Plan and within five (5) years of the First Closing notwithstanding that the total amount contributed may exceed three (3%) of the Total Price, and provided further, that if five (5) years from thirty (30) days after the First Closing, the total contributions by Sponsor to the Reserve Fund are less than three (3%) percent of the Total Price, Sponsor shall pay the difference between the amount contributed and three (3%) percent of the Total Price. The supplemental contributions made under this subparagraph (ii) shall be made within thirty (30) days of each sale of an Apartment under this Plan. Because prices can be expected to increase over time, the Reserve Fund funded under this subparagraph (ii) may be more, and in some cases substantially more, than they would have been if Sponsor funded the Reserve Fund using the method set forth under subparagraph (i). In such event, Sponsor will receive no refund or allowance at the conclusion of the five-year period.

The Reserve Fund may not be reduced by closing adjustments but Sponsor may receive credit against the mandatory initial contribution for the actual cost of certain capital replacements (building-wide replacement of a major component of the elevator system; the heating, ventilation and air conditioning system; the plumbing system; wiring; and windows) begun after this Plan is submitted for filing to the Department of Law and before this Plan is declared effective. Such credit may not exceed the lesser of the actual cost of the capital replacements or one (1%) percent of the Total Price.

As of the Presentation Date of this Plan, Sponsor performed chiller replacement in the Building, which replacement totaled approximately $2,580,000.00. Sponsor reserves the right to take a credit against the Reserve Fund for such qualifying work performed in the Building.

As of the Filing Date, Sponsor has no knowledge of capital items, other than those that are disclosed in this Plan, that are necessary or are likely to become necessary within five (5) years of the commencement of Apartment Corporation Operation, as set forth in Schedules A and B. However, Sponsor makes no guaranty or warranty that capital improvements will not be required at any point in the future, or the extent and scope of such capital improvements.

The exact amount of the Reserve Fund under the Reserve Fund Law cannot be determined until the First Closing since it depends on which option Sponsor chooses under the Reserve Fund Law. Under no circumstances will the Reserve Fund be less than two (2%) percent of the Total Price. No Purchaser will be entitled to rescind his Purchase Agreement solely because the actual amount of the Reserve Fund is less than the estimated amount.

The Reserve Fund Law also requires Sponsor, not later than the 30th day following the Filing Date of this Plan and until the First Closing, to post and maintain in a prominent place accessible to all tenants in the Building a list of all violations of record against the Building as determined by the Department of Buildings and the Department of Housing Preservation and Development. All newly issued violations must be posted within 48 hours of their issuance.

In the event that at any time prior to the First Closing, the Reserve Fund Law is repealed, Sponsor will not be obligated to comply with its requirements and may not provide a Reserve Fund. In such event, Purchasers will not be entitled to any right of rescission, Purchase Price reduction or other concession. In the event that on or after the First Closing, the Reserve Fund Law is repealed, Sponsor agrees to comply with its requirements as set forth in this Plan notwithstanding such repeal.

The means and options available to the Apartment Corporation to finance needed capital expenditures (such as renewal or replacement of building components or systems or to remedy major building defects) include (i) special assessments to the Shareholders, or (ii) the Cooperative Board borrowing money in the name of the Apartment Corporation from a lending institution, which may be in the form of a line of credit, which may be unsecured or may be secured by, among other things, an assignment to the lending institution of Maintenance Charges payable by the Shareholders.

If additional monies are required over and above the Reserve Fund, it may be necessary to increase Maintenance Charges or levy a Special Assessment against the Shareholders. The Reserve Fund may not be used to reduce Maintenance Charges. No representation can be made, however, that after Sponsor relinquishes control, the Cooperative Board may not decide to use the Reserve Fund for a purpose other than for which it has been established.

The Cooperative Board shall be obligated to provide a semi-annual report with respect to all deposits into and withdrawals from the reserve fund as mandated by the Reserve Fund Law.

EXCEPT AS EXPRESSLY SET FORTH IN THIS PLAN, THE PROPERTY IS BEING OFFERED IN ITS CURRENT CONDITION "AS IS," WITH NO OTHER REPRESENTATIONS OR UNDERSTANDINGS. SPONSOR WILL HAVE NO OBLIGATION TO MAKE ANY REPAIRS OR IMPROVEMENTS, EXCEPT AS MAY BE SPECIFICALLY SET FORTH IN THIS PLAN OR REQUIRED BY LAW. NEITHER THE DEPARTMENT OF LAW NOR ANY OTHER GOVERNMENTAL AGENCY HAS PASSED UPON THE ADEQUACY OF THE RESERVE FUND OR UPON THE PHYSICAL CONDITION OF THE BUILDING.

WORKING CAPITAL FUND AND APPORTIONMENTS

The Purchaser of Shares to allocable to an Apartment shall be required to make a contribution at the Closing of such Shareholder's Apartment(s) to the working capital fund of (the "Working Capital Fund"). Such contribution shall be in an amount equal to two (2) month's Maintenance Charges in effect for such Apartment(s).

At the Cooperative Conversion Date, Sponsor will apportion with the Board the following items as of and including the Cooperative Conversion Date:

1. employees' wages, vacation and severance pay, pension and welfare benefits and accruals, uniforms and all other payments or obligations relative to the employees of the Building;

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 Areas;

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 Apartments);

7. cost of Building supplies on hand at Sponsor's cost (including sales tax);

8. premiums for transferable insurance policies; if any;

9. management fees; and

10. other customary adjustments.

If any of the foregoing items to be apportioned cannot be adjusted at the Cooperative Conversion because they are not fully ascertainable, they shall be apportioned and adjusted to the extent reasonably possible at the Cooperative Conversion, and final adjustment will be made as soon thereafter as the undetermined amounts are ascertained. Except as herein otherwise expressly provided, the customs in respect to title closings adopted by the Real Estate Board of New York, Inc., as amended, shall apply to apportionments and other matters herein mentioned. Sponsor reserves the right to cause the Board of Managers to execute a one (1) year note in favor of Sponsor for any reimbursable expenditures of Sponsor that are not covered by the Working Capital Fund.

The Working Capital Fund will be held and used for working capital, or such other appropriate purposes as will be determined by the Board and may be augmented by allocations from the monthly Maintenance Charges collected from each Apartment. While Sponsor controls the Board (see the Section entitled "Control By Sponsor"), the Working Capital Fund will not be used to reduce estimated Maintenance Charges.

The Board will be able to utilize the money in the Working Capital Fund at any time and, accordingly, no representation or warranty 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 Maintenance Charges attributable to Apartments to which Unsold Shares have been allocated.

In the event that capital expenditures for renewal or replacement of Building components or systems or to remedy major building defects are needed, it may be necessary to increase Maintenance Charges or make special assessments payable by Shareholders who are responsible for the repair and replacement of the Common Area in need of such renewal, replacement or remedy. Alternatively, the Board may determine to seek financing from a bank or other lending institution for such expenditures in accordance with the terms of the By-Laws and subject, in certain instances, to Shareholder approval. In addition, pursuant to the By-Laws, the Board is entitled to determine amounts for a reserve for replacements in establishing the annual budgets. No representation or warranty is made that the Working Capital Fund will be, or is intended to be, adequate to cover current or future expenses, for the first or any subsequent year of Apartment Corporation Operation. Neither the Department of Law nor any other government agency has passed upon the adequacy of the Working Capital Fund.

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MANAGEMENT AGREEMENT

On or before the First Closing, the Board will enter into an agreement (the "Management Agreement") with Allied Partners Residential Management LLC, having an address at 770 Lexington Avenue, New York, New York 10282 (the "Managing Agent"), to manage the Property, and all Apartments therein (including the Apartments occupied by Non-Purchasing Tenants), for the first three (3) years after the date the Management Agreement is executed (the "Initial Term"). After the expiration of the Initial Term, the Management Agreement will be automatically renewed for successive one-year periods at a percentage increase of three percent (3%), unless terminated by either party upon not less than sixty (60) days prior written notice. The Managing Agent is not an affiliate of Sponsor or its principals.

Either Managing Agent or the Board will have the right to cancel the Management Agreement for cause after thirty (30) days' written notice (unless the defaulting party cures the default within such thirty (30) day period). Either the Managing Agent or the Board shall have the right, after the first anniversary following the Initial Term, to cancel the Management Agreement without cause, provided that not less than sixty (60) day's prior written notice is given. The Management Agreement may not be assigned by either the Managing Agent or the Sponsor.

The fee payable to the Managing Agent for the initial two years shall be $150,000.00 per annum, payable in equal monthly installments of $12,500.00, and for the third year shall be $154,500.00 per annum, payable in monthly installments of $12,875.00. The management fee is comparable to the rate for similar services in comparable buildings.

If requested in writing by the Board, and upon the payment of additional compensation, the Managing Agent may provide additional services including, but not limited to, direct supervision of projects in connection with major capital improvements.

The Management Agreement shall further provide that all repairs to the Property, (except for emergency repairs), which involve an expenditure of over $10,000.00 for any one item shall be made only with the prior approval of the Board. In addition, the Managing Agent shall not enter into any contracts that may (i) result in the reduction, release or discharge of any other party to any Contract from its obligations thereunder, (ii) consent to any other party to any Contract assigning or otherwise transferring its rights or obligations thereunder, or (iii) except in an Emergency, result in an expenditure in excess of the applicable budgeted amount set forth in the budget (subject to the Variance Threshold), without the approval of the Board.

The Managing Agent shall do all things necessary to comply with the terms of the Ground Lease and to cause the Cooperative Board to be in compliance with terms of the Ground Lease for the term of the Ground Lease, including any renewals thereof.

The management services will not include the preparation of the Board's annual certified financial statement. Such statement will be prepared by an independent certified public accountant employed by the Board at its own expense, the cost of which has been provided for in the estimate of the Board's expenses for the First Year of Apartment Corporation Operation. (See Schedule B). The Managing Agent will cooperate with the Apartment Corporation's accountants in connection with the preparation of the annual certified financial statement.

The Managing Agent, at its own expense, will maintain: (i) general and umbrella liability insurance with limits of not less than $1,000,000 per occurrence and $2,000,000 in the aggregate and $10,000,000 per occurrence and $10,000,000 in the aggregate, respectively, which liability insurance shall cover

Managing Agent's activities outside the scope of the Managing Agent's duties or authority as manager of the Property. For acts within the scope of its duties or authority, Managing Agent's insurance shall be excess of the liability insurance maintained by the Cooperative Board; (ii) fidelity/crime insurance in an amount of not less than $5,000,000; (iii) workers' compensation and employer's liability insurance covering Managing Agent's employees; (iv) automobile liability insurance in an amount no less than $1,000,000; and (v) professional liability insurance in an amount of not less than $5,000,000.

Pursuant to Section 352-eeee of the General Business Law, the Managing Agent shall provide to Non-Purchasing Tenants all services and facilities required by law on a non-discriminatory basis. The Sponsor shall guaranty the obligation of the Managing Agent to provide all such services and facilities until such time as less than a majority of the Board are persons designated by the Sponsor.

A Purchaser who purchases an Apartment occupied by a Non-Purchasing Tenant will be required to designate the Managing Agent as its agent in order to provide such Non-Purchasing Tenant all services and facilities required by law on a non-discriminatory basis, pursuant to Section 352-eeee of the General Business Law, and to agree to reimburse the Managing Agent for the cost of any such services and facilities, the provision of which is not customarily the obligation of the managing agent of a Cooperative.

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

(a) Billing and receipt of monthly Maintenance Charges from Shareholders.

(b) Payments of the obligations of the Board, to the extent that funds are available in the Board's account, as authorized by the Board.

(c) Maintenance of books and records with respect to the Property.

(d) Hiring, training and supervising Building employees.

(e) Procuring service contracts and insurance policies.

(f) Purchasing supplies.

(g) Attending meetings of the Cooperative Board.

(h) Processing applications for the sale, rental or renewal of rental of an Apartment.

The Management Agreement provides that the Cooperative Board shall indemnify the 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 direction of the Cooperative Board, unless arising from the gross negligence, bad faith or willful misconduct of Managing Agent in carrying out its duties.

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IDENTITY OF PARTIES

Sponsor

The Sponsor and Tenant under the Ground Lease for the Property is River Terrace Associates, LLC, a New York limited liability company having an office address at 1050 Franklin Avenue, Garden City, New York 11530.

Albanese BPC, LLC, a New York limited liability company, is a member of River Terrace Associates, LLC. Russell C. Albanese and Christopher V. Albanese are each members of Albanese BPC, LLC, and each of them is a principle of Sponsor. Russell C. Albanese and Christopher V. Albanese have been involved in the development, ownership and management of residential, commercial and mixed-use properties for many years, including, but not limited to the following properties located in New York City, The Visionaire (70 Little West Street), The Verdesian (211 North End Avenue), and The Vanguard Chelsea (77 West 24th Street).

NM Green, LLC, a Delaware limited liability company ("NM Green, LLC"), is a principal of Sponsor and was formed for the sole and limited purpose of participating in the offer and sale of real estate securities under the Martin Act. The sole member of NM Green, LLC is NML Real Estate Holdings, LLC, a Wisconsin limited liability company ("NML Real Estate Holdings, LLC"), and the sole member of NML Real Estate Holdings, LLC is The Northwestern Mutual Life Insurance Company, a Wisconsin corporation ("The Northwestern Mutual Life Insurance Company"). Consequently, The Northwestern Mutual Life Insurance Company indirectly owns one hundred percent (100%) of NM Green, LLC. The Northwestern Mutual Life Insurance Company is a mutual company organized and incorporated in the State of Wisconsin. As a mutual company, The Northwestern Mutual Life Insurance Company is owned by its policy holders.

Pursuant to a Corporate Action of NM Green, LLC dated December 11, 2017, Christina M. Misiti-Eskritt, Thomas D. Zale, Paul J. Hanson, Joseph P. Miller, Daniel C. Knuth, and Walter N. Smith (collectively, the "Authorized Signatories") were each authorized and empowered to execute all instruments, agreements and other documents on behalf of NM Green, LLC. The Authorized Signatories are each employees of Northwestern Mutual Investment Management Company, a Delaware limited liability company ("Northwestern Mutual Investment Management Company"). Northwestern Mutual Investment Management Company is wholly-owned by The Northwestern Mutual Life Insurance Company and serves as the Investment Manager to The Northwestern Mutual Life Insurance Company. The Authorized Signatories have no direct ownership interest in NM Green, LLC, NML Real Estate Holdings, LLC, Northwestern Mutual Investment Management Company, or The Northwestern Mutual Life Insurance Company, and the Authorized Signatories are executing all instruments, agreements and other documents and taking all other action on behalf of NM Green, LLC solely in his/her capacity as an employee of Northwestern Mutual Investment Management Company and are not executing any instruments, agreements or other documents or taking any other action in his/her personal capacity.

Sponsor and principals of the Sponsor have not taken part in any real estate syndications of securities consisting of participation interests or investments in real estate, including limited partnership interests or private or public offerings of cooperative interests in realty, including Cooperatives, in or from New York, which were initially offered during the preceding five years.

There have been no prior felony convictions of Sponsor or the principals of Sponsor and/or the entities of which principals of Sponsor were principals, and/or individuals who own or control a 10 percent or more equity interest in Sponsor, and no prior convictions, bankruptcies, injunctions and judgments against Sponsor or the principals of Sponsor and/or the entities of which principals of Sponsor were

principals, and/or individuals who own or control a 10 percent or more equity interest in 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 will promptly amend the Plan to disclose any material changes to the Sponsor and its principals.

Managing Agent

Sponsor intends to retain Allied Partners Residential Management LLC, a New York limited liability company, having an address at 770 Lexington Avenue, New York, New York 10282 ("Allied Partners"), to manage the Building. Allied Partners has been in the real estate management business for over 30 years, and currently manages multiple properties in New York City, including, but not limited to, 55 West 25th Street, 227 West 77th Street and 70 Pine Street. Allied Partners is an entity which is not affiliated with Sponsor.

Architect

Sponsor has retained SLCE Architects, LLP ("SLCE") to prepare the Description of Property and Building Condition, located in Part II of the Plan. SLCE has experience designing numerous residential, commercial and mixed-use buildings, which involved new construction, as well as rehabilitations to existing structures. SLCE's projects include, but are not limited to, 250 East 57th Street, 520 Park Avenue, 432 Park Avenue, and 100 East 53rd Street, all in New York City. Sponsor's architect has no financial relationship, past or present, to the Property or to the Sponsor, except in its capacity as architect and is being paid a fee for its services.

Counsel to 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 ("Attorney for Sponsor") to represent it in the preparation and consummation of the Offering Plan. The principal attorney who is responsible for this matter is Adam A. Levenson, Esq. Attorney for Sponsor drafted the By-Laws, this Plan, the form of Purchase Agreement, the form of Proprietary Lease, and all other documents necessary in connection with the formation of the Apartment Corporation, and is advising the Sponsor in connection with all legal matters incidental thereto. Seiden & Schein, P.C. will also serve as Escrow Agent, represent Sponsor in connection with matters relating to the sale and closing of Apartments. A fiduciary relationship shall exist between Escrow Agent, Sponsor and Purchaser, and, as set forth in the escrow rider to the Purchase Agreement, such relationship shall not interfere with Escrow Agent's performance of its obligations as set forth in GBL and the Department of Law's regulations promulgated thereto. No separate counsel has been retained to represent the Apartment Corporation. It is suggested and expected that each Purchaser will consult and be represented by Purchaser's own counsel in connection with this Plan. Seiden & Schein, P.C. has no financial relationship, past or present, in the Property or to the Sponsor, except that it is being paid a fee for its services.

PILOT Consultant

Sponsor has retained Metropolitan Valuation Services, Inc., located at 44 East 32nd Street, New York, New York 10016 ("Sponsor's PILOT Consultant"), to provide the projected PILOT analysis, which is located in Part I of this Plan. Sponsor's PILOT Consultant has no financial interest in the Property, in Sponsor, in the Managing Agent, or in any other party interested in this transaction, except for its fees for services rendered in connection with the same. Sponsor's PILOT Consultant was a senior and managing

partner of a well-established law firm based in New York City, acted as President for the New York State Real Estate Tax Review Bar Association and was a former assistant corporate counsel of the New York City Law Department, Tax Certiorari Division.

Selling Agent

The Sponsor has retained Corcoran Sunshine Marketing Group having an address at 888 Seventh Avenue, New York, New York 10106, as Selling Agent for this Offering Plan.

Selling Agent is a licensed real estate broker which has acted as Selling Agent for the following Cooperative projects, among others: Chelsea Enclave, The Greenwich Lane, Halcyon, Manhattan House, The Rushmore, Huys, 56 Leonard and 101 Warren.

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

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SPONSOR'S PROFIT

Sponsor expects to sell Apartments at full market value (except for Apartments purchased by Tenants in Occupancy during the 180 day "Exclusive Purchase Period"). It is expected that Sponsor will realize a profit from the conversion of the Property to a Cooperative. Sponsor's profit may increase or decrease substantially depending upon variable factors such as the number of Apartments sold to Purchasers, the uncertainty of future market conditions (including the availability and cost of money), the length of time required to sell the Apartments, losses or expenses arising from obligations assumed or waived by Sponsor under this Plan and other contingencies.

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REPORTS TO SHAREHOLDERS AND BPCA

The Cooperative Board of the Apartment Corporation is obligated to annually give to all Shareholders the following:

(a) The financial statement of the Apartment Corporation prepared by a certified public accountant or public accountant by March 15th of each calendar year for the prior fiscal year; such statement shall be certified while the Sponsor is in control of the Cooperative Board;

(b) At least 30 days' prior notice of the annual Shareholders' meeting; and

(c) A copy of the proposed annual budget, if any, of the Apartment Corporation within ten (10) days, prior to the date set for adoption thereof by the Cooperative Board.

(d) As mandated by the Reserve Fund Law, a semi-annual report with respect to all deposits into and withdrawals from the Reserve Fund.

The treasurer of the Cooperative Board of the Apartment Corporation is obligated to give to BPCA, within one hundred and fifty (150) days after the end of the prior fiscal year, the annual financial statement of the Apartment Corporation for such fiscal year.

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DOCUMENTS ON FILE

Copies of this Plan and all exhibits or documents referred to herein shall be available for inspection by prospective Purchasers and by any person who shall have purchased an Apartment offered under this Plan or shall have participated in the offering of such Apartment, at the office of Sponsor during convenient weekday hours and shall remain available for such inspection for a period of six years from the date of the First Closing. The Sponsor shall, within a reasonable time after the First Closing, deliver to the Cooperative Board, a copy of all documents filed with the appropriate recording office.

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GENERAL

This Plan does not knowingly omit any material fact or knowingly contain any untrue statement of a material fact. This Plan does not contain a full summary of all the provisions of the various documents referred to herein. Statements made as to the provisions of such documents are qualified in all respects by the contents of such documents and, in the case of any such documents executed by or with the written consent of a Purchaser pursuant to this 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 that could materially affect this offering, the Shareholders, the Property, the Apartment Corporation or the operation thereof or the Sponsor's capacity to perform all its obligations under the Plan.

The Property has not been the subject of any prior public offering. As of the acceptance date of this offering, the Sponsor has not entered into any preliminary binding agreements and has not collected any money from prospective Purchasers for the sale of Apartments in the Building.

In accordance with the provisions of the laws of the State and City of New York, neither Sponsor nor any selling agent engaged by Sponsor will discriminate against any person because of gender, sexual orientation, race, creed, color, national origin, ancestry, disability, marital status, age, religion or other ground proscribed by law in the sale of Apartments offered by Sponsor pursuant to this Plan, or in the leasing of any such Apartments or any other portion of the Building.

Sponsor reserves the right to revise, from time to time, the terms and conditions upon which Shares allocated to Apartments are to be sold and to otherwise amend this Plan, including revisions affecting the rights, obligations and liabilities of Sponsor, Purchasers or prospective Purchasers, without obtaining the consent of Purchasers or others. However, Sponsor may neither unilaterally cancel an outstanding Purchase Agreement, except as therein provided (such as in the case of an uncured default) nor unilaterally change the Purchase Price or the payment terms contained in such a Purchase Agreement. All substantive or material revisions will be contained in a duly filed amendment to this Plan. In the case of a material revision adversely affecting the rights, obligations or liabilities of then existing Purchasers or reducing the undertakings or obligations of Sponsor, such Purchasers will be given, for fifteen (15) days after the presentation of the amendment, a right to rescind their Purchase Agreements by written notice to Sponsor and be refunded all monies paid thereunder, with any interest earned thereon.

All statements and representations made in this Plan with respect to items prepared by others, such as the section of the Plan titled "Description of Property and Building Condition" and the Floor Plans of the Building, have been made in reliance upon the respective firms and their authority as experts.

Unless the context otherwise requires, words used in the singular in Part I of this Plan include the plural and vice versa, and a reference 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.

SPONSOR'S STATEMENT OF BUILDING CONDITION

Sponsor adopts the Architect's Description of Property and Building Condition set forth in Part II of this Plan. Sponsor represents that, to the best of its knowledge, the Description of Property and Condition set forth in Part II of this Plan, prepared by SLCE Architects, LLP, registered architects in the State of New York, accurately states the description of the Property and its condition, as it will be built upon the plans that it has examined.

Please refer to the existing building condition report prepared by Thorton Tomasetti, dated May 26, 2017, as amended on June 6, 2017, attached to the Description of Property and Building Condition for a detailed description of the existing condition of the Building.

In August 2020, Sponsor began to undertake an upgrade and expansion to certain residential amenities in the Building (the "Amenity Upgrade"). The Amenity Upgrade will include a lounge, private dining room with kitchen, and media room, and will be achieved by integrating Apartments 1C and 1D into the new amenity spaces, after which there will be a total of two-hundred and ninety (290) Apartments (including one (1) Resident Manager's Apartment) located within the Building. HFA has consented to the Middle-Income Tenant who previously occupied Apartment 1C to be moved to an Apartment of comparable or better size, location, appliances and fixtures (a "Comparable Apartment"). With HFA's approval, the Middle-Income Tenant occupying Apartment 1E has been be moved to a Comparable Apartment during the Amenity Upgrade work. Purchasers should refer to the Floor Plans in Part II of this Plan for details regarding the location of the Amenity Upgrade. Sponsor anticipates that the Amenity Upgrade and Select Vacant Apartment Upgrade will be completed within 9-12 months from the start of construction (i.e., August, 2020), subject to delays caused by Force Majeure.

In August 2020, Sponsor began to upgrade vacant Apartments 6M, 6N, 8B, 8D/8E, 8K, 9E, 9L, 21E, and 21F ("Select Vacant Apartments") at Sponsor's sole cost and expense. The upgrade to the Select Vacant Apartments will include new engineered wood flooring, painted wood base, and gypsum wallboard that has been primed and painted with low-VOC paint, kitchen and bathroom flooring, finishes and appliances, as more particularly disclosed in the report prepared by CookFox Architects, DPC ("CookFox Report") which is annexed to the Description of Property and Specifications in Part II of this Plan. Sponsor anticipates that the upgrade to the Select Vacant Apartments will be completed within 9-12 months from the start of construction (i.e., August, 2020), subject to delays caused by Force Majeure. All Vacant Apartments, other than the Select Vacant Apartments, may be purchased in "as-is" condition, or Purchasers may opt, for an additional fee, for Sponsor to renovate the Apartment in accordance with the specifications in the CookFox Report. Purchasers should refer to Schedule A for the difference in offering price for an "as-is" Apartment versus an upgraded vacant Apartment. ***Purchasers should refer to the CookFox Report annexed to the Description of Property and Building Condition in Part II of this Plan, for details regarding the Amenity Upgrade and the upgrade to the Select Vacant Apartments.***

Upon the issuance of a work permit for the Amenity Upgrade and the upgrade to the Select Vacant Apartment, Sponsor (i) distributed a notice to tenants regarding a Tenant Protection Plan that has been approved by the Department of Buildings, and (ii) posted such notice in a conspicuous manner in the Building lobby, as well as on each floor within ten feet of the elevator. Sponsor has made, and will continue to make, commercially reasonable efforts to prevent the migration of dust from all work areas, and to protect and maintain the Common Areas so as to minimize the impact that the construction work has on Building residents. In addition, Sponsor will comply with all applicable codes and Law with respect to any construction work in the Building.

PART II

COOPERATIVE OFFERING PLAN

THE 20 RIVER TERRACE APARTMENT CORPORATION
20 RIVER TERRACE
NEW YORK, NEW YORK 10282

DESCRIPTION OF PROPERTY AND BUILDING CONDITION

07-28-2021

THE SOLAIRE
20 RIVER TERRACE
BATTERY PARK CITY, NEW YORK, NY 10282
DESCRIPTION OF THE PROPERTY AND BUILDING CONDITION

A. ***Location and Use of Property***

1.	Address:	20 River Terrace Battery Park City, New York, New York 10282
2.	Block/Lot Number:	Block: 16, Lot: 180
3.	Zoning District:	Special Battery Park City Zoning District
4.	Permissible Uses:	Use Group 1-4, 6-9 & 14>10,000 sf The existing Building consists of residential uses, and complies with applicable zoning and use requirements.

B. ***Status of Construction***

1.	Year Built:	The construction of the building was substantially completed in 2003.
2.	Class of Construction:	The existing Building is classified as Type 1-B non-combustible construction. Floor slab including beam, column supporting one floor to be 2 hours rated; interior bearing walls and bearing partitions, 3 hours rated; roof construction, one and one half hour rated. The building plans were filed and approved by the Department of Buildings under the 1968 Building Code, application number NB102911574.
3.	Certificate of Occupancy:	Permanent Certificate of Occupancy No. 102911574F was issued for the Building on April 27, 2005. There are currently 290 Apartments in the existing Building. However, the current Permanent Certificate of Occupancy on file with NYC Department of Building apparently has a typographic error and stated that there are 282 Apartments. The sponsor will correct the typo upon completion of proposed alteration as per item 4 of this section below. The anticipated timeframe for new Certificate of Occupancy will be by 2022.

4. Alteration Permit Number and Description

The sponsor replaced the Building Chiller system, filed under New York City Department of Building Alt 2 application #123660635, the cost associated with this filing is $2,400,000. All work related to the application has been sign-off upon completion as per New York City Building code requirement.

The sponsor is upgrading the 1st floor lobby area Sponsor filed the upgrade work under New York City Department of Building Alt 1 application # 123495306. Sposnor is also upgrading certain corridors in the Building. Please refer to the CookFox Report attached hereto as Appendix A for details regarding the upgrades.

The sponsor is renovating the 19th Floor terrace, filed under New York City Department of Building Alt 2 application # 123740826. Please refer to the CookFox Report attached hereto as Appendix A for details regarding the renovations.

The sponsor is renovating (10) vacant apartments, including units 6M, 6N, 8B, 8D, 8E, 8K, 9E, 9L, 21E, and 21F. In addition, the soinsor also combined apartment 8D and 8E into one unit, filed under New York City Department of Building Alt 2 application # 123739525. Please refer to the CookFox Report attached hereto as Appendix A for details regarding the renovations.

C. <u>Site:</u>

1. Size:

The Building site is an irregular shaped parcel that North to South from Park Place West to Murray Street, and West to East from River Terrace to adjacent property fronting North End Avenue. The size of the Lot is approximately 16,653 square feet. Overall dimension is approximately 211.25' x 76.56'.

2. Number of Building and Use:

The existing Building consists of one 27-story residential building, with one cellar level and roofs/bulkhead. The building is comprised of two hundred ninety (290) Apartments, one (1) parking garage and one (1) BPCA facility (consisting of men's and women's public restrooms).

i. Cellar floor contains: parking garage, bicycle storage, building storage, building maintenance office, employee's locker room, domestic water room, gas meter room, storm water storage tank room, black water system room, telephone room and trash compactor room.

ii. Ground floor contains: residential lobby, mail room, package room, children's playroom, fitness center with fitness studio, residential common laundry room, electric service room, mechanical room, bike room and garage office/entrance and the BPCA facility.

Additionally, there is one (1) Apartment on the ground floor.

iii. 3rd thru 12th floor and 14th thru 18th floor contain: Two hundred twenty-three (223) Apartments.

iv. 19th floor contains: Six (6) Apartments and a residential common roof garden.

v. 20th thru 28th and Penthouse floor contain: Sixty (60) Apartments.

vi. Main roof contains: Mechanical equipment room.

vii. Roof bulkhead 1 contains: Mechanical equipment room and cooling tower.

viii. Roof bulkhead 2 contains: Elevator machine room and water tank.

3. Streets: The Property has frontage on River Terrace, Murray Street and Teardrop Park. The streets are paved with asphalt. They are owned and maintained by Battery Park City Authority ("BPCA") and are in fair condition.

The existing street abutting the Property is pitched to drain through catch basins.

4. Drives, Sidewalk And Ramps:

i. The existing sidewalk adjacent to the Property consists of concrete sidewalk and granite cobblestone pavement. The existing sidewalk is in good condition and to remain. There are cracks on the sidewalk at northwest corner, and south east corner of the buildings.

ii. The sidewalk curb consists of granite curb. Pedestrian and ramp curbs are provided at the corner of River Terrace and Murray Street. There is a vehicular curb ramp along Murray Street at the garage entrance. The curbing is in good condition and to remain.

iii. The existing sidewalk is pitched to curb and drain through the street catch basin.

iv. Street lighting is provided by existing sidewalk light poles.

v. The existing sidewalk complies with the requirements of the NYC Department of Transportation.

D. ***<u>Utilities:</u>***

1. Electricity: Electricity is provided by the Consolidated Edison Company ("ConEd"), a regulated company. The total electricity consumed by the Apartments is master metered. Each Apartment is separately sub-metered by QUADLOGIC. QUADLOGIC monitors each sub-meter and invoices each Apartment for its consumption on a monthly basis.

The electricity consumed in the common areas of the Building is metered by a ConEd master meter. The cost shall be allocated proportionately to all Shareholders as Maintenance Charges. The parking garage and the BPCA facility are directly metered by ConEd.

Solar Panels are integrated into the West façade from floors three to fifteen, and additional photovoltaic panels are installed at the southern and southwestern facades of the roof bulkhead to generate an alternative source of electricity for the Building. The solar panels are manufactured from post-industrial recycled materials as listed in section (H) 1.i.

2. Gas: Gas is provided by ConEd, a regulated company. The cost of gas consumed in each Apartment, including all cooking gas, shall be a Maintenance Charge. Apartments are not individually metered for gas. The cost shall be allocated proportionately to all Shareholders as a Maintenance Charge.

3. Water and Sewer: Water and sewer service is provided by The City of New York. Water for the Building is master metered. Additionally, the Building incorporates an integral sewage treatment plant (black water system), which recirculates water for non-potable applications and a stormwater retention tank for supplementing non-potable uses such as irrigation and domestic hot water.

i. The sewage treatment plant provides water to the following areas with sub- meters, except as noted. The areas which are sub-metered reimburse the Building to account for expenses related to treating the black water and maintaining the equipment.

a) BPCA public restrooms (toilets)
b) Tear Drop Park Irrigation
c) 211 North End Avenue (Verdesian) apartment toilets
d) 211 North End Avenue (Verdesian) BPCA public restrooms (toilets)
e) Cooling tower (50% Processed and 50% City Water)
f) Apartment toilets (without sub-meter)

ii. The parking garage is not separately metered.

4. Telephone Telephone service is provided by Verizon or Spectrum (formerly Time Warner Cable). Each Shareholder shall be responsible to coordinating telephone services directly with the telephone service provider and the payment of all costs associated with telephone services associated with such Shareholder's Apartment. The telephone charges with respect to the Common Areas (such as the concierge's desk, maintenance offices and shop, etc.) shall be a Maintenance Expense and will be allocated to each Apartment based on each Apartment's allocable Shares. A telephone jack is located in the living room, bedroom(s) and kitchen of each Apartment.

5. Cable, internet & Television: Cable and highspeed Internet service are provided by Spectrum (formerly Time Warner Cable), and Verizon FIOS. Additionally, satellite television service is provided by Direct TV. Each Shareholder who desires to obtain

such service shall be responsible for requesting cable and/or television services directly from the provider and for the payment of monthly service fees associated with such Shareholder's Apartment. Cable TV outlets are provided in every bedroom, living room and alcove of each Apartment. The high-speed internet charges with respect to the public areas of the Building (such as the concierge's desk, resident manager's office, etc.) are borne by all Shareholders as a Maintenance Expense and shall be allocated to each Apartment based on each Apartment's allocable Shares.

E. ***Sub-Soil Conditions:***

1. In general, the subsurface profile consists of a thin layer of fill mixed with miscellaneous debris underlain by the fine to medium sand fill placed during Battery Park City construction. The hydraulic fill is underlain by the river bottom deposits of organic silt clay. At the base of the clay deposits are discontinuous layers of alluvial sand and silt, and peat. Beneath the alluvial materials are sand and gravel of glacial origin and bedrock. The structural components appear to be in good condition, except for slight settlement of sidewalk and for minor crack and spalled concrete on the garage slab on grade. There is no visual evidence of moisture or water infiltration.

2. No water penetration was evident or reported by Building staff.

3. The Property is located within flood hazard Zone X. This area is subject to a 0.20% (500-year) annual chance of flood as indicated on FEMA Flood Insurance Rate Map, dated December 5, 2013. Building staff confirmed that there has not been any flooding of the Building in the last 10 years from natural causes.

F. ***Landscaping:***

1.	Grass Cover:	None
2.	Plantings:	Bushes run along the West side of the Building. Planters abut the Southern edge of the Building.
3.	Trees:	Nine (9) existing trees are located on the western sidewalk of the Property.
4.	Fencing:	Terrace dividers are provided at 19th floor private Terraces between Apartments.
5.	Gates:	None
6.	Garden Walls:	None
7.	Retaining Walls:	None
8.	Display Pools and Fountains:	None

9. Public Roof Terrace: A common roof terrace is located on the 19th floor. Concrete pavers and pathways can be found throughout the terrace. The roof terrace consists of planting and seating areas which include a wide variety of trees and plants. Plantings are located on raised planters.

10. Private Roof Terraces: Private terraces are located on the 19th floor for Apartments A to F.

11. Courtyard/Garden: None, however Teardrop Park is located adjacent to the east entrance of the Building. Teardrop Park is a public park, owned and operated by Battery Park City Authority, and is located between Warren Street and Murray Street.

G. Building Size:

1. Total Height: The total height of the Building is approximately 250' - 6 ¾" from the ground floor residential main lobby finished level to the top the main roof finished level.

2. Crawl Spaces: None

3. Number of Sub-Cellars and Cellars: There is one (1) Cellar Level.

4. Number of Floor above Grade: The Building consists of 27 construction levels above grade with two (2) roofs/bulkhead.

All floor designations referenced throughout this report, the floor plans and the offering plan refer to the marketing floor numberings.

Construction Floor	**Marketing Floor**
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	17th Floor
16th Floor	18th Floor
17th Floor	19th Floor

18th Floor	20th Floor
19th Floor	21st Floor
20th Floor	22nd Floor
21st Floor	23rd Floor
22nd Floor	24th Floor
23rd Floor	25th Floor
24th Floor	26th Floor
25th Floor	27th Floor
26th Floor	28th Floor
27th Floor	Penthouse
Main roof	Main Roof
Roof Bulkhead 1	Roof Bulkhead 1
Roof Bulkhead 2	Roof Bulkhead 2

5. Mechanical Equipment Rooms: Mechanical equipment rooms are located in the cellar, ground floor, main roof, roof bulkhead 1 and roof bulkhead 2. The water meter room, triplex booster pump, duplex tank fill pump room, gas meter room, domestic filtration system, water treatment facility and storm water retention tank room are located in the cellar. Domestic hot water heaters are located in the cellar and the penthouse MER. The water tank is located on the roof mezzanine. The special service fire pump is located on the penthouse MER.

6. Parapet Height: The top of parapet heights are a minimum 3'-6" high above the roof terrace finished floor.

7. BPCA Facility: The BPCA Facility located at the northwest Corner of the ground floor, consists of men's and women's bathroom facilities that are maintained by BPCA, with supplemental maintenance, provided from time to time, by the Building.

H. Structural System/Building Exterior:

Foundations: The Building is supported by 150 Ton compression/50T tension capacity friction piles. The basement is approximately 13'-0" below the ground floor level. The slab on grade is an approximately 14" thick pressure slab supported by pile-caps. The basement is confined by a conventional approximately 1'-4" thick foundation wall that resists soil and hydrostatic loads. There is no visible evidence of any structural issue except for minor crack and spalled concrete on the garage slab on grade.
Continuous Drainage Mat and water proofing are provided at the foundation wall to the foundation footing. Continuous waterproofing is provided under concrete slab on grade.

Superstructure: The structure is built with reinforced cast in place concrete construction. The Building is supported on columns and shear walls. The first floor and roof are 9" thick, and the typical residential floors are approximately 7"

thick flat slabs. The slab concrete compressive strength is f'c=4500psi. The lateral load resisting elements are shear walls connected by link beams. Compressive strength of columns and walls vary, from f'c=5950psi to f'c=4000psi. The residential floor assembly consists of 7" thick concrete slab and wood floor with acoustical cork underlayment to minimize impact noise between floors. There is no visible evidence of any structural issue except for minor crack on concrete spandrel beam of the bulkhead framing.

1. Exterior of Building:

i. Exterior Wall:
Exterior walls consist of masonry or slate cavity walls, consisting of nominal 4 inch face brick or slate, cavity space, nominal 6 inch concrete block, metal studs with R-11 insulation and 5/8" thick gypsum board finish. The upper floor have aluminum panel and aluminum framed window assemblies with metal studs with R-11 insulation and 5/8" thick gypsum board finish.

The exterior wall is generally in good condition, the architectural deficiencies are limited to minor step cracking at exterior brick wall of the front façade and mortar joint separation in various location of the exterior façade.

Solar panels are integrated into the western façade from floors three to fifteen, and additional photovoltaic panels are installed at the southern and southwestern facades of the roof bulkhead. The solar panels are manufactured from postindustrial recycled content materials.

Local Laws 11 of 1998 Periodic inspection of exterior walls and appurtenances are required for this Building, the last inspection cycle 8A was conducted in August 2016, and is filed as "SAFE". A copy of the report is attached in the appendix for review. The next inspection year will be in 2021.

ii. Windows:

(a) Exterior windows consist of high performance low-e coating, thermally broken fixed and/or inswing casement windows of aluminum construction with baked on paint finish and glazed with factory-assembled 1" insulating glass units (IGU's), manufacturer by EFCO. The window sills consist of cast concrete sill and painted steel lintels. The western façade (entrance) also contains a revolving glass door. Windows are out of warranty and should be considered for budgeting purposes.

Please refer to the TT Report attached hereto as Appendix B for details regarding existing window condition and recomendation.

(b) All operative windows are provided with limit stops to prevent windows from being opened more than 4" (as approved by the Department of Health).

(c) Thermally broken Aluminum/glass swing terrace doors manufacture by EFCO are provided for all Apartments with terraces.

(d) Lot Line Windows: None

iii. Landmark Status: None

2. Parapets and Coping: Parapets consist of masonry and aluminum panel copying with aluminum railings. There is no indication of problems except for minor gaps in sealant joint of the aluminum panel coping and slight deterioration of mortar joints at parapet. No visible evidence for water infiltration.

3. Chimneys and Caps: A 24" diameter, US No.16 gage aluminum-coated cold-rolled steel sheet trash chute terminates above the roof bulkhead 1 center of the roof with screened louvered vent unit and explosion-release protective rain hood. The boiler flue terminates above southeast of the EMR roof. All chimneys and caps are in good condition.

4. Balconies and Terraces:

i. An outdoor landscaped roof garden with pathways, plantings, benches, seating areas is provided on the 19th floor for use by residents.

ii. Private terraces are provided in Apartments located on the 19th floor with aluminum/glass thermally broken terrace doors manufacture by EFCO and masonry/aluminum copying with aluminum railings. All private terraces have concrete pavers.

5. Exterior Entrances: The primary Residential Lobby entrance is on River Terrace. The secondary entrance is located on the east side of the Building by Teardrop Park.

i. Exterior doors and frames: Non-fire rated Aluminum /glass with glass sidelight, revolving glass door by Crane Revolving Doors Inc. All doors are existing to remain and in good condition.

ii. Vestibule doors and frames: Non-fire rated Aluminum /glass with glass sidelight All doors by Ellison are existing to remain and in good condition.

iii. Exterior Stairs: None

iv. Railings: None

v. Mailboxes:

(a) One (1) mailbox is available for each Apartment. The mail room is located adjacent to the Residential Lobby.

(b) Mailboxes are front loading and US Postal Service approved.

vi. Lighting: Exterior lightings are provided by existing sidewalk lamp posts.

6. Service Entrances: The service entrance is located at Murray Street.

i. Doors and Frames: Painted hollow metal door & frame. Existing doors to remain and are in good condition.

ii. Gates: None

iii. Exterior Stairs: None.

iv. Railings: None

7. Roof and Roof Structures:

i. Type of Roof:

(a) Material:
The existing roofing system consists of an Insulated Roof Membrane Assembly (IRMA) and was manufactured by American Hydrotech. The roofing is the original and is out of warranty and this should be considered for budgeting purposes.

(b) Insulation:
Insulation consists of waterproofing installed below 4" R-20 extruded polystyrene board.

(c) Surface finish:
Garden roof assembly (19th floor public terrace, main roof), concrete pavers (19th floor private terraces), or stone ballast (mechanical roof).

(d) Bond or guarantee:
All roofing was completed in October of 2003, and no repairs have been made since installation. There is evidence of minor distressed mod-bit roofing on the mechanical bulkhead and a damaged termination bar at the base of ventilation fan on main roof. The systems are out of warranty and approaching the end of their useful life. This and should considered for budgeting purposes.

(e) Flashing materials including counter flashing:
Aluminum.

ii. Drains:

(a) Location, material and type
Existing to remain roof and terrace drains are located on the roofs and terraces at several levels and are in good condition. Gravity storm drainage from roof and terrace drains fill the storm water retention tank in the cellar, which provides make-up water to the cellar sewage treatment plant and irrigation. Excess storm water drains to the city street sewer main via two separate connections, one 12-inch at Murray Street and one 8-inch at River Terrace. Drain lines are cast iron. Stair and Elevator bulkhead are provided with scupper with leader to drain water to the lower roof.

(b) Gutters and leaders
Stair and elevator bulkheads are provided with scupper with leader to drain water to the lower roof.

iii. Skylight: None

iv. Bulkheads:
Existing to remain stair and elevator bulkheads are enclosed with a masonry and/or concrete enclosure, with exterior gutters and leaders for drainage. There is no visible evidence of any structural issue except for minor crack on concrete spandrel beam of the bulkhead framing.

v. Metal work at roof levels:
Steel dunnage is provided for the Cooling towers, and water tank.

(a) Exterior, metal stairs:

There are no exterior metal stairs at the roof level

(b) Vertical ladders, including gooseneck

There are no ladders at the roof level.

(c) Railings:

Existing to remain Stainless Steel Railings at 3’-6” min. above finish floor are provided at the roof level.

(d) Hatches to roof

There are no hatches to roof.

(e) Numerous steel plumbing ventilation pipes penetrate to the roof at many locations.

vi. Rooftop facilities:
Rooftop facilities at the main roof bulkhead consist of lightning protection, WIFI antennas and satellite dishes for Direct TV. There is no public access to main roof bulkhead except for maintenance staff only. A common roof terrace on the 19th floor, approximately 4,600 Gross square foot, with approximately 240 net square foot of occupiable spaces, contains a landscaped roof garden with mechanical equipment, stone pathways, plantings, benches, tables and chairs seating and concrete paver, for use by residents. The stone pathways and concrete paver finish materials are appropriate for daily foot traffic and use as a terrace. The 19th floor roof terrace will have 20 maximum allowable occupancy. The rooftop terrace will be allocated as an accessory to residential space in the Certificate of Occupancy. Refer to item 3 of section T for additional information.

8. Fire Escapes: None.

9. Yard and Courts: None.

10. Interior Stairs: Existing to remain egress stairs are constructed of reinforced concrete and are in good condition. Egress stair are enclosed with 2 hour fire rated partitions which consist of reinforced concrete and/or concrete block and/or gypsum wall board. Steel pipe handrails are provided per code.

i. Stair A: Extends from cellar to main roof.
Stair B: Extends from ground floor to roof bulkhead 2.
Stair C and D: Extends from cellar to ground floor.

ii. Enclosure: 2 hour fire rated partitions consist of reinforced concrete and/or concrete block and/or gypsum wall board

iii. Stair construction: Concrete

iv Stringers:
No stringers

v Treads:
Concrete

vi Risers:

Concrete

vii Guard rails:

Painted steel guard rails are provided per code from main roof to roof bulkhead 2 at Stair B.

viii Balustrades:

Painted steel Balustrades are provided per code from main roof to roof bulkhead 2 at Stair B.

11. Interior Doors, Frames:

i. Apartment entrances and interior doors and frames:

Existing to remain Apartment entry doors consist of a hollow metal door and frame, which is 1 ½ hour F.P.S.C., STC 35. Apartment interior doors are solid core painted wood door and hollow metal frame.

ii Corridor doors and frames:

Hollow metal 1 ½ hour F.P.S.C.

iii Stair hall doors and frames:

Hollow metal 1 ½ hour F.P.S.C.

iv Roof, basement doors and frames:

Hollow metal 1 ½ hour F.P.S.C.

12. Elevators:

There are two (2) passenger elevators and one (1) passenger/service elevator in the Building. All elevators utilize (AC) gearless hoist machines. The elevator machine room is located at the main roof bulkhead. The elevator systems were installed in 2003 and to remain. Refer to Elevator audit report by VDA dated March 17, 2017 for all existing condition.

i. Two (2) passenger elevators (PE-1 and 2) and One (1) passenger/service elevator (PSE-3)

ii Elevator Manufacturer: Fujitech. The elevator systems were installed in 2003.

iii Two (2) passenger elevator (PE-1 and 2). 2,500 pounds approximately 16 persons (based on 150 lbs. per person). 700 FPM.

Floors served: Ground, 3rd-12th, 14th-28th floor to Penthouse
Machine Type: Gearless overhead traction

One (1) passenger/service elevator (PSE-3). 3,500 pounds, approximately 23 persons (based on 150 lbs. per person). 700 FPM.

Floors Served: Cellar, Ground, 3rd-12th, 14th-28th, and

	Penthouse floor to Main roof.	
Machine Type:	Gearless overhead traction.	

iv	Automatic:	Millennium controls and dispatching
v	Type:	(AC) Gearless overhead traction hoist machines
vi	Doors:	Single speed, center open sliding
vii	AC motor-generator set:	AC solid-state frequency motor drives by Fujitech.

13. Elevator Cabs: Interior finishes of passenger elevator and passenger/service elevator are existing to remain and in fare and serviceable condition, the finishesconsist of the following:

i.	Kind (manufacturer)	GAL Corporation
ii.	Floor Material:	Stone
iii.	Walls:	Stone/Wood
iv.	Ceiling:	Wood
v.	Lighting	Ceiling mounted light
vi.	Alarm, safety system:	The three elevators are equipped with an emergency alarm button, intercom and security camera. Intercom and security camera are connected to and monitored from the front desk.

I. Auxiliary Facilities:

1. Laundry Room: A common laundry room serving the residents is located on the ground floor. There are seven (7) Washers and seven (7) Dryers located in the room. The washers and dryers are operated by using a reloadable prepaid laundry card and/or credit card. Washers are run by electricity and dryers are run by gas and mechanically ventilated and exhaust to the exterior. All washers and dryers are heavy duty and existing to remain.

2. Refuse Disposal: Access to the refuse chute is provided on each residential floor. The metal chute is enclosed in a fire rated partition. The refuse chute leads to a refuse compactor located at the cellar level. The compacted bags are stored in the compactor room until they are transferred to street level and transported to a central collection facility located at Murray Street by building staff.

3. Package Room: The package room is located adjacent to the concierge desk on the ground floor.

4. Bicycle Room: There are two (2) bicycle rooms, one on the cellar level that can accommodate up to ninety-five (95) bicycles, and one on the ground level that can accommodate up to seventy-five (75) bicycles, for a total of one hundred seventy (170) bicycle parking spaces.

5. Storage: There are forty-one (41) storage bins located in the cellar of the Building and will offered for sale:

J. <u>Plumbing and drainage:</u>

1. Domestic Water Supply: Domestic water service is provided by the New York City public water system. A 6-inch domestic water service enters the Building's cellar from the city water supply street main at the corner of River Terrace and Murray Street. The service includes a master meter and a 6-inch double detector check valve.

The plumbing equipment is generally in good condition, and original to the Building, having been installed in 2003. Some of the equipment such as pumps, pump motors and heating coils for the domestic water heaters are approaching the end of their useful life.

The Building's domestic water supply is divided into two (2) zones of cold water, hot water and hot water circulation. Water flows through a filtration system which is located in the cellar, and then to the house pumps that serve the upper and lower zones. The water pressure is boosted by means of a constant pressure system, at the top of the Building. The cellar through first floor, 3rd through 12th floor and 14th through 16th floor are fed from the elevated wooden tank on the rooftop. The minimum water pressure to any plumbing fixture shall be 25 psi, which is sufficient for a building of this size.

The pumps in the upper zone are rated at 140 GPM each while the pumps in the lower zone are rated at 190 GPM each. A separate house pump provides water to fill the wooden roof tank that serves both the domestic water supply and the fire reserve. The roof tank has a capacity of 20,000 gallons (5,000 domestic / 15,000 fire reserve). The access to the tank is provided with vertical ladder.

An integral sewage treatment plant, recirculates reclaimed black water for non potable applications, such as supply to water closets, cooling tower make-up, and irrigation. The system utilizes a triplex constant pressure pump set.

Domestic hot water is generated at two levels for two (2) separate vertical zones via four (4) gas-fired water heaters; two heaters (high zone) that serve the 17th floor and higher and two heaters (low zone) that serve the 16th floor and lower. The flue vents of the water heaters on the roof mezzanine upper

appear corroded. Thermostatic mixing valves are provided for each zone and located above the water heater. The piping system consists of Type L copper tubing with 95-5 tin-antimony soldered joints. All visible mains and risers were insulated. The water supply for the clothes washers in common laundry room are served by the lower zone.

All water piping system including piping in all bathroom spaces is insulated with fiberglass pipe insulation with thickness as per New York State Energy Conservation Code.

All City water is centrally filtered by a water filtration plant as it enters the Building through the cellar. Every apartment has a filter in its refrigerator, which filters the water a second time.

i. One (1) set of triplex water booster pumps serve PH to 17th floor. Pressure reducing valves are provided where pressure exceed 85psig.

ii. The cooling tower serving the Building is sub-metered and provided with an RPZ (reduced pressure backflow preventer) at the roof level mechanical room.

iii. The domestic water distribution served from the house tank from the booster pumps is serving lower zone having minimum and maximum pressures of 30psig and 85psig.

iv. The domestic hot water for the Apartments is generated from the gas-fired water heaters located on the roof level mechanical room and cellar level.

v. The hot water piping system parallels the cold water distribution for each zone.

vi. The domestic hot water temperature to all fixtures is maintained at 120 degrees Fahrenheit and is controlled by a mixing valve at the water heater.

vii. Flow conservation devices are installed in all showers in the Apartments.

viii. Backflow preventers and vacuum breakers are provided as required to protect the domestic water supply**.**

ix. Air chambers are provided at the top of all risers and throughout the piping systems to prevent water hammering.

x. 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.

xi. The cold water service and combined fire standpipe/sprinkler services pipes are ductile iron material.

xii. All water risers are provided with valves.

xiii. Expansion compensators and loops are provided on hot and hot water circulation piping system.

xiv. Hot and cold water piping is insulated with a minimum of 1" fiberglass insulation.

2. Fire Protection System:

i. The Building has a standpipe/sprinkler system, with New York City approved hose connections and valves. A combined fire and domestic water tank (15,000 Gal Fire Reserve & 5,000 Gal Domestic) is located on the roof. A 500 gpm special service fire pump located in the penthouse mechanical room maintains adequate fire water pressure to floors 20 and up. Additionally, there is a 10 gpm jockey pump which pressurizes the top 3 fire hose valves and the sprinkler system. The fire pump supplies adequate pressure through the cellar floor. The Building's refuse chute has a sprinkler system and is zoned as required. The system is constructed of rolled grooved black steel pipe in accordance with New York City Building Code requirements.

ii. An auxiliary source of water is provided by means of one connection located on Murray Street and the other on River Terrace.

iii. Each residential floor includes a floor control valve assembly and distribution piping that sprinkler each apartment. Sprinkler piping is located in the ceilings and soffits are located in each of the Apartments.

iv. Fire Department valves are provided on standpipe risers on each floor. A NYC approved hose key cabinet with 100 feet of hose can be found adjacent to the lobby for Fire Department use only.

v. The entire Building has an interior sprinkler system as required by New York City Building Code. Standard type sprinkler heads are provided in the Apartments, lobby and amenity spaces.

3. Water Storage Tank and Enclosures: A 10,000 gallon metal storm water collection tank collects water that is re-used for landscape irrigation purposes as needed. A wooden roof tank has a capacity of 20,000 gallons, of which 5,000 gallons is for domestic water use and 15,000 gallons is used for fire reserve. The house tank is entirely made of wood.

4. Domestic Water Pressure Control System and How Maintained: Domestic water pressure is maintained by a triplex booster water pump system. Water booster pumps are provided for the two-zone system. High zone maintains pressures via a Synchroflo booster pump and low zone is by gravity fed.. A separate booster pump system located in the water treatment

(black water) facility with storage tanks made of plastic material in the cellar distributes reclaimed (black) water to the water closets, cooling tower make-up, and irrigation. Water pressure is maintained by duplex pumps in cellar and booster pumps in upper mechanical room. All pumps are manufactured by Peerless and are not under warranty. House pump model #MSL065 and Booster pump MSL050B as per name plate are provided.

5. Sanitary Sewage System: A complete sanitary drainage system conveys 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 connects to fixtures located in the cellar and areas that flow by gravity to a duplex sewage ejector. Sewage ejector pumps are in good condition but no longer under warranty. Manufacturer: FLYGT model number CP 3102.180 is provided.

i. 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.

ii. The sanitary service point on entry is located in the cellar level at River Terrace. The Building's sanitary system is independent of the building's storm system and combines only at the service point of entry. A duplex sewer ejector provides for sanitary drainage below street level / street sewer main level. It is connected on the downstream side of the Building's combined sanitary house trap.

iii. There are two (2) sewage connections to the city sewer main. One 8-inch diameter sewer connection at River Terrace and one 12-inch diameter sewer connection at Murray Street. Water also drains to an onsite sewage treatment (black water) facility. Overflow from the facility drains to the city sewers via the house drain Sewage Treatment (Black Water) Facility.

iv. A 25,000 gallon per day (GPD) sewage treatment (black water) plant located in the cellar treats a portion of the Building's sewage. The treatment system uses the membrane Bio-Reactor Process (MBR) and incorporates multiple levels of disinfection by means of ozone and ultraviolet light treatment.

The treatment system was designed to provide high quality treated and disinfected reclaimed (black) water that is used for supplying water closets, cooling tower make- up and irrigation.

6. Permits Required None

7. Storm Drainage System: 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. Gravity roof drainage from roof drains and terrace drains connects to a storm water retention tank for make-up at the sewage treatment (black water) facility for irrigation. No roof ponding observed or noted by tenants.

ii. The storm storage tank has an approximate 10,000 gallon capacity and is designed in accordance with the New York City Department of Environment Protection requirements.

The storm water retention tank includes a filtration and chlorination system to treat the water for re-use.

iii. The storm water system is independent from the Building sanitary system and combines at the service point of entry by gravity at the cellar level on River Terrace. The sewer flows to the existing combined street sewer in River Terrace.

iv. There is at least one (1) primary drain and one (1) overflow drain for each roof or paved drainage area.

v. The piping material above the floor is cast iron with no-hub joints or galvanized steel. Piping below the cellar slab is cast iron with hub joints. Sump pumps and sewage ejector discharge piping is galvanized steel pipe up to the first turn. Sump pumps are in good condition but no longer under warranty. Sump pump for elevator pit is by Peerless Model # 3UHA-1 and duplex sump FLYGT CP3085.182.

vii. General:
The plumbing equipment is generally in fair to good condition however, most of the equipment is original to the Building and was installed in Y2003. Some of the equipment like the pumps, pump's motors, heating coils of the domestic water heaters are approaching the end of their useful life; they should be performance tested.

Equipment Rooms

Equipment Room	Location
Water Meter Room	Cellar
Triplex Booster Pump	Cellar
Duplex Tank Fill Pump Room	Cellar
Gas Meter Room	Cellar
Domestic Filtration System	Cellar
Water Treatment Facility	Cellar
Storm Water Retention Tank Room	Cellar
Domestic Hot Water Heaters	Cellar & Penthouse MER
Water Tank	Roof Mezzanine
Special Service Fire Pump	Penthouse MER

K. Heating

1. Method: The building is heated and cooled by two gas fired absorption chillers. The primary source of heat for the Apartments is provided by two (2) 400 ton

direct gas fired absorption chiller units. The gas fired absorption chillers are manufactured by Broad, model Number BZ125-H1. The system has capacity of 4,501 MBH for heating, and 400 Tons for cooling. The energy efficiency for the system are 1.42 COP for cooling, and .93 for heating.
The chillers are located inside the building and are not subject to corrosion and the cooling tower is stainless steel – non corrosive type.

The chillers provide hot water whose temperature ranges from 120 F to 150 F, depending on the outside air temperature. Hot water is distributed to apartments via four pipe fan coil units. Heat is distributed throughout the Building via unit & cabinet heaters, heating and ventilating units and fan coil units. The heating system is designed to comply with the New York State Energy Code and is adequate for each room and area. The state energy efficiency rating at COP=0.89 is minimum as per standard requirement.

2. Apartment Space Heating:

The heating system is designed to maintain a temperature of 72 F when the outside temperature is +15 F. The four pipe vertical high rise fan coil units with hot water coil, as manufactured by International Environmental, or equal serving each living/dining room and bedroom and controlled by a manual thermostat. Bathrooms located on the perimeter of the Building and below the roofs are served by supplemental heat in the form of heater mats. The Apartments and corridors are supplied with 100% outside air for ventilation. This air is tempered during winter operation by HVAC units located throughout the Building. The HVAC units located inside the Building where the heating coil is not subject to freezing, have hot water heating coils. The HVAC units, which are located outside on the Building roof, where the heating coil is subject to freezing, are equipped with indirect gas fired heating sections. The outside air serves as ventilation air as well as make-up air for the kitchen and toilet exhausts located in each residential unit. Each Apartment also contains operable windows for ventilation.

3. Heating of Public Space:

The residential lobby, amenity space, and corridors are designed to maintain a temperature of 72 F when the outside temperature is +15 F. Common Areas above the first floor, such as the tops of stairwells, mechanical equipment rooms and roof bulkheads are heated with hot water cabinet heaters or hot water forced air unit heaters.

The parking garage and the upper level Mechanical Equipment Rooms have forced air hot water unit heaters to heat the spaces.

The incorporation of LEED compliant mechanical/HVAC systems has

resulted in good indoor air quality while maintaining high energy efficiency. Indoor air quality (IAQ) has been enhanced through the use of significant (fresh air) outdoor air rates being provided to the Apartments combined with filtration and humidification.

4. Piping, Insulation and Pumps:

Schedule 40 steel piping with standard weight fittings is utilized for hydronic system piping. Hot water piping has been insulated.

There are three (3) primary hot water pumps, P-7, P-8, P-9 (one (1) is standby) and three (3) secondary hot water pumps, P-12, P-13, P-14 (one (1) is standby). The pumps are manufactured by Bell & Gossett. Variable Frequency Drives have been retrofitted on all hot water pumps. The pumps life cycle is normally 20 years and 6 more years life remain.

Hot water is circulated in a primary loop by Pump P-7, which is dedicated to serve Absorption Machine No.1, Pump P-8, which is dedicated to serve Absorption Machine No. 2 and Pump P-9, which is a standby for either absorption machine. The primary hot water loop also has an air separator, expansion tank, and chemical feed system. The secondary hot water loop circulates hot water throughout the Building utilizing SHWP's P-12, P-13 and P-14 (one (1) is standby.)

L. Natural Gas Supply

A 6" Natural gas service with associated meters is provided by ConEd on Murray Street for cooking in each Apartment, for laundry and for the chillers and roof units.

A pressure-regulating valve exists at the service and the valve is set to a pressure of 14 inches water column.

Meters: The gas for space heating is metered at firm rates and a dual meter set-up measures for domestic use and residential gas cooking ranges. Apartments are not individually metered. Gas for the Apartments, domestic hot water heaters and common laundry clothes dryers is collectively metered. Gas service for the Building mechanical/HVAC equipment is separately metered.

Piping material is black steel schedule 40 pipe with welded joints.

M. Air Conditioning:

The primary source of air conditioning for the Apartments is a central direct fired gas absorption chilled water plant located on the roof Mechanical Equipment Room. Space cooling is provided by either of two (2) 400 ton (800 tons total), gas fired absorption chillers/heaters that provide chilled water for cooling. The original chillers were replaced in 2019 with two (2) new Groad gas fired absorbers. The chillers are located inside the building and are not subject to corrosion and Cooling tower is stainless steel –
non-corrosive type.
Chilled water is distributed to the apartment fan coil units as well as air handling units and fan coil units throughout the Building. Free cooling of the chilled water is achieved using one (1) plate and frame heat exchanger (PHX-1) located in the 28th floor roof mechanical equipment room. The plate frame heat exchanger is manufactured by Tranter Model UFX-51-5-UP-155. All equipment are provided and placed on vibration isolators.
The state energy efficiency rating at COP=1.0 is minimum as per standard requirement.

Chilled water from the chillers or heat exchanger is circulated in the primary loop by three primary chilled water pumps P-4, P-5 & P-6 (one (1) is standby) with variable frequency drives. The primary chilled water also has an air separator, expansion tank, and a chemical treatment system. The secondary chilled water loop distributes chilled water throughout the Building by two (2) secondary chilled water pumps P-10 & P-11.
The pumps life cycle is normally 20 years and 6 more years life remain.

The chilled water system is designed to comply with the New York State Energy Code and is adequate for each room and area.

1. Apartments Space and Corridor Air Conditioning:

The air conditioning system is designed to maintain a temperature of 78 F and 50% relative humidity inside when the outside temperature is 89 F. The fan coil units with chilled water cooling coils, as manufactured by International Environment condition each living/dining room and bedroom and are controlled by manual thermostats. The Apartments and corridors are supplied with 100% outside air for ventilation. The air is supplied by HVAC units, manufactured by Temtrol, that have chilled water coils to condition the air during the cooling season. The outside air serves as ventilation air as well as make-up air for the kitchen and toilet exhausts located in each apartment. Each apartment also has operable windows for ventilation. Each 100% outside air HVAC unit is also equipped with an electric, steam generating humidifier. Each humidification system is equipped with an inline water meter that records the water usage for each humidification system. The humidifiers are manufactured by Carle. Additionally, each 100% fresh air unit has a duct mounted carbon monoxide detector installed in its fresh air inlet duct.

The building uses energy-efficient equipment to filter, condition, and deliver the air to each residence. Incoming fresh air passes through two stages of filters as it enters the Building. First, the system brings air from outside the Building through a pre-filter and then followed by a high-efficiency (MERV 14) filter to remove contaminants.

Each AC unit is provided with shut off valves and factory mounted controls. The capacities are as follows:

Type FCU-A:	Cooling	=	11.10 MBH
	Heating (370cfm)	=	17.6 MBH
Type FCU-B:	Cooling	=	7.50 MBH
	Heating (282cfm)	=	15.4 MBH
Type FCU-C:	Cooling	=	16.0 MBH
	Heating (475cfm)	=	24.3 MBH

2. Lobby, Residential Corridors Air Conditioning:

The residential air conditioning system is designed to maintain a temperature of 78 F and 50% relative humidity inside when the outside temperature is 89 F DB. The horizontal fan coil units with chilled water coil are manufactured by International Environment, and the air handling units,

with direct digital controls and with water coils, are manufactured by International Environment as well.

3. Remaining Area Air Conditioning: The residential fitness center and recreation area air conditioning system is designed to maintain a temperature of 78 F and 50% relative humidity, when the outside temperature is 89 F DB. The horizontal fan coil units with chilled water coil, are manufactured by International Environment, and the air handling units, with direct digital controls and with water coils, are manufactured by International Environment as well.

4. Cooling Towers: The cooling tower located on the roof provides condenser water for the chiller plant located at roof MER. The tower is rated at 800 tons (2- Cells @400 tons each) and manufactured by Baltimore Air Coil. All rooftop piping is provided with fiberglass pipe wrap.

N. Ventilation:

Supply and exhaust ventilation systems are provided for all mechanical rooms, meter rooms, electrical rooms, storage rooms, and elevator machine rooms. All windowless bathrooms and kitchens, within Apartments, are mechanically exhausted to the exterior as required by NYC Building Code. Bathrooms are ventilated at a rate of 25 CFM and kitchens are ventilated at a rate of 60 CFM of exhaust with roof exhaust fans. Dryers are ventilated at a rate of 180 CFM with roof exhaust fans. The mechanical spaces, electrical spaces, fire pump room and other back-of-house spaces are ventilated with a heating and venting unit and an associated general exhaust fan. Intake and exhaust louvers are provided for the area with the necessary separation distances as required by the NYC building code. A vertical exhaust duct riser has been provided for the refuse rooms at each floor. Each refuse room has an exhaust rate of 100cfm. Exhaust is also provided for the main Compactor Room. The exhaust riser terminates at a central roof-mounted exhaust fan discharging to the outdoors.

Public corridors are provided with 100 % conditioned or tempered outside air for ventilation.

The gas meter room is provided with natural ventilation to the outdoors.

Combustion air for the chiller/heaters which are located in the roof MER is provided via outdoor air intake louvers with automatic dampers that are interlocked with the chiller/heaters as required by NYC Construction Code.

The parking garage in the cellar is provided with mechanical fresh air supply and exhaust systems, which comply with NYC Construction Code. Garage exhaust terminates on the 19th floor roof in a louvered doghouse. The garage has carbon monoxide detectors installed for ventilation system control.

The entire Building mechanical/HVAC system is controlled and monitored by a central building management system (BMS), manufactured by Andover Controls.

O. Electric System:

1. Electric service is provided by ConEd at 120/208 volts, 3 phase, and 4 wire. It originates from a vault

located adjacent to the Building entrance on Murray Street. The service entrance is rated at 4000A and is made up of 10 conductors per phase; concrete encased ductbank with 10 ducts travel between the ConEd vault and the 1st floor electric room, which houses the main switchboard.

2. Service is as follows:
4,000 amps service is provided for the Building's electrical requirements. The main switch board is rated at 4000 amps, 120/208V, 3 phase, 4 wire and distributes electricity to each apartment, to Common Areas and Building amenities, as well as to the parking garage and the BPCA facility. All wire material is based on copper. There is no emergency generator on site for back-up power system for outages.

Significant service is provided for the following:
i. Black Water System
ii. Fire Pump
iii. Elevators
iv. Distribution panels
v. Nine Mini-Closets
vi. BPCA

Electric metering, furnished by ConEd, is provided for the following:
i. Switchboard MS-A
ii. BPCA
iii. Garage

Floor Distribution:
Electric is distributed to the floors via mini- closets on the 3rd, 6th, 9th, 12th, 16th, 19th, 22nd, 25th and 28th floors. The closets contain the riser conduits, distribution panels and metering equipment for each Apartment. Each closet serves the individual Apartments on the floor that it resides on and two floors above.

Distribution panels are located throughout the Building and are typically used to distribute electricity to larger loads that support common building systems and amenities such as chillers, air handlers, pumps, laundry room equipment and physical fitness facilities.

3. Panelboards. The unit panel boards include 20A, 1P breakers for lighting, receptacles, 20A, 2P breaker for the indoor air conditioning unit, 20A, 1P for the electric washer/ gas dryer, 30A, 2P for electric washer/dryer and 30A, 2P breaker for Oven (Typical floor).

4. Service to individual Apartments:
Each Apartment is served with a 120/208V, single phase, 3 wire-system. The main overcurrent protection to each apartment is an 80A, two pole circuit breaker located in the apartment distribution panel. Apartments are furnished with the code required smoke/CO detectors, ground fault circuit interrupter (GFCI) outlets in the bathroom and kitchen areas, and a full complement of cable television, telephone and data jacks. For energy conservation, each Apartment is provided with a master switch at the entry door that can turn off all lights except the bathroom lights.

Each Apartment is individually, electronically sub-metered by QUADLOGIC. The Apartments 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 Apartment, and associated riser equipped with circuit breakers in accordance with NYC Code requirements.

5. The Building is provided with a suitable electrical grounding and bonding system that includes

bonding of the service neutral to earth ground potential and earth grounding electrodes that consist of metal underground utility water piping. Metal components of the Building, including the interior water and gas piping systems, that could become accidentally energized have been grounded to earth potential for safety purposes.

6. Adequacy:
   i. Service: Electrical circuiting is provided in accordance with NYC Code.

   ii. Lighting and fixtures: Bathrooms, some halls and foyers in the Apartments have ceiling or wall mounted light fixtures. The lighting meets and exceeds code requirements.

   iii. Convenience outlets, appliance outlets: Electrical outlets are provided in accordance with NYC Code.

   iv. The panel provided for each Apartment has adequate capacity to accommodate general purpose lighting and receptacles, appliance, air conditioning & miscellaneous equipment.

7. The following receptacles are provided in each Apartment:

   i. Ground Fault Circuit Interrupters (GFCI).

   ii. Tamper-Resistant in public hallways only.

   iii. Water-Resistant receptacles for exterior use on apartments with terraces.

   iv. Three-Four-way switches are provided in each apartment for lighting control where required.

   v. Each Apartment has a master control switch which controls all switches with the exception of kitchen and bathrooms.

P. ***Intercommunication and/or Door Signal Systems, Security Closed Circuit TV:***

A voice intercom system is provided for communication between all Apartments and the lobby desk.

The concierge's desk contains the display monitors for the building wide closed circuit camera system. Cameras are located in all Common Areas except the corridors.

The intercom by Trigon, Phone system by Avaya, CCTV by Belco and Access control by Sidel is provided in the building.

Q. ***Public Area Lighting:***

High efficiency light fixtures are provided for indoor / outdoor use throughout the Building and include;

1. Pendant mounted fluorescent reflector type lighting fixtures and LED lighting fixtures for all mechanical and electrical spaces.

2. Ceiling mounted lights in each foyer, hall and kitchen of each apartment.

3. A wall bracket light in each bathroom of each apartment.

4. Fluorescent and LED lighting in public areas and stairs with integral battery pack.

5. Fifty percent of all residential floor corridor lighting is controlled by occupancy sensors from 11 pm to 6 am. The other fifty percent is always "on" and is provided with emergency battery back-up to provide lighting during a normal power failure.

   All lighting fixtures are in compliance with New York State Energy Code and provided by battery back-up on stair and corridor light fixtures. Lighting manufacturers and model numbers are not available. Public lighting complies with 1968 building code.

R. ***Parking Garage:***

The forty one (41) space parking garage ("Garage") is located in the cellar level and access to the Garage is at Murray Street. The Garage is an attended facility. The Garage surface is slab on grade concrete. The Garage lighting is provided by low bay HPS type fixtures. Emergency lighting is provided by individual battery units. The Garage ventilation is provided via garage supply and exhaust fans. Fans draw in the ventilation air from air intake and exhaust shafts ducted to louvers at the ground floor. The ventilation for the Garage is based on 1 CFM/sf. The Garage has carbon monoxide detectors installed for ventilation system control. A dry sprinkler system with valve and fire hose stations is provided for the Garage. A drainage system for the Garage is provided. The Garage is equipped with two electric vehicle car charging station. All residents of the Building have access to the car charging stations whether they have an assigned parking space or not.

The parking garage lease provides that residents shall be given first priority to park on a monthly basis in the parking garage over parties that do not reside in the Building. No resident shall have the right to park more than one (1) vehicle in the parking garage at a time on a monthly basis. In the event that there are no monthly parking spaces available when a resident requests a monthly parking space from the parking garage tenant, either (i) because one or more parking spaces are then being occupied by parties that do not reside in the Building, or (ii) because a resident occupies more than one parking space, then the parking garage tenant shall terminate the monthly parking agreement, or, with respect to residents, terminate the monthly parking agreements for vehicles exceeding one (1) vehicle, in order to accommodate the resident's request, no more than thirty (30) days after receiving such request. However, since there will be more residents than parking spaces, Sponsor makes no representation that a parking space will be available to residents at any given time.

S. ***Swimming Pool:*** None

T. ***Recreation Facilities:***

1. Fitness Center: A renovated fitness center approximately 2,500 sqft with an Aerobic/Yoga studio is provided on the ground floor. The exercise equipment includes: treadmills, an EFX trainer, a recumbent bike, an upright bike, free weights, adjustable benches, and an upper/lower body arc trainer. Sponsor reserve the rights to substitute any equipment herein. The maximum allowable occupancy for exercise area are 57 persons, and 31 for Aerobic/Yoga studio. Refer to item 4 of section B for additional information.

2. Children's Playroom: The renovated playroom approximately 700 sqft is located on the Ground Floor available for use by children under parental supervision.
   Refer to item 4 of section B for additional information.

3.	Roof Garden:	A renovated common roof terrace approximately 4,600 gsf, 240 nsf occupiable space, with maximum allowable occupancy of 20 persons, is provided on the 19th floor. The terrace includes a landscaped roof garden with mechanical equipment, stone pathways, plantings, benches and tables and chairs seating for use by all residents. Refer to item 4 of section B for additional information.

*U. **Permits and Certificates:***

Certain building inspections and certifications will need to be undertaken by the Board of Directors, as stated below:

U.S. Green Building Council LEED Gold Certification – New Construction

U.S. Green Building Council LEED Platinum Certification – Existing Building, maintaining certification under LEED Dynamic Plaque.

Local Law 84 of 2009 annual report for benchmarking energy and water use.
Local Laws 11 of 1998 Periodic inspection of exterior walls and appurtenances are required for this Building, the last inspection cycle 8A was conducted in August 2016,and is filed as "SAFE". A copy of the report is attached in the appendix for review. Next cycle of inspection will be in 2021.

Annual Elevator Inspection as per New York City building Code. Inspection Certificates are located in the building concierge of the main lobby.

Local Law 77 of 2015 annual certification for cooling tower.

Local Laws 26 of 1988 The Community Right-to Know Program for annual reporting and storage of hazardous substances

RPZ annual test as per New York City building Code.

Sprinkler Periodic inspection and testing as per New York City building Code, approximately every 5 years.

Fire Alarm semi annual testing as per New York City building Code.

Annual Tank cleaning as per New York City building Code requirement.

All recurring inspections to be done after the building is in operation, as per DOB building code and/or other local code that has jurisdiction, including under NFPA 80, sprinkler, RPZ, elevator safety, elevator load test, fire alarm, etc.

*V. **Violations:***

Two (2) open DOB violations dated 04/06/2018 for boiler inspection for 2016 are outstanding for the building.
Three (3) open DOB violations dated 01/05/2021 for Elevator are outstanding for the building.

The sponsor will cure any outstanding violation for the building prior to the closing.

W. ***Apartment Information:***

There will be two hundred ninety-one (291) Apartments located on 1st floor, 3rd floor thru 12th floor and 14th floor thru 28th floor and Penthouse.
Visual inspected apartments: 3Q, 5C, 10L, 17E, 19A, 26B
Proposed renovation to apartment listed in item 4 of Section B will have new electrical breakers to accommodate new appliances, there will be new wiring for all new light fixture locations. All work to be in compliance with all applicable building codes. All windows will be existing to remain. All interior door to be per listed in item 11 of Section H.
Existing Apartments being sold "as-is":

1. Apartment Schedule:

FLOOR	APARTMENT	TYPE	DESCRIPTION
1st Floor	E	Two Bedroom	Foyer, Living/Dining Room, Kitchen, 2 Bedrooms, 2 Bathrooms

FLOOR	APARTMENT	TYPE	DESCRIPTION
3rd Floor	B	One Bedroom	Foyer, Living/Dining Room, Kitchen, 1 Bedroom, 1 Bathroom
	C	One Bedroom	Foyer, Living/Dining Room, Kitchen, 1 Bedroom, 1 Bathroom
	D	One Bedroom	Foyer, Living/Dining Room, Kitchen, 1 Bedroom, 1 Bathroom
	E	Two Bedroom	Foyer, Living/Dining Room, Kitchen, 2 Bedrooms, 2 Bathrooms
	F	Three Bedroom	Foyer, Living/Dining Room, Kitchen, 3 Bedrooms, 3 Bathrooms
	G	One Bedroom	Foyer, Living/Dining Room, Kitchen, 1 Bedroom, 1 Bathroom
	H	One Bedroom	Foyer, Living/Dining Room, Kitchen, 1 Bedroom, 1 Bathroom
	J	Studio	Foyer, Living/Dining Room, Kitchen Sleeping Alcove, 1 Bathroom
	K	One Bedroom	Foyer, Living/Dining Room, Kitchen, 1 Bedroom and 1 Bathroom

	L	One Bedroom	Foyer, Living/Dining Room, Kitchen, 1 Bedroom, 1 Bathroom
	M	Three Bedroom	Foyer, Living/Dining Room, Kitchen, 3 Bedrooms, 3 Bathrooms
	N	Two Bedroom	Foyer, Living/Dining Room, Kitchen, 2 Bedrooms, 2 Bathrooms
	P	One Bedroom	Foyer, Living/Dining Room, Kitchen, 1 Bedroom, 1 Bathroom
	Q	One Bedroom	Foyer, Living/Dining Room, Kitchen, 1 Bedroom, 1 Bathroom

FLOOR	APARTMENT	TYPE	DESCRIPTION
4TH -12TH, 14th-16th Floor	A	Two Bedroom	Foyer, Living/Dining Room, Kitchen, 2 Bedrooms, 2 Bathrooms
	B	One Bedroom	Foyer, Living/Dining Room, Kitchen, 1 Bedroom, 1 Bathroom
	C	One Bedroom	Foyer, Living/Dining Room, Kitchen, 1 Bedroom, 1 Bathroom
	D	One Bedroom	Foyer, Living/Dining Room, Kitchen, 1 Bedroom, 1 Bathroom
	E	Two Bedroom	Foyer, Living/Dining Room, Kitchen, 2 Bedrooms, 2 Bathrooms
	F	Three Bedroom	Foyer, Living/Dining Room, Kitchen, 3 Bedrooms, 3 Bathrooms
	G	One Bedroom	Foyer, Living/Dining Room, Kitchen, 1 Bedroom, 1 Bathroom
	H	One Bedroom	Foyer, Living/Dining Room, Kitchen, 1 Bedroom, 1 Bathroom
	J	One Bedroom	Foyer, Living/Dining Room, Kitchen, 1 Bedroom, 1 Bathroom
	K	One Bedroom	Foyer, Living/Dining Room, Kitchen, 1 Bedroom, 1 Bathroom
	L	Two Bedroom	Foyer, Living/Dining Room, Kitchen, 2 Bedrooms, 2 Bathrooms

	M	Three Bedroom	Foyer, Living/Dining Room, Kitchen, 3 Bedrooms, 3 Bathrooms
	N	Two Bedroom	Foyer, Living/Dining Room, Kitchen, 2 Bedrooms, 2 Bathrooms
	P	One Bedroom	Foyer, Living/Dining Room, Kitchen, 1 Bedroom, 1 Bathroom
	Q	Studio	Foyer, Living/Dining Room, Kitchen Sleeping Alcove, 1 Bathroom

FLOOR	APARTMENT	TYPE	DESCRIPTION
17th -18th Floor	A	Two Bedroom	Foyer, Living/Dining Room, Kitchen, 2 Bedrooms, 2 Bathrooms
	B	One Bedroom	Foyer, Living/Dining Room, Kitchen, 1 Bedroom, 1 Bathroom
	C	One Bedroom	Foyer, Living/Dining Room, Kitchen, 1 Bedroom, 1 Bathroom
	D	One Bedroom	Foyer, Living/Dining Room, Kitchen, 1 Bedroom, 1 Bathroom
	E	Two Bedroom	Foyer, Living/Dining Room, Kitchen, 2 Bedrooms, 2 Bathrooms
	F	Three Bedroom	Foyer, Living/Dining Room, Kitchen, 3 Bedrooms, 3 Bathrooms
	G	One Bedroom	Foyer, Living/Dining Room, Kitchen, 1 Bedroom, 1 Bathroom
	H	One Bedroom	Foyer, Living/Dining Room, Kitchen, 1 Bedroom, 1 Bathroom
	J	One Bedroom	Foyer, Living/Dining Room, Kitchen, 1 Bedroom, 1 Bathroom
	K	One Bedroom	Foyer, Living/Dining Room, Kitchen, 1 Bedroom, 1 Bathroom
	L	Two Bedroom	Foyer, Living/Dining Room, Kitchen, 2 Bedrooms, 2 Bathrooms
	M	Three Bedroom	Foyer, Living/Dining Room, Kitchen, 3 Bedrooms, 3 Bathrooms
	N	Two Bedroom	Foyer, Living/Dining Room, Kitchen, 2 Bedrooms, 2 Bathrooms
	P	One Bedroom	Foyer, Living/Dining Room, Kitchen, 1 Bedroom, 1 Bathroom
	Q	Studio	Foyer, Living/Dining Room, Kitchen Sleeping Alcove, 1 Bathroom

FLOOR	APARTMENT	TYPE	DESCRIPTION
19th Floor	A	Three Bedroom	Foyer, Living/Dining Room, Kitchen, 3 Bedrooms, 3 Bathrooms, Terrace
	B	Three Bedroom	Foyer, Living/Dining Room, Kitchen, 3 Bedrooms, 3 Bathrooms, Terrace

	C	One Bedroom	Foyer, Living/Dining Room, Kitchen, 1 Bedroom, 1 Bathroom, Terrace
	D	Two Bedroom	Foyer, Living/Dining Room, Kitchen, 2 Bedrooms, 2 Bathrooms, Terrace
	E	Two Bedroom	Foyer, Living/Dining Room, Kitchen, 2 Bedrooms, 2 Bathrooms, Terrace
	F	Two Bedroom	Foyer, Living/Dining Room, Kitchen, 2 Bedrooms, 2 Bathrooms, Terrace

FLOOR	APARTMENT	TYPE	DESCRIPTION
20th – 27TH Floor	A	Three Bedroom	Foyer, Living/Dining Room, Kitchen, 3 Bedrooms, 3 Bathrooms
	B	Three Bedroom	Foyer, Living/Dining Room, Kitchen, 3 Bedrooms, 3 Bathrooms
	C	One Bedroom	Foyer, Living/Dining Room, Kitchen, 1 Bedroom, 1 Bathroom
	D	Two Bedroom	Foyer, Living/Dining Room, Kitchen, 2 Bedrooms, 2 Bathrooms
	E	Two Bedroom	Foyer, Living/Dining Room, Kitchen, 2 Bedrooms, 2 Bathrooms
	F	Two Bedroom	Foyer, Living/Dining Room, Kitchen, 2 Bedrooms, 2 Bathrooms

FLOOR	APARTMENT	TYPE	DESCRIPTION
28th Floor and Penthouse	A	Three Bedroom	Foyer, Living/Dining Room, Kitchen, 3 Bedrooms, 3 Bathrooms
	B	Three Bedroom	Foyer, Living/Dining Room, Kitchen, 3 Bedrooms, 3 Bathrooms
	C	One Bedroom	Foyer, Living/Dining Room, Kitchen, 1 Bedroom, 1 Bathroom
	D	Two Bedroom	Foyer, Living/Dining Room, Kitchen, 2 Bedrooms, 2 Bathrooms
	E	Two Bedroom	Foyer, Living/Dining Room, Kitchen, 2 Bedrooms, 2 Bathrooms
	F	Two Bedroom	Foyer, Living/Dining Room, Kitchen, 2 Bedrooms, 2 Bathrooms

2. Finish Schedule –Typical Apartment

LOCATION	**FLOOR**	**BASE**	**WALLS**	**CEILING**	**REMARKS**
Living Room, Dining Room, Bedroom,	WD	WD	P	P	
Foyer, Interior Halls	WD	WD	P	P	
Master Bathroom	CT	CT	P/CT	P	
Secondary Bathroom	CT	CT	P/CT	P	
Kitchen	CT	WD	P	P	

Washer/Dryer closet	WD or CT	WD or CT	P	P	

* Wood flooring to be Pre-finished Parquet floor tile, +/- 5/16" thick. Or Pre-finished engineered floor, +/- 3/8" thick.
* Paint to be two coats Benjamin Moore eco spec paint.
* Wood flooring to be Pre-finished engineered floor, +/- 3/8" thick or equal.
* Paint to be two coats Benjamin Moore eco spec paint or equal.

3. Plumbing Fixtures Schedule – Typical Apartment
*(typical but not representative of every apartment.)

*All existing Apartment bathroom fixtures are in good condition in general.

i. Master Bathroom:

ITEM	MANUFACTURER	MODEL NO.	REMARKS
Lavatory	KOHLER	Memoirs, K-2239-8-0	Pedestal Bathroom Sink w/ Widespread Faucet Holes, White
Water Closet	KOHLER	Memoirs, K-4387-0	Round Front Bowl - White
Bath Tub	KOHLER	Villager, K-716-0	60" X 30" w/ Integral Apron - White

ii. Secondary Bathroom:

ITEM	MANUFACTURER	MODEL NO.	REMARKS
Lavatory	KOHLER	Memoirs, K-2239-8-0	Pedestal Bathroom Sink w/ Widespread Faucet Holes, White
Water Closet	KOHLER	Memoirs, K-4387-0	Round Front Bowl - White
Bath Tub	KOHLER	Villager, K-716-0	60" X 30" w/ Integral Apron - White

4. Kitchen Appliances Schedule- Typical Apartment
*(typical but not representative of every apartment.)

*All existing Apartment Kitchen appliances are in good condition in general, and has been replaced as needed.
*All existing Kitchen consists of MDF cabinet with Cherry wood doors and drawer face front face, granite counter tops, and are in good condition in general.

i. Studio and One (1) Bedroom:

ITEM	MANUFACTURER	MODEL NO.	FINISHED
Refrigerator/ Freezer	Whirlpool	GR2SHTXKS02	Top – Freezer, Stainless Steel
Range	Whirlpool	WFG540H0ES	5.8 cu.ft. – Freestanding Gas Range, Stainless Steel
Microwave Oven	Whirlpool	GH7155XHS	1.5 cu.ft. – Hood Combination w/ Sensor Cooking Cycle, Stainless Steel
Dishwasher	Whirlpool	DU915PWKQ0	24” Front Control, Black

ii. Two (2) Bedroom and Three (3) Bedroom:

ITEM	MANUFACTURER	MODEL NO.	FINISHED
Refrigerator/ Freezer	Whirlpool	GC5SHGXLS01	Side-by-Side, Stainless Steel
Range	Whirlpool	WFG540H0ES	5.8 cu.ft. – Freestanding Gas Range, Stainless Steel
Microwave Oven	Whirlpool	GH7155XHS	1.5 cu.ft. – Hood Combination w/ Sensor Cooking Cycle, Stainless Steel
Dishwasher	Whirlpool	DU915PWKQ0	24” Front Control, Black

5. Laundry Appliances Schedule:
*(typical but not representative of every apartment.)

*All existing Apartment laundry appliances are in good condition in general, and has been replaced as needed.

ITEM	MANUFACTURER	MODEL NO.	FINISH
Washer	Bosch	Axxis, WFL2090UC	2.1 cu.ft. Capacity, White / Stackable
Dryer	Bosch	Axxis, WTB86201UC	24” Compact Condensation Dryer -

			White

X. ***Finish Schedule of Spaces Other Than Apartments:***

Residential Public Space.

SPACES	FLOOR	WALLS	BASE	CEIILING	REMARKS
Typical Elevator Lobby	CPT	WC	CPT	P	
Typical Public Corridor	CPT	WC	CPT	P	
Typical Refuse Closet	CT	CT	CT	P	
Ground floor Main Lobby	S	S/WD	S	P	

*Carpet at Residential Public Corridors are original and are out of Warranty.
* Paint to be two coats Benjamin Moore eco spec paint.

Abbreviation of Finishes:

S	Stone
SMT	Stone Mosaic Tile
PT	Porcelain Tile
CPT	Carpet/Carpet Tile
CT	Ceramic Tile
P	Paint
WC	Wall covering
WD	Wood

All finishes, fixtures, appliances and equipment are subject to sponsor's right to substitute of equal or better quality.

Y. ***Safety and Warning Devices:***

1. Fire and/or smoke safety devices are installed in all Apartments and Common Areas:

   i. Standby hardwired with battery back-up smoke alarms/carbon monoxide alarms are installed in each Apartment in the living room, sleeping rooms, and foyers in the immediate vicinity of the sleeping rooms. The detectors are wired to a 120-volt local power supply and are self-contained with their own sounding device.

   ii. The main fire alarm panel and fire command station are located in the lobby of the main entrance, and comply with New York City Building Code. The fire alarm system is monitored by a central station. Components of the system include the following:

      i. duct smoke detectors
      ii. smoke detectors in electric rooms and closets, telephone and data closets, and MER's

iii. water flow switches and tamper switches in stairwells for fire protection piping
iv. Magnetic door releases
v. Manual pull station

iii. The Building has an automatic sprinkler alarm/smoke detection system. The system monitors the water flow and tamper switches associated with the sprinkler system. Elevators, lobby, elevator machine rooms and the tops 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.

iv. Carbon Monoxide monitors are installed on every fresh air intake unit.

.

Z. ***Additional Information Required:***

1. Approximate total area of Apartment: Measurement based on construction documents.

   The approximate square foot area of each Apartment is measured horizontally from the exterior face of the external wall to the midpoint of the interior partitions separating one Apartment from another Apartment, public corridors, public lobby, stairs, elevators or any Common Areas and terraces. The area of mechanical pipes, shafts and structural columns and walls within the Apartment is not deducted.

2. Approximate room dimensions of Apartments: Measurement based on construction documents.

   The Approximate interior room dimensions indicated on the Apartment plans of the Apartments are measured from the room-side face of the sheetrock partition on one side of the applicable room to the room-side face of the sheetrock partition on the opposite side. Measurements do not include reductions or expansions of dimensions caused by columns or shaft enclosures or finishes, which will reduce the useable stated dimensions and useable square footage of such rooms.

3. Floor to ceiling heights of Apartments: Measurement based on construction documents.

   Each of the Apartments is measured vertically from the top of the concrete floor slab (located under the finished flooring) to the underside of the concrete slab above.

   The clearance from top of the floor slab to underside of slab in the Apartment is approximately 8'-6" on 3rd thru 12th, 14th thru 17th, 19th thru 28th floors; 9'-7" on Penthouse floor; 10'-4 3/4" at 18th floor and certain portion at 10'-1 3/4" along Apartments 18C, 18D, 18E, 18F, 18G & 18H all on 18th floor; and 10'-8" on ground floor, except that foyers, interior hallways, kitchens, bathrooms and closets and certain areas within the Apartments will have lower hung ceilings to accommodate facilities located above the ceiling or otherwise to respond to field conditions.

4. AII references herein to dimensions, areas, height and thicknesses of construction materials are approximate within reasonable tolerances. All make and model numbers of appliances, fixtures, and equipment are subject to change, in the sponsor's discretion and/or based upon availability at the time that they are installed. Sponsor reserves the right to substitute appliances, fixtures, and equipment with substantially similar appliances, fixtures, and equipment of comparable or better quality.

AA. ***Existing Building Condition:*** See attached existing building condition report dated May 26, 2017 and as

amended on June 6, 2017.

BB. ***Further Development:***

No additional Apartments will be added to the Building.

In August 2020, Sponsor began to undertake an upgrade and expansion to certain residential amenities in the Building (the "Amenity Upgrade"), as well as an upgrade of vacant Apartments 9K and 9L ("Vacant Apartment Upgrade") at Sponsor's sole cost and expense. The Amenity Upgrade will include a lounge, private dining room with kitchen, and media room, and will be achieved by integrating Apartments 1C and 1D into the new amenity spaces, after which there will be a total of two-hundred and ninety one (291) Apartments (including one (1) Resident Manager's Apartment) located within the Building. With HFA's approval, the Middle-Income Tenant who previously occupied Apartment 1C, was relocated to an Apartment of comparable or better size, location, appliances and fixtures (a "Comparable Apartment"). The Middle-Income Tenant occupying Apartment 1E will also be moved to a Comparable Apartment during the Amenity Upgrade work. Purchasers should refer to the Floor Plans in Part II of this Plan for details regarding the location of the Amenity Upgrade. The Vacant Apartment Upgrade will include new engineered wood flooring, painted wood base, and gypsum wallboard that has been primed and painted with low-VOC paint, kitchen and bathroom flooring, finishes and appliances. Sponsor anticipates that the Amenity Upgrade and Vacant Apartment Upgrade will be completed within 9-12 months from the start of construction (i.e., August, 2020), subject to delays caused by Force Majeure. Purchasers should refer to the CookFox Report annexed to this Description of Property and Building Condition, for details regarding the Amenity Upgrade and Vacant Apartment Upgrade equipment, flooring, appliances and finishes.

There will be a Tenant Protection Plan ("TPP") in place and all required egress will be maintained during renovation and construction of the amenity area and certain vacant Apartments. The TPP will be filed and approved by New York City Department of Building.

Temporary partitions will be installed to separate construction areas from tenant areas in common locations

The schedule for renovation and construction work will be from Monday to Friday, 8AM to 5 PM.

All entrances and common areas will be monitored by CCTV and staff during construction. All workers must sign in with the front desk before entering the building.

Temporary Water, gas, and electric shutdowns will be required. Tenants will be notified in advance.

All plumbing work as required will be performed by a licensed and insured sub- contractor, any damage to existing piping and condition will be remove and replace.

CC. ***Asbestos:***

None.

The building was constructed in or around 2004, and scope of work is exempt from the asbestos requirement as defined in the regulations promulgated by the NYC DEP (15 RCNY 1-23(b)) or is an alteration to a

building constructed pursuant to plans submitted for approval on or after April 1,1987, in accordance with §28-106.1.

DD. ***Lead Based Paint:*** None

EE. ***Documents to be Transferred to the Cooperative Board (As Applicable to the Extent Available):***

1. Structural, Mechanical, Electrical, Plumbing Shop Drawings.
2. Operation and Maintenance Manuals for Mechanical Equipment.
3. Test and Balance Report for HVAC System.

FF. ***Waivers:***

The Sponsor has not undertaken to correct or repair any existing conditions noted in "the Solaire Transition Report" Dated May 26, 2017.

GG. ***No Warranties:***

There will be no warranties or guarantees for any of the existing work, equipment, or material in the Building. This exclusion includes windows, roof, elevator, electricity, heating, ventilation, brickwork, structural systems, or any other components or construction defects.

The chiller replacement will have warranty through the manufacturer until August 7, 32024 for Broad Absorbers . The installation (trade work) was warrantied until August 7, 2020 and was expired.

The foregoing constitutes a true, correct and complete Description of Property by our firm for the Property located at 20 River Terrace Battery Park City, New York, NY.



Dated: 07/28/2021

Mario Yao, AIA, Partner

ANNEX COOKFOX REPORT

Project

N19383.00

THE SOLAIRE TRANSITION REPORT

Prepared For

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Executive Vice President

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August 26th, 2019





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APPENDICES

i. **Appendix A (Life Cycle Analysis Chart)**

1.00 INTRODUCTION

1.01 PURPOSE

The intent of this report is to provide the Albanese Development Corporation with a detailed Architectural & Engineering Assessment of The Solaire, located at 20 River Terrace New York, NY 10282. This report addresses the condition of building envelope, architectural, structural, mechanical, plumbing, fire protection and electrical systems and assesses if the key elements of the Solaire conform to the original design specifications and NYCDOB requirements.

1.02 TEAM AND METHODOLOGY

This report was prepared by Engineers and Architects from Thornton Tomasetti, Inc. (TT).

The following data was utilized in evaluating the building:

A. Cycle 7A and 8A Fisp Reports
B. American Hydrotech Warrantee February 5, 2004
C. Grumman Butkus Commissioning Report 2015
D. WM Group Recommissioning Report 2009
E. Design Development Drawings Set dated 11-17-00
F. Massey Disaster Plan 2008
G. Local Law 84 Statement of Energy Performance 2015
H. Various As-Built Drawings
I. Field Observations performed by TT technical staff which included a survey of 23 apartment units

TT reviewed the drawings and various documents provided by representatives of the Albanese Organization through email and while onsite. These drawings and documents provided TT with a basic understanding of the building layout, systems and assemblies.

TT attended an onsite kickoff meeting on February 22, 2017. While onsite TT was able to review drawings and documentation as well as observe various electrical, mechanical, HVAC, plumbing, fire protection and Architectural systems throughout the building. In addition, 23 random vacant apartment units were accessed at various floors and elevations along with 1 that was occupied.

Additional visits were also conducted on February 28th, 2017 to investigate electrical panels and on March 3rd, 2017 to investigate smoke detectors within the HVAC system as well as to conduct an exterior condition survey of the building envelope through high powered binoculars and a camera with a 30x telephoto lens. The envelope was previously viewed from the roofs and setbacks during the February 22nd, 2017 visit as well. TT made another visit on August 7th, 2019 to review the existing conditions for the purpose of updating the survey report, observations, recommendations, and life cycle estimates.

Ultimately, it should be noted that, it was not possible to look at every portion of the building; we looked at a representative sampling of the building to give us a fair understanding of the design and construction.

Our Engineering Assessment does not include:

A. The following mechanical/HVAC, electrical, plumbing and fire protection items:

- Specialized Tenant Systems
- Verifying the authenticity of any material or equipment nameplate or labeling information
- Any equipment below and outside the building limit lines
- Operation of equipment (except as specified by scope of work)
- Verification of energy code compliance

B. Exclusions to Building Envelope/Structural scope in proposal:

- Hands on façade inspections via house rig, scaffolding or other means
- Investigation probes or diagnostic testing. If warranted on the basis of our observations, we may recommend investigative probes or diagnostic tests be conducted by a qualified contractor retained by the client.
- Measurement of verification of glass properties (such as light transmittance, reflectance, solar heat gain coefficient etc.)
- Detailed ADA survey and assessment
- Structural design peer review
- Assessment of interior finishes, furniture, fixtures and equipment (except as specified in scope of work)
- Assessment of landscape amenities (except as specified in scope of work.)

C. Other Exclusions:

- Vertical transportation system
- Thorough review of design for code compliance
- Environmental/hazardous material/indoor air quality
- Preparation of drawings or specifications for remediation
- Document searches at agencies or other locations
- Forensic report preparation, testimony at mediation or trial, or other litigation support services

1.03 EXECUTIVE SUMMARY

The Albanese Development Corporation retained Thornton Tomasetti, Inc. (TT) to advise of (i) variances between the specifications/design documents versus the as-built condition of the building; (ii) defective design or construction; (iii) work not in compliance with the applicable building code (s).

The building is generally in very good condition as there are only some minor issues with the facades, structural, and MEP based upon our walk-through. No water penetration was reported by the building staff. Pursuant to TT's initial site visits, it was confirmed that no reported operational issues were present.

General Building Deficiencies:

A. The Architectural deficiencies are limited to some mortar joint separation & step cracking, defective, broken or improperly installed insulated glass units (IGU's), roof membrane deficiencies, painting over fire rated door tags and sprinkler caps, improperly functioning folding closet doors in apartments, misaligned kitchen cabinet doors, and separation of wood flooring in the fitness room. Roofing is out of warranty and should be considered for budgeting purposes.

B. Structural deficiencies are limited to cracking of the bulkhead concrete spandrel beam, surface and limited scale rust on steel dunnage, cracking of several sidewalk slabs, cracking and spalled concrete at the parking garages slab on grade concrete.

C. The mechanical equipment is in good working condition and there were no reports of operational issues with the equipment. There were several deficiencies observed, primarily missing duct mounted smoke detectors from five (5) fan coil units and one (1) HVAC unit having supply air quantities of 2000 CFM or higher. Another HVAC unit has the duct-mounted smoke detector installed in the wrong location. The other items noted were improper piping support and damaged insulation.

D. Electrical system deficiencies primarily concerned fire stopping of conduit penetrations around fire rated partitions, open conduits without firestop material and availability of working clearance around electrical equipment. These issues were observed in electrical rooms, electrical closets and telephone closets, which could indicate a systemic issue throughout the building.

E. The plumbing equipment is generally in good working condition. However, most is original to the building, being installed in Y2001. Some of the equipment such as the pumps, pump motors and heating coils in the domestic water heaters are approaching the end of their useful life. Performance testing is warranted.

A. Fire Protection/sprinkler systems are generally in good working order but must be inspected regularly as required for full code compliance. The observations are limited to the apartment units surveyed under the scope of this report. Of the apartments surveyed, the sidewall sprinkler deflectors and sprinkler cover plates have been painted. Paint on the sprinkler heads or cover plates will ruin their temperature rating, which will cause the devices to not function properly or at all during a fire.

B. During the follow-up visit on August 7th, 2019, TT was advised that the sidewalk repair of the cobblestone on River Terrace and Murray Street will occur. Also, inspection for Local Law 11 work will occur.

For a complete list of building issues, deficiencies, descriptions and recommendations, please refer to Sections 2.02 (Architectural), 3.02 (Structural), 4.02 (HVAC), 5.02 (Electrical), 6.02 (Plumbing), and 7.02 (Fire Protection).

1.04 DESCRIPTION OF BUILDING SYSTEMS

A. General Building Layout

The Solaire, located at 20 River Terrace was completed in 2003. It is a LEED Platinum certified building and the first LEED certified residential high-rise in the United States of America. The building is 27 stories (280 ft) with 293 rental units. Rental units are divided into 15 Studio, 67 one bedroom, 66 one bedroom with a den, 93 two bedroom and 52 three bedroom apartment units. There is also an indoor children's playroom, fitness center, yoga room and a subterranean parking garage with 41 spaces.

B. Exterior Envelope

The exterior envelope consists of a cavity wall system with alternating bands of slate and brick at the first two floors. Upper floors consist of brick cavity walls with aluminum panels and aluminum framed storefront type window assemblies. Windows are either fixed or inswing casement with insulated glass units (IGU's). Windows that are installed within the brick cavity wall sections have cast concrete sills. The West facade (entrance) also contains a revolving glass door.

Photovoltaic panels are integrated into the West façade from floors three to fifteen. Additional photovoltaic panels are installed at the south and west facades of the roof bulkhead mounted on angled racks.

Roofs consist of a rubberized monolithic membrane with either a garden roof assembly (19th floor public terrace and main roof), pavers (19th floor private terraces) or stone ballast (mechanical roof). An additional modified bitumen type roofing system was observed on the rooftop bulkhead.

C. Interior Finishes

Interior finishes in apartments include painted gypsum walls and ceilings, granite countertops, hardwood floors, window sills and cabinets, slate, ceramic, and porcelain tiling. The units consist of painted gypsum board walls and ceilings with wood floors.

Hallways have either painted gypsum ceilings or acoustical tile, carpeted floors, and decorative wall coverings.

Mechanical areas and egress stairwells are generally constructed of painted CMU walls and concrete floors and ceilings.

Miscellaneous common areas including, but not limited to the main lobby, fitness rooms and child day care rooms have either painted gypsum ceiling or acoustical tiles, painted gypsum walls, wood wall panels, decorative wall coverings, cork wall covering, stone, wood, vinyl composite tile (VCT) or porcelain/ceramic tile flooring.

D. Structural

Based on the review of the existing structural drawings, the structure of the building consists of piles and reinforced concrete mat foundation, concrete slabs, concrete columns, shear walls and steel beams to support water tower and mechanical units on the chiller roof.

E. Mechanical/HVAC

Overall building space heating and cooling is provided by a four pipe system which utilizes two gas fired absorption chiller/heater units. These machines provide chilled/hot water to residential unit fan coil terminal units, unit heaters, heating and ventilating units, air-handling units and miscellaneous fan coil units throughout the building.

Heating is provided by fan coil terminal units are located in each of the residential units. Lobbies and entranceways are heated by air handling units filled with hot water heating coils. Common areas above the first floor such as the tops of stairwells and bulkheads are heated with forced air hot water unit heaters or cabinet unit heaters.

Air conditioning/cooling is provided via chilled water coils in the fan coil terminal units located in the individual residential units. Air handling units with chilled water cooling coils are provided for the miscellaneous (common) conditioned spaces. The chiller plant consists of two gas fired absorption chillers, two single cell open cooling towers located on the roof, and associated pumps.

At the time of TT's visit on August 7th, 2019, a temporary chiller was observed at the street level, it since been removed and the replacement chillers have been put on-line. All temporary pipe connectors and temporary electrical service have been removed.

Building corridors are heated and cooled by once through handling units filled with hydronic coils. These systems have electric powered steam humidifiers to humidify the supply air during the heating season. The water supplied to each humidification system is metered to monitor water usage per system.

Ventilation to all residential units is provided with conditioned outside air at an air flow rate equivalent to 70% of unit exhaust rate. The outside air is humidified during the heating season. Each kitchen is individually ventilated with a dedicated exhaust system with a continuous flow of 60 cfm. Unit bathrooms are exhausted at a balanced ventilation rate of 25 cfm for each water closet and urinal. Electric non-vented condensing clothes dryers have been provided in each residential unit with vented clothes dryers provided in the building's common laundry room.

The incorporation of LEED compliant mechanical/HVAC systems has resulted in excellent indoor air quality while maintaining high energy efficiency. Indoor air quality (IAQ) has been enhanced through the use of significant (fresh air) outdoor air rates being provided to the residential units combined with high quality filtration and humidification.

F. Electrical

The Solaire electrical system was designed and installed to the 1968 NYC Electrical Code which is based on the 1999 National Electric Code with amendments. The main service consists of one 4000A service with associated switchboards and distribution equipment. The service is adequately sized to serve the current load with ample capacity for future growth, or apartment service upgrades. Apartment services are provided from local distribution panels located in Mini-Closets that each serve a group of apartments on three adjacent floors, Mini-closets are furnished with the metering instrumentation to interface with the Quadlogic telemetry system. On-site electric generation is provided by photo voltaic panels which contribute to the LEED Platinum certification and supply up to 5% of the base building load. The electrical systems are generally neat and well labeled with complete panel schedules. These systems generally comply with applicable codes to a high degree.

G. Plumbing

As a LEED Platinum certified building, several state of the art systems and configurations compliment the typical basic plumbing systems encountered in a common residential building for the purpose of maximizing water conservation and minimizing energy consumption. The Solaire includes the typical sanitary, storm, domestic water and natural gas systems encountered in a conventional residential high rise and also incorporates an integral sewage treatment plant (black water system) which recirculates water for non-potable applications and a storm water collection for supplementing non-potable uses such

as irrigation and domestic hot water. The advanced technology of these systems adds complexity to the basic plumbing systems and increases maintenance requirements. The benefit is a more efficient use of the respective utilities. The Solaire has maximized the benefits of LEED plumbing applications through optimized building systems operations and maintenance.

The plumbing equipment is generally in good condition, and original to the building having been installed in Y2001. Some of the equipment such as the pumps, pump motors and heating coils for the domestic water heaters are approaching the end of their life. Performance testing is warranted.

Sanitary sewage is conveyed via gravity to both an onsite sewage treatment (black water) facility and city sewer mains. The sewage treatment (black water) facility provides reclaimed water for use in water closets, cooling tower make-up, and irrigation. Overflow from the treatment (black water) facility drains to the city street sewer main via two separate connections, one 12-inch at Murray Street and one 8-inch at River Terrace.

Gravity storm drainage from roof and terrace drains fill the storm water retention tank in the cellar, which provides make-up water to the cellar sewage treatment (black water) plant and irrigation. The storm water retention tank is filled with a filtration and chlorination system to treat water for reuse. Excess storm water drains to the city street sewer main via two separate connections, one 12-inch at Murray Street and one 8-inch at River Terrace.

A 6-inch underground domestic water service enters the building's cellar from the city water supply street main at the corner of River Terrace and Murray Street. The service includes a master meter and a 6-inch double detector check valve. Water booster pumps are installed to maintain adequate pressure. The system includes a water filtration system located in the cellar and 20,000 gallons (5,000 domestic / 15,000 fire reserve) elevated wooden tank on the rooftop.

Domestic hot water is generated at two levels for two (2) separate vertical zones of the building via four (4) gas-fired water heaters; two heaters (high zone) that serve the 17th floor and higher and two heaters (low zone) that serve the 16th floor and lower.

An underground gas service enters the building and provides service to mechanical equipment, domestic hot water heaters, residential unit cooking ranges and common laundry clothes dryers. The gas service includes two (2) meter assemblies for space heating at firm rates and common metering for domestic usage and residential unit cooking ranges. ConEd provides gas service to the building.

The plumbing fixtures in the common space toilet rooms are as follows: water closets are wall mounted flush valve type and the lavatories are commercial grade with conventional faucets. There is a common laundry room in the cellar with multiple gas-fired clothes dryers. The plumbing fixtures in the residential units are as follows: floor mounted flush tank type water closets; the lavatories are residential grade with conventional faucets; and the bathtubs and shower valves/heads are low-flow residential style. In the kitchen, a stainless steel single bowl sink with single-level faucets and soap dispenser are provided; garbage disposal units were not observed in the apartments that we visited.

A Public Restroom is provided on the 1st floor, which is accessed from the street. Each building, as part of its lease, provides a component which is used as public space and the Park Authority is responsible for its maintenance.

H. Fire Protection

A 20,000 gallon (5,000 domestic / 15,000 fire reserve) elevated rooftop wooden tank supplies water to the fire protection system. The elevated tank is filled using a duplex pump in the cellar, which is served by a 6-inch domestic service with a 6-inch double detector check valve.

A 500 GPM special service fire pump located in the Penthouse mechanical room maintains adequate fire water pressure to floors 20 and up. Two (2) fire department siamese (combined sprinkler and standpipe) connections exist, one at Murray Street and the other at River Terrace.

The fire standpipe system consists of two (2) 6-inch standpipe risers located in Stairways A & B, each having a fire hose valve and a three-way roof manifold at the highest level. The south riser goes up from the cellar to the rooftop; the north riser goes from the lobber floor to the 18th floor. The fire standpipes are served by the 20,000 gallons (5,000 domestic / 15,000 fire reserve) wood roof tank and a special service fire pump.

The 6-inch fire standpipe located in Stairwell A supplies the fire sprinkler system. Each floor is provided with a floor control valve assembly that include a butterfly valve, tamper & flow switches and a test / drain valve that connects to a 2" sprinkler drain riser. Wet-pipe sprinklers are provided throughout the entire building except in the parking garage.

A dry-pipe sprinkler system exists in the parking garage. The system remains dry via incorporation of a control valve and air compressor which keep distribution branch sprinkler piping filled with air (prior to activation) in lieu of water for freeze protection in areas exposed to freezing temperatures.

I. Fire Alarm:

The building has a Class J2 fire alarm system which complies with the 1968 New York City Building Code. The coded system utilizes a single fire alarm pull station located at the concierge desk, water flow switches, smoke detectors (area and duct) and tamper switches. The system has future expansion capacity.

2.00 ARCHITECTURAL SYSTEMS

2.01 DESCRIPTION AND OBSERVATIONS

The Solaire was the first LEED accredited hi rise residential building in the United States, achieving the certification of Gold and subsequently being recertified to Platinum. The materials and systems used within the Solaire reflect this certification.

The building sits on an irregular shaped parcel that extends north to south Park Place West to Murray Street, and west to east River terrace to the adjacent property fronting North End Avenue. The total Lot Area is approx. 16,653 SF (71' x 120') with a building area of approximately 357,000 square feet.

The ground floor has a large residential lobby with separate mailroom, child playroom, fitness center, yoga room, garage office, bicycle storage, laundry room and 3 apartment units. The 41 car parking garage entrance is located on the ground floor, while the garage is at the cellar

level. The engineer's office workshop, refuse collection room, compactor room, water pump room, men's and women's locker room, storm water storage room, and additional bicycle and building storage is also located at the cellar level..

In total there are 293 apartment rental units with five different layouts which are broken down into 15 Studios, 67 one bedrooms, 66 one bedrooms with a den, 93 two bedrooms and 52 three bedrooms. All units have energy star stainless steel (SS) appliances & washer and dryers, natural cherry wood kitchen cabinet doors with medium density fiberboard (MDF) boxes, glass medicine cabinets with medium density fiberboard (MDF) boxes, granite kitchen countertops, parquet (original) or engineered wood floors (newer install), slate floors in kitchen, ceramic/porcelain/marble tile in bathrooms with Kohler kitchen and bathroom fixtures and hardwood window sills.

Hallways have either painted gypsum ceilings or acoustical tile, carpeted floors, and decorative wall coverings.

Egress stairways and mechanical spaces have a combination of painted CMU walls, concrete floors and ceilings.

The fitness, childrens play room and aerobics room have acoustical drop ceilings, painted gypsum walls and either bamboo, cork or recycled rubber.

The main lobby area has a combination of finishes. Decorative wood paneling, wall coverings, cork and painted gypsum walls were observed in and around the lobby area. Ceilings were painted gypsum and floors polished stone.

The exterior walls of the street façade (west) contain bands of brick and slate with aluminum framed IGU windows, which are fixed or inswing casement. A glass canopy with photovoltaics overhangs the main entrance, which consists of a revolving door with a single inswing egress door to either side. Photovoltaic panels are integrated into the center section of the west façade from floors 3 to 15. Floors 3 to 27 throughout the building consist of a brick cavity wall system with inswing or fixed aluminum windows with IGU's and cast concrete sills or aluminum panels with storefront type window assemblies also with IGU's. Solar panels are also located at the west and south facades at the roof bulkhead. All aluminum exterior window and door systems are manufactured by EFCO. Shop drawings depict them as the 801-I Series.

A recent chiller installation required removal and replacement of the solar panels on the main roof.

American Hydrotech manufactured the garden roof assemblies located at the main roof and 19th floor, the inverted roof with paver assemblies at the 19th floor private terraces, and the inverted roof assemblies with ballast at mechanical areas. A modified bitumen roof assembly was observed at the main roof bulkhead but the supplied roofing warrantees and discussions with the manufacturer could not verify if it were the original manufacturer.
Retaining walls at the private and public terraces are made of a composite material.

Aluminum Railings can be found at the 19th floor terraces and main roof.

LL11 FISP examinations of the building for both cycle 7A & 8A were reported to be SAFE.

The following deficiencies were observed during our visits:

A. Step cracking at front façade through brick veneer and mortar joints

B. CMU mortar joint separation at mechanical roof area
C. Improperly installed IGU's at 1st floor
D. Failing IGU at first floor
E. Cracked IGU at first floor
F. Adhesive failure of window perimeter sealant joints
G. Damaged termination bar at base of ventilation fan on main roof
H. Exhaust fan on main roof pressurizing EPDM roofing at mechanical curb
I. Distressed mod-bit roof on mechanical bulkhead
J. Adhesively failing control joints at rooftop bulkhead
K. Gaps in sealant joints at aluminum panels
L. Bowing of composite walls for planters on 19th floor private terrace19A/public roof
M. Painting over of various fire rated door tags
N. Painting over of various fire sprinkler caps
O. Folding closet doors improperly adjusted
P. Misalignment of kitchen cabinet doors
Q. Separation of wood flooring in fitness room

2.02 CONCLUSIONS AND RECOMMENDATIONS

Exterior

A. Retain an Engineer/Architect to investigate cause of step cracking and develop a repair scheme as required.

B. Repoint separated joints of exposed CMU at mechanical area parapet wall.

C. Retain an Engineer/Architect to develop a remedial repair plan for improperly installed IGU's (This appears to be original construction)

D. Replace failed IGU with new.

E. Replace cracked storefront IGU with new.

F. Remove and replace faulty perimeter sealant joints at windows.

G. Repair faulty termination bar at rooftop exhaust fan.

H. Remove and replace bulkhead roof consistent with new energy code regulations.

I. Remove exhaust fan on main roof, repair EPDM membrane and reinstall.

J. Remove and replace control joints at rooftop bulkhead.

K. Remove and replace defective sealant joints at metal panels.

L. Repair bowing composite walls for planters.

Overall, except where noted above, the Solaire's building envelope is in good condition. It is important to note however that all roofing at the Solaire is currently out of warranty. It is possible to extend the warrantee of the roof according to the American Hydrotech sales representative by removing plantings and applying another coat of the monolithic roof membrane. Due to the complex nature of a garden roof and the various options available TT

would recommend bringing in the Hydrotech sales representative to go over the various options available for pricing. Cost can vary dependent on the selected option.

Interior

A. Contact fire door manufacturer to provide new fire rated door tags that are legible to meet NFPA 80 requirements. Make maintenance aware that fire rated door tags are not to be painted over. If the manufacturer cannot provide new tags the doors may have to be recertified.

B. Replace fire sprinklers that have been painted over to meet NFPA 25 requirements. Make maintenance aware that fire rated sprinklers and caps are not to be painted over. These caps are being painted over during the refinishing of apartments during turnover.

C. Adjust and/or repair folding closet doors.

D. Adjust kitchen cabinet doors

E. Repair wood flooring in fitness center

Overall the interior common areas, mechanical rooms, hallways and stairways appear well kept and are in good condition. Apartments are inspected by management upon tenant turnover and are either in already good condition or in a state of refurbishment for re-rental. TT observed wood floors being replaced or repaired, appliance being repaired or exchanged, walls being painted and doors closet doors being repaired at various vacant units.

3.00 STRUCTURAL SYSTEMS

3.01 DESCRIPTION AND OBSERVATIONS

The buildings structural system consist of piles and reinforced concrete mat foundation, concrete slabs at floor levels, concrete columns, shear walls and steel structures (dunnage) to support the water tower and mechanical equipment on the bulkhead roof.

3.02 CONCLUSIONS AND RECOMMENDATIONS

The structural components of the building appear to be in good condition based on our limited walk through. We performed a walk through and inspected the visible structural elements in the cellar, garage, typical apartment units, bulkhead roof, main roof and 19th floor rooftop garden. At no location was there visible evidence of any issue which is cause for structural concern. The only minor issues observed were the following:

A. A crack on the concrete spandrel beam of the bulkhead framing. We recommend to repair this crack by epoxy injection at this time (we recommend SIKA products), to avoid possible entry ways of moisture that over a long period of time could damage the reinforcing steel bars.

B. Surface rust on the steel dunnage supporting the rooftop chiller unit adjacent to the elevator machine room. We recommend removing the existing coating and rust from the steel, and repainting with new corrosion resistant coating (we recommend TNEMEC products).

C. Several locations of cracked and spalled concrete on the garage slab on grade. We recommend the repair of the slab by removing the deteriorated concrete and applying new repair mortar (we recommend SIKA products).

D. Cracks on the sidewalk topping slab at 2 locations; one at the Northwest corner of the building and the other at the Southeast corner. We recommend either repairing the cracks in the sidewalk flags or full replacement of flags that are damaged.

4.00 MECHANICAL/HVAC SYSTEMS

4.01 DESCRIPTION AND OBSERVATIONS

A. Heating

1. TT observed, two (2) new gas fired absorption chillers/ heaters (REF-1 & REF-2) being installed. Either of the two (2) absorption chillers supply hot water to provide space heating. TT observed both the chiller/heaters manufactured by Broad Air Conditioning, REF No. 1, Model Number BZ121X11BD-37.2/29.4-7.2/13.9-82.2/71.1-80/60-H1-125, Serial Number 19020708 and REF No. 2, Model Number BZ121X11BD-37.2/29.4-7.2/13.9-82.2/71.1-80/60-H1-125, Serial Number 19020709. Both chillers have the same heating capacity of 4501 MBH. These units provide hot water for distribution to vertical fan coil units located in each apartment as well as unit heaters, fan coil units, cabinet heaters and heating and ventilation units located throughout the building.

2. Means of egress to the Lobbies and other entrances to the building are heated by air

3. Common areas above the first floor, such as the tops of stairwells, mechanical equipment rooms and roof bulkheads are heated with hot water cabinet heaters or hot water forced air unit heaters.

4. Each residential unit has a four pipe arrangement (2 hot water and 2 chilled water supply/return pipes) and vertical fan coil units with hot water heating coils that provide heat. Each fan coil unit has its own local thermostat to adjust temperature and fan speed. International manufactures the fan coil units, in accordance with t original design drawing schedules.

5. The residential units and corridors are supplied with 100% outside air for ventilation. This air is tempered during winter operation by Heating Ventilation and Air Conditioning units located throughout the building. The HVAC units located inside the building where the heating coil is not subject to freezing, have hot water heating coils. The HVAC units, which are located outside on the building roof, where the heating coil is subject to freezing, are equipped with indirect gas fired heating sections. The outside air serves as ventilation air as well as make-up air for the kitchen and toilet exhausts located in each residential unit. Each residential unit also contains operable windows for ventilation.

6. The parking garage and the upper level Mechanical Equipment Rooms have forced air hot water unit heaters to heat the spaces.

7. Piping, Insulation and Pumps

a. Schedule 40 steel piping with standard weight fittings is utilized for hydronic system piping. Hot water piping has been insulated.

b. There are three (3) primary hot water pumps, P-7, P-8, P-9 (one (1) is standby) and three (3) secondary hot water pumps, P-12, P-13, P-14 (one (1) is standby). The original design drawings scheduled the pumps to be manufactured by Weinman as standard. TT observed that the installed pumps were manufactured by Bell & Gossett. The original design drawings did not show Variable Frequency Drives for the hot water pumps; however subsequent to original construction, Variable Frequency Drives have been retrofitted on all hot water pumps. The original design drawings did not indicate Secondary Hot Water Pump (SHWP) P-14 on the Roof MER plan or in the schedules. TT observed Secondary Hot Water Pump P-14 installed in the Roof MER

c. Hot water is circulated in a primary loop by Pump P-7 dedicated to serve Absorption Machine No.1, Pump P-8 dedicated to serve Absorption Machine No. 2 and Pump P-9, is a standby for either absorption machine. The primary hot water loop also has an air separator, expansion tank, and chemical feed system. The secondary hot water loop circulates hot water throughout the building utilizing SHWP's P-12, P-13 and P-14 (one (1) is standby).

B. Air Conditioning

1. TT observed, two (2) new gas fired absorption chillers/ heaters (REF-1 & REF-2) being installed. Either of the two (2) absorption chillers supply chilled water throughout the building. The chiller plant consists of two (2) direct-fired absorption machines that utilize natural gas. TT observed both the chiller/heaters are manufactured by Broad Air Conditioning, REF No. 1, Model Number BZ121X11BD-37.2/29.4-7.2/13.9-82.2/71.1-80/60-H1-125, Serial Number 19020708 and REF No. 2, Model Number BZ121X11BD-37.2/29.4-7.2/13.9-82.2/71.1-80/60-H1-125, Serial Number 19020709. Free cooling of the chilled water is achieved using one (1) plate frame heat exchanger (PHX-1) located in the 28th floor roof mechanical equipment room. The original design drawings showed two-(2) plate frame heat exchangers. TT observed the plate frame heat exchanger manufactured by Tranter Model UFX-51-5-UP-155.

   TT observed, the base building cooling system consisting of the chillers and cooling Tower were not in operation because new chillers are in the process of being installed. TT observed a temporary air-cooled chiller on the back of a flatbed trailer parked on Murray Street that has hoses connected to the base building chilled water system piping to provide temporary chilled water throughout the building until the new system is complete and commissioned for operation. When the base building system is operational, the temporary piping, and portable chiller will be removed.

2. Fan coil units with chilled water cooling coils condition the common areas. The residential units are cooled utilizing 4 pipe (2 hot water and 2 chilled water supply/return pipes) vertical fan coil units with chilled water coils.
   Each residential unit fan coil has its own local thermostat to adjust temperature and fan speed. The fan coil units are manufactured by International, in accordance with the original design drawing schedules.

3. TT observed the fan coil units in residential units, 19 A and 19F.

4. The residential units and corridors are supplied with 100% outside air for ventilation. The air is supplied by Heating Ventilation and Air Conditioning (HVAC) units that have chilled water coils to condition the air during the cooling season. The outside air serves as ventilation air as well as make-up air for the kitchen and toilet exhausts located in each apartment. Each apartment also has operable windows for ventilation. The original design drawings scheduled the units to be either Fresh Air Solutions, McQuay, Trane, Octagon, Semco or equal. TT observed the units are manufactured by Temtrol. Each 100% outside air HVAC unit is also equipped with electric, steam generating humidifiers. Each humidification system is equipped with an inline water meter that records the water usage for each humidification system. The humidifiers are manufactured by Carle. Additionally, each 100% fresh air unit has a duct mounted carbon monoxide detector installed in its fresh air inlet duct.

5. TT observed HVAC-6, located on the outdoor roof on the Cooling Tower and Mezzanine Level. The exhaust vent from the gas heating section is showing signs of rust.

6. TT observed HVAC-4, located on the Elevator Bulkhead roof. The chilled water supply and return piping is supported by the top of the unit casing and not independently supported from the building structure.

7. Chilled water from the chillers or heat exchanger is circulated in the primary loop by three primary chilled water pumps P-4, P-5 & P-6 (one (1) is standby). The original design drawings did not show Variable Frequency Drives (VFD's) for the chilled water pumps; however subsequent to the original construction, Variable Frequency Drives have been installed on all the chilled water pumps. TT observed pump P-5 had a new motor installed. The primary chilled water also has an air separator, expansion tank, and a chemical treatment system. The secondary chilled water loop distributes chilled water throughout the building by two (2) secondary chilled water pumps P-10 & P-11.

8. Cooling Tower and Pumps

    a. The building is currently served by a single two (2) cell, induced draft cooling tower located on the Cooling Tower Level. The tower supplies condenser water to the chillers located in the 28th floor Roof MER. The original design drawings scheduled the tower manufacturer to be Baltimore Air Coil. TT observed the tower to be manufactured by Baltimore Air Coil, Model No.33552A-2. The cooling tower cells are equipped with electric basin heaters manufactured by Indeeco, and variable frequency drives located in the Mechanical Equipment Room on the Cooling Tower Level. The original design drawings did not show Variable Frequency Drives (VFD's) for the cooling tower; however, subsequent to the original construction, VFD's have been retrofitted for each cooling tower cell. The condenser water is filtered by a sand filtration system that is located in the 28th floor Roof MER.

    b. TT observed damaged and torn condenser water pipe insulation and Zeston pipe jacketing. In addition, TT also observed the main lower condenser water supply pipe is being supported from the upper main condenser water return pipe.

    c. TT observed the overflow and drain piping from each cell is not piped to the roof drain as indicated on the original design drawing. Piping terminates approximately 6 inches above the roof.

d. TT observed that both cooling tower cell VFD's do not have permanent affixed labels.

e. Condenser water from the cooling tower is circulated to the direct fired absorption chillers, REF-1 and REF-2 and the plate frame heat exchanger for free cooling by three (3) primary condenser water pumps P-1, P-2 & P-3 (one (1) is standby) located in the roof Mechanical Equipment Room.

9. The elevator machine room located at the elevator bulkhead roof is conditioned by a roof mounted AC Unit designated AC-1. The unit is manufactured by Temtrol and has a chilled water coil. The unit is not indicated on the original design drawing schedules. There is an electric ceiling mounted heater is the MER and the MER is ventilated by a through the wall type exhaust fan designated EF-5 and manufactured by Greenheck as originally scheduled.

10. Individual residential units have been provided with, four (4) pipe chilled/hot water fan coil units of the capacities as follows: Fan coil units are sized for the estimated individual peak cooling/heating requirements of each residential unit. Thermostats located in the area served by each fan coil unit to adjust temperature set point and fan speed.

11. The residential unit fan coil units have been provided in various sizes as indicated on the original design drawings. The capacities are as follows.

Tag No.	Manufacturer and Model Number	CFM	GPM (Cooling)	Total Capacity MBH Cooling	Total Capacity MBH Heating
A	International Env. MPY-04	370	1.9	11.074	17.6
B	International Env. MPY-03	282	1.3	7.496	15.4
C	International Env. MPY-06	475	1.7	13.042	24.3

All residential units have one or more of the above scheduled four pipe fan coil units as indicated on the original construction drawings.

12. The common areas are served by fan coil units have been provided in various sizes as indicated on the original design drawings. The capacities and areas served are as follows:

Tag No.	Manufacturer and Model Number	CFM	GPM (Cooling)	GPM (Heating)	Total Capacity MBH Cooling	Total Capacity MBH Heating
FC-1	International Env. HPY-06	920	5.2	1.7	45.20	36.0
FC-2,12	International Env. HPY-14	1200	8.0	0.0	47.116	38.48
FC-3	International Env. HPY-30	3000	16.2	6.9	95.77	68.74
FC-4	International Env. HPY-14	1350	7.3	4.3	43.61	43.37

FC-5	International Env. HPY-10	800	7.0	4.3	41.75	43.37
FC-6,7,8,9,10	International Env.HPA-40	4000	30.8	8.1	184.25	81.67

Location	Common Area Served	Tag No.
Cellar	Engineers maintenance & Mens/Womans Locker Room	FC-1
Cellar	Trash Room	FC-2,12
First Floor	Exercise Room	FC-3
First Floor	Aerobic Room	FC-4
First Floor	Multi-Purpose Room	FC-5
Second Floor	Lobby	FC-6
First Floor	Lobby	FC-7
Roof MER	Mechanical Equipment Room	FC-8,9
First Floor	First Floor Electrical Room	FC-10,11

a. On Fan Coil Unit FC-7, TT did not observe a duct mounted smoke detector installed in the main supply air duct.

b. On Fan Coil Unit FC-7, TT did not observe an automatic damper installed on the louver air inlet side of the unit as shown on the original design drawings.

c. On Fan Coil Unit FC-8, the supply air duct from the unit discharge had been cut and removed to facilitate the installation of the new chiller. The discharge from the unit is blocked by the new chiller. The layout of this unit will need to be modified to allow a new discharge duct to be installed. Also, a new duct mounted smoke detector will be required to be installed to meet NYC Codes.

d. On Fan Coil Unit FC-9, TT did not observe duct mounted smoke detectors mounted in the main supply duct serving the unit.

e. Fan Coil Units FC-10 and FC-11 are not ceiling mounted units as shown on the original design drawings. TT observed the units to be floor mounted, in their own mechanical room closets located in the service corridor off Murray Street on the First floor. The units serve the electrical room on the first floor.

f. On Fan Coil Units FC-10 and FC-11, TT did not observe duct mounted smoke detectors installed in the main supply ducts serving each unit.

13. The residential units and common building corridors, are directly supplied with 100% outside air for ventilation from HVAC units that have chilled water and hot water coils to condition/dehumidify the air in the summer and temper the air in the winter time. All 100% outside air units have carbon monoxide detectors on the air intake to each unit. Each unit is equipped with an electric steam generating humidifier. The capacities and areas served are as follows:

Tag No.	Manufacturer and Model Number	CFM	GPM (Cooling)	GPM (Heating)	Total Capacity MBH Cooling	Total Capacity MBH Heating
HVAC-1,8	Temtrol WF-25-CW-H	3750	49.2	21.4	298.6	214.6
HVAC-2	Temtrol N/A	16010	59.0	91.6	356.2	918.4
HVAC-3	Missing Unit	-	-	-	-	-
HVAC-4	Temtrol N/A	7210	24.0	Gas Fired	206.6	N/A
HVAC-5	Temtrol N/A	2750	32.1	N/A	192.7	N/A
HVAC-6	Temtrol WF-10-CW-G	3800	15.5	Gas Fired	93.0	N/A
HVAC-7	Temtrol N/A	16240	60.4	98.4	362.1	931.6

Location	Common Area Served	Tag No.
Cellar & First Floor	Building Corridors	HVAC-1,8
Cellar	Apartment Fresh Air	HVAC-2
High Roof	Apartment Fresh Air	HVAC-4
High Roof	Building Corridors	HVAC-5
High Roof	Apartment Fresh Air	HVAC-6
First Floor	Apartment Fresh Air	HVAC-7

i. On HVAC-2, TT observed the duct mounted smoke detector installed in the wrong location. It is downstream of the first two duct branch take offs on the main supply air duct.

ii. TT did not observe a duct mounted smoke detector installed in the main supply ductwork for HVAC-8.

C. Ventilation

1. Kitchens: Residential kitchens are connected to several different kitchen exhaust fan systems located in the building which exhaust air directly from each residential unit kitchen as indicated on the original design drawings. A minimum of 60 CFM is continuously exhausted from each kitchen.

2. Bathrooms: Residential bathrooms are connected to several different bathroom exhaust fan systems located in the building which exhaust air directly from each bathroom in the residential unit. A minimum of 25 CFM is exhausted from each bathroom.

3. Non-Residential bathrooms: Interior non-residential bathrooms located on the cellar and first floor are continuously ventilated as indicated on the original design drawings.

4. Locker Rooms: Locker rooms are continuously ventilated with exhaust ventilation capable of exhausting air at a rate of 6 air changes per hour.

5. Public corridors are provided with 100 % conditioned or tempered outside air for ventilation.

6. Non-vented clothes dryers are provided in each residential unit. Vented clothes dryers are provided in the building's common laundry room on the first floor.

7. The gas meter room is provided with natural ventilation to the outdoors.

8. Combustion air for the chiller/heaters located in the roof MER is provided via outdoor air intake louvers with automatic dampers that are interlocked with the chiller/heaters as required by NYC Construction Codes.

9. The parking garage in the cellar is provided with mechanical fresh air supply and exhaust air systems complying with the NYC Construction Codes. Garage exhaust terminates on the 19th floor roof in a louvered doghouse. The garage has carbon monoxide detectors installed for ventilation system control.

10. The entire building mechanical/HVAC system is controlled and monitored by a central building management system (BMS) as manufactured by Andover Controls.

4.02 CONCLUSIONS AND RECOMMENDATIONS

A. LEED Platinum certified buildings incorporate more complicated systems than conventional buildings of the same use classification. These complex technical systems require significantly more operational management and maintenance than a standard building, but benefit the owners/occupants with higher levels of comfort with less consumption of energy. Observations revealed that the Solaires' operational and maintenance staff have provided excellent attention to detail in operating and maintaining the building's mechanical/HVAC systems. There are only minimal maintenance type recommendations and some code items that need to be corrected as follows:

1. Roof mounted AC -1; The existing chilled water piping insulation and aluminum jacketing should be removed and replaced where damaged.

2. Roof mounted HVAC – 4; The chilled water supply/return piping should be independently supported from the building structure and not directly supported from the top of the HVAC unit casing.

3. Cooling Tower condenser water pipe insulation and Zeston Fittings should be removed and replaced where damaged.

4. The condenser water pipe support from one condenser water pipe main to the other should be removed and the piping should be independently supported from the building structure. Repair existing insulation and aluminum jacketing as required.

5. Combine the drain and overflow piping from each cooling tower cell into one common drain pipe and run the drain pipe from each cell to the existing roof drain.

6. Provide permanent affixed labels (lamicoid plates) on each cooling tower VFD.

7. Provide duct-mounted smoke detectors in the main supply ductwork upstream any branch duct takeoffs for FC-7, FC – 8, FC – 9, FC – 10 and FC – 11 to meet NYC Construction Codes. Connect smoke detectors to base building fire alarm system, and interlock with vent supply fan.

8. Remove and relocate existing duct mounted smoke detector from the main supply duct serving HVAC -2. Reinstall the smoke detector in one of the two first duct branch takeoffs and install a new duct mounted smoke detector in the other branch takeoff for HVAC – 2. Connect detectors to the building's fire alarm system, and interlock with the supply fan.

9. TT did not observe a smoke detector installed in the main supply duct from HVAC – 8. Install a new duct mounted smoke detector in the main supply duct located in the building bicycle storage room, connect to the building fire alarm system, and interlock with the supply fan.

10. Ductwork from two (2) Reheat coils located in the 28th floor MER have been badly damaged when removed for the installation of the new chillers. This ductwork has been reinstalled and patched. The patches will leak and the ductwork is crushed in some areas. This ductwork should be removed and replaced. Other ductwork has been removed and will need to be re-installed.

11. The pipe connections to two reheat coils in the 28th floor MER need to be re-installed.

12. New piping and existing piping where piping insulation was removed needs to be re-insulated and vapor sealed.

5.00 ELECTRICAL

5.01 DESCRIPTION AND OBSERVATIONS

A. Service Entrance and Main Service Equipment

The Solaire is served via a Consolidated Edison (ConEd) electric service originating from a vault located adjacent to the building entrance on Murray Street. The service entrance is rated at 4000A and is made up of 10 conductors per phase; concrete encased ductbank with 10 ducts travel between the ConEd vault and the 1sth floor Electric Room which houses the Main Switchboard.

The Main Switchboard is rated at 4000A, 120/208V, 3 phase, 4 wire and distributes electricity to each unit, to common areas and building amenities, as well as to the garage tenant and the Battery Park City Conservancy (BPCC). Significant service is provided for the following:

1. Black Water System

2. Fire Pump

3. Elevators
4. Distribution panels
5. Nine Mini-Closets
6. BPCC

Electric metering, furnished by ConEd, is provided for the following:

1. Switchboard MS-A
2. BPCC
3. Garage

A temporary electrical service was noted for the temporary chiller. The service was composed of a step-up transformer, a 1600 A service switch and temporary feeders. TT was advised that the electrical service would be restored one the two (2) replacement chillers become operational and the temporary chiller is disconnected and removed. TT also observed debris and miscellaneous maintenance material in the electrical room. Temporary cables wrapped in tape was also noted.

B. Floor Distribution

Electric is distributed to the floors via mini- closets on the 3rd, 6th, 9th, 12th, 16th, 19th, 22nd, 25th and 28th floors. The closets contain the riser conduits, distribution panels and metering equipment for each unit. Each closet serves the individual units on the floor that it resides on and two floors above.

Each “mini” closet is equipped with an Apartment Distibution panel, which houses the overcurrent protection for each residential unit including electric metering instrument (current transformer) that records electric usage for each unit. Each Quadlogic submetering panel monitors and records up to 12 apartment units. The current transformers are part of a Quadlogic Remote Monitoring system with telemetry equipment in the main switchgear room on the first floor. Metering from the min -closet is communicated to the to the Quadlogic Telemetry unit on the first floor where it is then communicated to a third party that produces an individual electric consumption invoice for each unit.

Distribution panels are located throughout the building and are typically used to distribute electricity to larger loads that support common building systems and amenities such as chillers, air handlers, pumps, laundry room equipment and physical fitness facilities.

C. Unit Distribution

Each dwelling unit is served with a 120/208V, single phase, 3-wire system. The main overcurrent protection to each apartment units is 80A, two pole circuit breaker located in the Apartment Distribution Panel. Units are furnished with the code required smoke/CO detectors, Ground Fault Circuit Interrupter (GFCI) outlets in bathroom and kitchen areas and a full complement of cable television, telephone and data jacks. For energy conservation, each unit is provided with a master switch at the entry door that can turn off all lights except the bathroom lights.

The lighting in apartment units were observed to be LED.

TT was informed that due to the age of the carbon monoxide and smoke detectors, they are being replaced provided by building maintenance personnel.

D. Cable and Telephone

Cable, fiber optic and telephone services enter the building through underground main trunk lines with head–end equipment located in the cellar. Service is distributed through a riser system with closets on the 4th, 5th, 8th, 11th, 16th, 19th, 22nd, 25th and 28th floors. The system are hosted for FIOS, Verizon, Spectrum, Natural Wireless and Direct TV. Service to the units is provided by request to the service provider. Currently, there is adequate capacity to serve all units.

E. Fire Alarm

The fire alarm system is a Class J2 coded system. The Main Fire Alarm Panel is located in the lobby of the main entrance. This is also the location of the building's pull station and intercom system for communication with each unit. The fire alarm panel is served by a fused cutout that is tapped from the line side of main electric switch. Components of the system found throughout the building are as follows:

1. Duct smoke detectors
2. Smoke detectors in electric rooms and closets, tel/data closets, MER's
3. Water flow switches and tamper switches in stairwells for fire protection piping
4. Magnetic door releases
5. Manual Pull Station

F. Fire Pump

The Special Service Fire pump is located in Bulkhead No. 2 and supplied from a service switch connected directly to the incoming service and separate from the main switchgear protective device. The jockey pump is supplied from the same feeder that serves the fire pump.

G. Supplemental Power Sources

Photovoltaic System

The building photovoltaic system consists of three sections:

1. Bulkhead South PV system that produces 4,950 Watts at 208V, 3 Phase
2. Bulkhead West PV system that produces 16,500 Watts at 208V, 3 Phase
3. Canopy PV system that produces 700 Watts at 120V
4. Façade PV system that produces 2100 Watts at 208V, 1 Phase

The arrays for the Bulkhead South and West PV system output to eight inverters, all located in the Roof/Bulkhead 1 mechanical equipment room.

The arrays for the Canopy PV system output to one inverter located in the main electric room located on the first floor.

The arrays for the Façade PV system output to four inverters all located in the main electric room located on the first floor.

H. Security/Access Control

The Solaire is manned with a concierge in the building lobby around the clock. The front desk provides access into the building via electrically operated doors; one on River Terrace, and Teardrop Park. Access through the service entrance and to building amenities is via Murray Street. The concierge's desk also contains the display monitors for the building wide closed circuit camera system. Cameras are located in all common areas except the corridors.

I. Corridor Lighting

Fifty percent of all residential floor corridor lighting is controlled by occupancy sensors from 11 pm to 6 am. The other fifty percent are always "on" and are provided with emergency battery back-up to provide lighting during a normal power failure.
LED lighting was observed in the corridors and stairwells.

5.02 CONCLUSIONS AND RECOMMENDATIONS

Positive Observation

1. Electrical rooms and closets are secured and locked.
2. Closets are neat and clean.
3. Equipment and panels that are labeled and have complete schedules.
4. Lighting is adequate.
5. Working clearance around telephone and data closets appears adequate but is obstructed in many areas with material storage; see Code & Safety Observations below.

Code and Safety Observations

1. Some conduit floor openings are not sealed. – Code NEC Article 300.21
2. Existing switchgear distribution circuiting is different from that shown on drawings. – Best practice
3. Designation of Apartment Distribution panels not coordinated with floor name. The following is the recommended re-labelling for each apartment distribution panel:

a. DP2 change to DP3

b. DP5 change to DP6

c. DP8 change to DP9

d. DP11 change to DP12

e. DP14 change to DP16

f. DP17 change to DP19

g. DP20 change to DP22

h. DP23 change to DP25

i. DP26 change to DP28

5. Wiring in telephone closets is not neat and workmanlike - Best practice

6.00 PLUMBING SYSTEMS

6.01 DESCRIPTION AND OBSERVATIONS

A. General

1. The plumbing equipment is generally in fair to good condition however, most of them were original to the building and were installed in Y2001. Some of the equipment like the pumps, pump's motors, heating coils of the domestic water heaters are approaching there useful life; they should be performance tested.

2. Plumbing Utilities

   a. Water and sewer service are provided by the City of New York. The charges for water and sewer service provided to the building are levied on the basis of metered usage. These services are collectively metered for the entire building, which includes both the residential units and retail units. Water, reclaimed water, and/or sewer distribution serves all fixtures within the residential units and common areas.

   b. Natural Gas is provided by Consolidated Edison Company (ConEd). Gas for the residential units, domestic water heaters and common laundry clothes dryers was collectively metered. Gas service for building mechanical/HVAC equipment is metered separately.

   c. Equipment Rooms

Equipment Room	Location
Water Meter Room	Cellar
Triplex Booster Pump	Cellar
Duplex Tank Fill Pump Room	Cellar
Gas Meter Room	Cellar
Domestic Filtration System	Cellar
Water Treatment Facility	Cellar
Storm Water Retention Tank Room	Cellar
Domestic Hot Water Heaters	Cellar & Penthouse MER
Water Tank	Roof Mezzanine
Special Service Fire Pump	Penthouse MER

   d. Most of the equipment is in good condition. TT observed green stains under

3. TT was advised that there have been miscellaneous pump, pipe and motor updates since the initial surveys.

B. Plumbing and Drainage

1. Water and Supply

   a. Domestic water service and storage consists of one 6-inch domestic water service entrance with a double check detector assembly backflow preventer and water meter provided from the public (street) water main. The building's domestic water supply is divided to two (2) zones of cold water, hot water and hot water circulation.

Water flows through a filtration system then to the house pumps that serve the upper and lower zones. The pumps in the upper zone are rated at 140 GPM each while the pumps in the lower zone are rated at 190 GPM each. A separate house pump provides water to fill the wood roof tank that serves both the domestic water supply and the fire reserve. The roof tank has a capacity of 20,000 gallons of which 5,000 gallons is for domestic water use and 15,000 gallons was for fire reserve.

b. Reclaimed black water is provided via a separate system from the sewage treatment (black water) facility to water closets, cooling tower make-up, and irrigation. The system utilizes a triplex constant pressure pump set.

c. Domestic hot water for each residential zone is provided by a pair of duplex gas-fired domestic water heaters located in the cellar water meter room and in the roof mezzanine. The flue vents of the water heaters on the roof mezzanine upper appear corroded. Thermostatic mixing valves are provided for each zone and located above the water heater. The piping system consists of Type L copper tubing with 95-5 tin-antimony soldered joints. All visible mains and risers were insulated. The water supply for the clothes washers in common laundry room are served by the lower zone.

d. Domestic hot water is being supplied at 120°F out to plumbing fixtures.

e. TT observed a hose attached to the hot water return line in cellar pump room. This could indicate an air entrapment issue or hot water recirculating pump issue.

C. Domestic Water Pressure Control System

1. Water booster pumps are provided for the two-zone system. A separate booster pump system located in the water treatment (black water) facility in the cellar distributes reclaimed (black) water to the water closets, cooling tower make-up, and irrigation.

2. Gasket seal leaks were observed below the triplex booster pump set and the hot water heaters in the MER.

3. TT observed that a motor for the house pump to domestic and fire reserve storage tank was replaced.

4. TT was advised that the steam canisters for the humidifiers, as well as humidifier # 7, have been replaced since the initial site visits.

D. Sanitary Sewage System

1. Sewage Piping

a. Sanitary sewage is conveyed by gravity via vented soil and waste branches, stacks and house drains to city sewers and to an onsite sewage treatment (black water) facility. Overflow from the facility drains to the city sewers via the house drain.

b. Drainage and vent piping is no-hub cast iron piping with stainless steel couplings and rubber gaskets.

2. Sewer Ejector

a. A duplex sewer ejector provides for sanitary drainage below street level / street sewer main level.

3. Sewage Connections

a. There are two (2) sewage connections to the city sewer main: One 8-inch diameter sewer connection at River Terrace and one 12-inch diameter sewer connection at Murray Street.

E. Storm Drainage

1. Gravity roof drainage from roof drains and terrace drains connect to a storm water retention tank for make-up at the sewage treatment (black water) facility or irrigation.

2. The storm water retention tank includes a filtration and chlorination system to treat the water for re-use. The storm water retention tank is located in the cellar of the building.

3. Roof and terrace drains are located on the roofs and terraces at several levels

4. Piping is no-hub cast iron piping with stainless steel couplings and rubber gaskets.

5. Ejector pumps to collect and discharge storm water and area drainage that is located below the sewer level and cannot be drained by gravity. Drainage that cannot be removed by gravity is collected in pits and pumped up to the sewer elevation.

6. Storm and drainage disposal occurs via two storm lines connected to the city sewer street mains.

F. Sewage Treatment (Black Water) Facility

1. A 25,000 gallon per day (GPD) sewage treatment (black water) plant located in the cellar treats a portion of the building's sewage. The treatment system uses the membrane Bio-Reactor Process (MBR) and incorporates multiple levels of disinfection by means of ozone and ultraviolet light treatment.

2. The treatment system was designed to provide high quality treated and disinfected reclaimed (black) water that is used for supplying water closets, cooling tower make-up and irrigation.

3. A gas fired heat recovery pump was observed in the hot water heater room. The units are manufactured by Robur model number GAHP-W. The heat pump intended use is to recover heat from waste water that would normally be discharged to the street sewer, and utilize that reclaimed heat to preheat domestic cold water.

G. Natural Gas Supply

1. The building gas service is in accordance with the original contract drawings, and serves the gas-fired chillers/heaters, cooking ranges, domestic water heaters and common clothes dryers.

2. A pressure-regulating valve exists at the service and the valve is set to a pressure of 14 inches water column.

3. Meters: The gas for space heating is metered at firm rates and a dual meter set-up measures for domestic use and residential gas cooking ranges.

4. Piping material is black steel schedule 40 pipe with welded joints.

5. Rust was observed on the gas pipe for HVAC #6.

6. Two (2) new 3" gas trains were installed at the replaced Broad chillers.

7. TT observed damage to the insulation at the pipe elbows beneath the house tank.

H. Fixtures and Appliances

1. Bathroom Fixtures in residential units are as follows:

a. Bathtub	Kohler "Villager" K-715 / K-716
b. Lavatory	Kohler "Ladena" K-2238-8
c. Water Closet	Kohler "Memoirs" K3452

2. Kitchen Sink and Appliances in residential units:

a. Sink	Elkay Model d-12522
b. Range Top	Whirlpool 30" Gas Cooktop

3. Laundry:

a. Clothes washer water/drain outlet	Laundry-Mate Model W-602-X
b. Clothes dryer	Electric-fired ventless type

4. Check valves, solenoid valves and flood stop leak detectors were not observed at the residential washers and dryers.

5. Shower stall is provided in the Master Bathroom in lieu of a bathtub.

6. The first floor common Laundry Room has card operated clothes washers and gas-fired clothes dryers.

6.02 CONCLUSIONS AND RECOMMENDATIONS

A. The plumbing equipment is original to the building and was installed over 17 years ago. Some of the equipment like the pumps, pump motors and heating coils in the domestic water heaters are approaching the end of their useful economic life. Testing is warranted.

B. The domestic water heater flue vents in the roof mezzanine appear to be corroded. They should be tested for integrity or replaced.

C. Overall, plumbing systems are generally in good working order but must be inspected regularly as required by NYC DOB for full (continuous) code compliance.

7.00 FIRE PROTECTION SYSTEMS

7.01 DESCRIPTION AND OBSERVATIONS

A. Fire water supply

1. The fire standpipe and sprinkler systems are served by one 6-inch water service with a 6-inch double detector check valve, which fills the elevated wood tank on the roof. The tank has a capacity of 20,000 gallons of which 15,000 gallons are for fire reserve. To provide / maintain adequate pressure on the upper floors, a 500 GPM special service fire pump with jockey pump is provided. The shaft and coupling on the special service pump is corroded and appears to be in poor condition. Neither pump is served by emergency power.

B. Standpipes

1. The fire standpipe system consists of two 6-inch fire standpipe risers. The fire standpipes serve the residential floors and were located in Stairways A & B.

2. The fire standpipes are served by the house tank, special service fire pump and jockey pump.

3. A 2½-inch fire hose valve with cap and chain is provided on each floor above the lobby/first floor level.

4. A three-way roof manifold is installed on both risers.

5. Piping was schedule 10 or 40 steel piping with rolled, cut grooved, or threaded joints.

6. Hose rack, hoses and nozzles

   a. A central hose station and locked key box is located at the lobby/first floor level.

   b. A 2½-inch fire hose valve with 1½-inch hose and nozzle is provided at the fire standpipe on the lobby/first floor level and 2½-inch fire hose valves and hose racks are installed on the cellar level.

C. Fire Sprinkler System

1. The fire sprinkler system is served by the 6-inch standpipe riser in Stair A, which was supplied from the house tank, special service fire pump and jockey pump.

2. Automatic wet-pipe sprinklers are provided throughout the entire building, except the parking garage.

3. Piping is schedule 10 or 40 steel piping with grooved or threaded joints.

4. Each floor has a floor control valve assembly, which includes a butterfly valve, tamper & flow switches and a test / drain valve that connects to a 2-inch sprinkler drain riser.

5. TT observed rooms with no sprinklers. They were as follows:

   a. Paint Storage on the cellar level.

b. Telephone / Data Closets that do not contain heat or smoke detection systems.
c. Electrical Closets that do not contain heat or smoke detection systems.

6. In the residential units, sprinklers are provided as required by the 1968 New York City Building Code / 1989 NFPA 13 with a combination of concealed heads and extended coverage sidewall heads. The observations are limited to the apartment units surveyed under the scope of this report. Of the apartments surveyed, the observations indicated that more than 50% of the concealed sprinkler cover plates, and between 10-15% of the sidewall sprinkler deflectors, have been painted.

7. Sprinklers were noted directly above the trash compactor and within the trash chute.

D. A 4-inch dry-pipe sprinkler system was provided for the parking garage. The "Reliable" Model D with in-line compressor was located inside the Bicycle Storage Room in the cellar level.

E. One 6-inch x 3-inch by 3-inch combined fire sprinkler and standpipe fire department siamese connection is provided at each street (two total).

F. Tamper switches are included on all necessary system control (shut-off) valves in accordance with applicable building code requirements to prevent accidental disabling of the fire protection system or portions thereof.

G. Tamper and flow switches are connected to the automatic fire alarm system for status notification in accordance with applicable code requirements. These have been tested and are operational.

7.02 CONCLUSIONS AND RECOMMENDATIONS

A. The shaft and coupling on the special service pump appear to be corroded to the extent that water leakage may soon occur. TT's recommendation is to pursue pump maintenance or replacement with the equipment manufacturer (Patterson) under warranty provisions. Ultimately, pump seals should be replaced for proper operation. Complete pump replacement would be a last resort should repairs be deemed not appropriate by the manufacturer.

B. All areas of the building should be protected with automatic sprinklers. Missing sprinkler in areas are recommended to be installed.

C. Sprinkler cover plates and sidewall sprinkler deflectors that have been painted should be removed and replaced with new. Painting the sprinkler or any portion of it and the cover plate will cause them to not function properly or to not activate at all when a fire occurs.

D. Overall, fire protection/sprinkler systems are generally in good working order but must be inspected regularly as required by NYC DOB/FDNY for full (continuous) code compliance.

8.00 LIFE CYCLE ANALYSIS

8.01 MEANS AND METHODS

In addition to the scope of this transition report, The Albanese Development Corporation requested a life cycle analysis of the Mechanical, Electrical, Plumbing and Fire Protection systems discussed within the body of this report to be included.

This analysis took into consideration the current condition, estimated service life in years and present age of the equipment along with visual observations and industry wide/ASTM (American Society for Testing and Materials) standards, guidelines and recommended guidelines to determine an estimated remaining useful economic life.

It is important to understand that this life cycle analysis is meant to be a guideline in order to help in determining current and future budgeting costs for replacement or reconditioning of equipment. Most equipment except where noted is original to the building and appeared to be well maintained. Continued preventative maintenance of the equipment TT observed can lead to an extension of its estimated remaining useful economic life.

The Life Cycle Analysis data has been included in chart form as Appendix A.

APPENDIX A: Life Cycle Analysis Chart

	Electrical Equipment	Location	Existing Condition	Projected Design Life (Years)	Present Age (Years)	Estimated Remaining Useful Economic Life (Years)
	4000 Ampere Main Switchboard	Main Electric Room	Good	30 to 40	16	24
	Apartment Distribution Panelboards	Electric Closets	Good	30	16	14
	Apartment Loadcenters	Apartment units	Good	30	16	14
	House Electric Panelboards	Electric Closets	Good	30	16	14
	Circuit Breakers	Panelboards	Fair	15 to 20	16	4
	Variable Frequency Drive	Mech. Equip. Room	Fair	20	16	4
	Photovoltaic system inverters	Mech. Equip. Room	Fair	20 to 30	16	14
	Photovoltaic system solar panels	Mech. Equip. Room	Fair	20	16	4
	Cable/wires	Conduits	Fair	30 to 40	16	24
	Mechanical Equipment	**Location**	**Existing Condition**	**Projected Design Life (Years)**	**Present Age (Years)**	**Estimated Remaining Useful Economic Life (Years)**
	HVAC-1 Corridor Fresh Air Unit	Cellar floor North	Good	15	16	-1
	HVAC-2 Apartment Fresh Air Unit	Cellar Floor North	Good	15	16	-1
	Garage Exhaust Fan	Cellar Floor North	Good	25	16	9
	Garage Fresh Air Supply Fan	Cellar Floor North	Good	25	16	9
	Fan Coil Unit No. 1	Cellar Floor North	Good	15	16	-1
	Fan Coil Unit No. 2	Cellar Floor South	Good	15	16	-1
	Fan Coil Unit No. 12	Cellar Floor South	Good	15	16	-1
	Fan Coil Unit No. 3	First Floor North	Good	15	16	-1
	Fan Coil Unit No. 7	First Floor South	Good	15	16	-1
	HVAC-7 Apartment Fresh Air unit	First Floor South	Good	15	16	-1
	HVAC-8 Corridor Fresh Air Unit	First Floor South	Good	15	16	-1
	Fan Coil Unit No. 4	First Floor South	Good	15	16	-1
	Fan Coil Unit No. 5	First Floor South	Good	15	16	-1
	Fan Coil Unit No. 10	First Floor South	Good	15	16	-1
	Fan Coil Unit No. 11	First Floor South	Good	15	16	-1
	Fan Coil Unit No. 6	Second Floor South	Good	15	16	-1
	Kitchen Exhaust Fan - 8	17th floor Roof (North)	Very Good	20	7	13
	Toilet Exhaust Fan -1	17th floor Roof (North)	Very Good	20	7	13
	Toilet Exhaust Fan - 15	17th floor Roof (North)	Very Good	20	7	13
	Toilet Exhaust Fan - 12	17th floor Roof (North)	Very Good	20	7	13
	Kitchen Exhaust Fan - 9	17th floor Roof (North)	Very Good	20	7	13
	Toilet Exhaust Fan -13	17th floor Roof (North)	Very Good	20	7	13
	Kitchen Exhaust Fan -10	17th floor Roof (North)	Very Good	20	7	13
	Kitchen Exhaust Fan -11	17th floor Roof (North)	Very Good	20	7	13
	Toilet Exhaust Fan -14	17th floor Roof (North)	Very Good	20	7	13
	**Condenser Water Pump P - 1	Roof MER	Good	20	16	4
	**Condenser Water Pump P - 2	Roof MER	Good	20	16	4
	**Condenser Water Pump P -3	Roof MER	Good	20	16	4

	Chilled Water Pump P - 4	Roof MER	Good	20	16	4
	Chilled Water Pump P - 5	Roof MER	Good	20	16	4
	Chilled Water Pump P - 6	Roof MER	Good	20	16	4
	Hot Water Pump P - 7 (Primary)	Roof MER	Good	20	16	4
	Hot Water Pump P - 8 (Primary)	Roof MER	Good	20	16	4
	Hot Water Pump P - 9 (Primary)	Roof MER	Good	20	16	4
	Chilled Water Pump P - 10 (Secondary)	Roof MER	Good	20	16	4
	Chilled Water Pump P -11 (Secondary)	Roof MER	Good	20	16	4
	Hot Water Pump P - 12 (Secondary)	Roof MER	Good	20	16	4
	Hot Water Pump P - 13 Secondary)	Roof MER	Good	20	16	4
	Hot Water Pump P - 14 (Secondary)	Roof MER	Good	20	16	4
	Refrigeration Machine REF-1	Roof MER	Good	23	0	23
	Refrigeration Machine REF-2	Roof MER	Good	23	0	23
	Plate frame Heat Exchanger PHX-1	Roof MER	Good	25	16	9
	Fan Coil Unit FCU - 9	Roof MER	Good	15	16	-1
	Kitchen Exhaust Fan - 5	27th Floor Roof	Good	20	16	4
	Kitchen Exhaust fan - 4	27th Floor Roof	Good	20	16	4
	Toilet Exhaust Fan - 2	27th Floor Roof	Good	20	16	4
	Toilet Exhaust fan - 11	27th Floor Roof	Good	20	16	4
	Exhaust Fan EF - 1 General Exhaust	27th Floor Roof	Good	20	16	4
	Grey Water Exhaust Fan - 1	27th Floor Roof	Good	20	16	4
	Toilet Exhaust Fan - 10	27th Floor Roof	Good	20	16	4
	Kitchen Exhaust Fan - 7	27th Floor Roof	Good	20	16	4
	Kitchen Exhaust Fan - 1	27th Floor Roof	Good	20	16	4
	Toilet Exhaust Fan - 6	27th Floor Roof	Good	20	16	4
	Toilet Exhaust Fan - 7	27th Floor Roof	Good	20	16	4
	Toilet Exhaust Fan - 5	27th Floor Roof	Good	20	16	4
	Kitchen Exhaust fan - 6	27th Floor Roof	Good	20	16	4
	Laundry Room Exhaust Fan EF - 3	27th Floor Roof	Good	20	16	4
	Exhaust Fan EF - 5	27th Floor Roof	Fair	20	16	4
	Toilet Exhaust Fan - 4	27th Floor Roof	Good	20	16	4
	Toilet Exhaust Fan - 3	27th Floor Roof	Good	20	16	4
	Cooling Tower Cell CT - 1	Cooling Tower Level	Good	20	16	4
	Cooling Tower Cell CT - 2	Cooling Tower Level	Good	20	16	4
	HVAC - 5 Corridor Fresh Air	Cooling Tower Level	Good	15	16	-1
	***HVAC - 6 Apartment Fresh Air	Cooling Tower Level	Good	15	16	-1
	Exhaust Fan - 7 Service Hall	Cooling Tower Level	Good	20	16	4
	***HVAC - 4 Apartment Fresh Air	Bulkhead Roof	Good	15	16	-1
	Kitchen Exhaust Fan - 3	Bulkhead Roof	Good	20	16	4
	Toilet Exhaust Fan - 8	Bulkhead Roof	Good	20	16	4
	Toilet Exhaust Fan - 9	Bulkhead Roof	Good	20	16	4
	Elevator Machine Room EF - 6	Bulkhead Roof	Good	20	16	4
	AC - 1 Elevator MER	Bulkhead Roof	Good	15	16	-1

Tag No.	Equipment	Location	Existing Condition	* Estimated Service Lives (Years)	Present Age (Years)	Estimated Remaining Useful Economic Life (Years)
	Plumbing					
BP-1	Triplex Booster Pump	Water Meter Room	Fair	20	16	4
GBP-1	Triplex Booster Pump	Water Meter Room	Fair	20	16	4
HP-1&2	House Fill Pump	Water Meter Room	Fair	20	16	4
HCP-1	Hot Water Circ Pump (HZ)	Penthouse MER	Fair	15	16	-1
LCP-1	Hot Water Circ Pump (LZ)	Water Meter Room	Fair	15	16	-1
	Duplex Sump Pump #1	Bicycle Storage	Fair	10	16	-6
	Duplex Sump Pump #2	Treatment Plant	Fair	10	16	-6
	Duplex Sewage Pump #1	Treatment Plant	Fair	10	16	-6
IBP-1	Irrigation Duplex Booster Pump	Water Meter Room	Fair	20	16	4
HW-1	Domestic Water Heater (LZ)	Water Meter Room	Fair	25	16	9
HW-2	Domestic Water Heater (LZ)	Water Meter Room	Fair	25	16	9
HW-3	Domestic Water Heater (HZ)	Penthouse MER	Fair	25	16	9
HW-4	Domestic Water Heater (HZ)	Penthouse MER	Fair	25	16	9
	**Domestic Water Filtration System		Fair	15	18	-3
	House Tank	Roof	Fair	40	16	24
	Wastewater Treatment Plant					
ACP-1	Irrigation Storm Agitator Circ Pump	Treatment Plant	Fair	20	16	4
AB-1	Aeration Blower	Treatment Plant	Fair	15	16	-1
TP-1	Transfer Pump	Treatment Plant	Fair	20	16	4
RCP-1	Recirculator Pump	Treatment Plant	Fair	15	16	-1
FP-1	Filter Pump	Treatment Plant	Fair	10	16	-6
BWP-1	Backwash Pump	Treatment Plant	Fair	10	16	-6
UWP-1	UV Pump	Treatment Plant	Fair	10	16	-6
TRP-1	Trash Pump	Treatment Plant	Fair	20	16	4
OCSF-1	Odor Control System Fan	Treatment Plant	Fair	20	16	4
CFP-1	Chemical Feed Pumps	Treatment Plant	Fair	10	16	-6
GBP-2	Duplex Booster Pumps	Treatment Plant	Fair	20	16	4
	Recycled Water Storage Tanks	Treatment Plant	Fair	25	16	9
	Fire Protection					
SSP-1	Special Service Fire Pump	Penthouse Fire Pump Room	Fair (but minor need repair)	25	16	9
JP-1	Jockey Pump	Penthouse Fire Pump Room	Fair	25	16	9
*	Based on Industry/ASHRAE Standards, Guidelines and Recommendation					
**	Overhaul and maintenance to be completed within the next 5 years					
***	Repair and replacement to be completed within the next 5 years					

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Date: April 8, 2021
Project: The Solaire - 20 River Terrace, New York NY 10282

A. Design Narrative – Lobby

The Lobby of the Solaire will be upgraded. The existing millwork wall panels will be refinished and reinstalled in their existing locations. All walls that are not currently clad with millwork will be finished with Venetian plaster. The seating area is to receive new wallcovering. All walls are to receive a new stone base to match the existing flooring. The existing stone tile flooring will remain. In addition, the existing desk will receive a new stone countertop, as well as new metal tile cladding, and a new metal base.

The work in the Lobby has been filed with the New York City Department of Buildings, with plans approved in September of 2019. The construction of the Lobby commenced in August 2020 and is anticipated to be completed by June 15, 2021. Refer to section H of this document for more information regarding the NYC DOB filing of the Lobby.

Lobby Finishes:

ITEM	MANUFACTURER	SPECIES/ FINISH/ COLOR
Flooring	-	Existing flooring to remain
Wall Finish	Custom	Venetian plaster, base color Benjamin Moore 2141-60
Wallcovering	Phillip Jeffries	Beyond – Indigo Horizons 7202
Wall Base	NY Stone	Lagos Azul stone tile base to match existing flooring
Millwork	Custom	Existing Lobby millwork wall panels to remain & be refinished
Countertops/ Backsplash	ABC Stone	Cristallo Quartzite
Reception Desk Cladding	DeCastelli	Custom metal tiles in blue tones

B. Design Narrative – Ground Floor Amenity Lounge, Dining, Kitchen, Media Room

The ground floor shall have new expanded amenity spaces, including a lounge, private dining room with kitchen, and media room. The amenities expansion will be achieved by converting the existing Apartments 1C and 1D into the new amenity spaces. The new dining area will be located within the area of the existing apartment 1D and will include a kitchen of residential quality. The kitchen equipment shall include the following Gaggenau appliances: refrigerator/ freezer, double oven,

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speed oven, and dishwasher, as well as polished nickel accents and fittings. No cooktop for cooking will be provided in the kitchen. The new private dining room shall have engineered wood flooring, painted hardwood base, wood millwork, honed stone countertop, honed stone backsplash, and low-VOC painted & plastered gypsum wallboard ceiling and walls. The new lounge, media room, and toilet room will be located within the area of the existing apartment 1C. The lounge shall have engineered wood flooring, painted hardwood base, wood millwork, metal accents, decorative light fixtures, and low-VOC painted & plastered gypsum wallboard ceiling and walls. The single occupancy toilet room shall have porcelain tile flooring and base, a ceramic-tiled accent wall, stone sink, wood millwork, polished nickel accents & fittings, and low-VOC painted & plastered gypsum wallboard ceiling and walls. The new media room shall have engineered wood flooring, painted hardwood base, wood millwork, and low-VOC painted and plastered gypsum wallboard ceiling and walls. The engineered wood flooring at the Lounge, Dining, and Media Room shall be Prefinished Northern White Oak, Select & Better Grade, 5/8" thickness with a 4mm wear layer and FSC Baltic Birch Core on a 2mm sound insulation underlayment. The flooring comes with a 3-year limited warranty by the manufacturer and a limited contractor warranty which includes labor for 1 year from installation that will be assigned by the sponsor to the apartment corporation. The sponsor, when applicable, will assign any additional warranties to the apartment corporation.

The work in the Lounge, Dining, Kitchen, and Media Room has been filed with the New York City Department of Buildings, with plans approved in September of 2019. Construction commenced in August 2020 and is anticipated to be completed by June 15, 2021. Refer to section H of this document for more information regarding the NYC DOB filing of the Lounge, Dining, Kitchen, and Media Room.

Kitchen Appliances:

ITEM	MANUFACTURER	MODEL NO.
Refrigerator/ Freezer	Gaggenau	RY492704
Double Wall Oven	Gaggenau	BX480611
Speed Oven	Gaggenau	BM450710
Dishwasher	Gaggenau	DF480761F

Ground Floor Amenity Lounge, Dining, Kitchen, & Media Room Finishes:

ITEM	MANUFACTURER	SPECIES/ FINISH/ COLOR
Flooring	WD Flooring, LLC	European White Oak, custom stain. Refer to Section B, Design Narrative, for additional information.
Wall Paint	Benjamin Moore	White Dove OC-17

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Wallcovering (Media Room only)	Knoll Textiles	Right Angle wallcovering, color Stroll WC2381/4
Wall Base	Custom	4" wood base, painted BM White Dove OC-17
Millwork	Shinnoki	European White Oak wood veneer, color Milk Oak
Countertops/ Backsplash	ABC Stone	Dolce Vita Quartzite slab

Powder Room Finishes:

ITEM	MANUFACTURER	MODEL NO.
Flooring	Mosa Tile	Terra Tones porcelain tile, color 204V
Wall Base	Mosa Tile	Terra Tones porcelain tile, color 204V
Wall Finish	Custom	Venetian plaster, base color Benjamin Moore 2141-60
Millwork	Custom	Walnut Rift
Countertops	ABC Stone	Danby Fantastico marble slab

C. Design Narrative – Ground Floor Amenity Fitness Center & Fitness Studio

The existing fitness entry area shall expand and shall have stone tile flooring, a wood accent wall, metal accents, wallcovering, decorative light fixtures, and a wood paneled ceiling. The fitness center shall receive new rubber tile flooring, wood accent walls, metal accents, and wallpaper. Ceilings shall be wood slats and low-VOC painted and plastered gypsum wallboard. The fitness studio shall receive new engineered wood flooring, wood accent walls, hardwood base, and wallpaper. The engineered wood flooring at the Fitness Studio shall be Prefinished Northern White Oak, Select & Better Grade, 5/8" thickness with a 4mm wear layer and FSC Baltic Birch Core on a 2mm sound insulation underlayment. The flooring comes with a 3-year limited warranty by the manufacturer and a limited contractor warranty which includes labor for 1 year from installation that will be assigned by the sponsor to the apartment corporation. The sponsor, when applicable, will assign any additional warranties to the apartment corporation. Ceilings shall be low-VOC painted and plastered gypsum wallboard and wood slats.

The work in the Fitness Center has been filed with the New York City Department of Buildings, with plans approved in September of 2019. Construction commenced in August 2020 and is anticipated

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to be completed by June 15, 2021. Refer to section H of this document for more information regarding the NYC DOB filing of the Fitness Center & Fitness Studio.

Fitness Center Equipment:

ITEM	QTY	MANUFACTURER	MODEL	WARRANTY
Treadmill	3	Precor	PRE-BPTRM885P82	Manufacturer's warranty - 3 year
Elliptical Machine	3	Precor	PRE-BPEFX885P82Y	Manufacturer's warranty - 3 year
Adaptive Motion Trainer	1	Precor	PRE-BPAMT885P82	Manufacturer's warranty - 3 year
Recumbent Bike	1	Precor	PRE-BPRBK885P82	Manufacturer's warranty - 3 year
Rowing Machine	1	Aviron	AVIRON-TSPA	Manufacturer's warranty - 3 year
Interactive Indoor Cycle	2	Echelon	ECH-EX7S	Manufacturer's warranty - 3 year
Functional Trainer	1	Precor	PRE-FTSGMS	
Half Rack w/Bar & Plates	1	Precor	PRE-DBR611	
Adjustable Benches	2	Precor	PRE-DBR119	
Decline Bench	1	Precor	PRE-DBR113	
Vertical Knee Up/ Dip Bench	1	Precor	PRE-DBR702	
Dumbell Set	2 racks	Precor/ Escape	PRE-DBR812	

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	5-75 lbs			
Freestanding Interactive Functional Frame		Escape	ESC-CUSTOM with Core Bags, Bulgarian Bags, Medballs, Kettlebells, Battle Rope, Ring Pair, and CrossTraining Jump Rope	
Stability Ball Set		Power Systems/ Escape	PS-92464 with Escape Steadyballs & Dual Action Pump	
Racks w/ Yoga Mats		Escape	ESC-RACK5B25	
Screen	1	Escape	ESC-AMARS	
Weights Rack	1 rack 4.4-44 lbs	Escape	ESC-RACK5 with kettlebells, sandbags, GripR, rollers, and steadyball	
Weights Rack	1 rack, 4-24 lbs	Escape	ESC-RACK5 with kettlebells, medballs, rollers, yoga straps, and yoga blocks	
Rack w/ Core Mats	1	Escape	ESC-RACK5B35	
Mirror Screen	1	Escape	ESC-REFL02	Manufacturer's warranty – 3 year
Punchbag	1	Escape	ESC-AFSPB01	

Fitness Center & Fitness Studio Finishes:

ITEM	MANUFACTURER	MODEL NO.
Flooring (Fitness Center)	sofSURFACES	DuraSOUND, color Granite
Flooring (Fitness Studio)	WD Flooring, LLC	European White Oak, custom stain. Refer to Section C, Design Narrative, for additional information.

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Wall Base	Shinnoki	4" European White Oak wood veneer base, color Milk Oak
Wallcovering	Carnegie Fabrics	Lyon 8066, color 24
Millwork	Shinnoki	European White Oak wood veneer, color Milk Oak
Columns	Hudson Company	European White Oak, custom stain

D. Design Narrative – Children's Playroom

The renovated playroom shall receive new carpet tile flooring, wallcovering, painted millwork, decorative light fixtures, and a new play structure by Cedarworks. The renovated playroom will include a designated area for stroller storage, as well as a clean-up station which will include a sink and cabinetry for storage. Ceilings shall be low-VOC painted and plastered gypsum wallboard and wood slats.

The work in the Children's Playroom has been filed with the New York City Department of Buildings, with plans approved in September of 2019. Construction commenced in August 2020 and is anticipated to be completed by June 15, 2021. Refer to section H of this document for more information regarding the NYC DOB filing of the Children's Playroom.

Playroom Finishes:

ITEM	MANUFACTURER	SPECIES/ FINISH/ COLOR
Flooring	Forbo	Flotex Calgary carpet flooring, color 590009
Wallcovering	Rebel Walls	Hideaway, color R16021
Wall Base	Custom	4" wood base, painted BM Highlands Green 650
Millwork	Custom	Paint-grade millwork painted BM Highlands Green 650
Countertops/ Backsplash	Vetrazzo	Aqua Current recycled glass & resin countertop & backsplash

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E. Design Narrative – 19th Floor Terrace

The renovated 19th floor terrace will include two outdoor Barbecue stations, two dining areas, two outdoor lounge areas, and community gardening. The terrace shall receive new Tectura HRT concrete ground pavers at circulation areas, new plantings at some existing planted locations, new furnishings, and new lighting. Each station shall include a new Artisan ARTP-36 36" gas grill, honed Grey Stone Granite stone countertop and backsplash, brushed stainless steel cabinetry, and stainless steel The SF Shop Inc., #P105SS bar pulls. Plantings shall have a 1-year labor and material warranty by the landscaping subcontractor that will be assigned by the sponsor to the apartment corporation, with the warranty beginning after installation.

The work in the 19th Floor Terrace has been filed with the New York City Department of Buildings, with plans approved on January 2020. Work is expected to commence in November 2021. Refer to section H of this document for more information regarding the NYC DOB filing of the 19th Floor Terrace.

F. Design Narrative – Common Corridors

The 8th floor and 21st floor corridors will be renovated and shall receive new carpeting, new wallcovering, a new hardwood base, and accent wallcovering and wood trim at the elevator banks. The carpeting shall be Bentley-Mills "Ritual 8RR26" carpet tiles. The carpeting comes with a 15-year limited warranty by the manufacturer and a limited contractor warranty which includes labor for 1 year from installation that will be assigned by the sponsor to the apartment corporation. The sponsor, when applicable, will assign any additional warranties to the apartment corporation. The corridors shall receive new soffits with additional lighting, and all ceilings shall be painted white with low-VOC paint.

G. Design Narrative – Residential Apartments

(9) vacant Apartments, including Apartments 6M, 6N, 8B, 8DE, 8K, 9E, 9L, 21E, and 21F (the "Upgraded Apartments") of the Solaire will have certain non-structural upgrades ("Upgrade Package"), as follows. Note that Apartment 8DE is a single unit that has been combined from two separate units. Refer to section H of this document for more information regarding the NYC DOB filing of the 8D & 8E unit combination. Each Apartment shall have new engineered wood flooring, painted wood base, and gypsum wallboard that has been primed and painted with low-VOC paint. Prior to the installation of the new floors, a self-leveling compound shall be applied to reduce the amount of uneven conditions that are typically found in concrete buildings. A 2mm sound attenuation underlayment mat shall also be installed underneath the new wood flooring. The wood flooring shall be "Preverco Flex16": Oak species, Nuance grade, pre-oiled finish, with a 4mm wear layer. The flooring comes with a limited contractor warranty which includes labor for 1 year from installation that will be assigned by the sponsor to the apartment corporation. The sponsor, when applicable, will assign any additional warranties to the apartment corporation. To the extent required

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for repair, ceilings shall be gypsum wallboard and concrete slab ceilings and shall be painted with low-VOC paint. All rooms within the Apartments shall have painted hardwood base, door and window trim, and windowsills. Kitchens shall have lacquer cabinetry, engineered wood flooring, honed stone tile backsplash, honed stone countertop, and polished nickel plumbing fittings. Apartment kitchen appliances will include refrigerator/ freezer combo, dishwasher, gas range, and ventless hood. Master bathrooms shall have stone mosaic flooring, honed stone base, honed stone tile at tub/ shower, honed stone vanity top, wood vanity, polished nickel plumbing fittings, floor mounted toilet, polished nickel accessories, and low-VOC painted walls and ceilings. Secondary bathrooms shall have honed stone tile flooring, honed stone base, honed stone tile at tub/ shower, honed stone vanity top, wood vanity, polished nickel plumbing fittings, floor mounted toilet, polished nickel accessories, and low-VOC painted walls and ceilings. A voice intercom system by Trigon will be provided for communication between all Apartments and the lobby desk.

Residential Kitchen Appliances:

Studio/ 1 Bedroom:

ITEM	MANUFACTURER	MODEL NO.	UPGRADED APARTMENTS
Refrigerator/ Freezer	Subzero	IT-30CI	All Studio/ 1 Bedroom
Dishwasher	Cove	DW-2450	All Upgraded Apartments.
Range	Wolf	GR-304	All Upgraded Apartments.
Hood	Best	U10230SBI	All Upgraded Apartments.
Waste Disposal	Emerson Appliance Solutions	76944	All Upgraded Apartments.

2 Bedroom/ 3 Bedroom:

ITEM	MANUFACTURER	MODEL NO.	UPGRADED APARTMENTS
Refrigerator/ Freezer	Subzero	IT-36CI	All 2 Bedroom/ 3 Bedroom
Dishwasher	Cove	DW-2450	All Upgraded Apartments.

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Range	Wolf	GR-304	All Upgraded Apartments.
Recirculating Hood	Best	U10230SBI	All Upgraded Apartments.
Waste Disposal	Emerson Appliance Solutions	76944	All Upgraded Apartments.

Laundry Appliances Schedule:

ITEM	MANUFACTURER	MODEL NO.	UPGRADED APARTMENTS
Washer	Miele	WWB020 WCS	All Upgraded Apartments.
Dryer	Miele	TWB120WP	All Upgraded Apartments.

All other vacant Apartments may be purchased in "as-is" condition, or may be renovated by Sponsor, if requested by a purchaser, in accordance with the foregoing Upgrade Package. Purchasers should refer to Schedule A in the offering plan.

H. NYC Department of Buildings Job Filings

JOB NUMBER	WORK APPROVED	PERMIT NUMBER	DESCRIPTION	STATUS	ANTICIPATED COMPLETION
123495299	11/05/2018	123495299-01-EW-OT 123495299-02-EW-MH 123495299-02-PL	Alt II application: Interior demo and construction for Lobby, Gym, & Playroom on 1st floor. No change in use.	Approved; Under construction	July 1, 2021
123495306	09/20/2019	123495306-01-AL 123495306-02-PL	Alt I application: Demolish two apartments (1C & 1D) on 1st floor and replace with accessory Library (Lounge).	Approved; Under construction	June 15, 2021

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123740826	01/27/2020	N/A	Alt II application: Renovation of existing landscape terrace.	Approved; Work will commence in November 2021	Feb 1, 2022
123739525	02/03/2020	123739525-01-EW-OT	Alt II application: Interior demo & construction for 8D/8E apartment combination on 8th floor.	Approved; Under construction	July 1, 2021

The Certificate of Occupancy is expected to be updated within a year from the date on this report.

J. Tenant Protection Plan

1. Egress: At all times in the course of construction provision shall be made for adequate egress as required by this code and the tenant protection plan shall identify the egress that will be provided. Required egress shall not be obstructed at any time except where approved by the commissioner.
2. Fire safety: All necessary laws and controls, including those with respect to occupied dwellings, as well as additional safety measures necessitated by the construction shall be strictly observed.
3. Health requirements:
   - 3.1. Temporary facilities and controls: The contractor shall be responsible for providing and maintaining all temporary facilities and controls as required to facilitate the project, including, but not limited to, the following:
     - 3.1.1. Temporary dust proof partitions to prevent dust and contaminants into occupied parts of the building, including all lobby work.
   - 3.2. Dust control: The contractor shall provide dust control measures as necessary to prevent the mitigation of dust from all work areas.
     - 3.2.1. The contractor shall provide full tenting and ventilation as required to eliminate any dust or odor mitigation to the building and/ or residents, from the immediate work area. This includes ventilation to/ from fresh air from the work area.
   - 3.3. Environmental controls: The contractor shall comply with provisions of building management regarding environmental controls, including, but not limited to, minimization of dust and containment of chemical vapors.
4. Compliance with housing standard: The requirements of the New York City Housing Maintenance Code, and, where applicable, the New York State Multiple Dwelling Law shall be strictly observed.
5. Structural safety: No structural work shall be done that may endanger the occupants.

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6. Noise restrictions:
   6.1. The contractor will use tools and equipment that are noisy at times, but the work will not take place any earlier than 9am nor any later than 5pm.
   6.2. The contractor shall comply with provisions of building management regarding minimization of noise and vibration levels during construction.
7. Maintaining essential services: Where heat, hot water, cold water, gas, electricity, or other utility services are provided in such building or in any Apartment located therein, the tenant protection plan shall specify the means and methods to be used for maintaining such services during such work in accordance with the requirements of the New York City Housing Maintenance Code. If a disruption of any such service is anticipated during the work, then such plan shall specify the anticipated duration of such disruption and the means and methods to be employed to minimize such disruption, including the provision of sufficient alternatives for such service during such disruption.

Notice to occupants. Upon issuance of a permit for work containing a tenant protection plan, the owner shall (i) distribute a notice regarding such plan to each occupied Apartment or (ii) post a notice regarding such plan in a conspicuous manner in the building lobby, as well as on each floor within ten feet of the elevator. The notice shall be in a form created or approved by the department and shall include:

1. A statement that occupants of the building may obtain a paper copy of such plan from the owner and may access such plan on the department website;
2. The name and contact information for the site safety manager, site safety coordinator or superintendent of construction required by section 3301.3 of the New York City Building Code, as applicable, or, if there is no site safety manager, site safety coordinator or superintendent of construction, the name and contact information of the owner of the building or such owner's designee; and
3. A statement that occupants of the building may call 311 to make complaints about the work.

LOCAL LAW 11 REPORT

FAÇADE INSPECTION AND SAFETY PROGRAM REPORT (FISP) CYCLE 8A

In accordance with The Administrative Code of The City of New York
Section 103-04 Periodic Inspection of Exterior Walls and Appurtenances of Buildings

Property: **The Solaire**
20 River Terrace
Manhattan, NY 10007

Prepared For: River Terrace Associates, LLC
200 Madison Avenue
New York, NY 10016

Prepared By: Vidaris, Inc.
360 Park Avenue South
15th Floor
New York, NY 10010
Tel: 212-689-5389
Fax: 212-689-6449

Dillon Galvis
Conrado Ray Gracia
Stanford Chan, RA

Date of Report: August 8, 2016

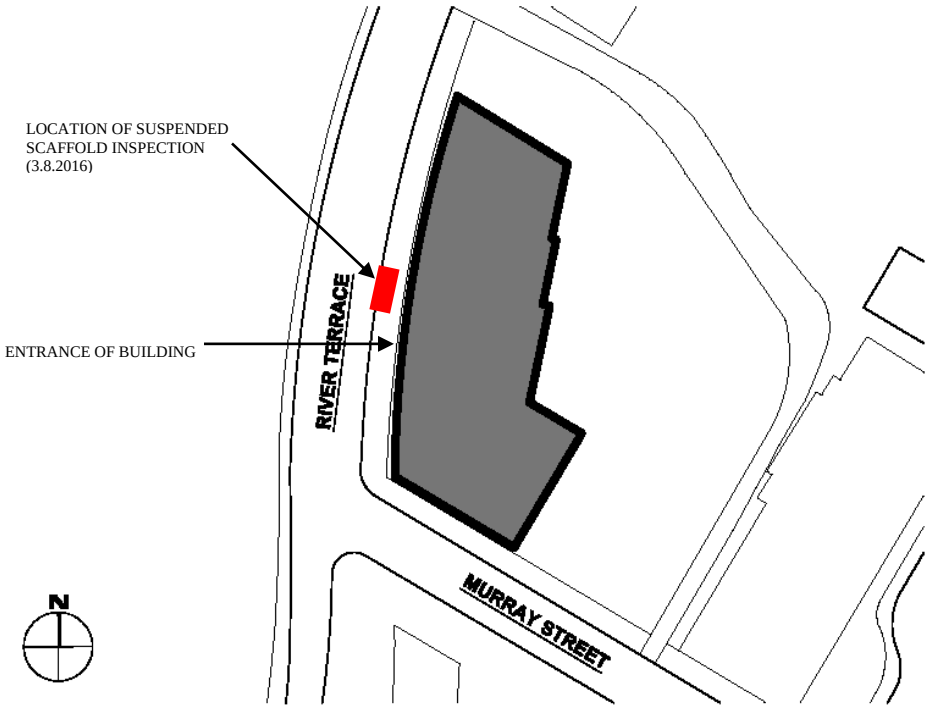
Submitted Report Date: _____

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Property Information [Items A, B]		
A	· Address	20 River Terrace, New York, NY 10007
	· A.K.A. Addresses	The Solaire
	· Cross Streets	Murray Street and Park Place West
	· Block	16
	· Lot	180
	· BIN	1086174
	· Landmark Status	No
	· Property Profile Overview	There are no DOB or ECB façade related violations for the building.
B	Owner Information:	
	· Name	Michael Gubbins
	· Company	River Terrace Associates, LLC
	· Address	20 River Terrace New York, NY 10282
	· Telephone number	(212) 528-2200
	Agent Information:	
	· Name	Michael Gubbins
	· Company	Albanese Organization, Inc.
	· Address	20 River Terrace New York, NY 10282
	· Telephone number	(212) 528-2200
Description of the Inspected Building [Items C,D]		
C	Description of Building: 1. Type of construction	The building is a poured-in-place concrete structure with cavity wall facades clad with alternating horizontal bands of cleft-face Virginia black slate and brick masonry at the two-story base, alternating vertical bands of brick masonry with punched openings and storefront system glazing and aluminum panels at the upper stories. Two stories of storefront glazing and aluminum panels exist at the 15th/16th stories (Floors 16 and 17), below the setback at the 17th story (Floor 18), and at the 16th/27th stories (Floors 27 and 28), below the main roof level. The windows are the original aluminum fixed and in-swing units with pre-cast concrete sills. The main entrance, located mid-block at the West Façade, is demarcated with a laminated tempered glass canopy in a painted structural steel frame and integrated photovoltaic panels set in a storefront system from the 3rd through 14th stories (Floors 3 to 15). Additional photovoltaic panels are mounted on angled frames at the South and West Facades of the two-story roof bulkhead.
	2. Age	9 years; Built approx. 2002
	3. # of stories/ height	27 Stories/ Approximately 250 ft. high ▪ Plus 33-feet to top of bulkhead; 40 feet to top of water tank

	4. Plan dimensions	Approximately 211’ x 76’
	5. Appurtenances:	
	· Light Fixtures	Yes Ground Floor at Entrance of West Facade
	· Flagpoles	No
	· Signs	Yes Building Name at Front Entrance, West Façade at 2nd Floor USGBC Leed Platinum Plaque at the Main Entrance, East Façade, Ground Floor. Parking Garage, South Façade at Ground/ 2nd Floor
	· Parapets	Yes 30th Story at Bulkhead Roof
	· Copings	Yes Painted Aluminum at: ▪ 18th Floor (17th story) ▪ 29th Floor (28th story) ▪ 30th Story at Bulkhead Roof
	· Guard Rails	Yes Painted aluminum with woven and crimped ¼” square wire at 2” centers at” ▪ 18th Floor (17th story) ▪ 29th Floor (28th story) ▪ 30th Story at Bulkhead Roof
	· Window Frames	Yes Fixed & In-swing aluminum
	· Window Guards	No
	· Window Air Conditioners	No
	· Balconies	No
	· Flower Boxes	No
	· Awnings	No
	· Canopy	Yes Front Entrance at Ground Floor of West Façade (Painted structural steel frame with laminated tempered glass).
	· Wood Decking	No
	6. C of O #	M102911574
	7. Usage (if available)	Residential with public restrooms leased by Battery Park City Parks and a lower level commercial parking garage.
D	A detailed description of any settlements, repairs, revisions to exterior enclosures	No significant building settlement or revisions to the exterior enclosure were observed. No previous repairs or maintenance have been conducted on the facades.

Methods Used to Conduct Inspection [Items E, F]		
E	Critical examination procedure	Direct visual examinations of the building facades were conducted from street level, the main roof and roof setbacks with the aid of high powered binoculars. One continuous suspended scaffold drop inspection was performed at the West Façade with a 20-foot long platform. The inspection was performed by Conrado Ray Gracia, Vidaris, Inc. on March 8, 2016. See photo #4 and Location Diagram in Section III-F-3 for scaffold drop location.
F	1. QEWI performed "physical examination" on:	August 4, 2016
	2. Contractor information: · Name · Company · Address · Telephone number · Rigger License #	 Tom Zovas Star-Cel Waterproofing 1685 Boone Avenue Bronx, NY 10460 (718) 542-3030 5840
	3. Location Diagram	

Report of Findings and Recommendations [G,H,I,J,K,L,M]		
G	1. Exterior Wall Observations	No significant deterioration or movement was detected. The following is a report of the existing conditions that have been observed during our examination. A classification of each condition as Safe, Unsafe, or SWARMP is listed here **A. MASONRY:** The masonry was observed to be in good condition with no visible spalling or cracks. The masonry falls within the definition of "SAFE". **B. WINDOWS:** Windows were observed to be in good condition with no visible deterioration. Limit stops are installed at the in-swing windows. The windows fall within the definition of "SAFE". **C. PARAPETS:** Parapets were observe to be in good condition with no visible cracks or eroded mortar. The parapets fall within the definition of "SAFE". **D. COPINGS:** Copings were observed to be in good condition with no visible deterioration or missing sealant at the joints. The copings fall within the definition of "SAFE". **E. BULKHEAD:** The bulkhead was observed to be in good condition with no visible spalling or cracking. Previous step crack at the veneer observed at the East Façade above the 29th Floor (28th story) roof was repaired. The bulkheads fall within the definition of "SAFE".
	2. Apparent water-tightness of exterior surfaces	No known instances of water infiltration through the building's exterior had been reported or were under investigation at the time of this report.
	3. Appurtenances • Light Fixtures	Wall mounted light fixtures at the first floor West Façade at the building's main entrance were observed to be in good condition. The light fixtures fall within the definition of "SAFE".
	• Flagpoles	None
	• Signs	Signage above the main entrance canopy at the West Façade, and at the entrance to the commercial parking garage at the South Façade, was observed to be in good condition. The signage falls within the definition of "SAFE".

	• Parapets	Masonry parapets were observed to be in good condition with no visible spalling or cracks. The parapets fall within the definition of "SAFE".
	• Copings	Copings were observed to be in good condition with no visible deterioration or open joints. The copings fall within the definition of "SAFE".
	• Guard Rails	Guard rails exist on the private terraces and public roof garden on the 19th Floor (17th story). Building also has guardrails at the main roof (bulkhead terrace). (Total Guard Rail Assemblies = 8) A visual inspection of the 19th Floor and main roof guard rails were performed. Guard rails are in compliance with FISP ordinance and DOB Memo dated May 5, 2014. (Total Guard Rail Assemblies Inspected = 8) Railing appear to be structurally sound and in good condition. The railings comply with 1968 NYC Building Code, Section §[C26.604.2] 27-369 (f): Minimum height of guard rail shall be 42" for code compliance. Open guards shall be of such dimensions as to prevent the passage of a 5-inch diameter ball for code compliance. The Guard rails fall within the definition of "SAFE".
	• Window Frames	Window Frames were observed to be in good condition with no visible deterioration. The window frames fall within the definition of "SAFE".
	• Window Guards	None.
	• Window Air Conditioners	None.
	• Flower Boxes	None.
	• Awnings	None.
	• Canopy	The main entrance canopy at the West Façade was observed to be in good condition. The canopy falls within the definition of "SAFE".
H	Causes of reported conditions	The conditions observed at the masonry facades are common for a building of this age and construction type.
I	Status of Exterior Maintenance	The building Owner monitors and maintains the building by performing limited exterior restoration work. Where conditions are identified which are beyond the normal scope of maintenance department, the Owner refers these conditions to an outside consultant.

<table>
<tr><td>J</td><td>Comparison to previous examinations. Status of repairs performed with respect to prior conditions.</td><td>The previously filed Local Law 11/98 Report (7th Cycle), prepared by IBA Architects, PLLC on 1/31/12 for this building, was reviewed. The 7th Cycle Report was filed as “SAFE”.

This report notes no new “SWARMP” items. Based upon the 8th Cycle examination, this building is labeled as: “SAFE”.</td></tr>
<tr><td>K</td><td colspan="2">Recommendations for repairs or maintenance: NONE

<table><tr><td>Item No.</td><td>Description</td><td>Elev.</td><td>Floor</td><td>Bays from North</td><td>Status/Recommendation</td><td>Photo #</td></tr><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table></td></tr>
<tr><td>L</td><td colspan="2">Work permits required to accomplish the necessary work (if no permits required, the reason shall be indicated):

No work permit required.</td></tr>
<tr><td>M</td><td>Photo #1:
Building Address (20 River Terrace aka The Solaire)</td><td> 
</td></tr>
</table>

	Photo #2: View of the South and West Facades.	

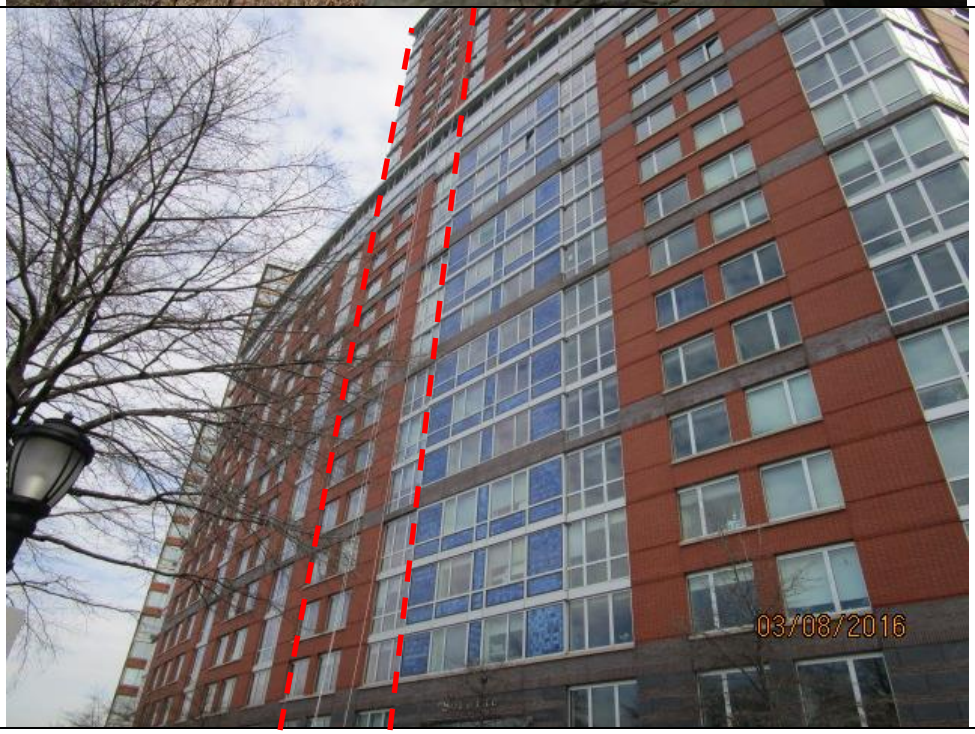
	Photo #3: Partial view of East Facades	
	Photo #4: View of lower portion of the West Façade. The continuous inspection was performed at the West Façade (location indicated in red).	

	Photo #5: View of the South and East Facades		
	Photo #6 : View of Roof Bulkhead at East Façade (location of repaired step crack).		

	Photo #7: General view of alternating horizontal bands of cleft-face Virginia black slate and brick masonry at the two story base of the building.	
	Photo #8: General view of typical brick masonry, concrete window sills, and aluminum windows.	

	Photo #9: General view of storefront glazing and aluminum panels at floors 27 & 28.	
	Photo #10: General view guard rail on Floor 19.	

Summary of Findings [Item N]		
N	Classification of the building for the current report filing cycle: "SAFE"	Vidaris, Inc. performed the Cycle 8A FISP inspection of **20 River Terrace**. The inspection was performed in accordance with Section 103-04 of the Administrative Code of the City of New York. After our inspection of the above mentioned property, the Owner was informed that the current inspection would be filed as "SAFE".
Professional Seal and Signature with Date [Item O]		
O	**DISCLAIMER** This report and findings constitute the assessment performed under the direct supervision by the undersigned QEWI in compliance with the requirements of The Administrative Code of the City of New York Section 103-04 and is based solely on a visual examination of the exterior façades at the time of the inspection. Such assessments and conclusions unless expressly stated are not to be interpreted as certification of the safety of the building, nor do they imply any guarantee or liability on the part of the undersigned. This report is intended to identify conditions that are "Unsafe" or could become "Unsafe" if not addressed. Where appropriate, more specific time frames for addressing noted conditions have been given. This report is not intended to identify items that should be routinely maintained for the purpose of extending the serviceability of building components. **VIDARIS, INC.** **STANFORD CHAN, RA** **NYS LICENSE # 027495** Received, reviewed and acknowledged by Owner/Owner Representative _____ Signature _____Print _____ Date	

Appendices [Item P]		
1.	BIS Property Profile Overview	
2.	Any ECB/DOB façade violations	

END OF 8TH CYCLE FISP REPORT

CLICK HERE TO SIGN UP FOR BUILDINGS NEWS

NYC Department of Buildings

Property Profile Overview

20 RIVER TERRACE **MANHATTAN 10282** **BIN# 1086174**

RIVER TERRACE	20 - 20	**Health Area**	: 8900	**Tax Block**	: 16
MURRAY STREET	NO NUMBER	**Census Tract**	: 317.03	**Tax Lot**	: 180
PARK PLACE WEST	NO NUMBER	**Community Board**	: 101	**Condo**	: NO
		Buildings on Lot	: 1	**Vacant**	: NO

View DCP Addresses... Browse Block

View Zoning Documents | View Challenge Results | Pre - BIS PA | View Certificates of Occupancy

Cross Street(s):	MURRAY STREET, PARK PLACE WEST		
DOB Special Place Name:			
DOB Building Remarks:			
Landmark Status:		**Special Status:**	N/A
Local Law:	NO	**Loft Law:**	NO
SRO Restricted:	NO	**TA Restricted:**	NO
UB Restricted:	NO		
Environmental Restrictions:	N/A	**Grandfathered Sign:**	NO
Legal Adult Use:	NO	**City Owned:**	NO
Additional BINs for Building:	NONE		

Special District: BPC - BATTERY PARK CITY

This property is located in an area that may be affected by the following:

Tidal Wetlands Map Check:	Yes
Freshwater Wetlands Map Check:	No
Coastal Erosion Hazard Area Map Check:	No
Special Flood Hazard Area Check:	No

Click here for more information

Department of Finance Building Classification: D8-ELEVATOR APT

Please Note: The Department of Finance's building classification information shows a building's tax status, which may not be the same as the legal use of the structure. To determine the legal use of a structure, research the records of the Department of Buildings.

	Total	Open
Complaints	9	0
Violations-DOB	14	4
Violations-ECB (DOB)	9	0
Jobs/Filings	26	
ARA / LAA Jobs	2	
Total Jobs	28	
Actions	16	

OR Enter Action Type:

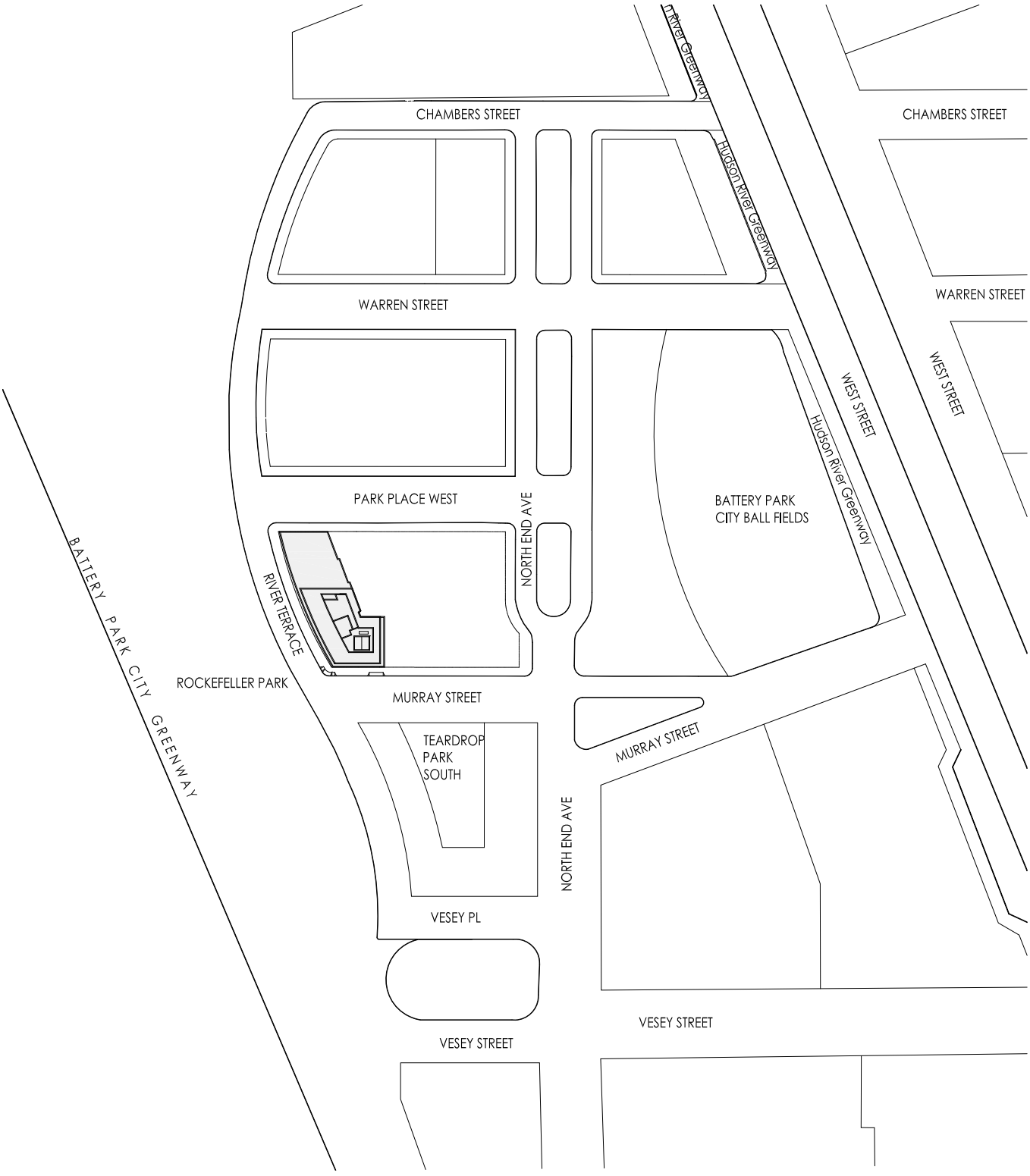
OR Select from List: Select...

AND Show Actions

Elevator Records
Electrical Applications
Permits In-Process / Issued
Illuminated Signs Annual Permits
Plumbing Inspections
Open Plumbing Jobs / Work Types
Facades
Marquee Annual Permits
Boiler Records
DEP Boiler Information
Crane Information
After Hours Variance Permits

If you have any questions please review these Frequently Asked Questions, the Glossary, or call the 311 Citizen Service Center by dialing 311 or (212) NEW YORK outside of New York City.

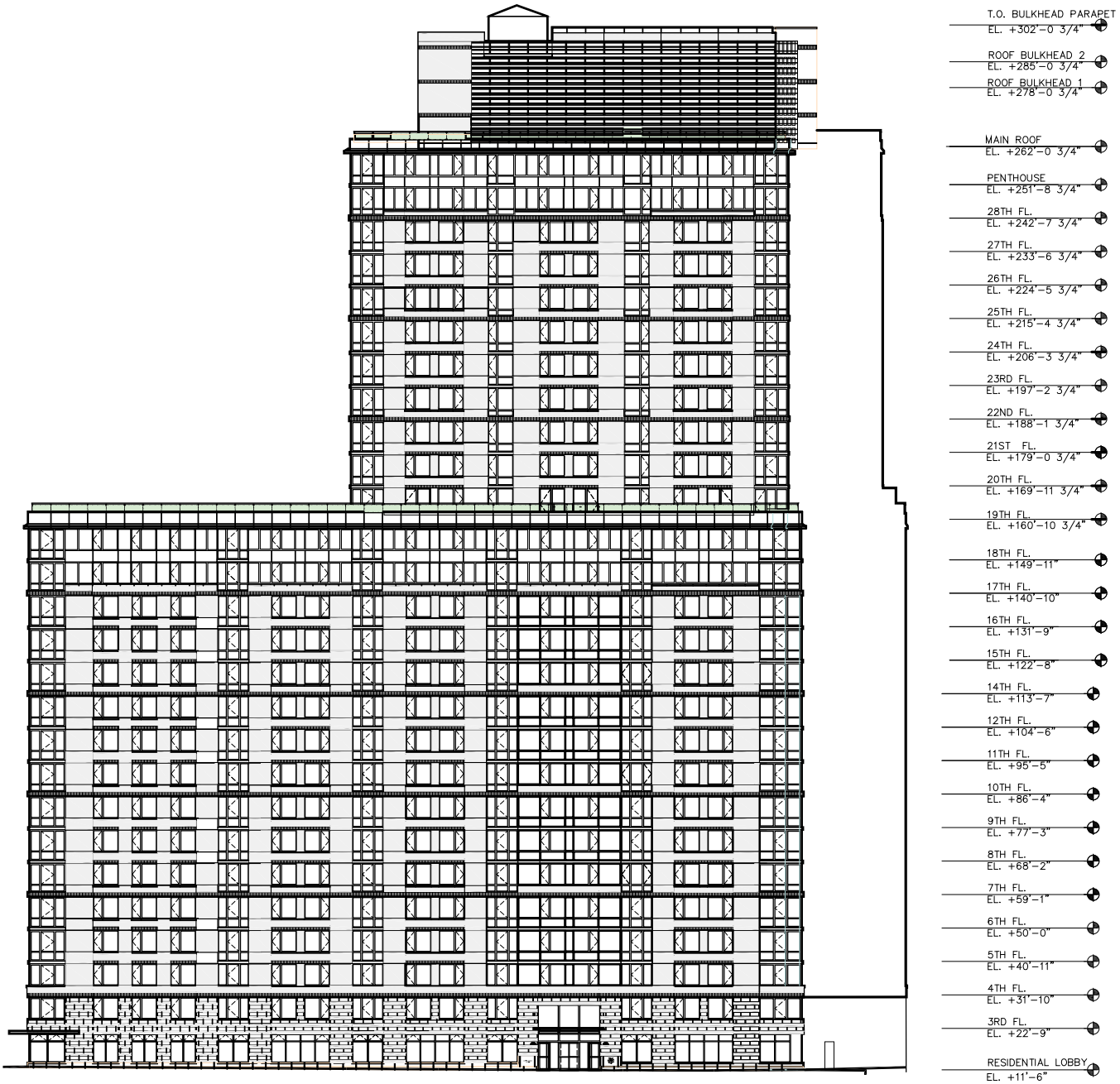
FLOOR PLANS



SITE PLAN

20 RIVER TERRACE, NEW YORK, NY

GENERAL NOTE:
THE DIMENSIONS ON THIS FLOOR ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION DEVIATIONS AND TOLERANCES. THE SPONSOR HAS THE RIGHT TO REVISE LAYOUT DIMENSIONS IN ACCORDANCE WITH THE OFFERING PLAN.

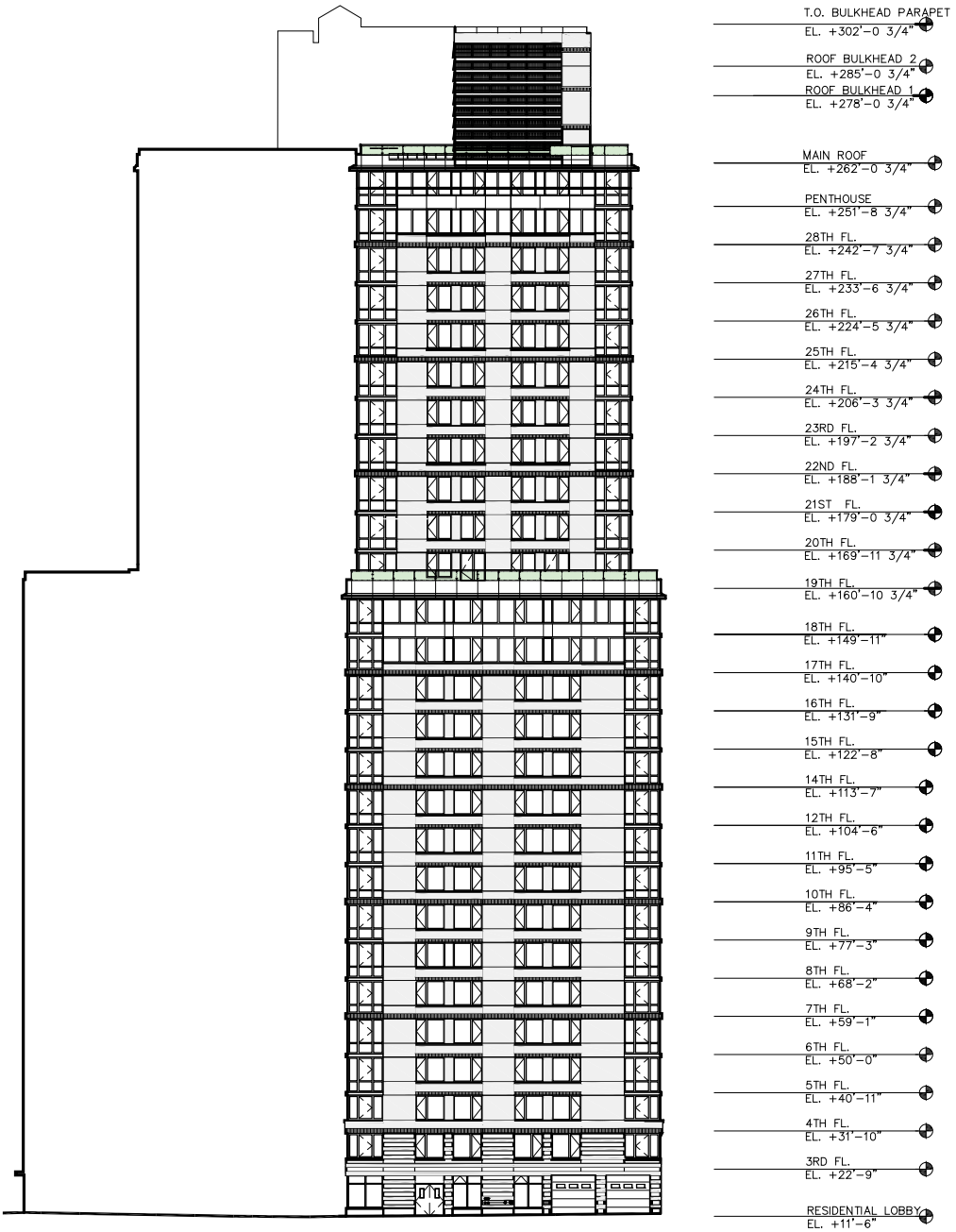


WEST ELEVATION

0 40' 80'

20 RIVER TERRACE, NEW YORK, NY

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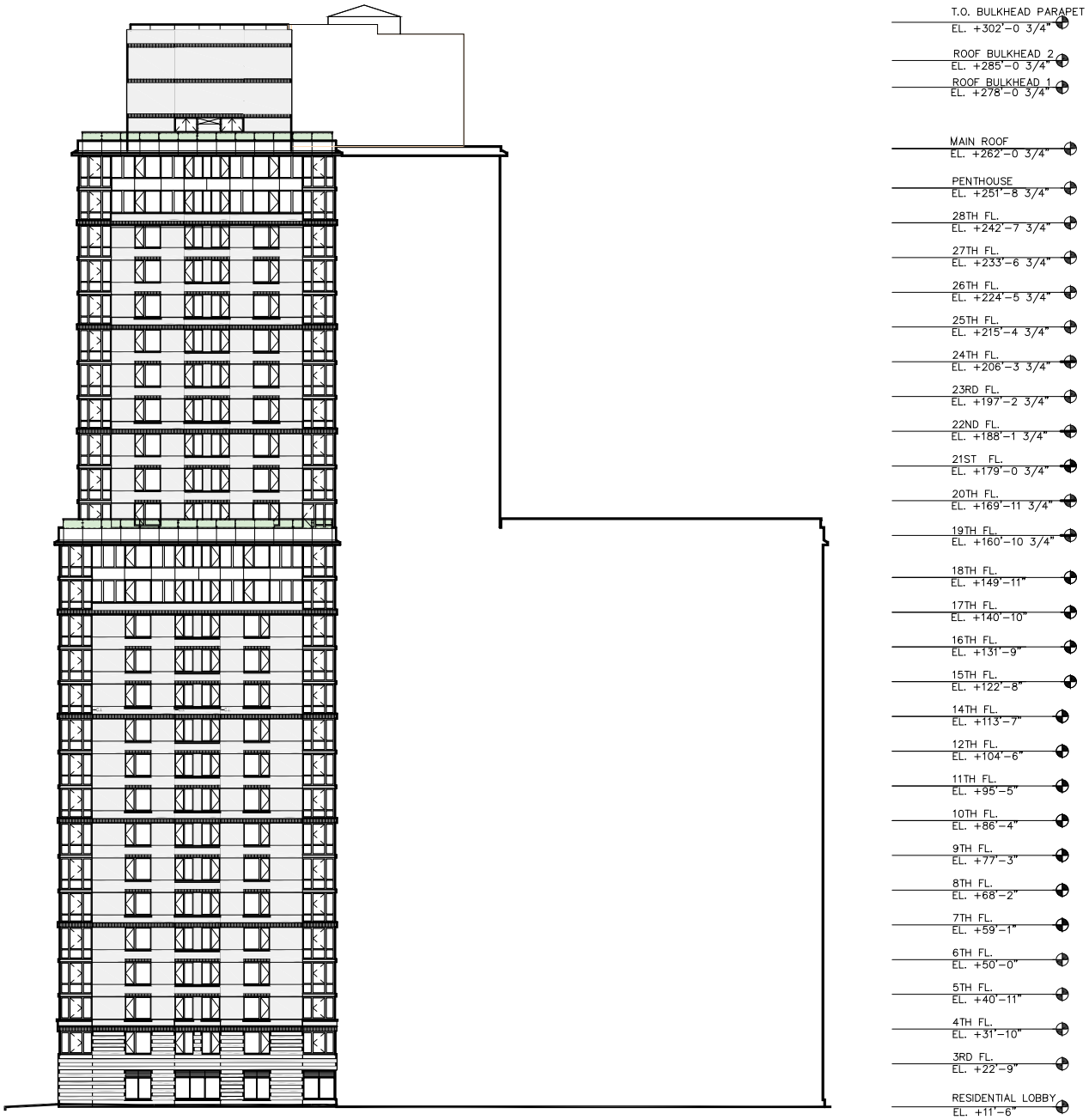


SOUTH ELEVATION

0 40' 80'

20 RIVER TERRACE, NEW YORK, NY

GENERAL NOTE:
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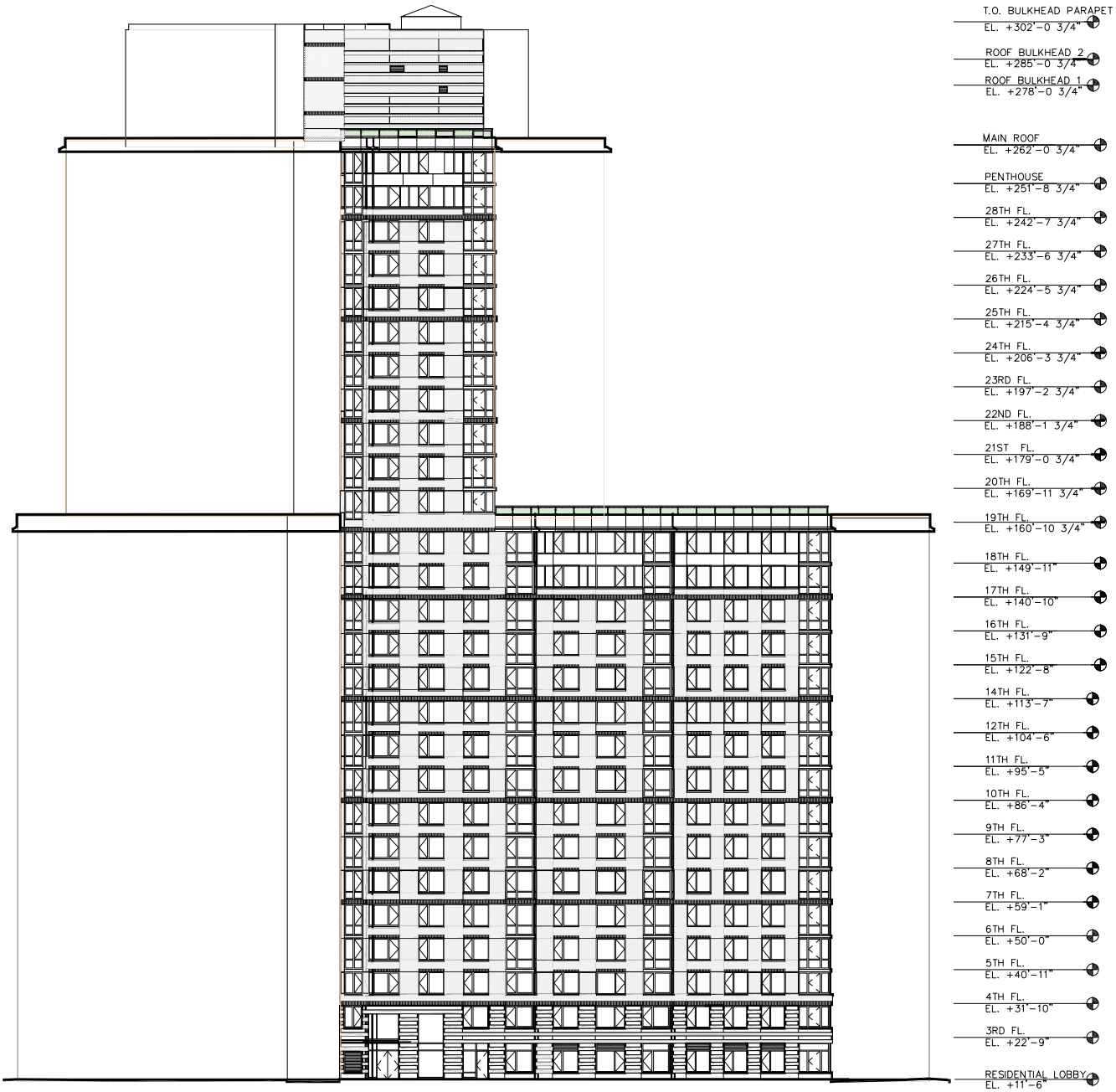


EAST ELEVATION

0 40' 80'

20 RIVER TERRACE, NEW YORK, NY

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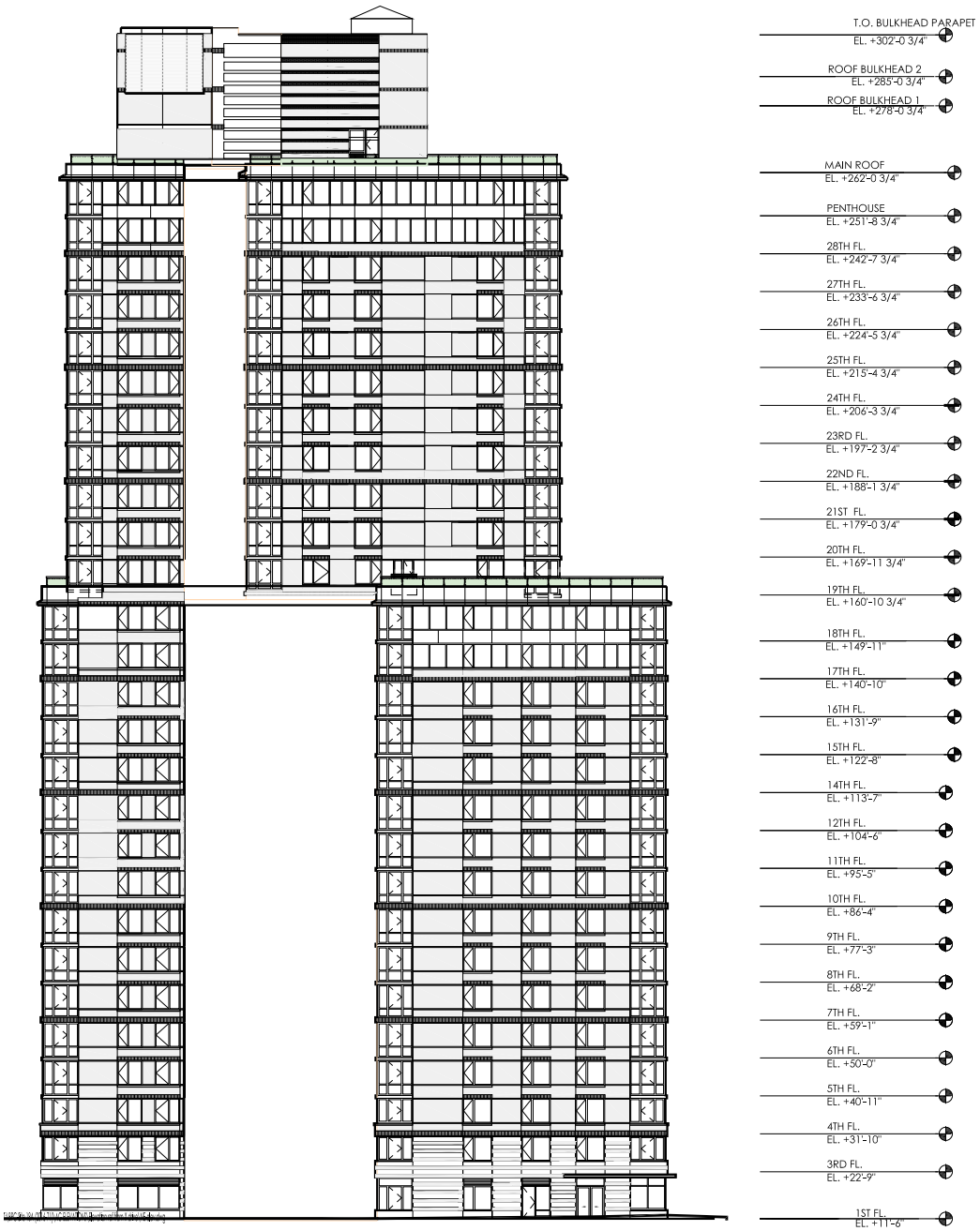


NORTHEAST ELEVATION

0 40' 80'

20 RIVER TERRACE, NEW YORK, NY

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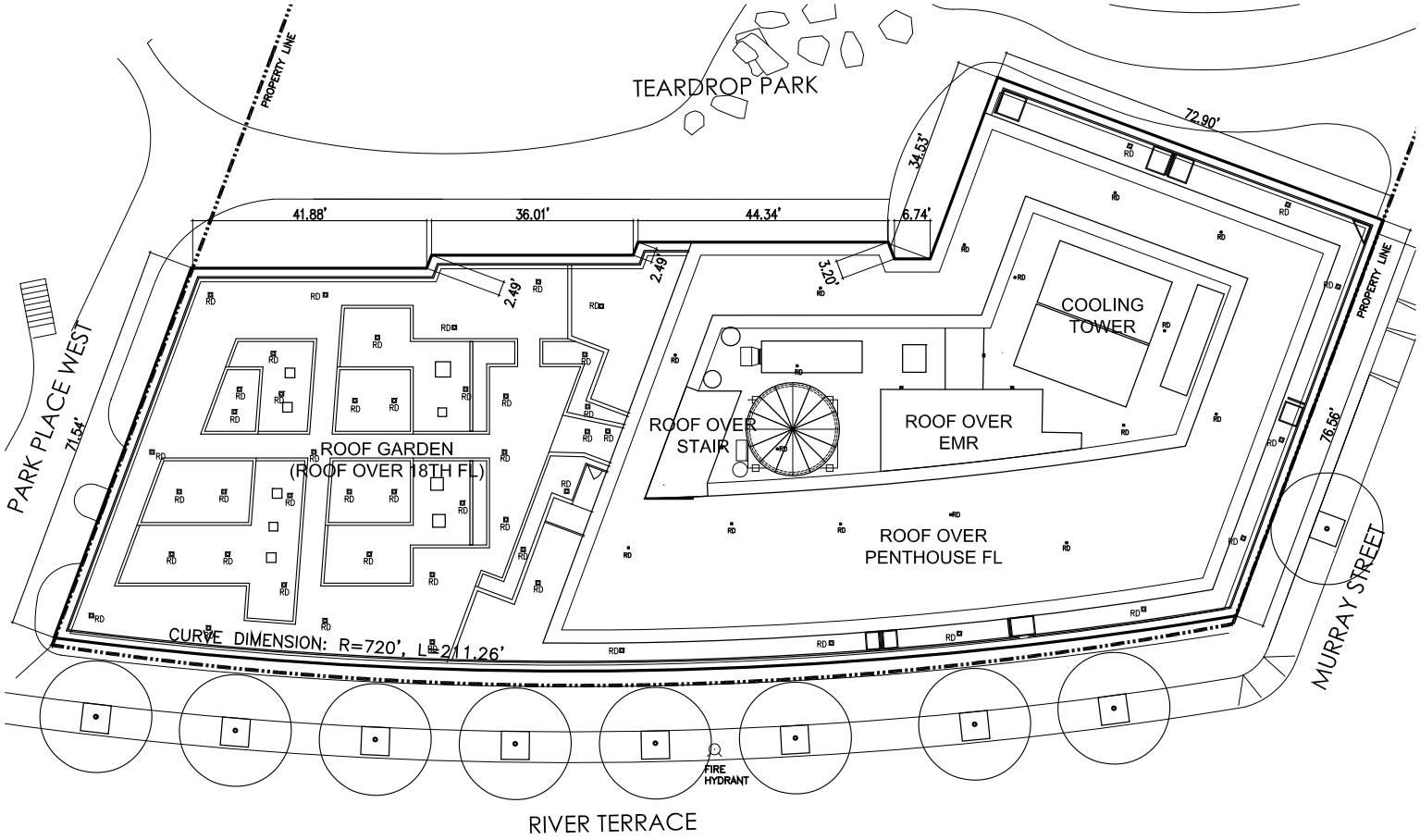


NORTH ELEVATION

0 40' 80'

20 RIVER TERRACE, NEW YORK, NY

GENERAL NOTE:
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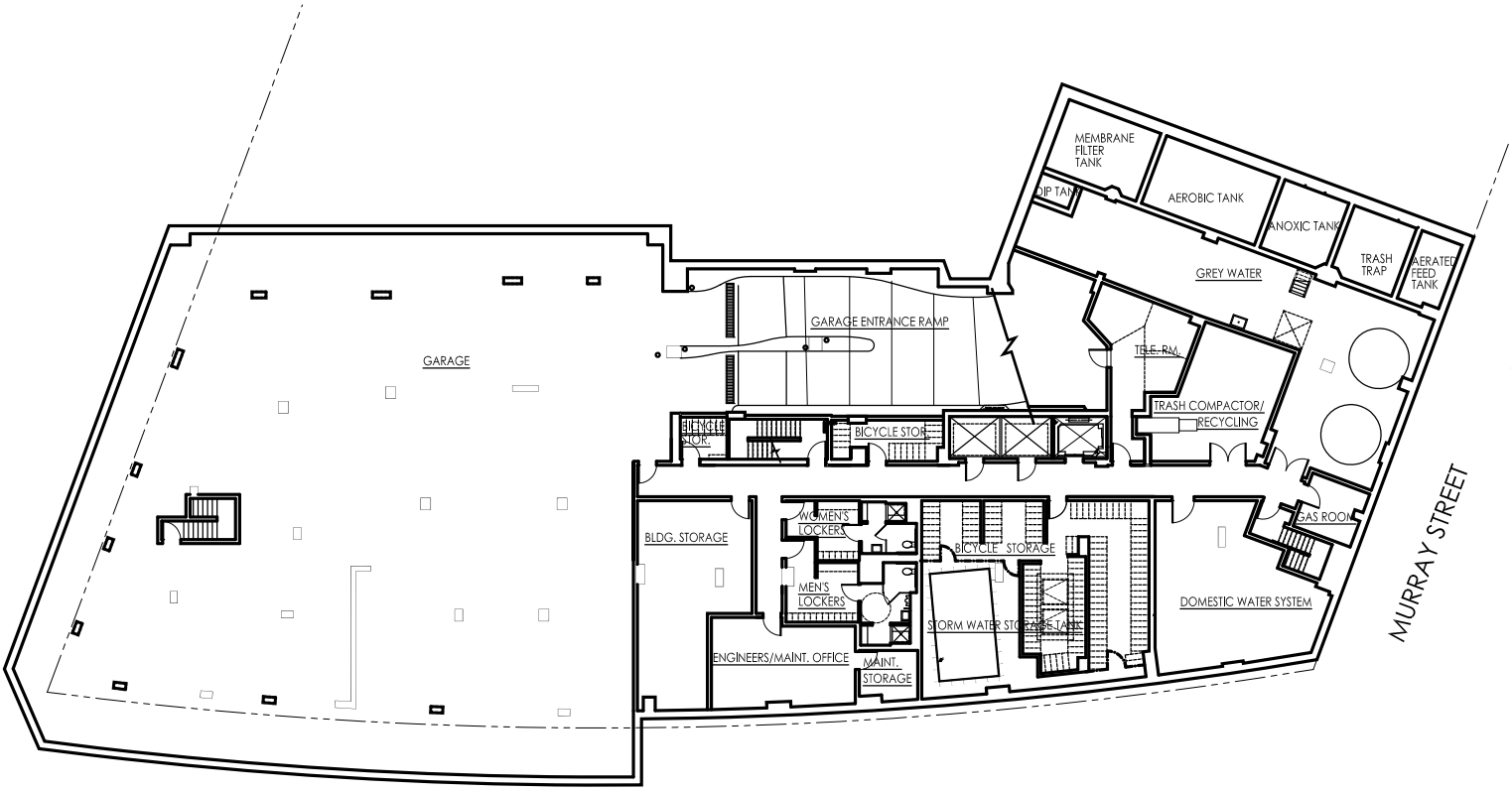


ENLARGED SITE PLAN

NORTH

THE SOLAIRE
20 River Terrace

All dimensions are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area and includes columns, mechanical pipe shaft, shaftways, chaseways and conduits and other common elements.Sponsor reserves the right to make changes in accordance with the terms of the offering plan. Plans and dimension may contain minor variation from floor to floor. The complete offering terms are in an offering plan available from Sponsor.

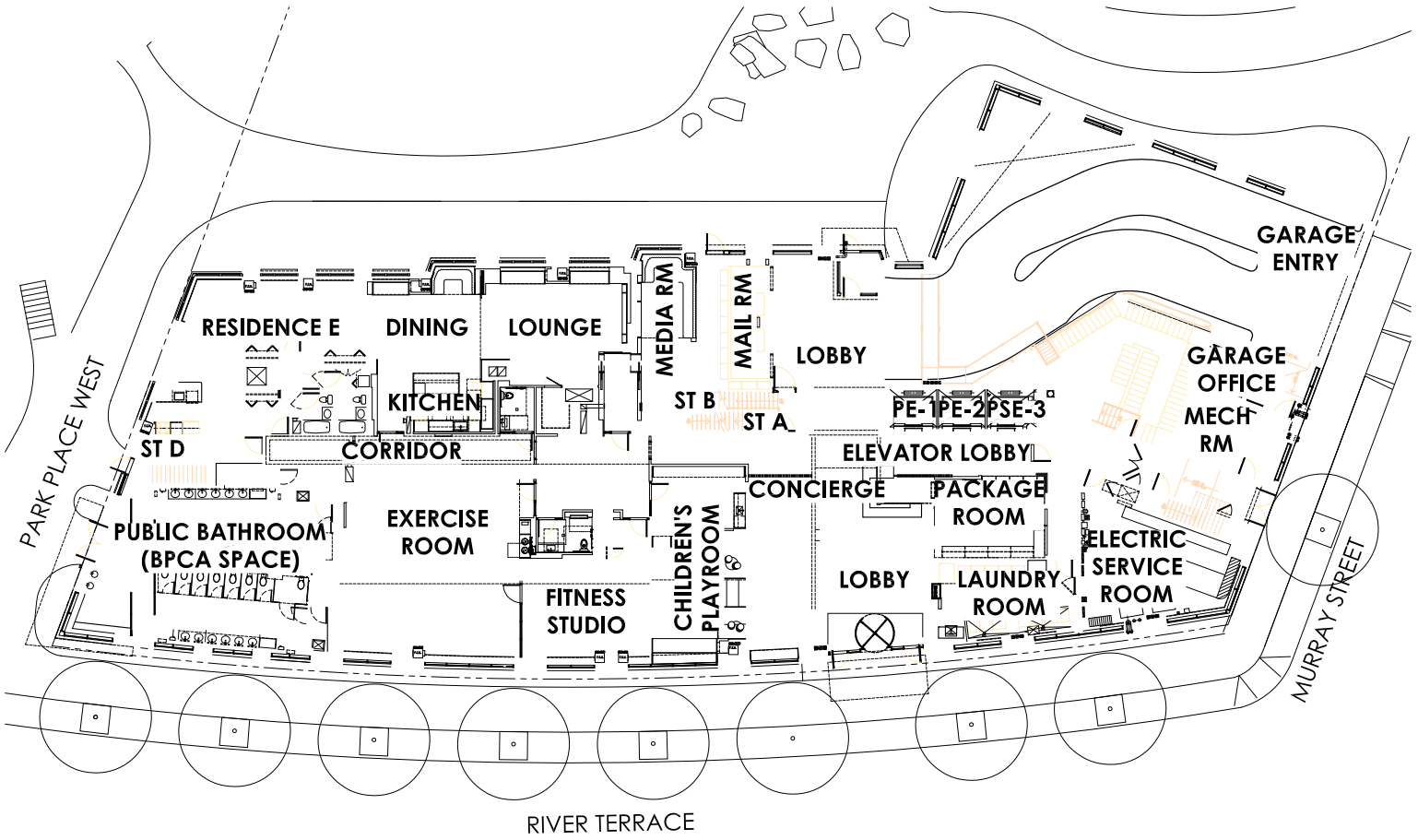


CELLAR PLAN

NORTH

THE SOLAIRE
20 River Terrace

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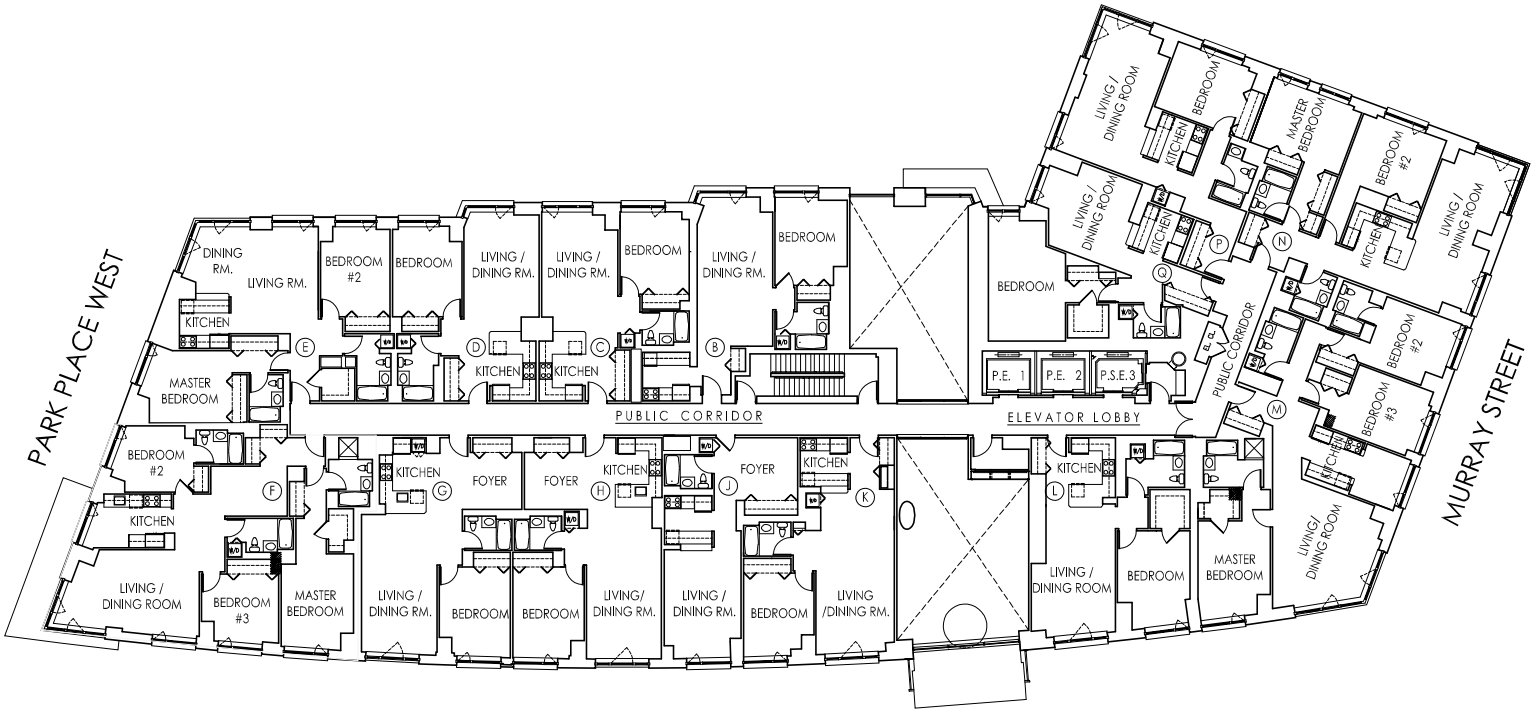


GROUND FLOOR PLAN

NORTH

THE SOLAIRE
20 River Terrace

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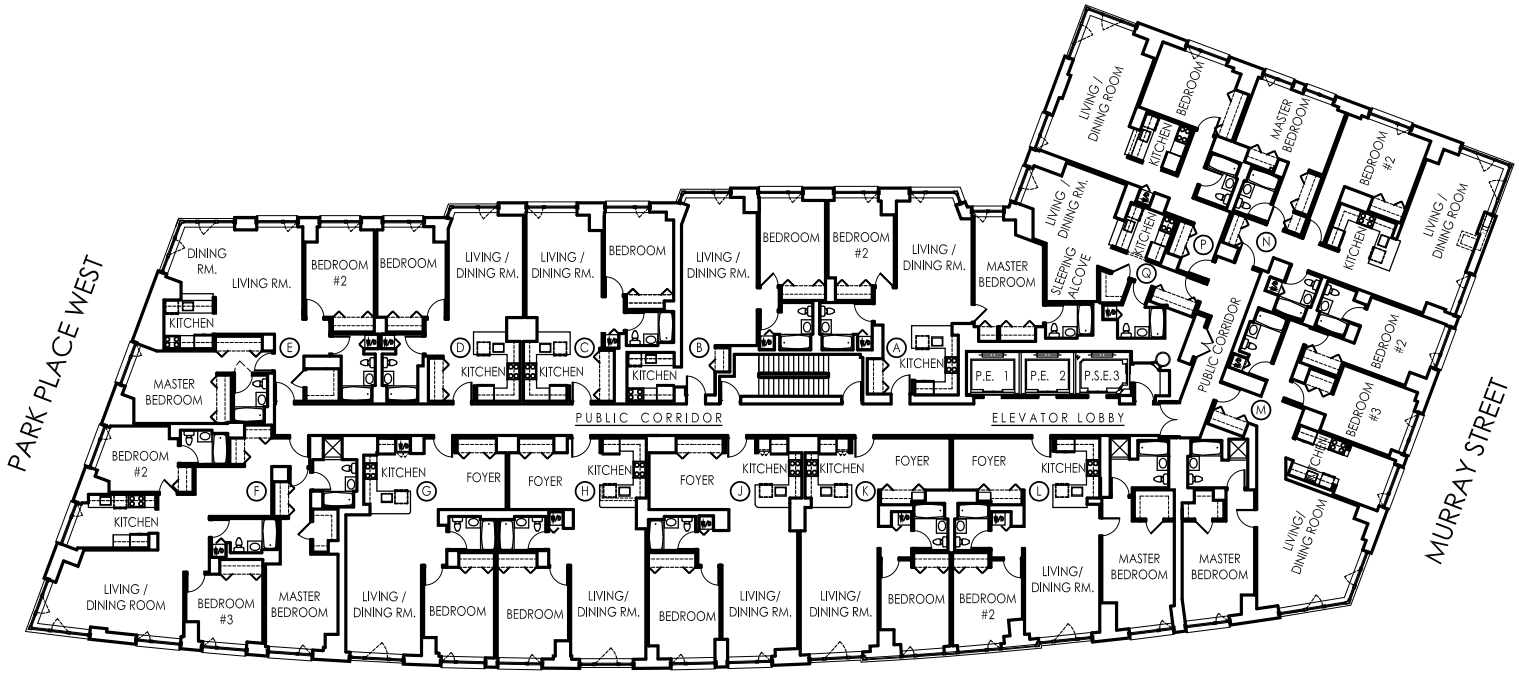


3RD FLOOR PLAN

NORTH

THE SOLAIRE
20 River Terrace

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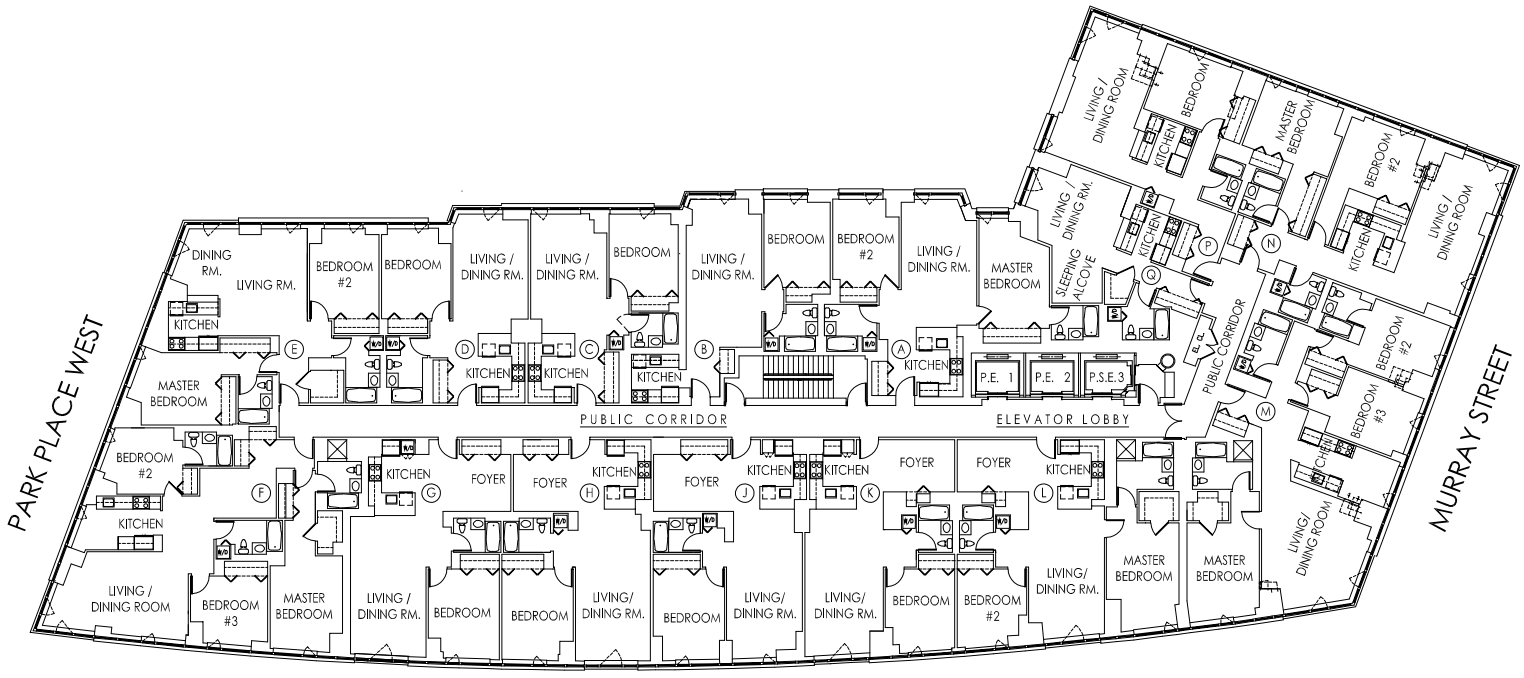


4TH - 12TH, 14TH - 16TH FLOOR PLAN

NORTH

THE SOLAIRE
20 River Terrace

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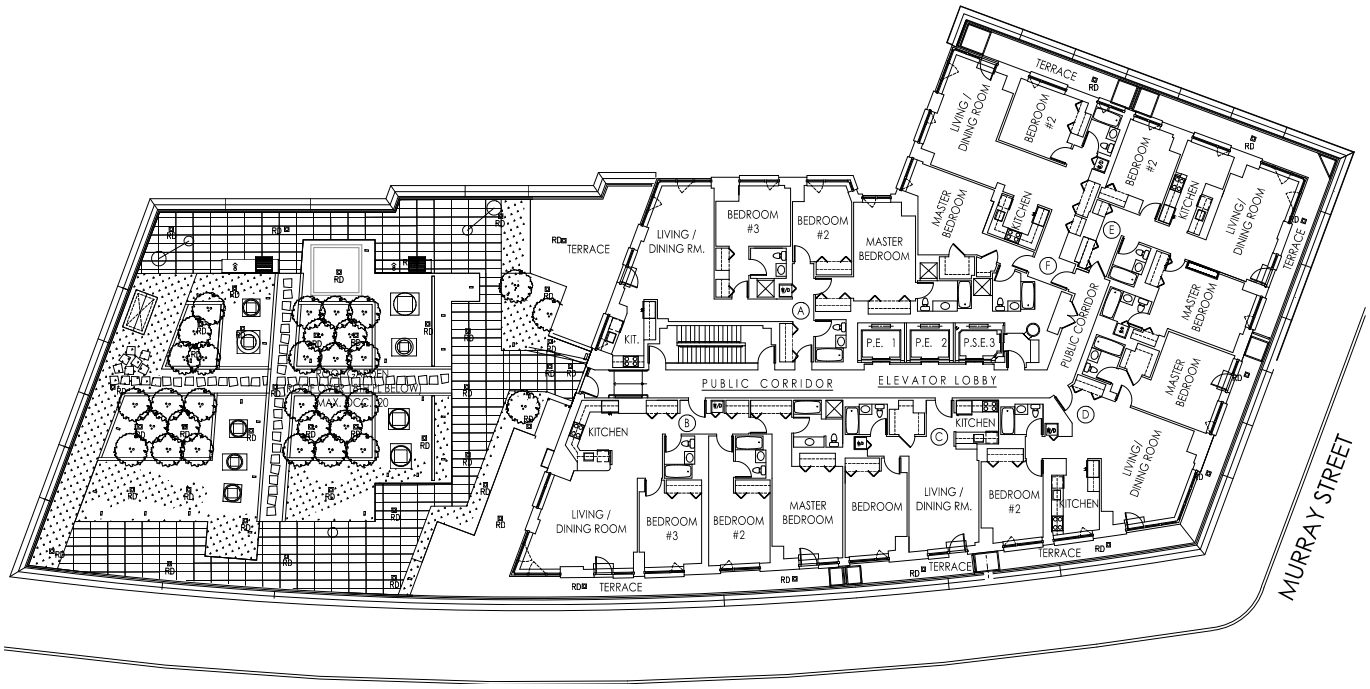


17TH & 18TH FLOOR PLAN

NORTH

THE SOLAIRE
20 River Terrace

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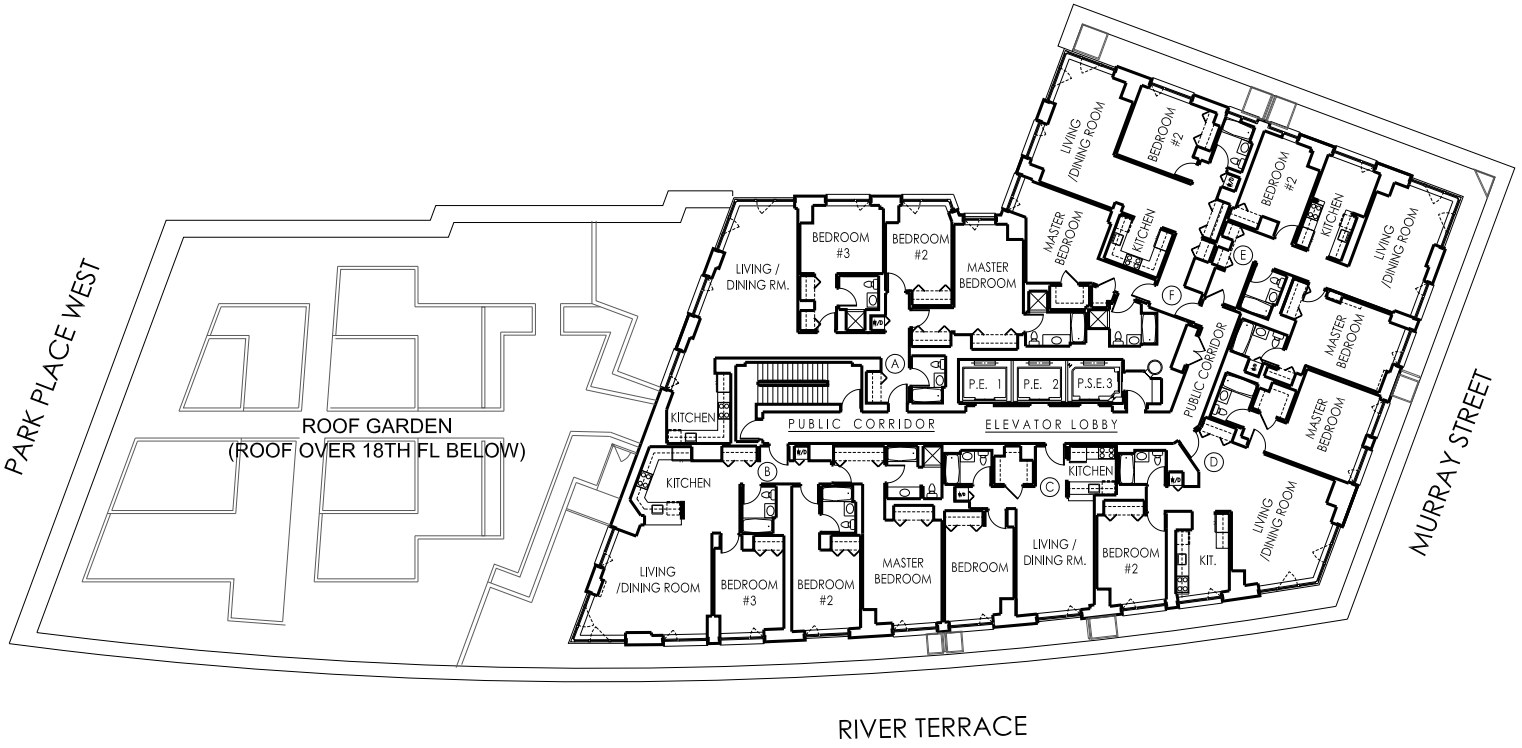


19TH FLOOR PLAN

NORTH

THE SOLAIRE
20 River Terrace

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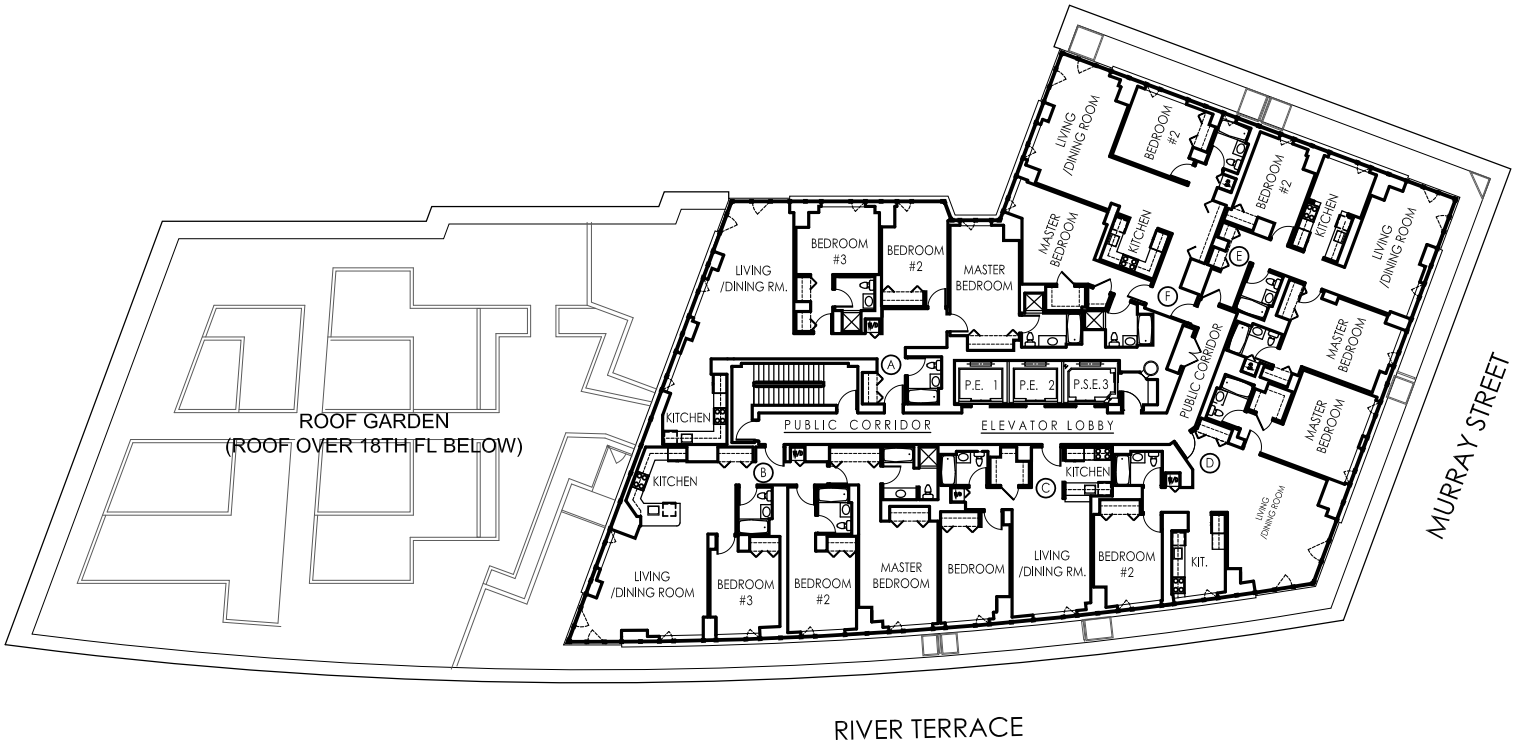


20TH - 27TH FLOOR PLAN

NORTH

THE SOLAIRE
20 River Terrace

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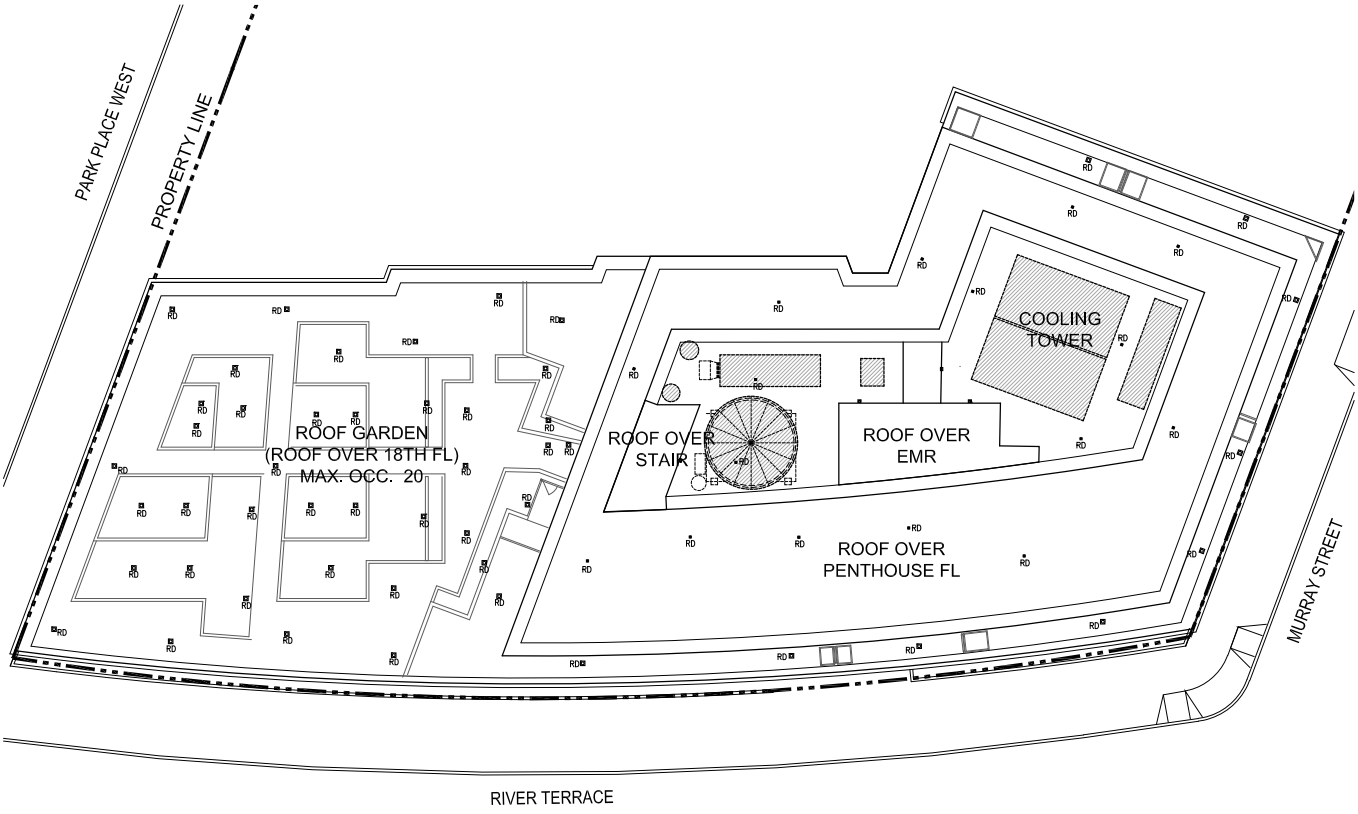


28TH & PH FLOOR PLAN

NORTH

THE SOLAIRE
20 River Terrace

All dimensions are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area and includes columns, mechanical pipe shaft, shaftways, chaseways and conduits and other common elements.Sponsor reserves the right to make changes in accordance with the terms of the offering plan. Plans and dimension may contain minor variation from floor to floor. The complete offering terms are in an offering plan available from Sponsor.

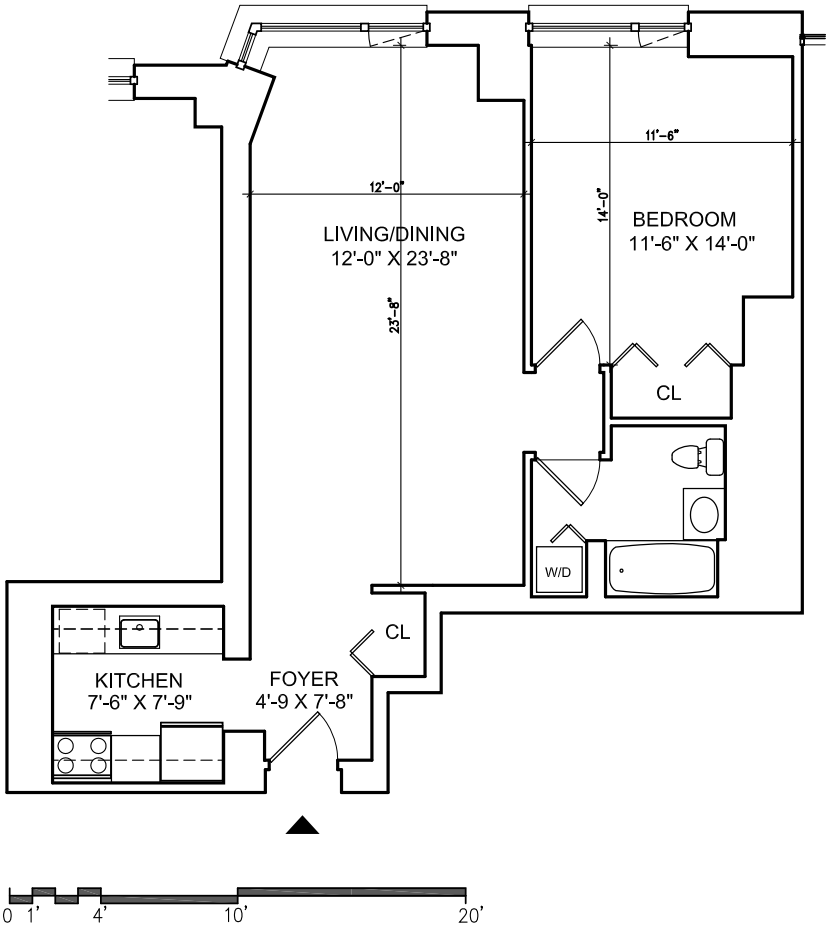


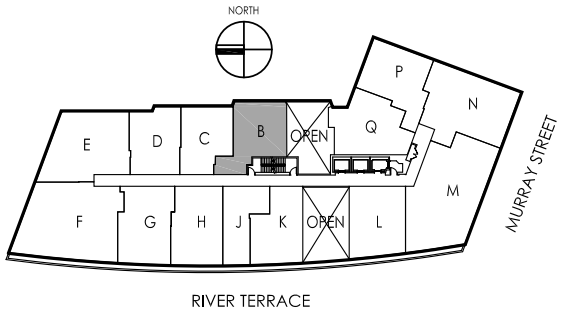
OVERALL ROOF PLAN

0 30' 60'

20 RIVER TERRACE, NEW YORK, NY

GENERAL NOTE:
THE DIMENSIONS ON THIS FLOOR ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION DEVIATIONS AND TOLERANCES. THE SPONSOR HAS THE RIGHT TO REVISE LAYOUT DIMENSIONS IN ACCORDANCE WITH THE OFFERING PLAN.

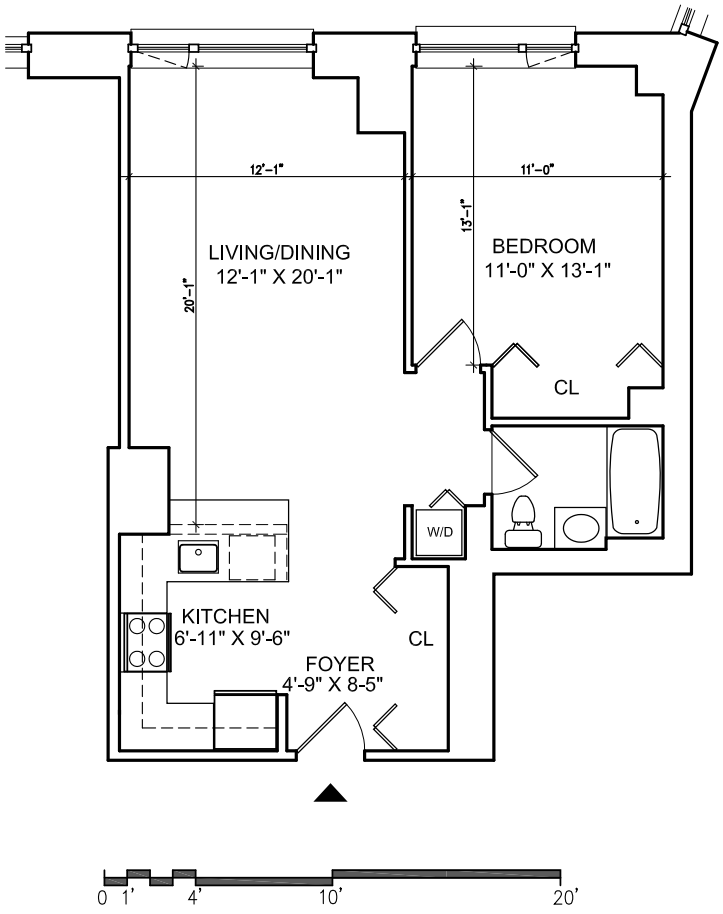


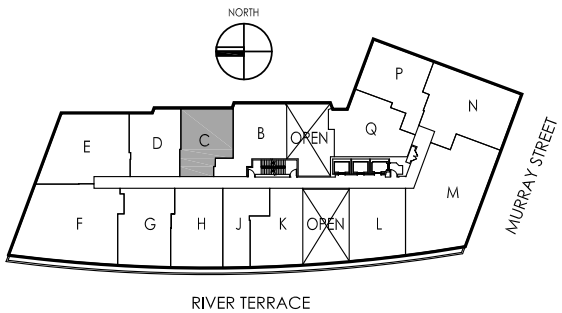


THE SOLAIRE

20 River Terrace
Residence B
Floor: 3rd
Area: 750 Square feet
1 Bedroom
1 Bathroom

All dimensions are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area and includes columns, mechanical pipe shaft, shaftways, chaseways and conduits and other common elements.Sponsor reserves the right to make changes in accordance with the terms of the offering plan. Plans and dimension may contain minor variation from floor to floor. The complete offering terms are in an offering plan available from Sponsor.

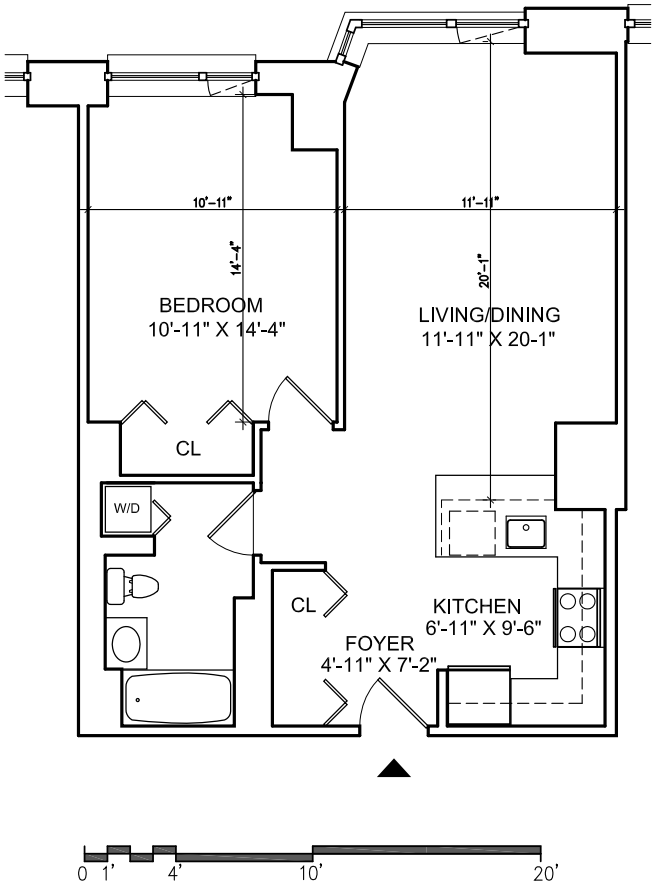


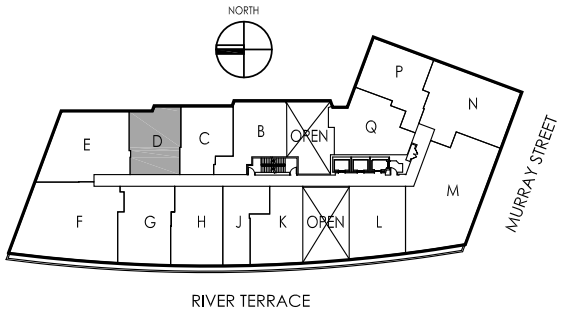


THE SOLAIRE

20 River Terrace
Residence C
Floor: 3rd
Area: 700 Square feet
1 Bedroom
1 Bathroom

All dimensions are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area and includes columns, mechanical pipe shaft, shaftways, chaseways and conduits and other common elements.Sponsor reserves the right to make changes in accordance with the terms of the offering plan. Plans and dimension may contain minor variation from floor to floor. The complete offering terms are in an offering plan available from Sponsor.

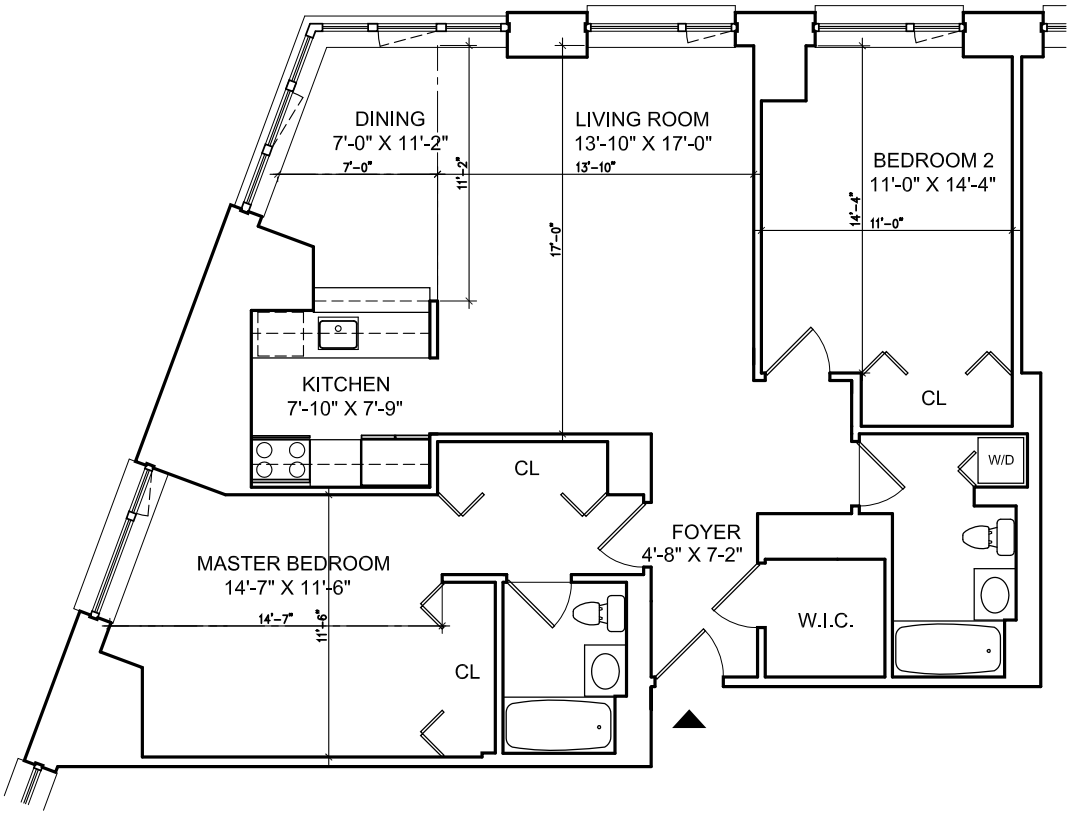


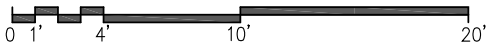


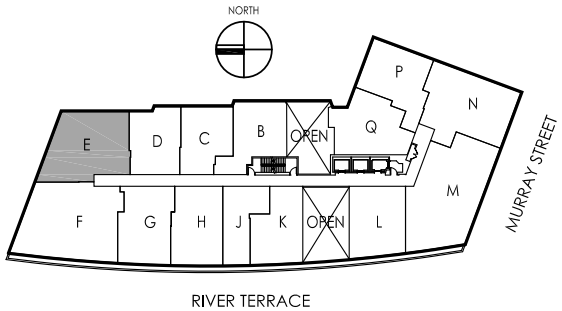
THE SOLAIRE

20 River Terrace
Residence D
Floor: 3rd
Area: 709 Square feet
1 Bedroom
1 Bathroom

All dimensions are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area and includes columns, mechanical pipe shaft, shaftways, chaseways and conduits and other common elements.Sponsor reserves the right to make changes in accordance with the terms of the offering plan. Plans and dimension may contain minor variation from floor to floor. The complete offering terms are in an offering plan available from Sponsor.



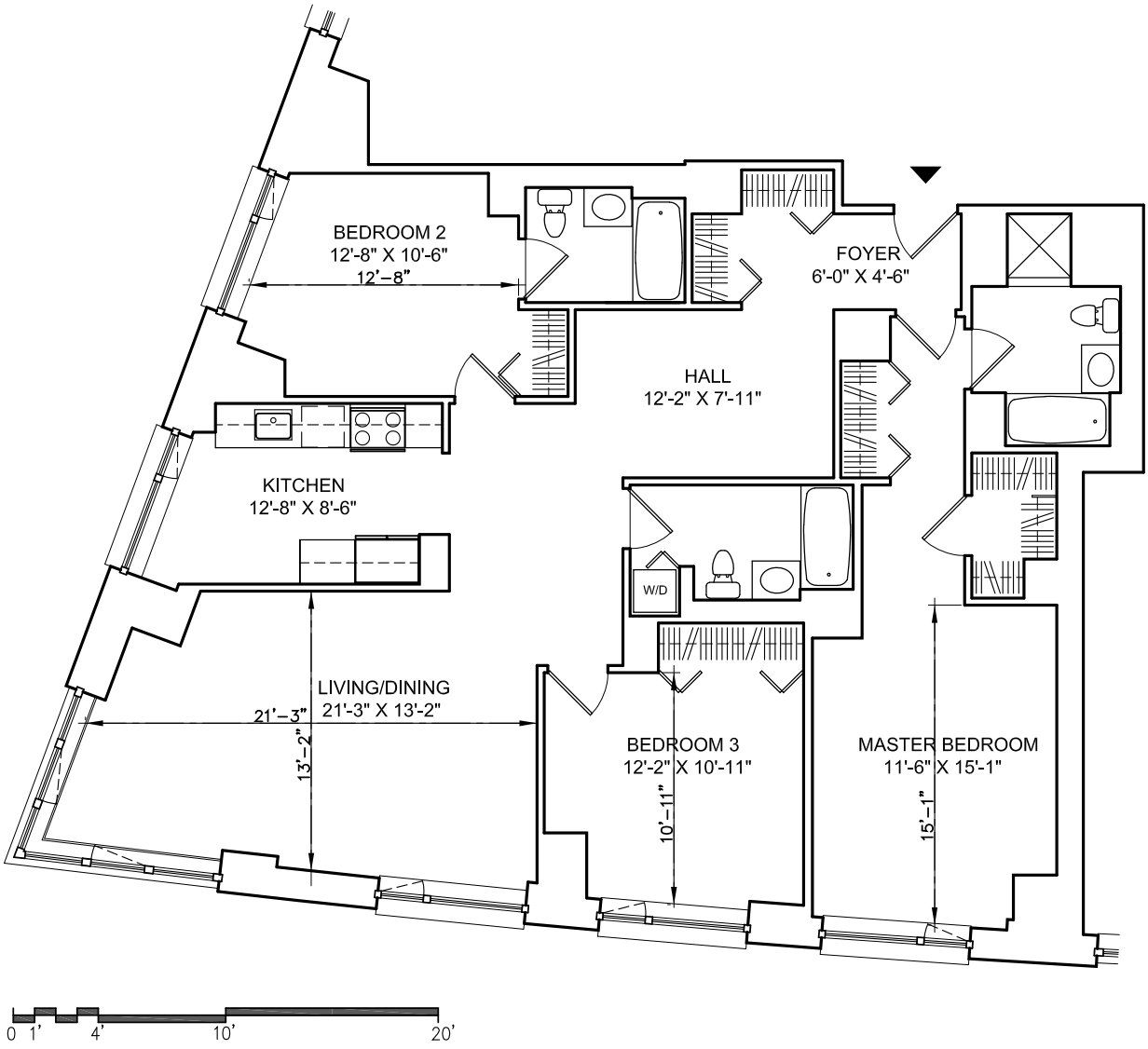


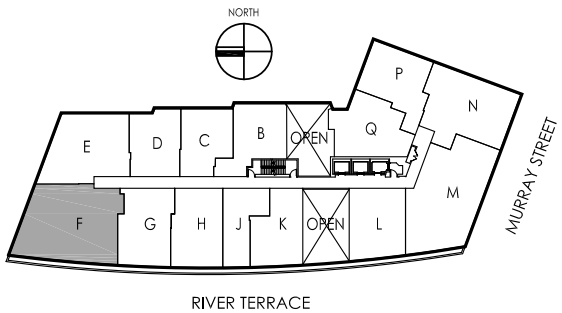


THE SOLAIRE

20 River Terrace
Residence E
Floor: 3rd
Area: 1,170 Square feet
2 Bedrooms
2 Bathrooms

All dimensions are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area and includes columns, mechanical pipe shaft, shaftways, chaseways and conduits and other common elements.Sponsor reserves the right to make changes in accordance with the terms of the offering plan. Plans and dimension may contain minor variation from floor to floor. The complete offering terms are in an offering plan available from Sponsor.

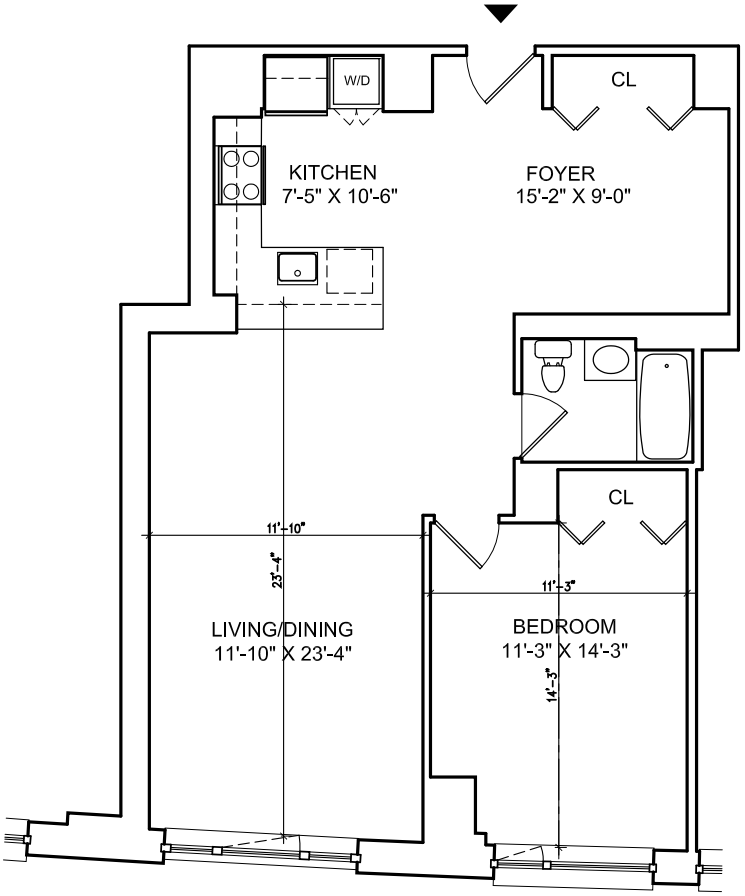


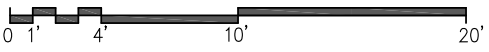


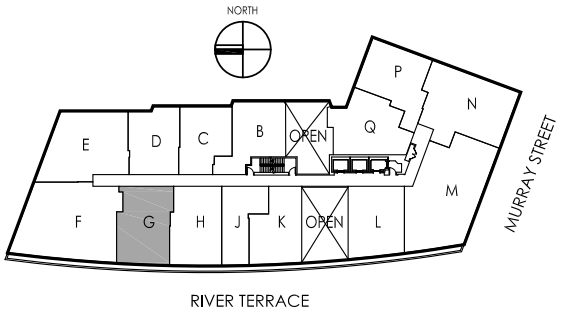
THE SOLAIRE

20 River Terrace
Residence F
Floor: 3rd
Area: 1,586 Square feet
3 Bedrooms
3 Bathrooms

All dimensions are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area and includes columns, mechanical pipe shaft, shaftways, chaseways and conduits and other common elements.Sponsor reserves the right to make changes in accordance with the terms of the offering plan. Plans and dimension may contain minor variation from floor to floor. The complete offering terms are in an offering plan available from Sponsor.



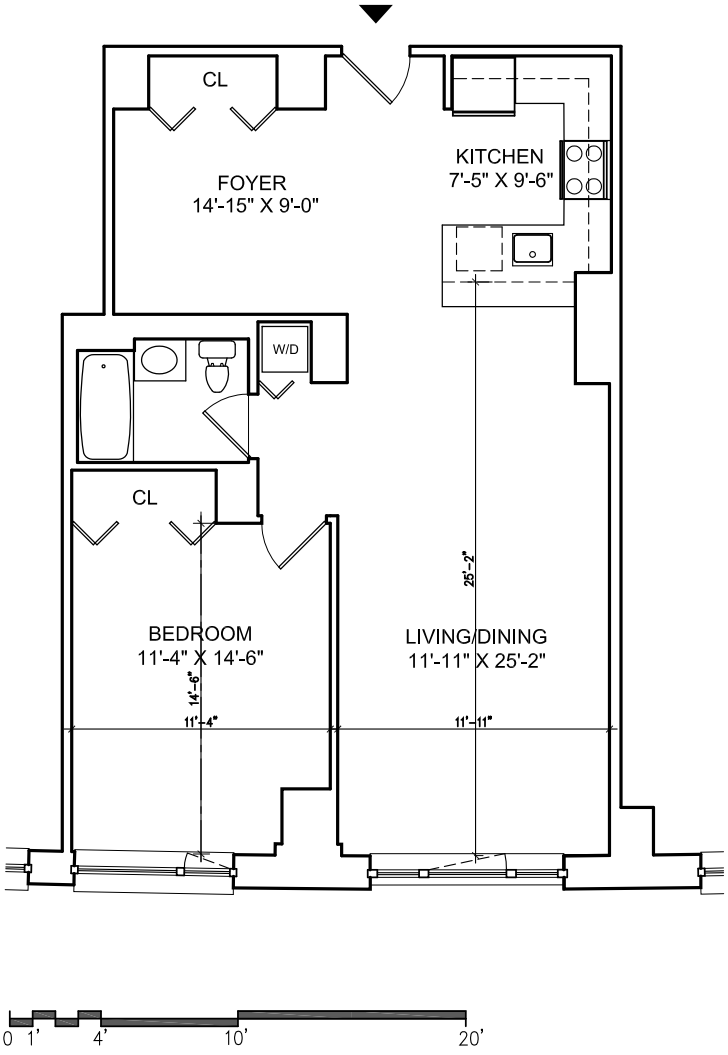


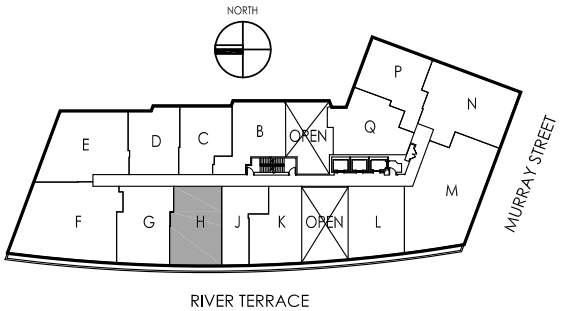


THE SOLAIRE

20 River Terrace
Residence G
Floor: 3rd
Area: 871 Square feet
1 Bedroom
1 Bathroom

All dimensions are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area and includes columns, mechanical pipe shaft, shaftways, chaseways and conduits and other common elements.Sponsor reserves the right to make changes in accordance with the terms of the offering plan. Plans and dimension may contain minor variation from floor to floor. The complete offering terms are in an offering plan available from Sponsor.

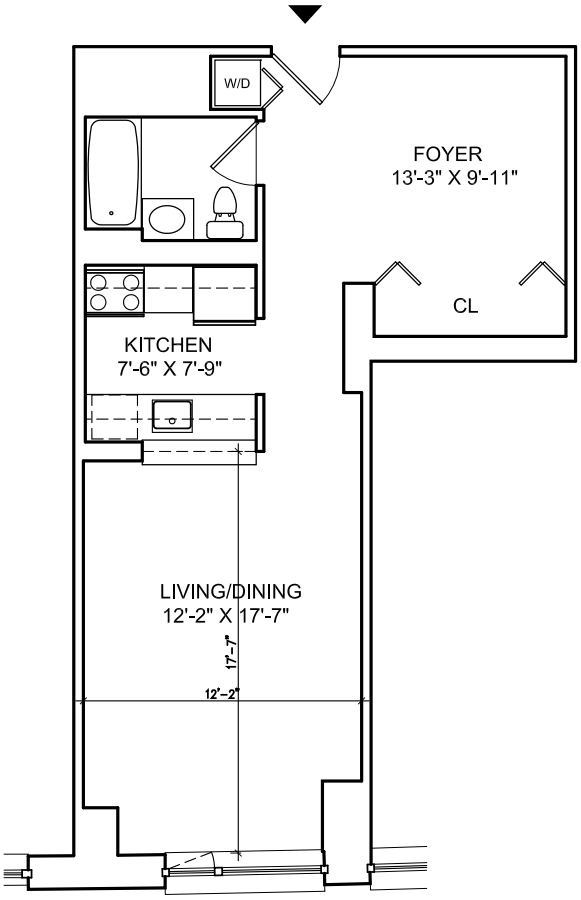


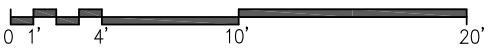


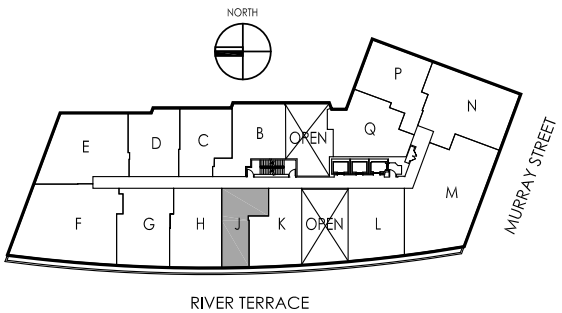
THE SOLAIRE

20 River Terrace
Residence H
Floor: 3rd
Area: 862 Square feet
1 Bedroom
1 Bathroom

All dimensions are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area and includes columns, mechanical pipe shaft, shaftways, chaseways and conduits and other common elements.Sponsor reserves the right to make changes in accordance with the terms of the offering plan. Plans and dimension may contain minor variation from floor to floor. The complete offering terms are in an offering plan available from Sponsor.



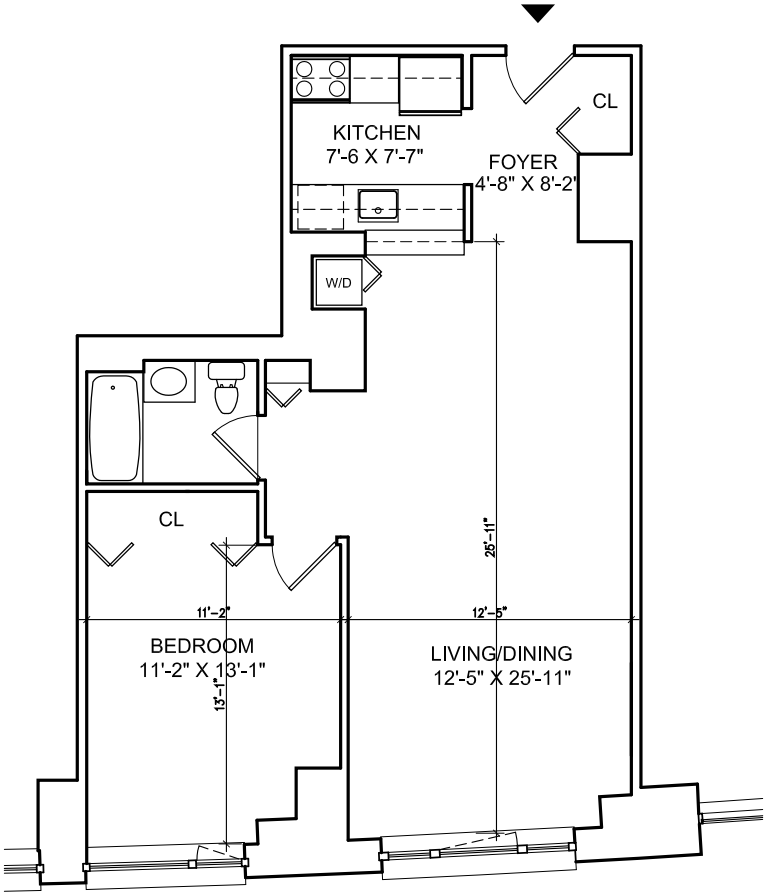


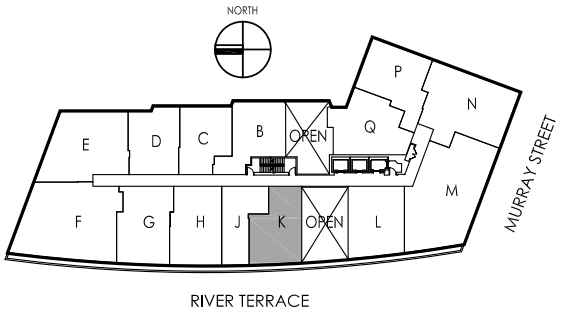


THE SOLAIRE

20 River Terrace
Residence J
Floor: 3rd
Area: 578 Square feet
0 Bedroom
1 Bathroom

All dimensions are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area and includes columns, mechanical pipe shaft, shaftways, chaseways and conduits and other common elements.Sponsor reserves the right to make changes in accordance with the terms of the offering plan. Plans and dimension may contain minor variation from floor to floor. The complete offering terms are in an offering plan available from Sponsor.

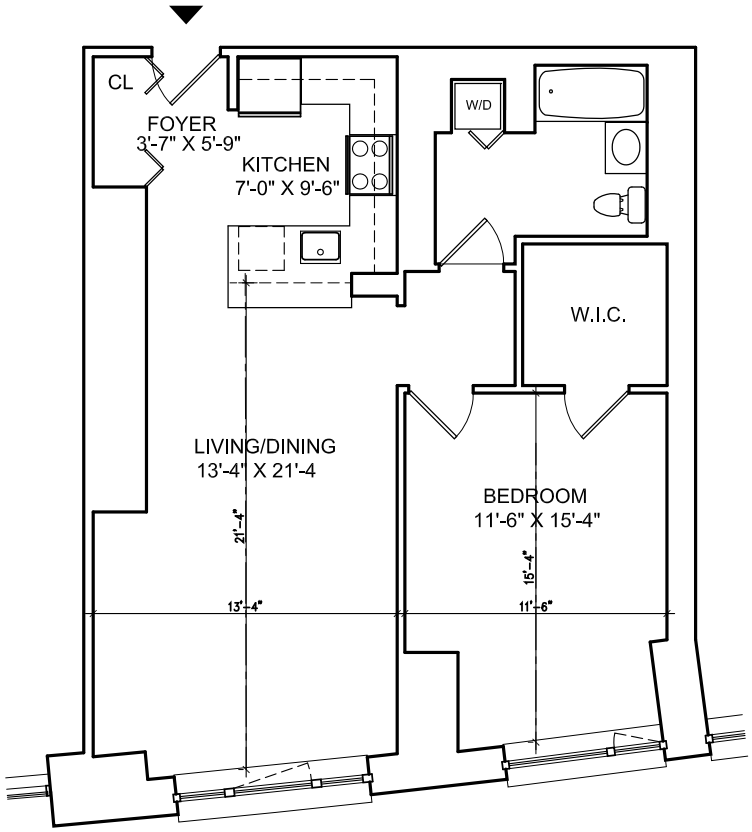


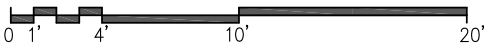


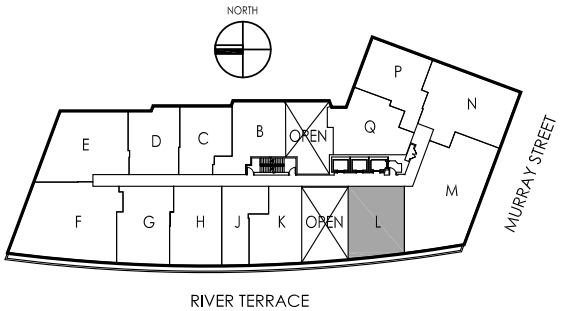
THE SOLAIRE

20 River Terrace
Residence K
Floor: 3rd
Area: 759 Square feet
1 Bedroom
1 Bathroom

All dimensions are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area and includes columns, mechanical pipe shaft, shaftways, chaseways and conduits and other common elements.Sponsor reserves the right to make changes in accordance with the terms of the offering plan. Plans and dimension may contain minor variation from floor to floor. The complete offering terms are in an offering plan available from Sponsor.



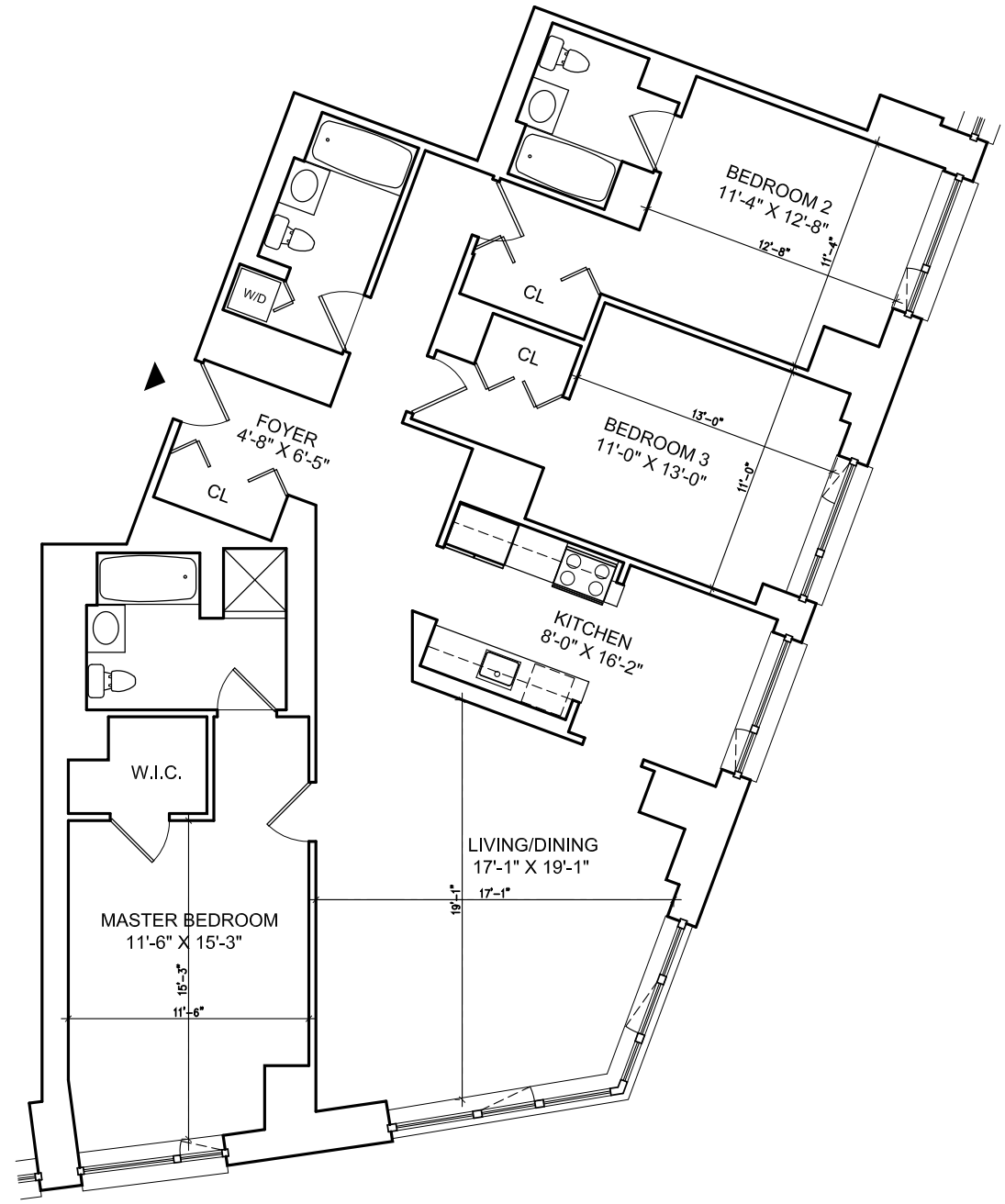


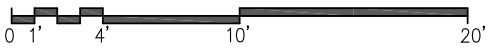


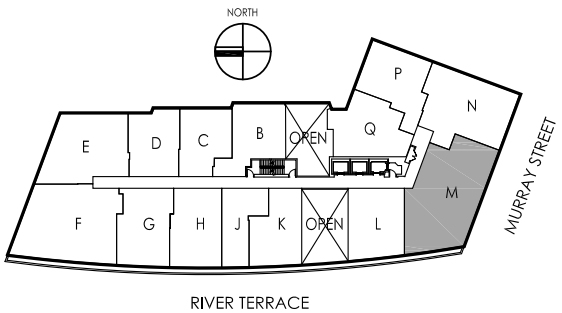
THE SOLAIRE

20 River Terrace
Residence L
Floor: 3rd
Area: 842 Square feet
1 Bedroom
1 Bathroom

All dimensions are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area and includes columns, mechanical pipe shaft, shaftways, chaseways and conduits and other common elements.Sponsor reserves the right to make changes in accordance with the terms of the offering plan. Plans and dimension may contain minor variation from floor to floor. The complete offering terms are in an offering plan available from Sponsor.



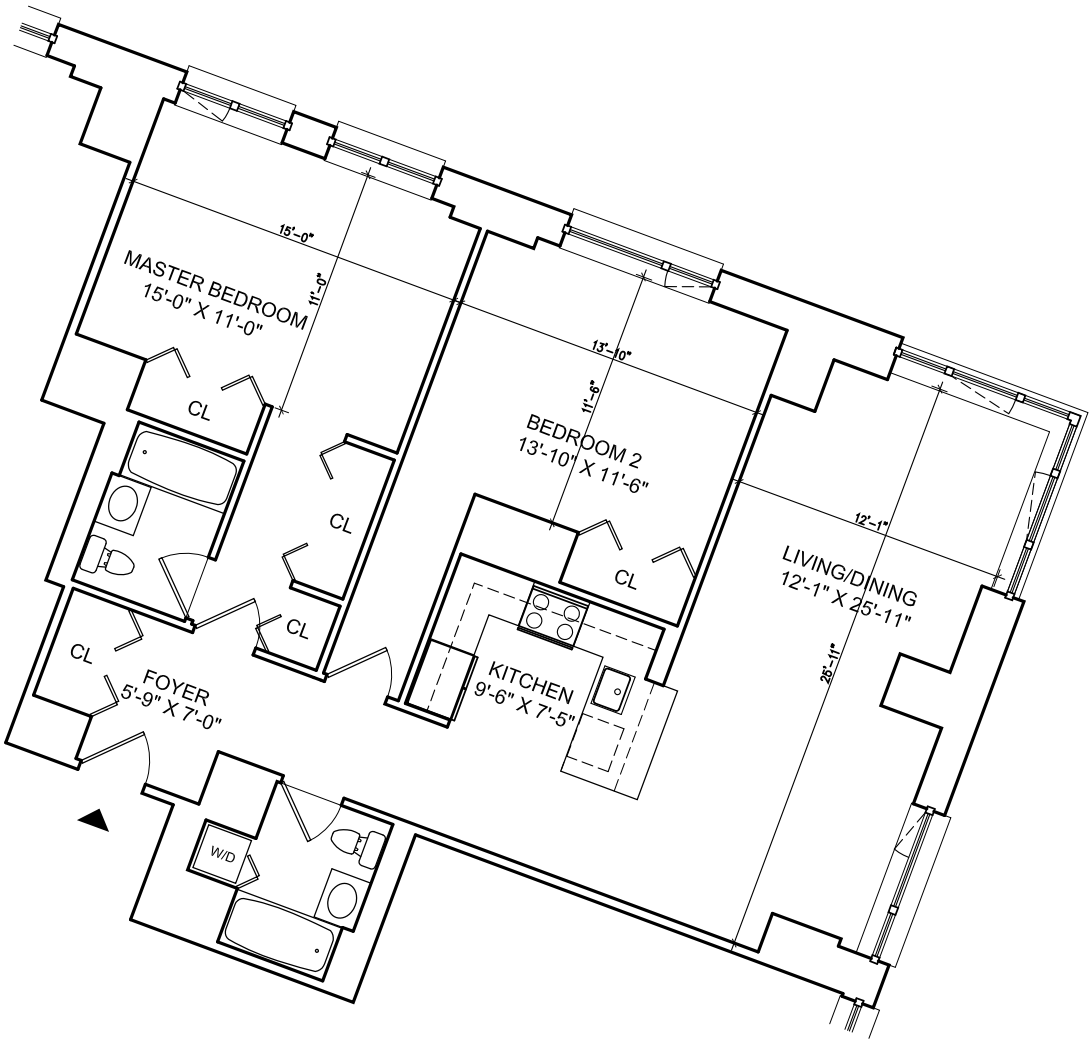


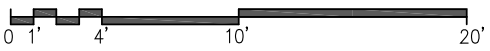


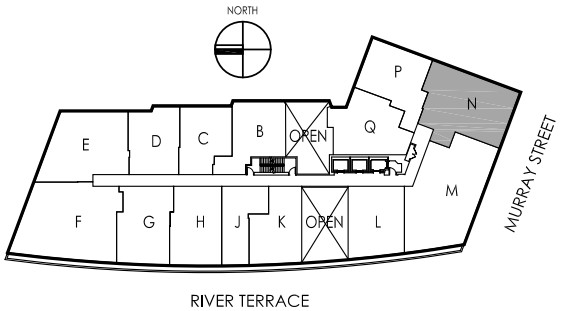
THE SOLAIRE

20 River Terrace
Residence M
Floor: 3rd
Area: 1,621 Square feet
3 Bedrooms
3 Bathrooms

All dimensions are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area and includes columns, mechanical pipe shaft, shaftways, chaseways and conduits and other common elements.Sponsor reserves the right to make changes in accordance with the terms of the offering plan. Plans and dimension may contain minor variation from floor to floor. The complete offering terms are in an offering plan available from Sponsor.



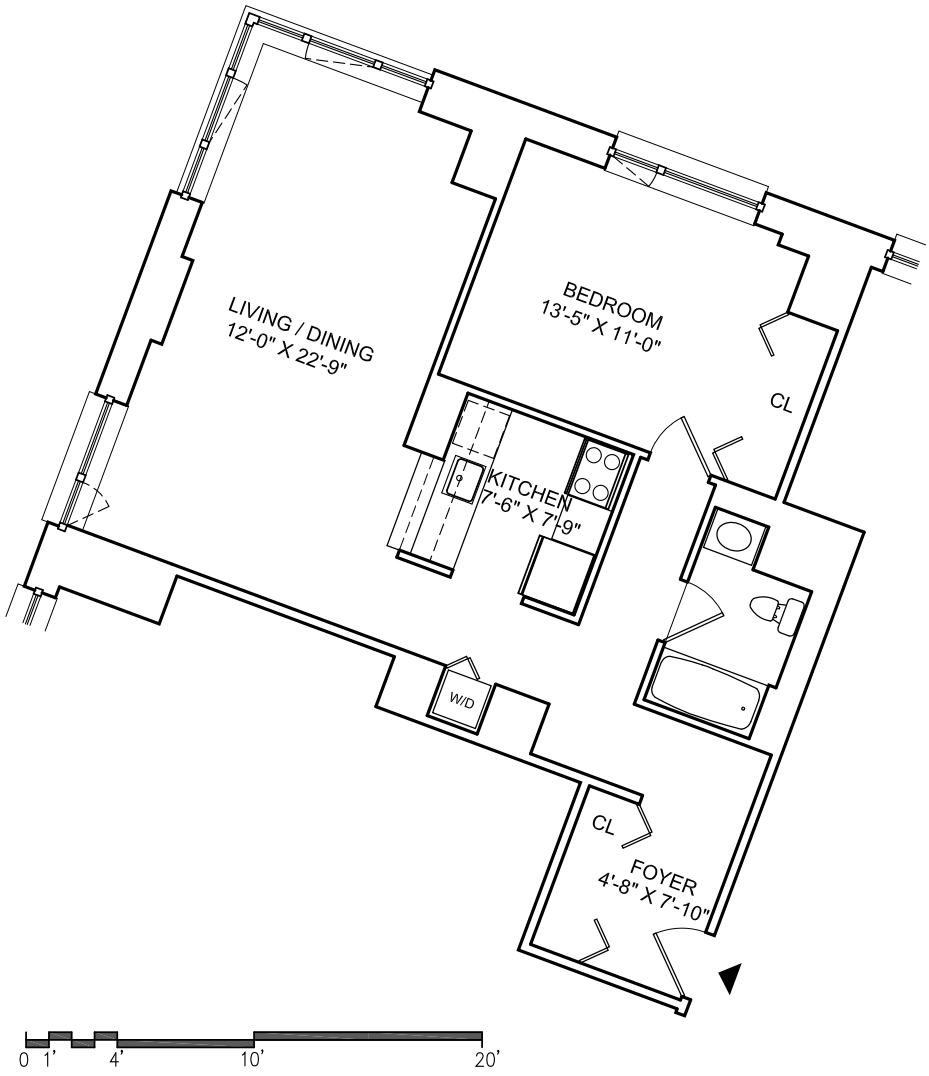


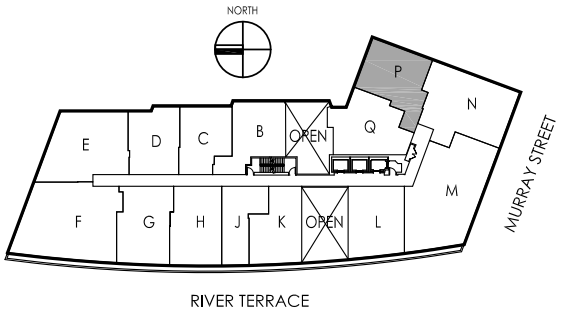


THE SOLAIRE

20 River Terrace
Residence N
Floor: 3rd
Area: 1,239 Square feet
2 Bedrooms
2 Bathrooms

All dimensions are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area and includes columns, mechanical pipe shaft, shaftways, chaseways and conduits and other common elements.Sponsor reserves the right to make changes in accordance with the terms of the offering plan. Plans and dimension may contain minor variation from floor to floor. The complete offering terms are in an offering plan available from Sponsor.

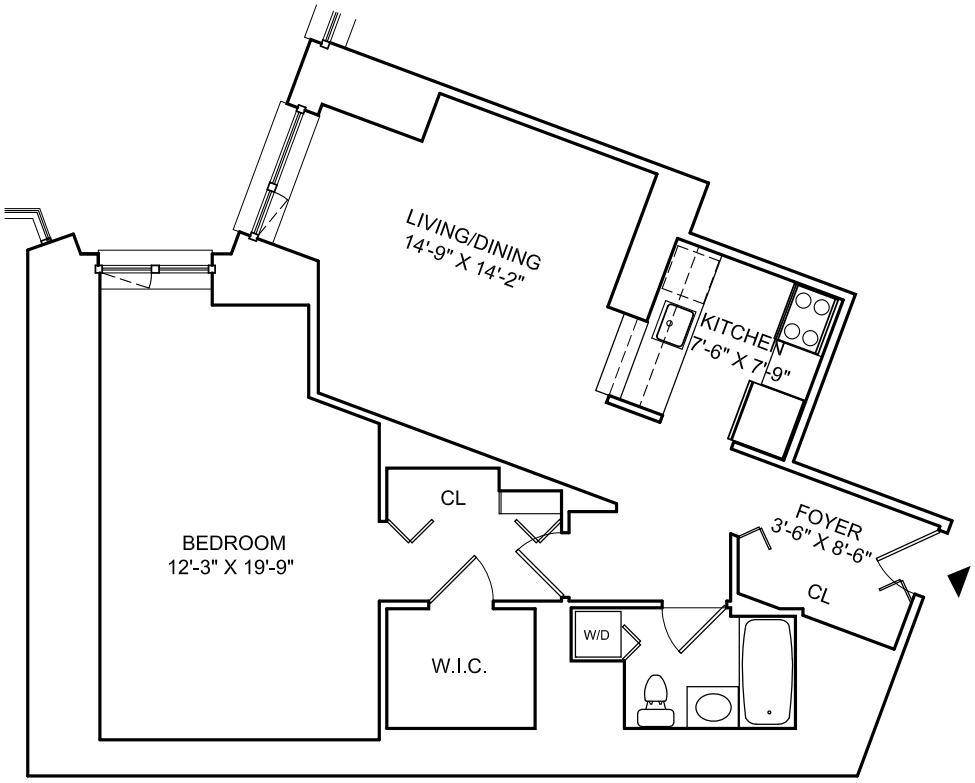


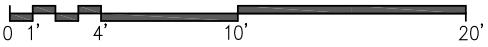


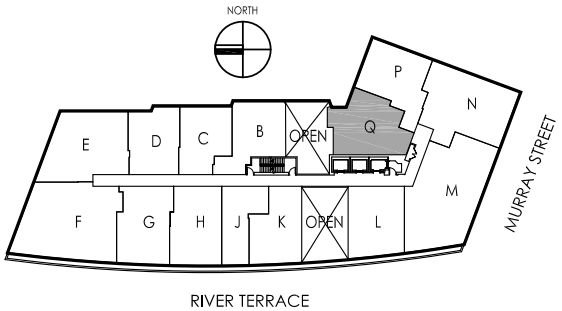
THE SOLAIRE

20 River Terrace
Residence P
Floor: 3rd
Area: 844 Square feet
1 Bedroom
1 Bathroom

All dimensions are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area and includes columns, mechanical pipe shaft, shaftways, chaseways and conduits and other common elements.Sponsor reserves the right to make changes in accordance with the terms of the offering plan. Plans and dimension may contain minor variation from floor to floor. The complete offering terms are in an offering plan available from Sponsor.



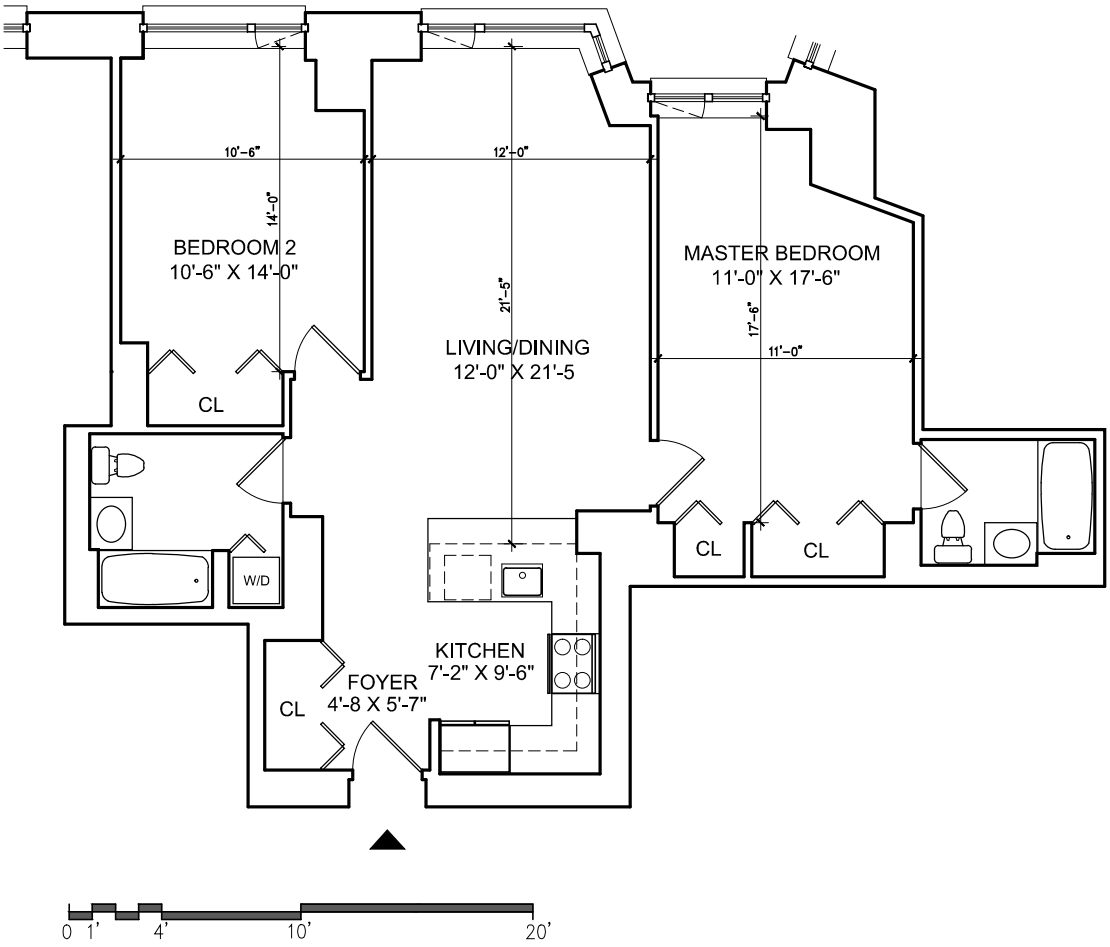


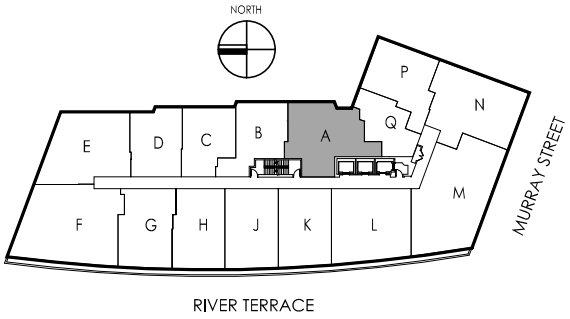


THE SOLAIRE

20 River Terrace
Residence Q
Floor: 3rd
Area: 891 Square feet
1 Bedroom
1 Bathroom

All dimensions are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area and includes columns, mechanical pipe shaft, shaftways, chaseways and conduits and other common elements.Sponsor reserves the right to make changes in accordance with the terms of the offering plan. Plans and dimension may contain minor variation from floor to floor. The complete offering terms are in an offering plan available from Sponsor.





THE SOLAIRE

20 River Terrace

Residence A

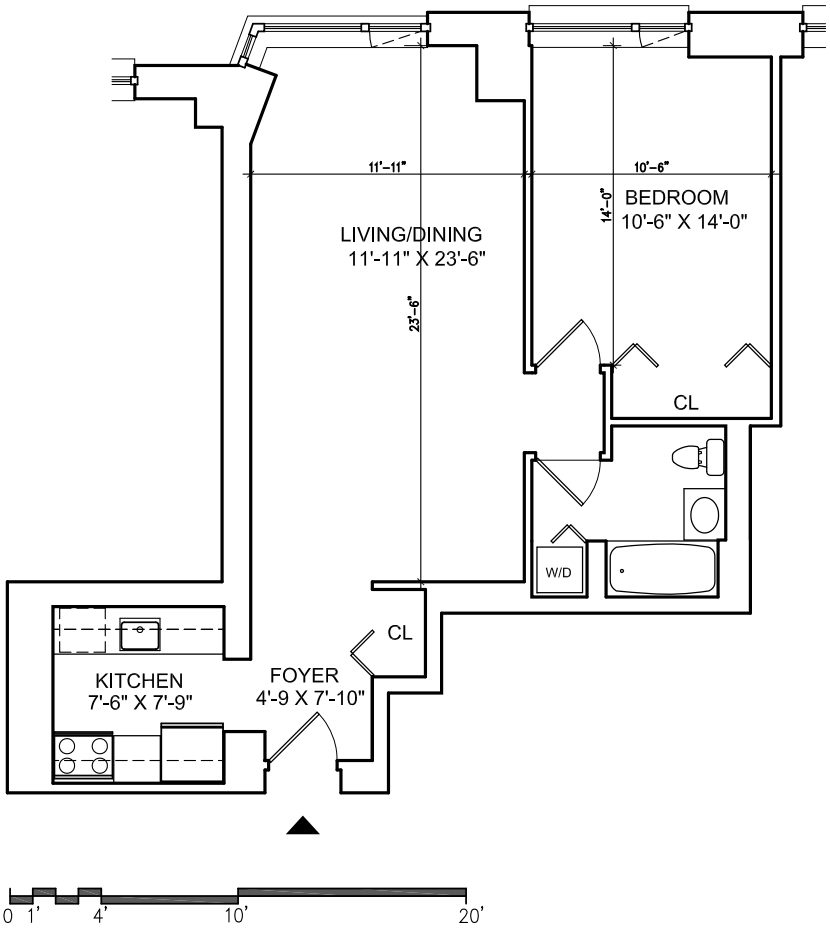
Floors: 4th thru 12th, 14th thru 17th

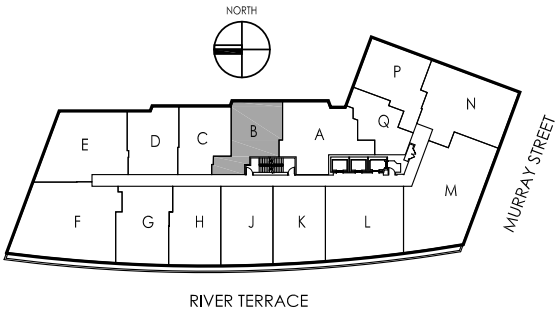
Area: 1,021 Square feet

2 Bedrooms

2 Bathrooms

All dimensions are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area and includes columns, mechanical pipe shaft, shaftways, chaseways and conduits and other common elements.Sponsor reserves the right to make changes in accordance with the terms of the offering plan. Plans and dimension may contain minor variation from floor to floor. The complete offering terms are in an offering plan available from Sponsor.





THE SOLAIRE

20 River Terrace

Residence B

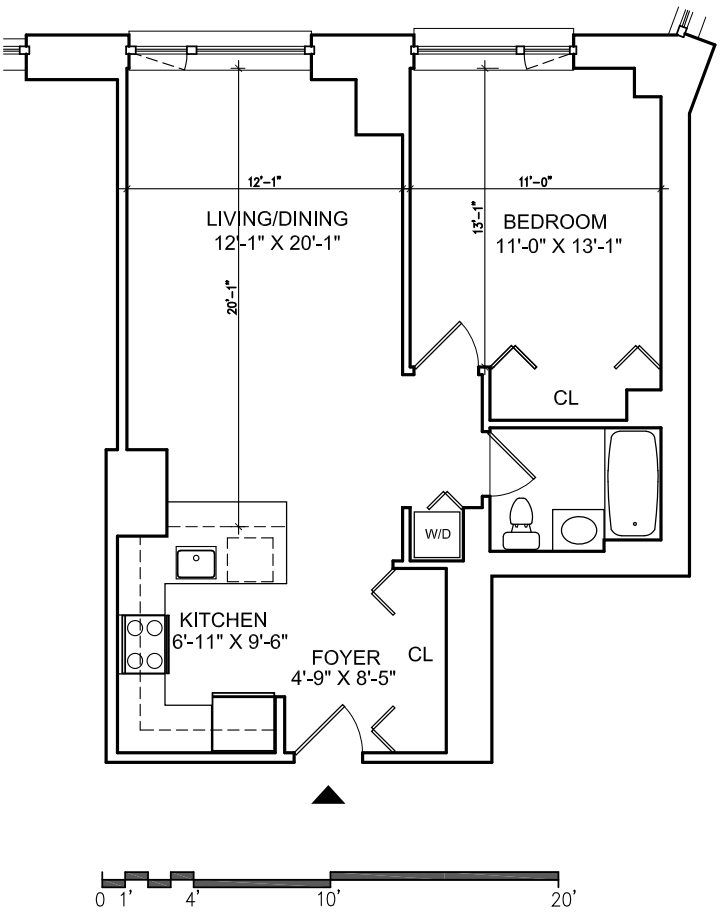
Floors: 4th thru12th,14th thru 16th

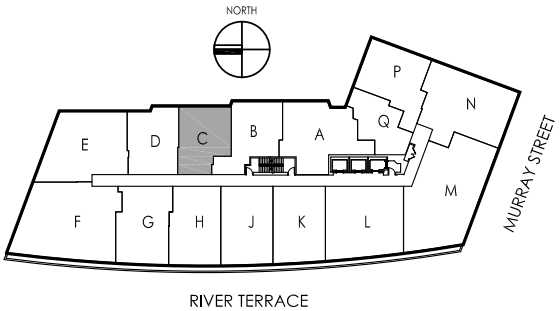
Area: 729 Square feet

1 Bedroom

1 Bathroom

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THE SOLAIRE

20 River Terrace

Residence C

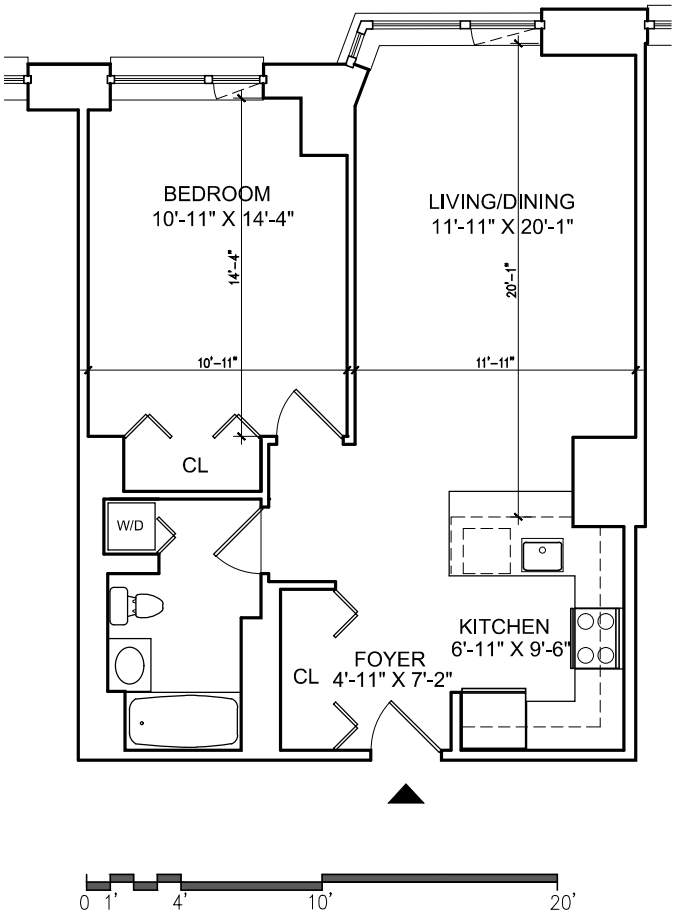
Floors: 4th thru 12th, 14th thru 16th

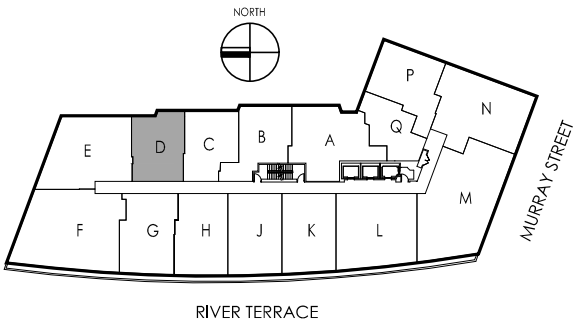
Area: 700 Square feet

1 Bedroom

1 Bathroom

All dimensions are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area and includes columns, mechanical pipe shaft, shaftways, chaseways and conduits and other common elements.Sponsor reserves the right to make changes in accordance with the terms of the offering plan. Plans and dimension may contain minor variation from floor to floor. The complete offering terms are in an offering plan available from Sponsor.





THE SOLAIRE

20 River Terrace

Residence D

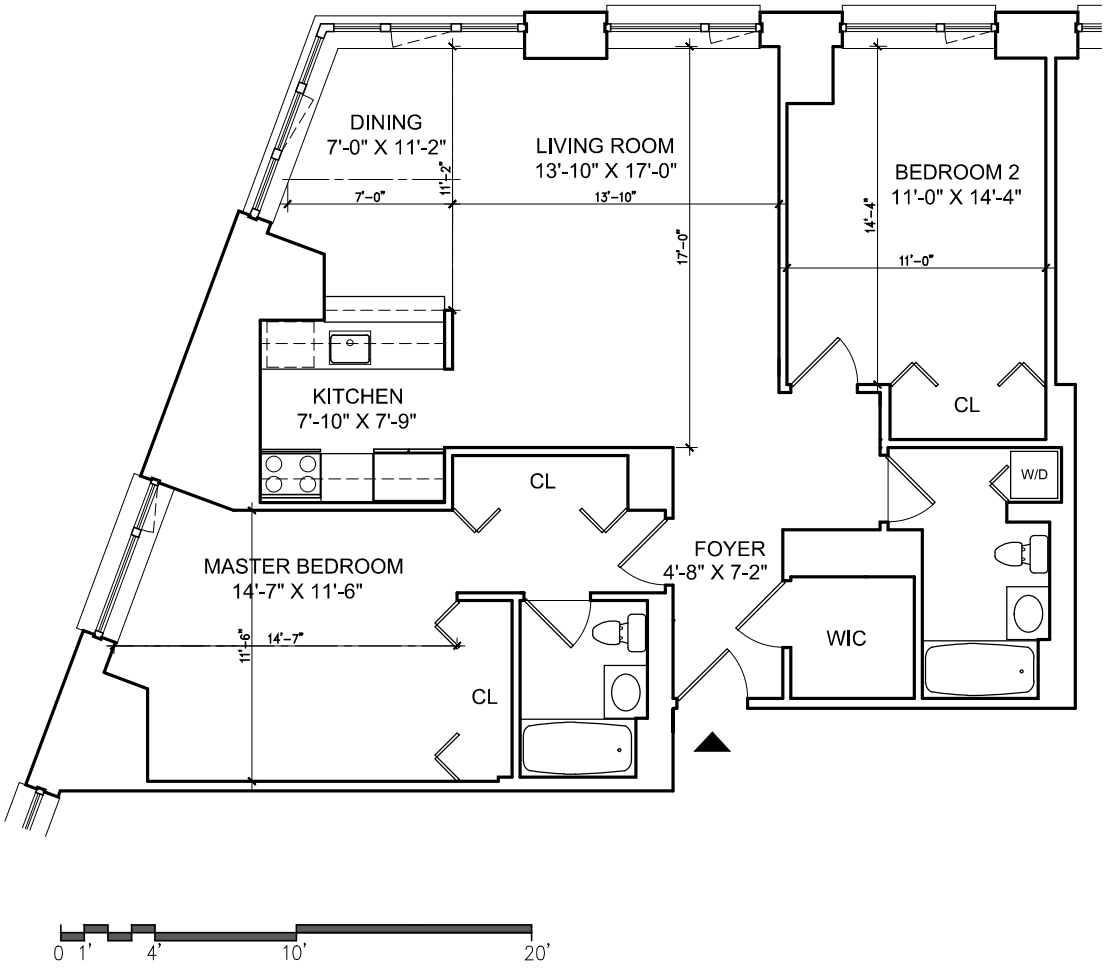
Floors: 4th thru7th,9th thru 12th
14th thru 16th

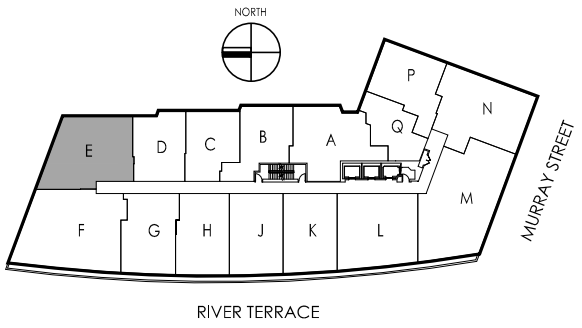
Area: 709 Square feet

1 Bedroom

1 Bathroom

All dimensions are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area and includes columns, mechanical pipe shaft, shaftways, chaseways and conduits and other common elements.Sponsor reserves the right to make changes in accordance with the terms of the offering plan. Plans and dimension may contain minor variation from floor to floor. The complete offering terms are in an offering plan available from Sponsor.

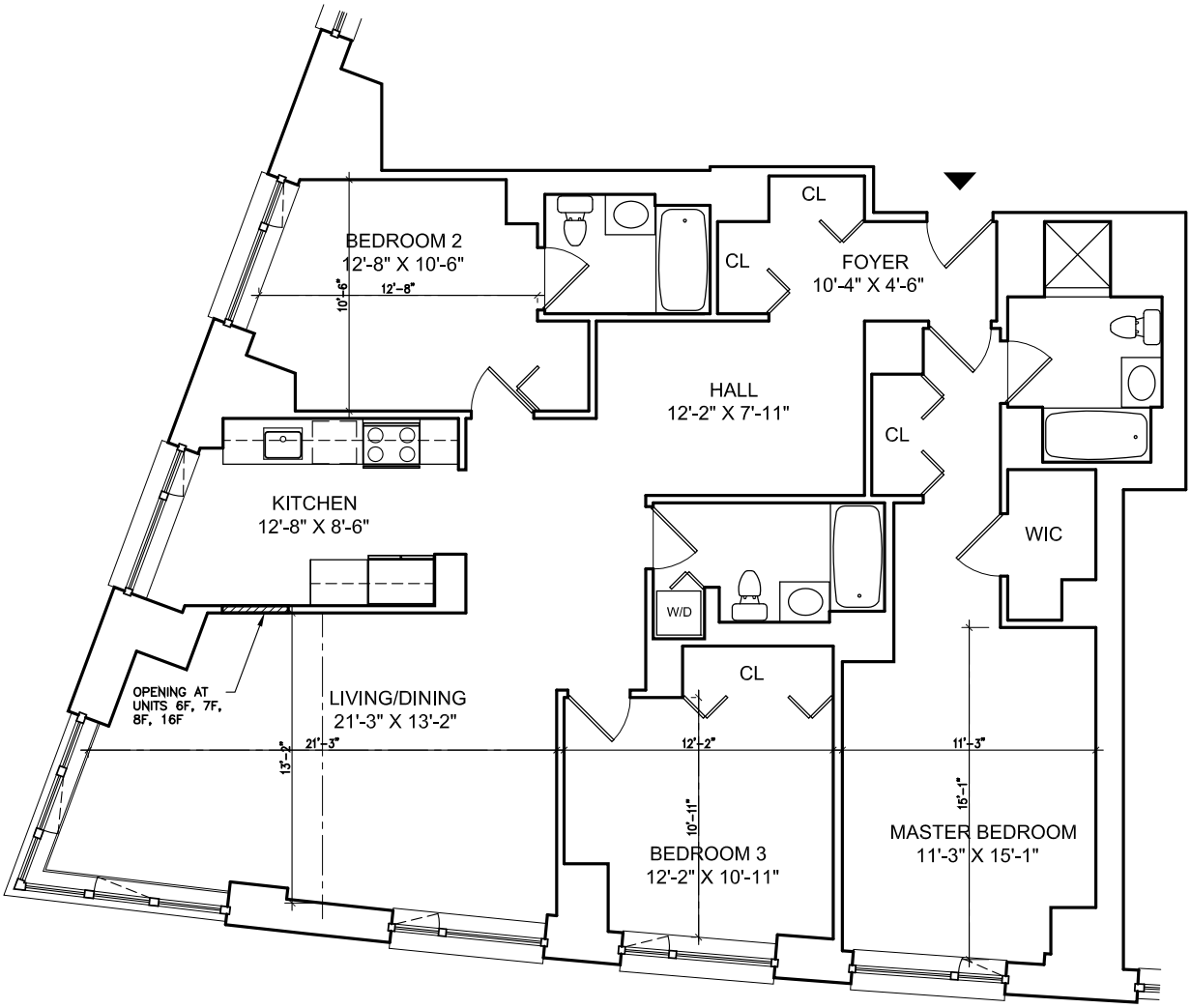


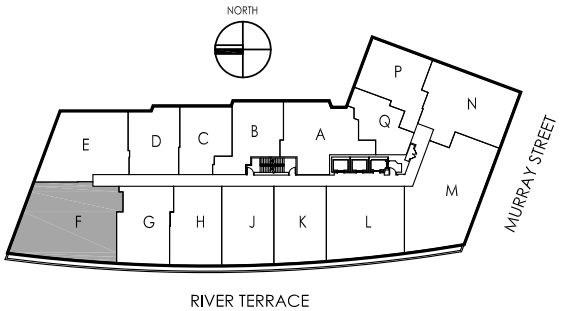


THE SOLAIRE

20 River Terrace
Residence E
Floors: 4th thru 7th, 9th thru 12th
14th thru 16th
Area: 1,170 Square feet
2 Bedrooms
2 Bathrooms

All dimensions are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area and includes columns, mechanical pipe shaft, shaftways, chaseways and conduits and other common elements.Sponsor reserves the right to make changes in accordance with the terms of the offering plan. Plans and dimension may contain minor variation from floor to floor. The complete offering terms are in an offering plan available from Sponsor.





THE SOLAIRE

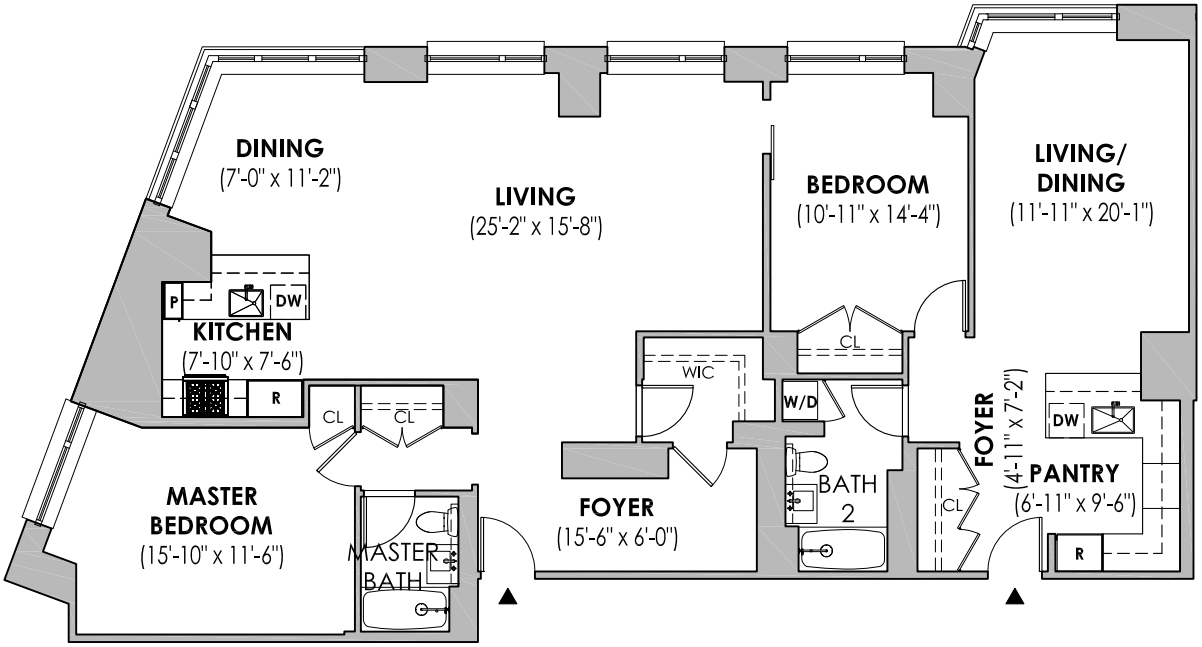
20 River Terrace
Residence F

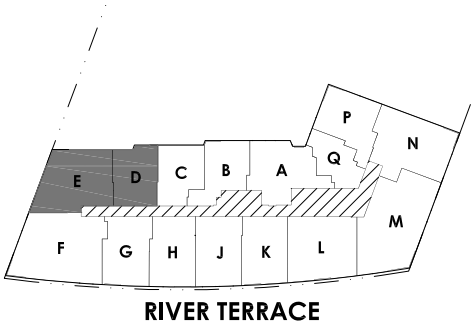
Floors: 4th thru 12th, 14th thru 16th
Area: 1,586 Square feet
3 Bedrooms
3 Bathrooms

All dimensions are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area and includes columns, mechanical pipe shaft, shaftways, chaseways and conduits and other common elements.Sponsor reserves the right to make changes in accordance with the terms of the offering plan. Plans and dimension may contain minor variation from floor to floor. The complete offering terms are in an offering plan available from Sponsor.

UNIT 8DE

1 BR / 1 BATH
TOTAL UNIT AREA: 1,879 SF





RIVER TERRACE

ABBREVIATIONS:

DW	DISHWASHER
P	PANTRY
R	REFRIGERATOR
W/D	WASHER/ DRYER

0' 5' 10' 20'

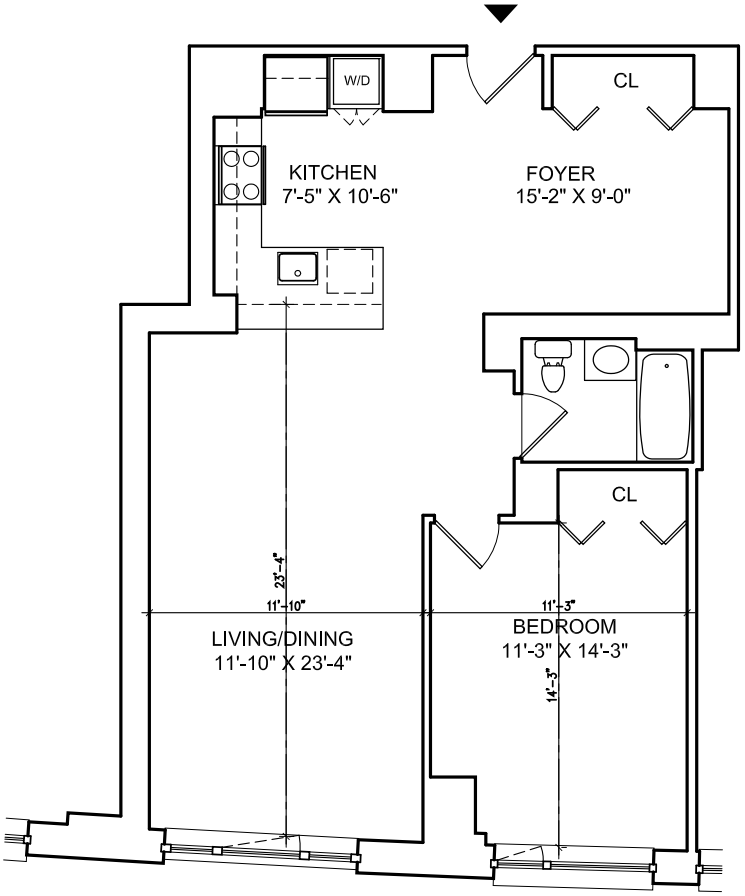
3/32" = 1'-0"

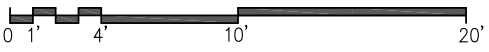
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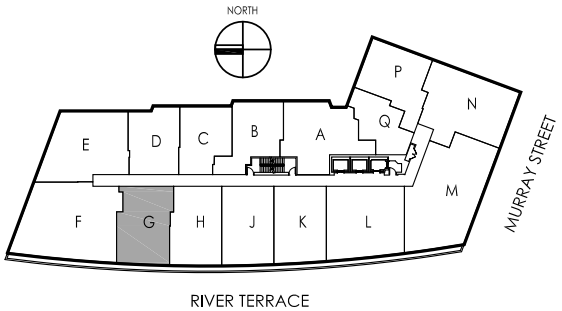
NOTES:
ALL SQUARE FOOTAGES AND DIMENSIONS ARE APPROXIMATE AND BASED ON DATA FURNISHED BY OWNER. SQUARE FOOTAGES MAY EXCEED THE USABLE FLOOR AREA OF THE PREMISES. THE SPONSOR, SELLING AGENT, AND ARCHITECT MAKE NO REPRESENTATION AS TO THE DIMENSIONS AND ACTUAL SQUARE FOOTAGES WHICH ARE SUBJECT TO CONSTRUCTION VARIANCES AND TOLERANCES. DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN.

20 RIVER TERRACE
NEW YORK, NY 10282
THE SOLAIRE
UNIT 8DE
SCALE: 3/32"=1'-0"

DRAWING NUMBER:
AG-8DE





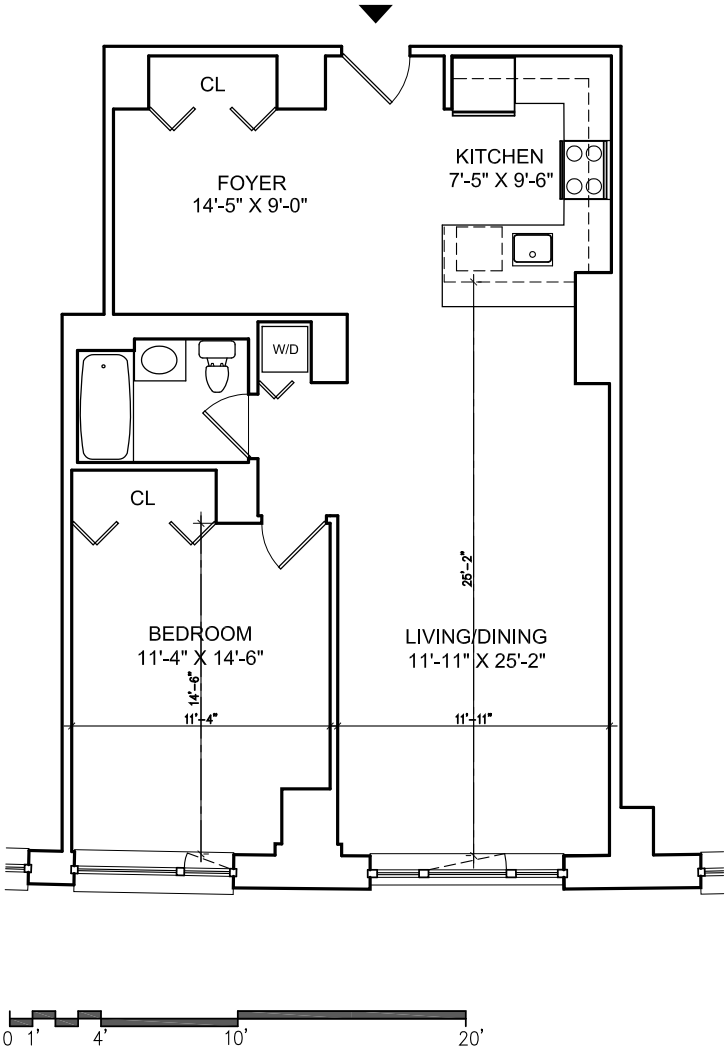


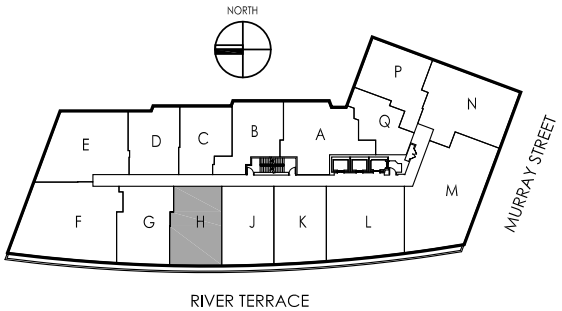
THE SOLAIRE

20 River Terrace
Residence G

Floors: 4th thru 12th, 14th thru 16th
Area: 871 Square feet
1 Bedroom
1 Bathroom

All dimensions are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area and includes columns, mechanical pipe shaft, shaftways, chaseways and conduits and other common elements.Sponsor reserves the right to make changes in accordance with the terms of the offering plan. Plans and dimension may contain minor variation from floor to floor. The complete offering terms are in an offering plan available from Sponsor.



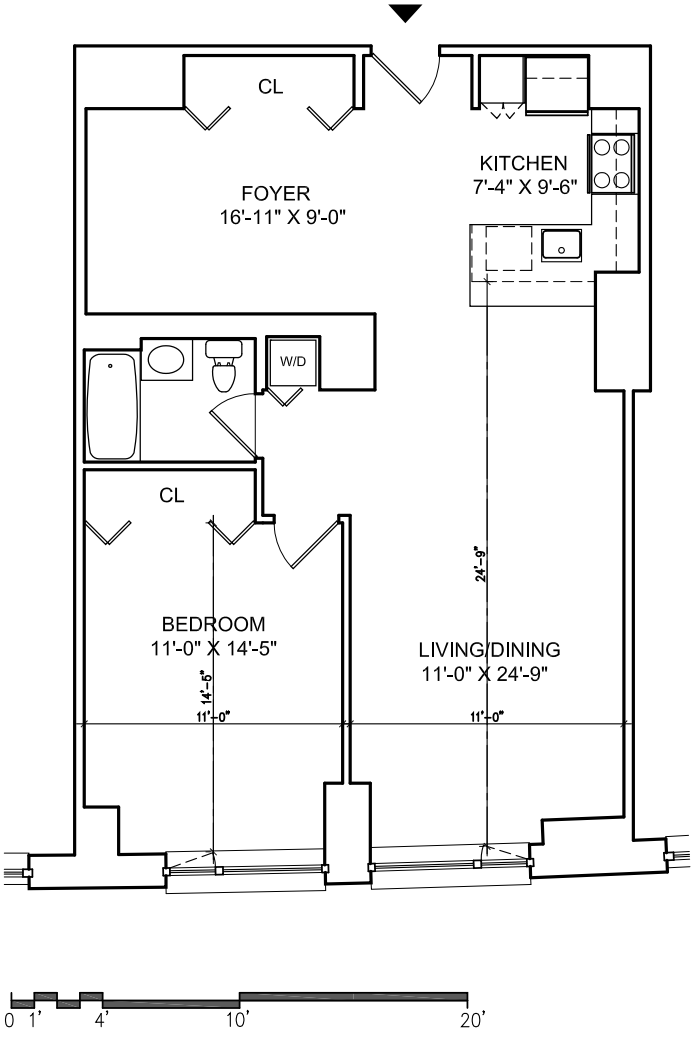


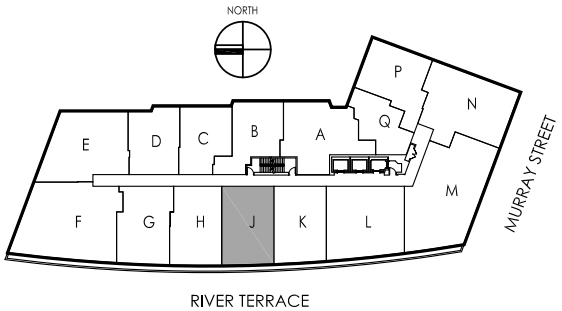
THE SOLAIRE

20 River Terrace
Residence H

Floors: 4th thru 12th, 14th thru 16th
Area: 862 Square feet
1 Bedroom
1 Bathroom

All dimensions are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area and includes columns, mechanical pipe shaft, shaftways, chaseways and conduits and other common elements.Sponsor reserves the right to make changes in accordance with the terms of the offering plan. Plans and dimension may contain minor variation from floor to floor. The complete offering terms are in an offering plan available from Sponsor.



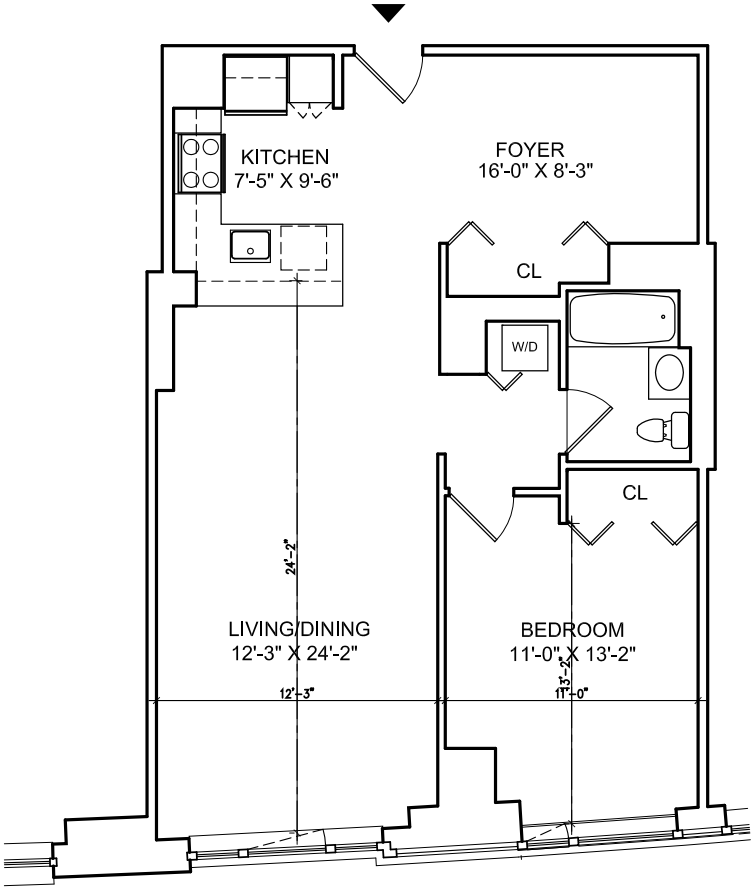


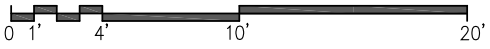
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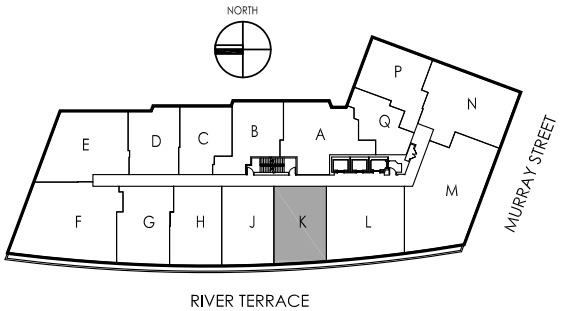
20 River Terrace
Residence J

Floors: 4th thru 12th, 14th thru 16th
Area: 885 Square feet
1 Bedroom
1 Bathroom

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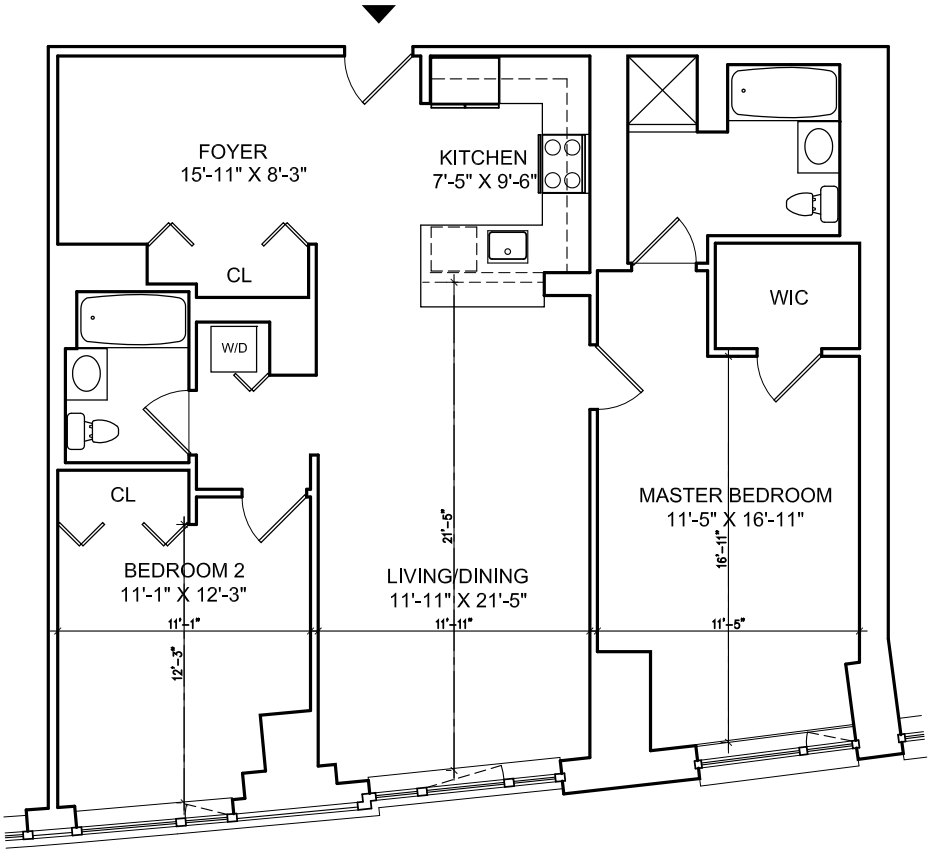


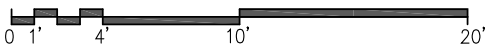
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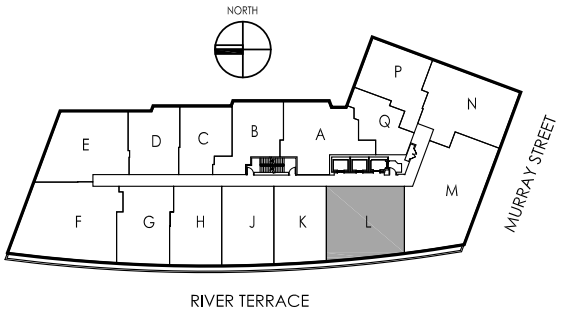
20 River Terrace
Residence K

Floors: 4th thru 12th, 14th thru 16th
Area: 842 Square feet
1 Bedroom
1 Bathroom

All dimensions are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area and includes columns, mechanical pipe shaft, shaftways, chaseways and conduits and other common elements.Sponsor reserves the right to make changes in accordance with the terms of the offering plan. Plans and dimension may contain minor variation from floor to floor. The complete offering terms are in an offering plan available from Sponsor.





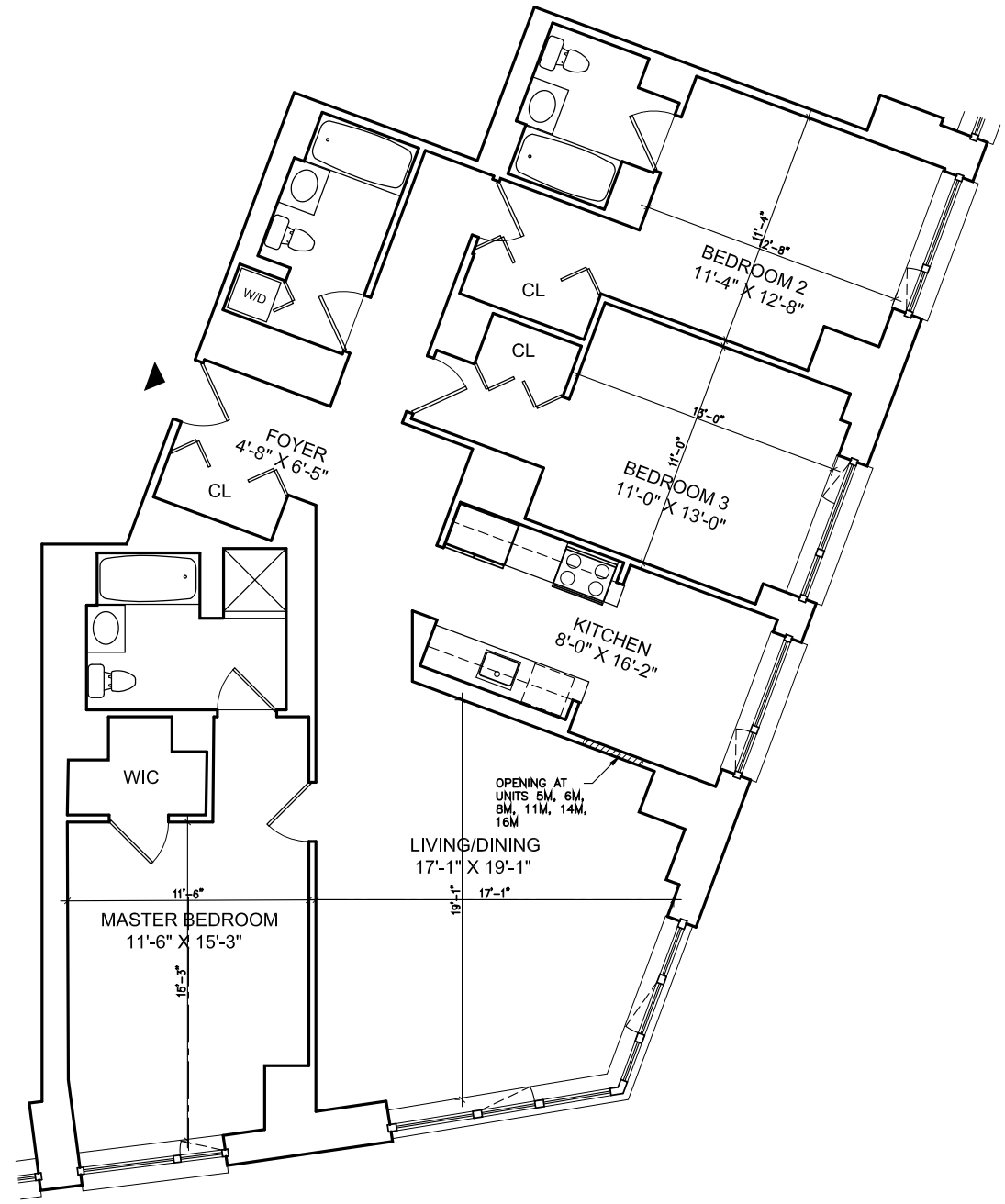


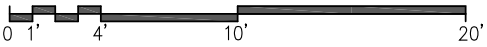
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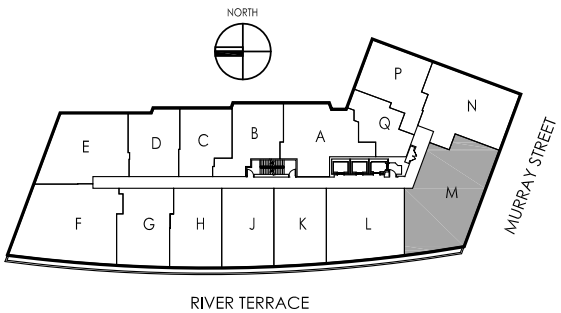
20 River Terrace
Residence L

Floors: 4th thru 12th, 14th thru 16th
Area: 1,177 Square feet
2 Bedrooms
2 Bathrooms

All dimensions are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area and includes columns, mechanical pipe shaft, shaftways, chaseways and conduits and other common elements.Sponsor reserves the right to make changes in accordance with the terms of the offering plan. Plans and dimension may contain minor variation from floor to floor. The complete offering terms are in an offering plan available from Sponsor.





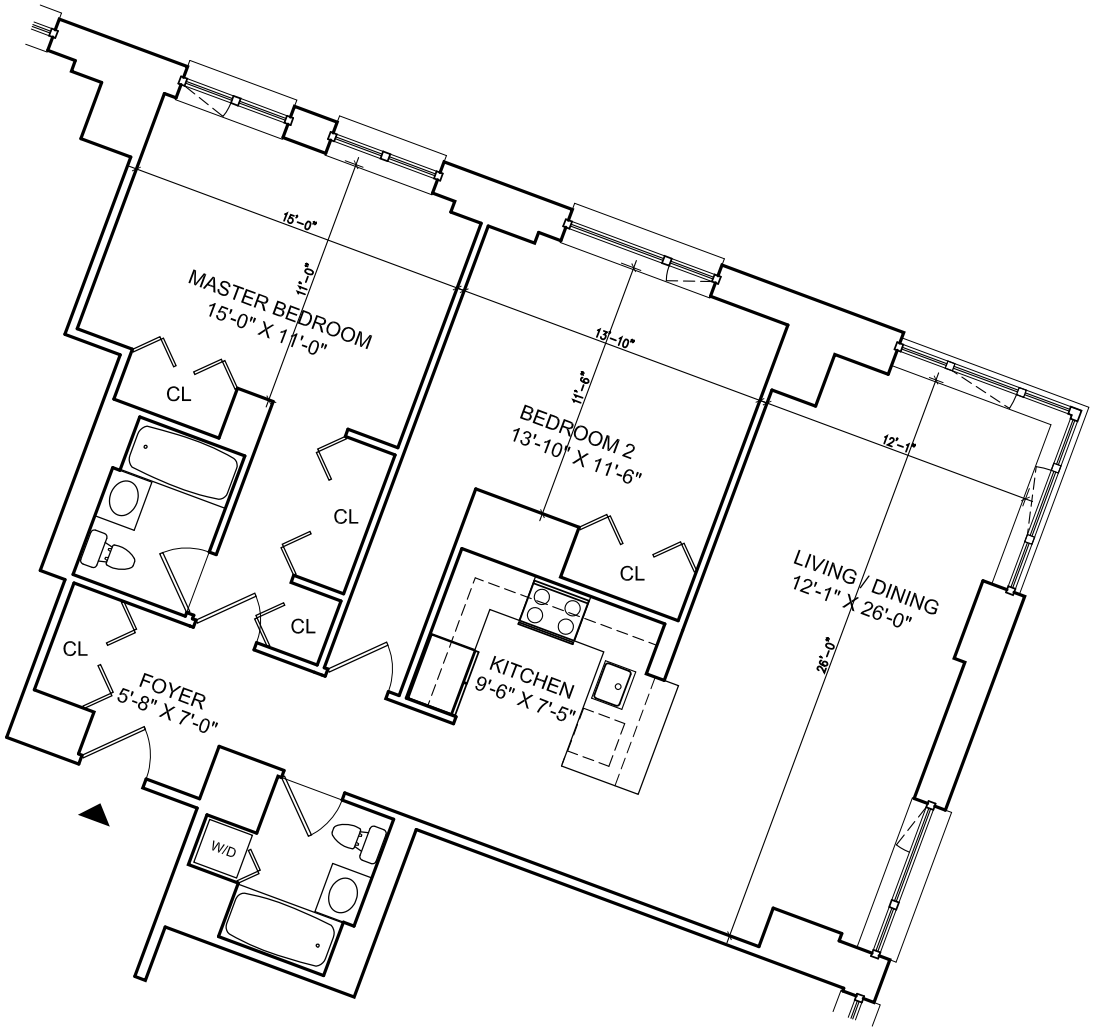


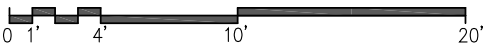
THE SOLAIRE

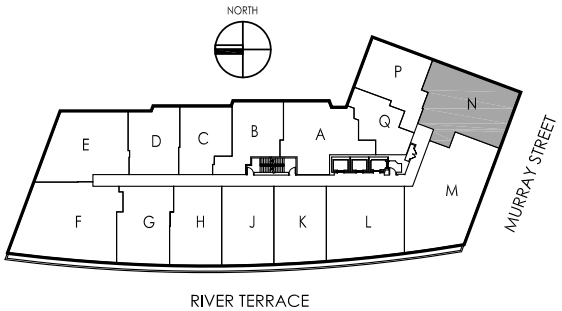
20 River Terrace
Residence M

Floors: 4th thru 12th, 14th thru 16th
Area: 1,621 Square feet
3 Bedrooms
3 Bathrooms

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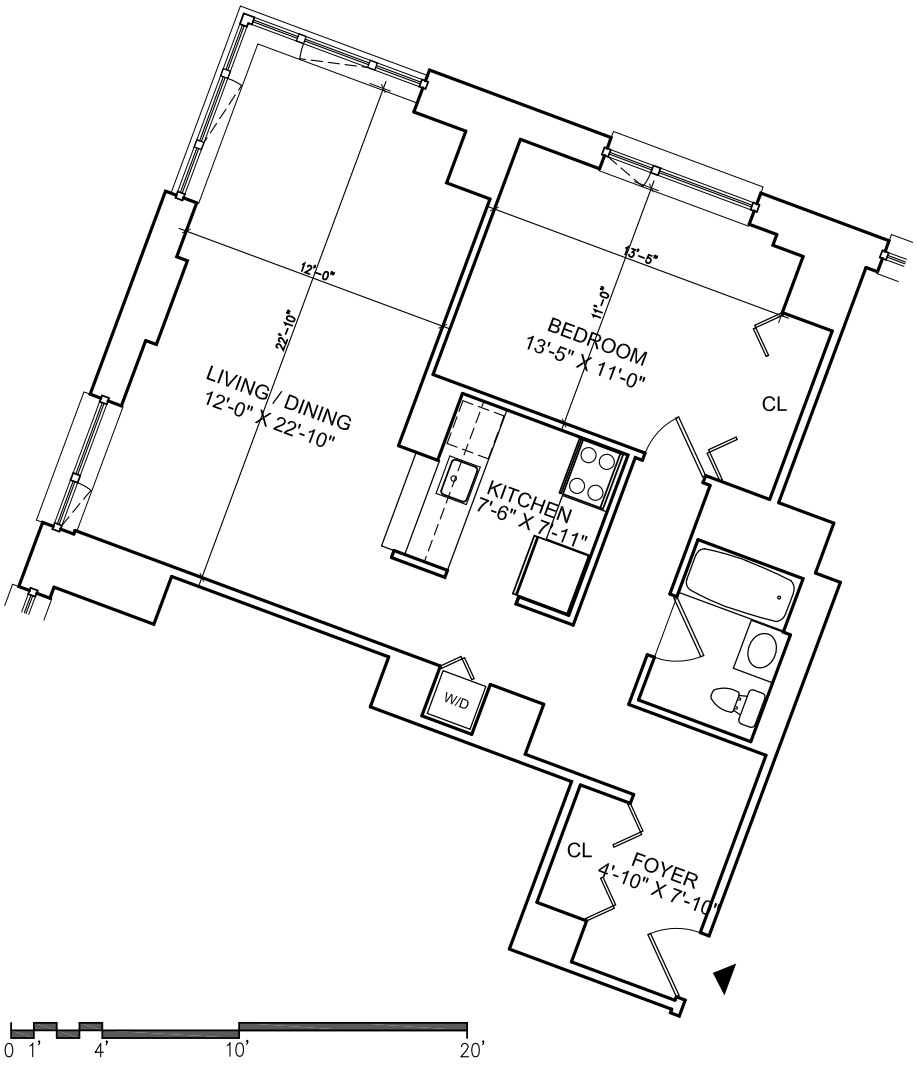


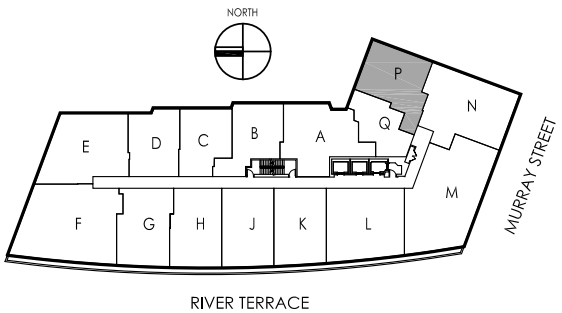
THE SOLAIRE

20 River Terrace
Residence N

Floors: 4th thru 12th, 14th thru 16th
Area: 1,239 Square feet
2 Bedrooms
2 Bathrooms

All dimensions are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area and includes columns, mechanical pipe shaft, shaftways, chaseways and conduits and other common elements.Sponsor reserves the right to make changes in accordance with the terms of the offering plan. Plans and dimension may contain minor variation from floor to floor. The complete offering terms are in an offering plan available from Sponsor.



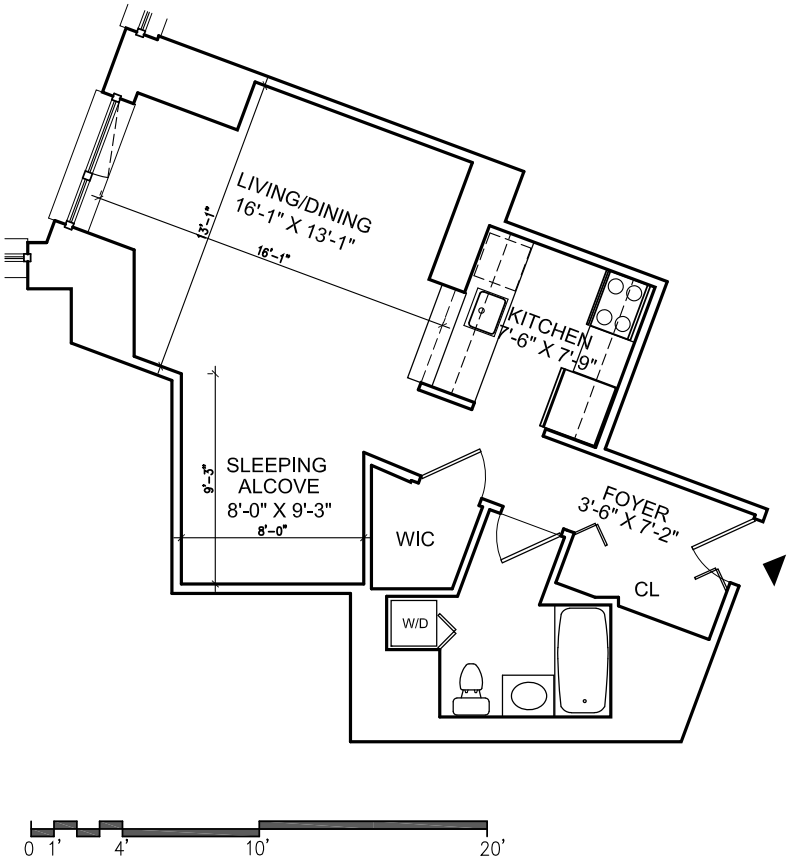


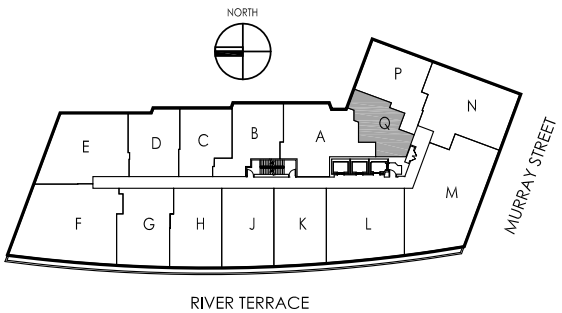
THE SOLAIRE

20 River Terrace
Residence P

Floors: 4th thru 12th, 14th thru 16th
Area: 844 Square feet
1 Bedroom
1 Bathroom

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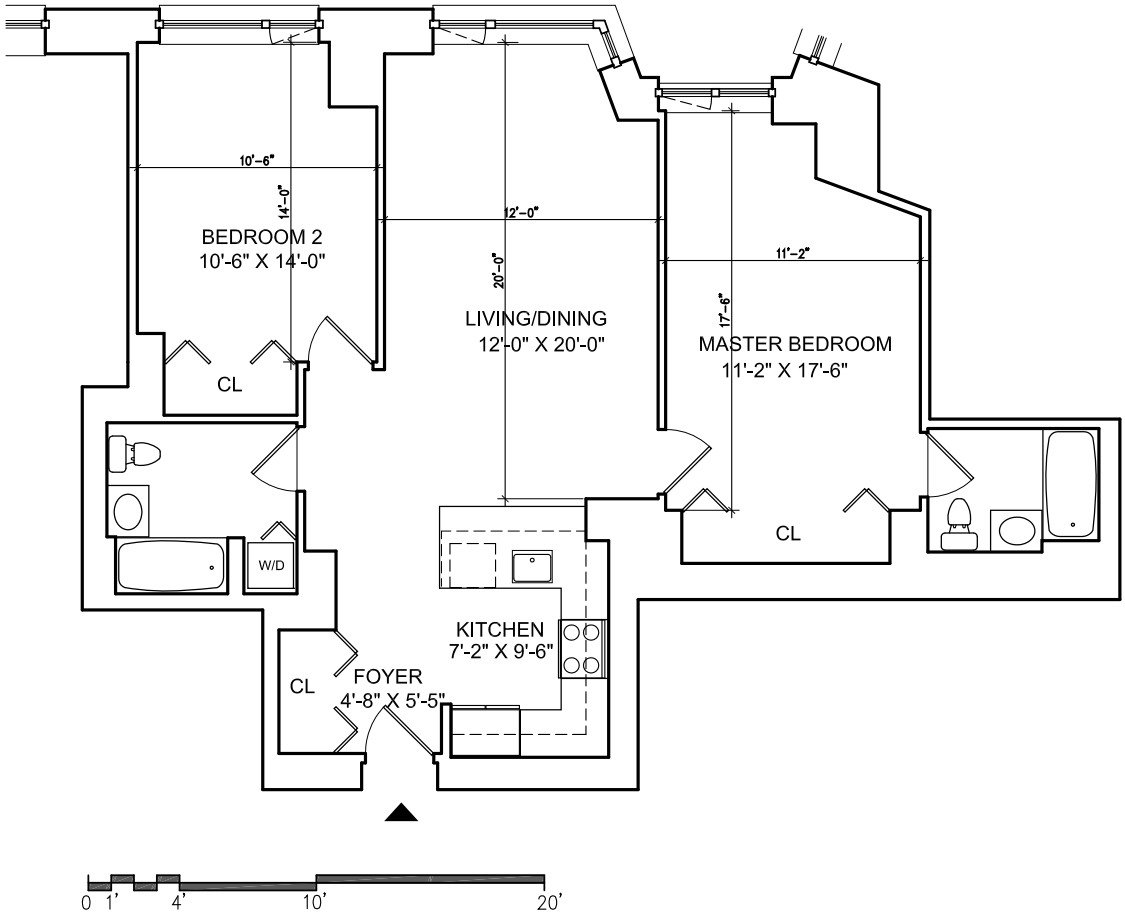


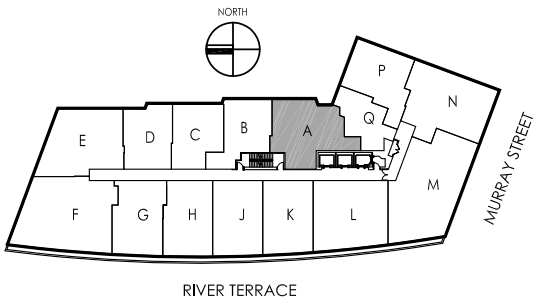
THE SOLAIRE

20 River Terrace
Residence Q

Floors: 4th thru 12th, 14th thru 18th
Area: 556 Square feet
0 Bedroom
1 Bathroom

All dimensions are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area and includes columns, mechanical pipe shaft, shaftways, chaseways and conduits and other common elements.Sponsor reserves the right to make changes in accordance with the terms of the offering plan. Plans and dimension may contain minor variation from floor to floor. The complete offering terms are in an offering plan available from Sponsor.

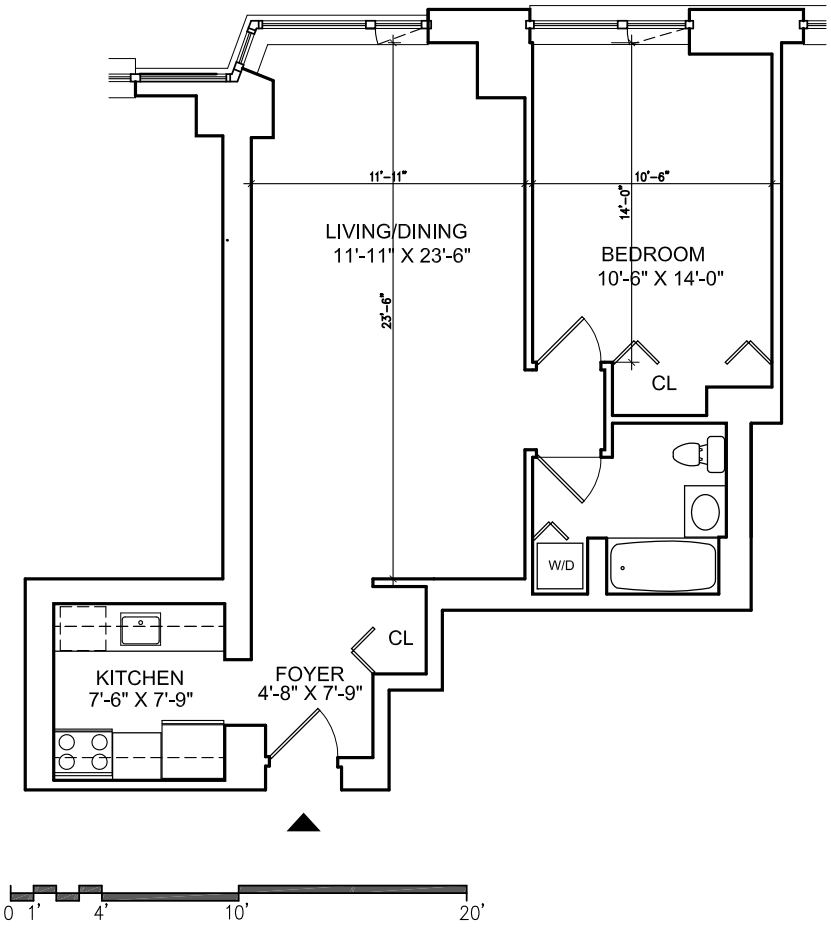


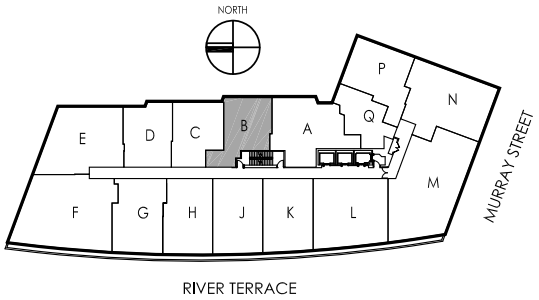


THE SOLAIRE

20 River Terrace
Residence A
Floor: 18th
Area: 1,011 Square feet
2 Bedrooms
2 Bathrooms

All dimensions are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area and includes columns, mechanical pipe shaft, shaftways, chaseways and conduits and other common elements.Sponsor reserves the right to make changes in accordance with the terms of the offering plan. Plans and dimension may contain minor variation from floor to floor. The complete offering terms are in an offering plan available from Sponsor.

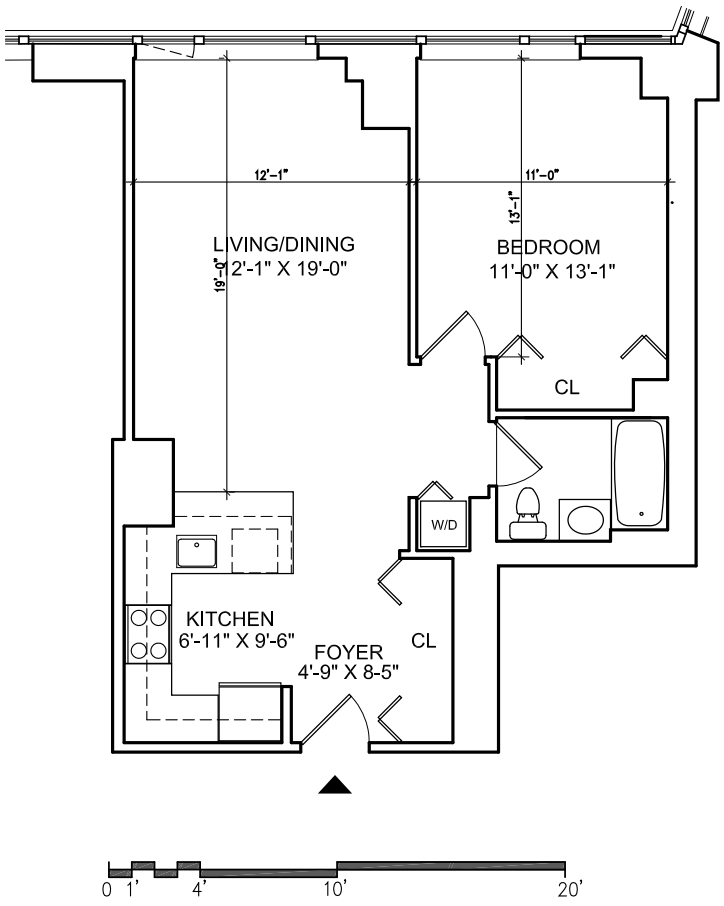


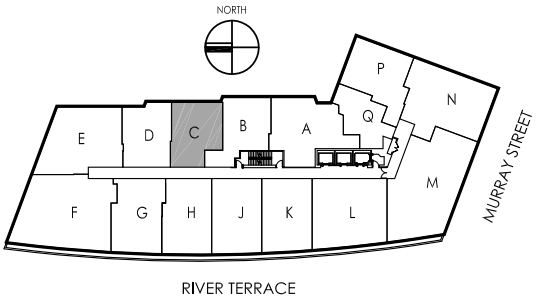


THE SOLAIRE

20 River Terrace
Residence B
Floors: 17th, 18th
Area: 729 Square feet
1 Bedroom
1 Bathroom

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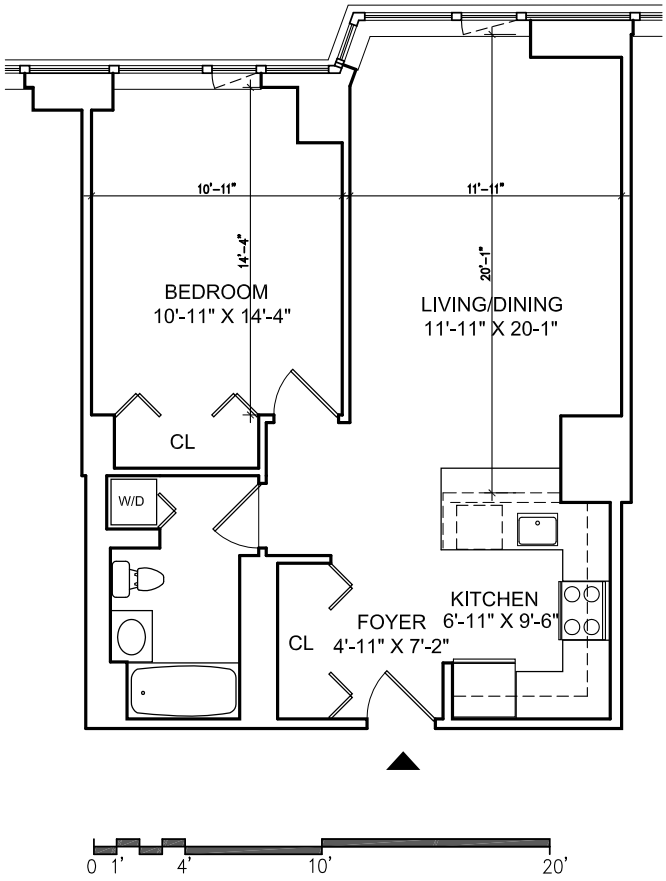


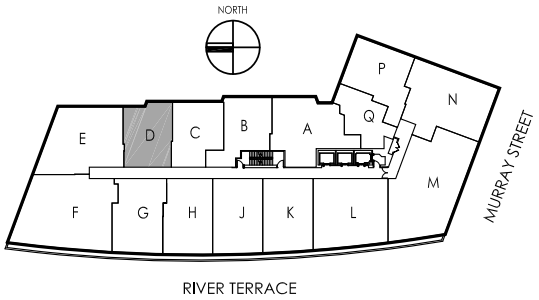


THE SOLAIRE

20 River Terrace
Residence C
Floors: 17th, 18th
Area: 688 Square feet
1 Bedroom
1 Bathroom

All dimensions are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area and includes columns, mechanical pipe shaft, shaftways, chaseways and conduits and other common elements.Sponsor reserves the right to make changes in accordance with the terms of the offering plan. Plans and dimension may contain minor variation from floor to floor. The complete offering terms are in an offering plan available from Sponsor.

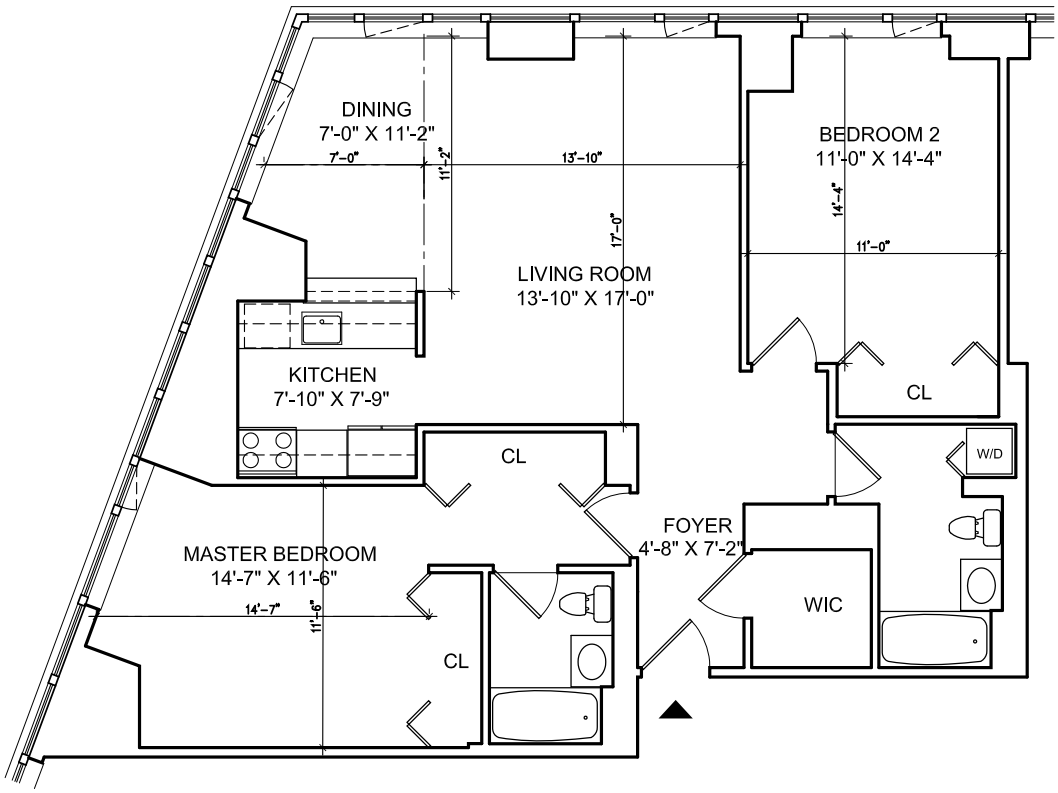


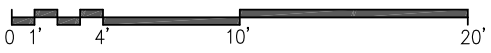


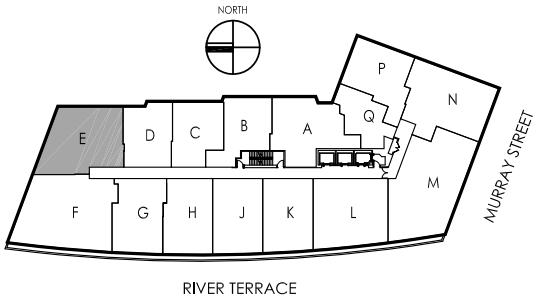
THE SOLAIRE

20 River Terrace
Residence D
Floors: 17th, 18th
Area: 700 Square feet
1 Bedroom
1 Bathroom

All dimensions are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area and includes columns, mechanical pipe shaft, shaftways, chaseways and conduits and other common elements.Sponsor reserves the right to make changes in accordance with the terms of the offering plan. Plans and dimension may contain minor variation from floor to floor. The complete offering terms are in an offering plan available from Sponsor.



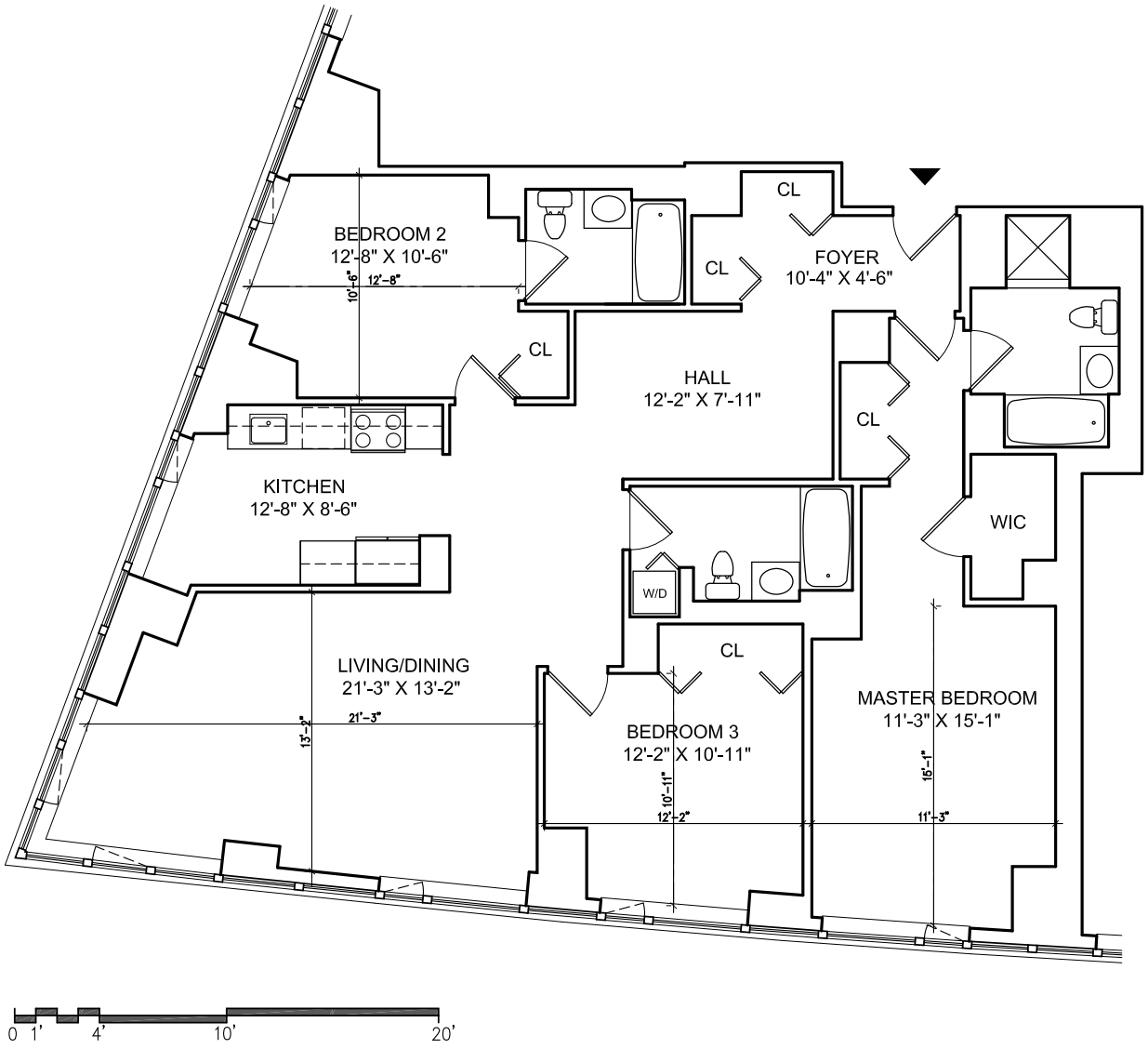


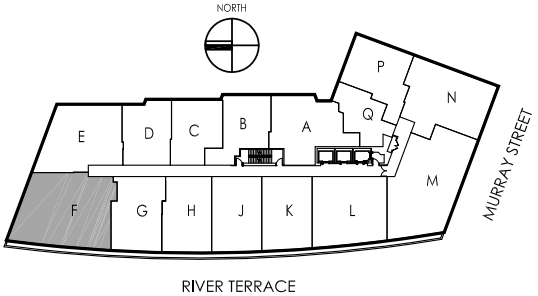


THE SOLAIRE

20 River Terrace
Residence E
Floors: 17th, 18th
Area: 1,146 Square feet
2 Bedrooms
2 Bathrooms

All dimensions are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area and includes columns, mechanical pipe shaft, shaftways, chaseways and conduits and other common elements.Sponsor reserves the right to make changes in accordance with the terms of the offering plan. Plans and dimension may contain minor variation from floor to floor.

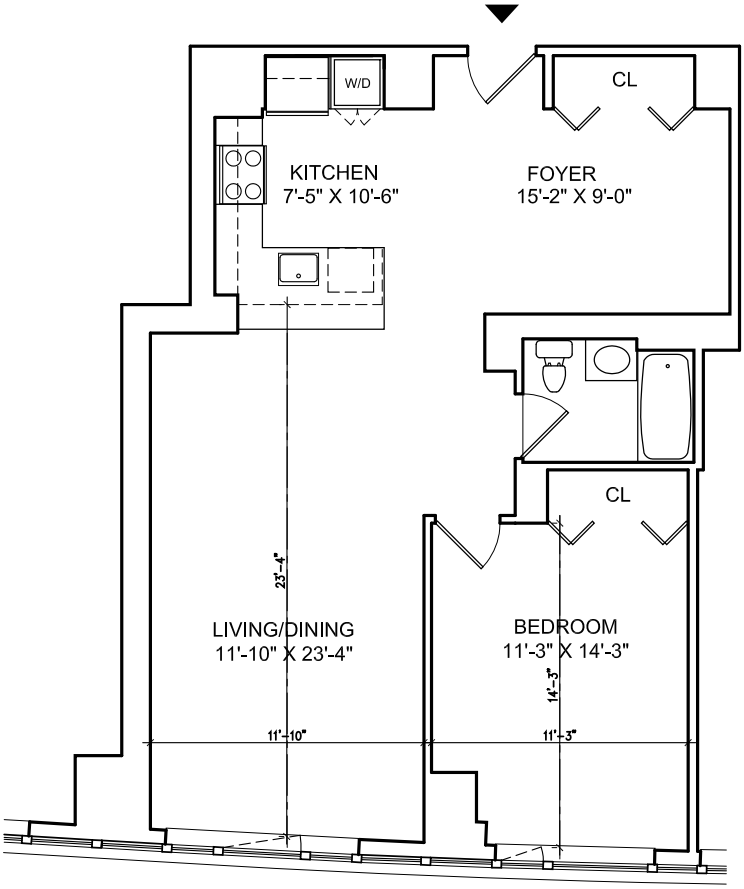


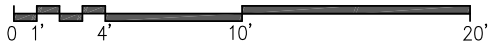


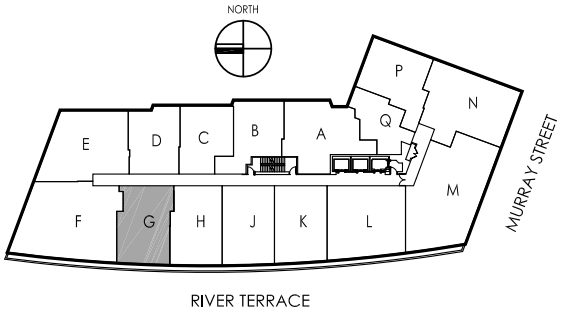
THE SOLAIRE

20 River Terrace
Residence F
Floors: 17th, 18th
Area: 1,553 Square feet
3 Bedrooms
3 Bathrooms

All dimensions are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area and includes columns, mechanical pipe shaft, shaftways, chaseways and conduits and other common elements.Sponsor reserves the right to make changes in accordance with the terms of the offering plan. Plans and dimension may contain minor variation from floor to floor. The complete offering terms are in an offering plan available from Sponsor.



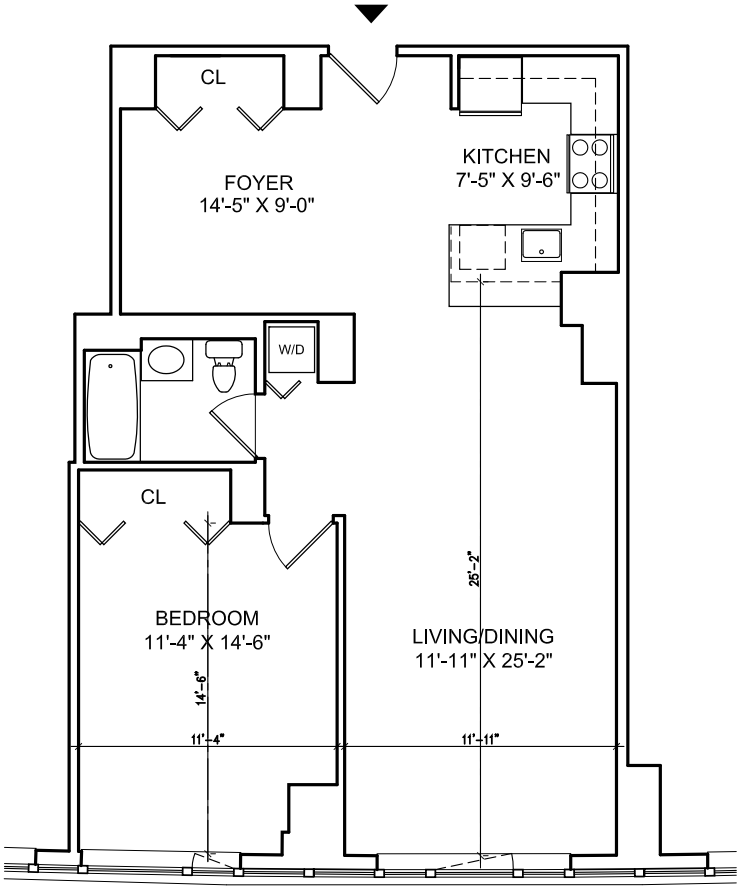


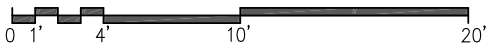


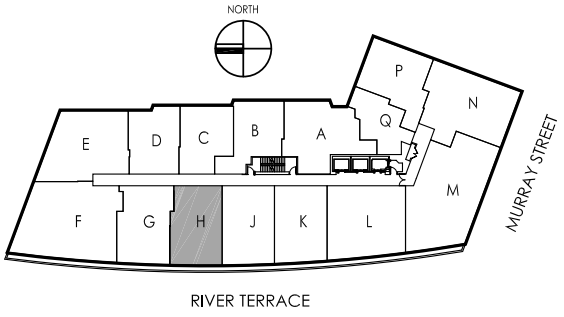
THE SOLAIRE

20 River Terrace
Residence G
Floor: 17th, 18th
Area: 863 Square feet
1 Bedroom
1 Bathroom

All dimensions are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area and includes columns, mechanical pipe shaft, shaftways, chaseways and conduits and other common elements.Sponsor reserves the right to make changes in accordance with the terms of the offering plan. Plans and dimension may contain minor variation from floor to floor. The complete offering terms are in an offering plan available from Sponsor.



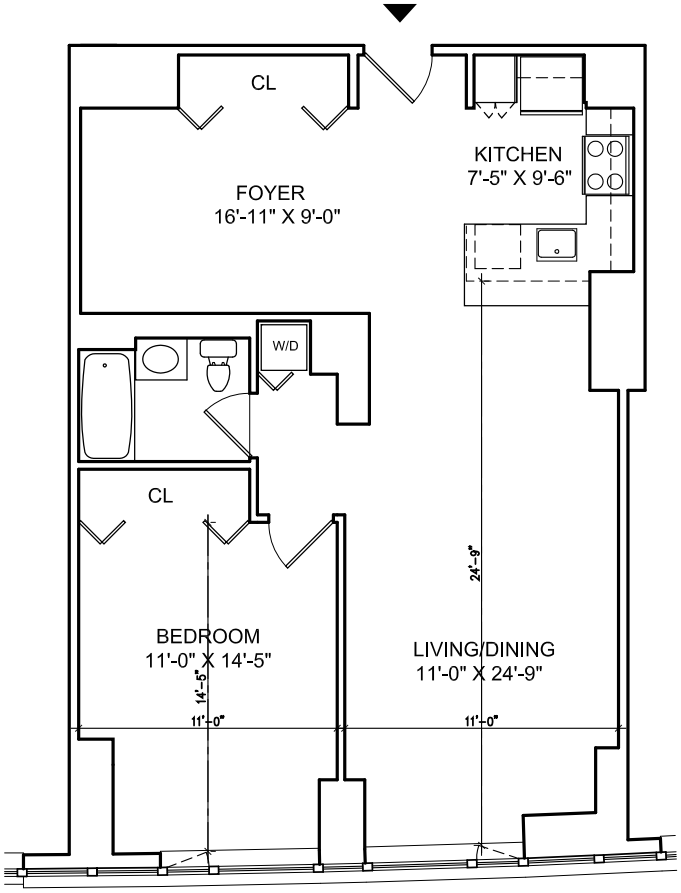


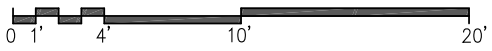


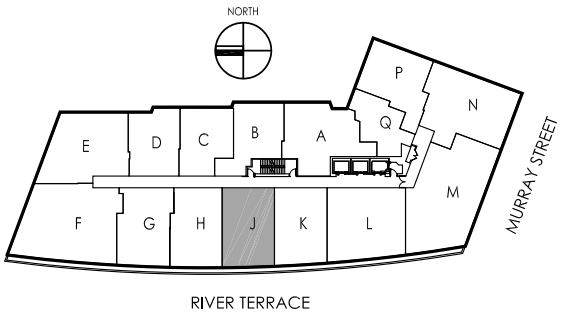
THE SOLAIRE

20 River Terrace
Residence H
Floor: 17th, 18th
Area: 852 Square feet
1 Bedroom
1 Bathroom

All dimensions are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area and includes columns, mechanical pipe shaft, shaftways, chaseways and conduits and other common elements.Sponsor reserves the right to make changes in accordance with the terms of the offering plan. Plans and dimension may contain minor variation from floor to floor. The complete offering terms are in an offering plan available from Sponsor.



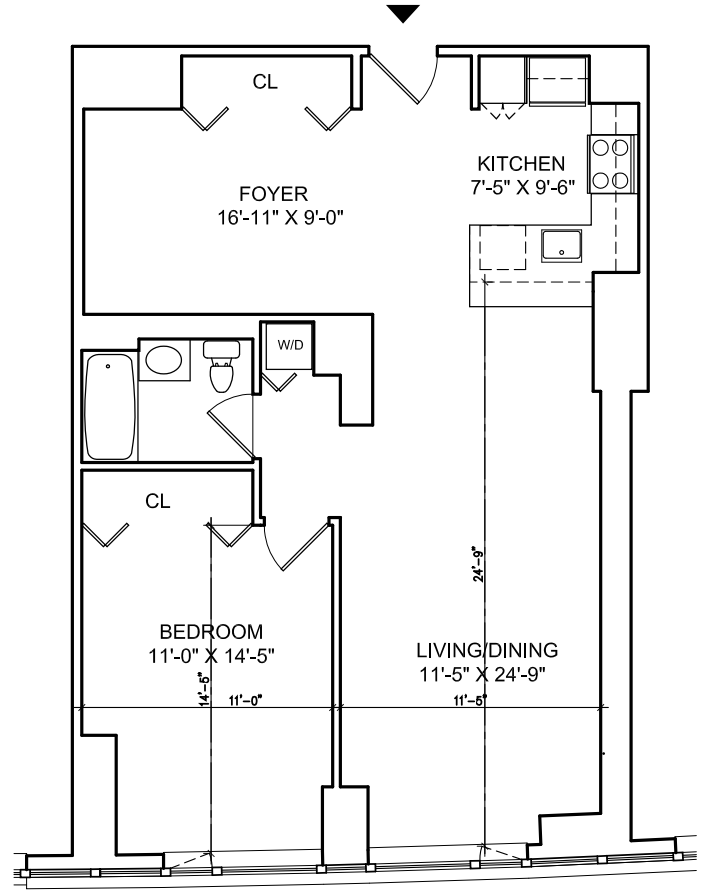


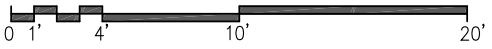


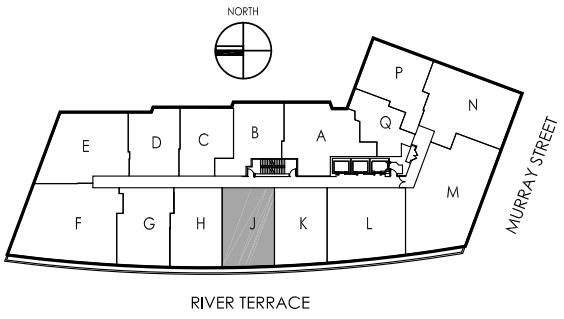
THE SOLAIRE

20 River Terrace
Residence J
Floor: 17th
Area: 873 Square feet
1 Bedroom
1 Bathroom

All dimensions are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area and includes columns, mechanical pipe shaft, shaftways, chaseways and conduits and other common elements.Sponsor reserves the right to make changes in accordance with the terms of the offering plan. Plans and dimension may contain minor variation from floor to floor. The complete offering terms are in an offering plan available from Sponsor.



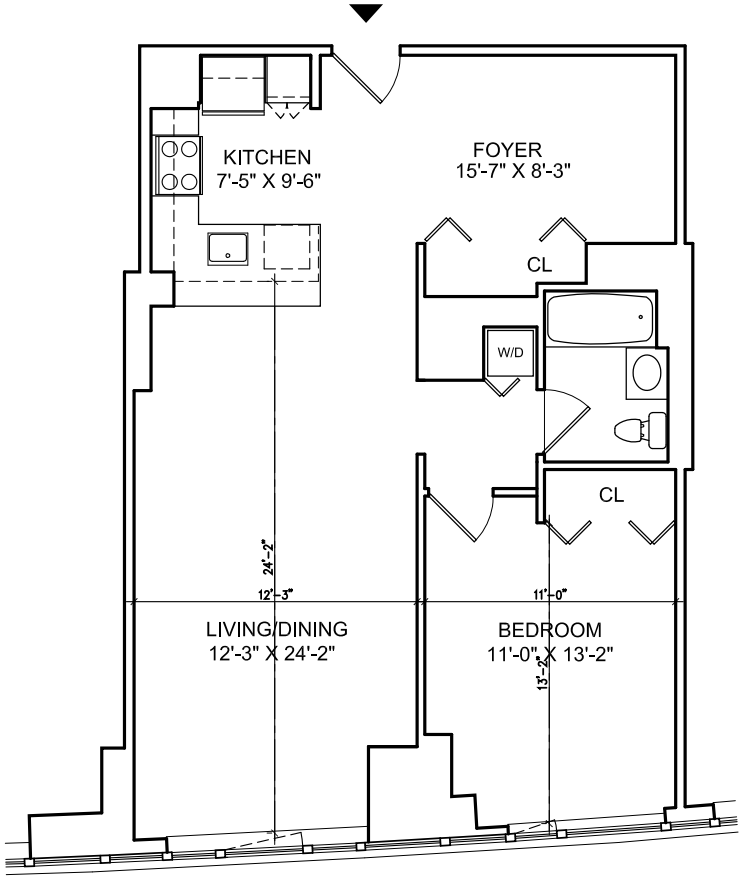


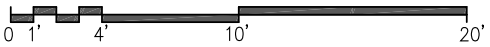


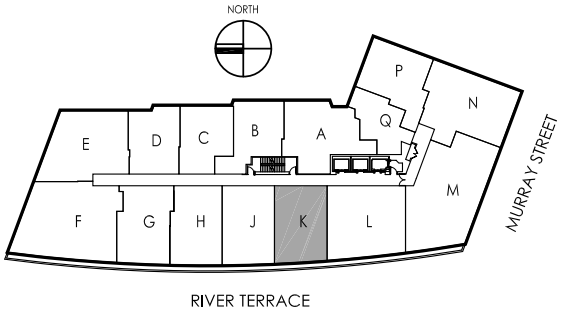
THE SOLAIRE

20 River Terrace
Residence J
Floor: 18th
Area: 860 Square feet
1 Bedroom
1 Bathroom

All dimensions are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area and includes columns, mechanical pipe shaft, shaftways, chaseways and conduits and other common elements.Sponsor reserves the right to make changes in accordance with the terms of the offering plan. Plans and dimension may contain minor variation from floor to floor. The complete offering terms are in an offering plan available from Sponsor.



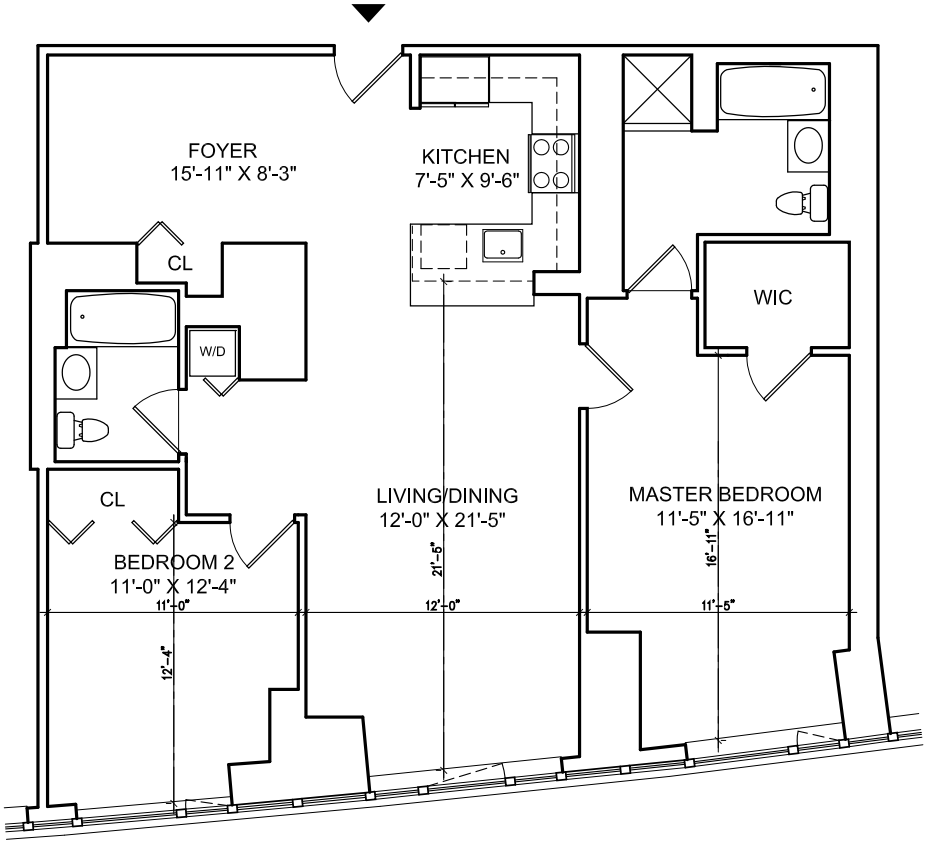


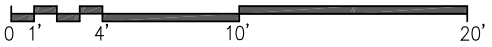


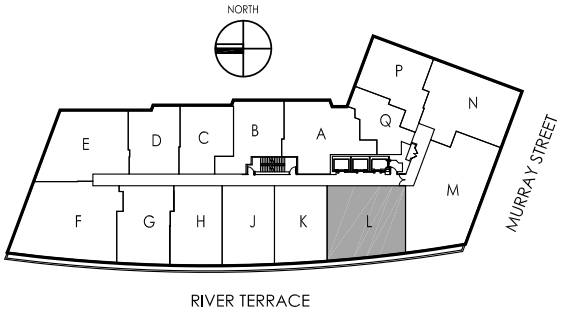
THE SOLAIRE

20 River Terrace
Residence K
Floor: 17th, 18th
Area: 836 Square feet
1 Bedroom
1 Bathroom

All dimensions are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area and includes columns, mechanical pipe shaft, shaftways, chaseways and conduits and other common elements.Sponsor reserves the right to make changes in accordance with the terms of the offering plan. Plans and dimension may contain minor variation from floor to floor. The complete offering terms are in an offering plan available from Sponsor.



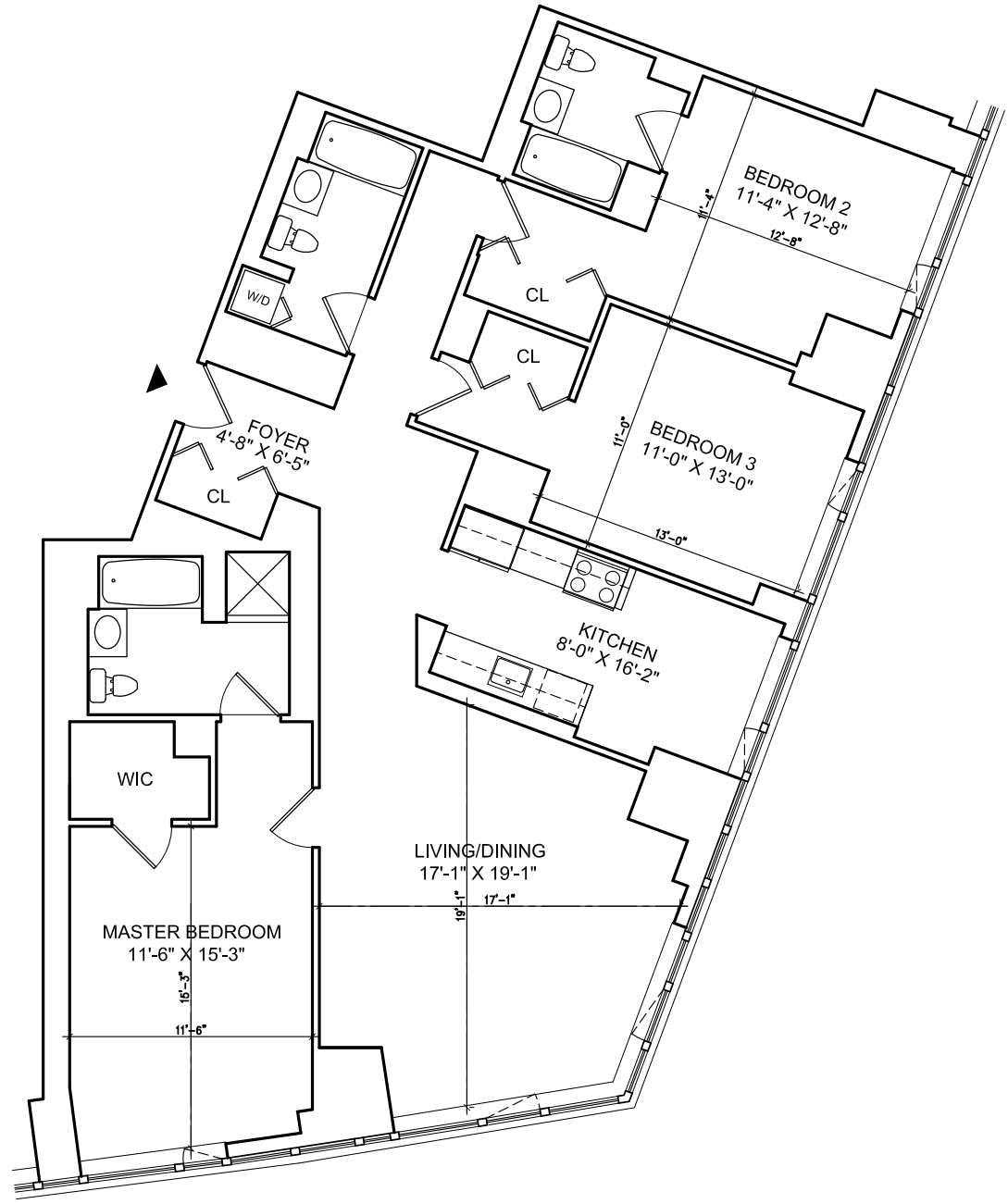


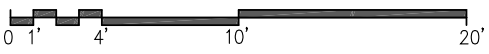


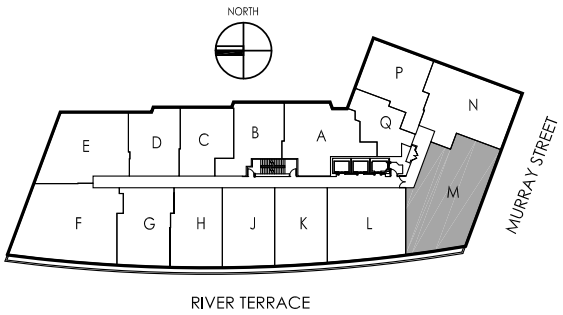
THE SOLAIRE

20 River Terrace
Residence L
Floor: 17th, 18th
Area: 1,166 Square feet
2 Bedrooms
2 Bathrooms

All dimensions are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area and includes columns, mechanical pipe shaft, shaftways, chaseways and conduits and other common elements.Sponsor reserves the right to make changes in accordance with the terms of the offering plan. Plans and dimension may contain minor variation from floor to floor. The complete offering terms are in an offering plan available from Sponsor.



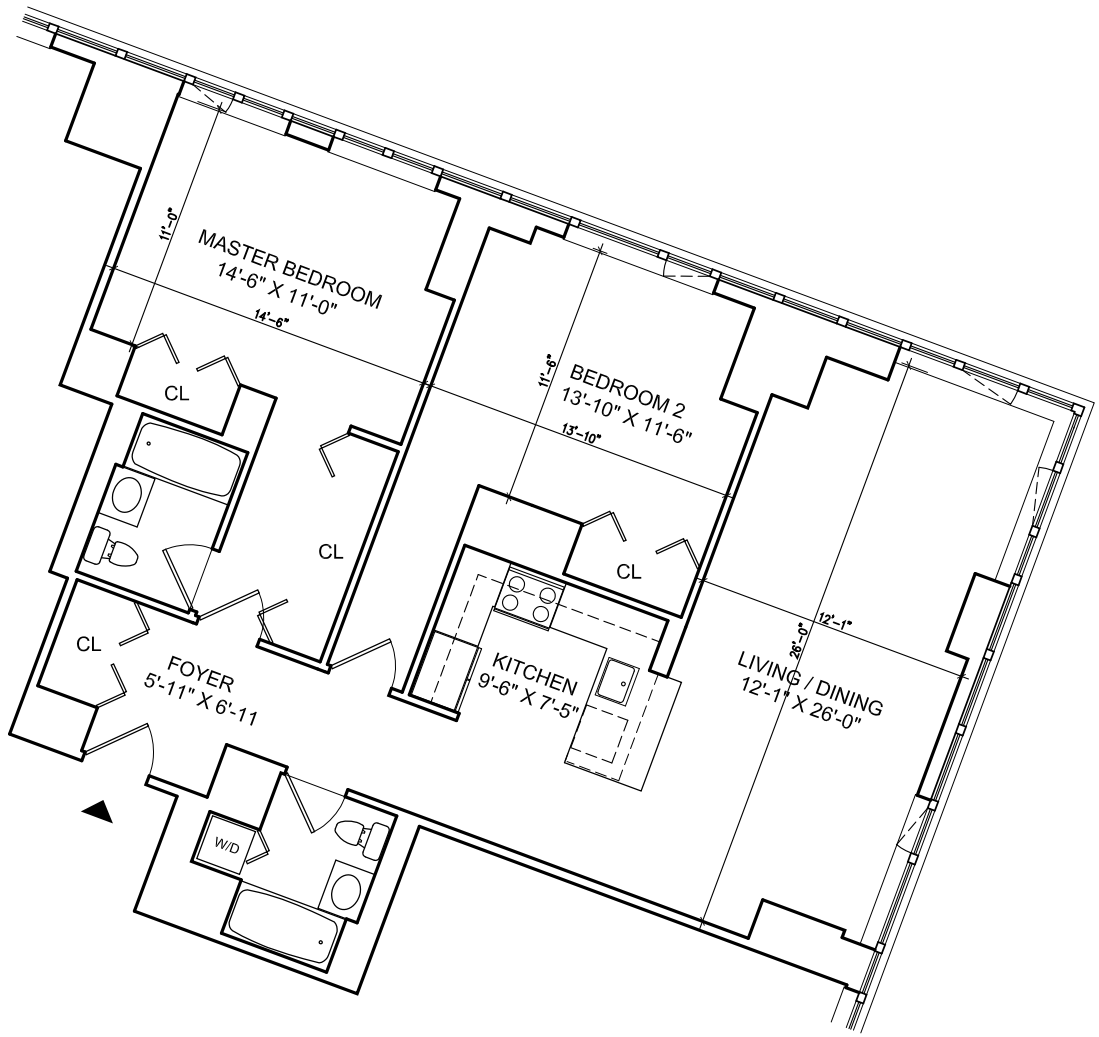


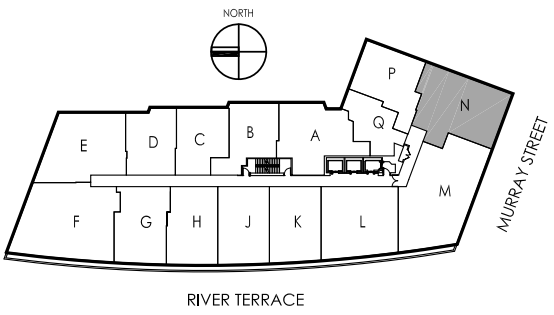


THE SOLAIRE

20 River Terrace
Residence M
Floor: 17th, 18th
Area: 1,594 Square feet
3 Bedrooms
3 Bathrooms

All dimensions are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area and includes columns, mechanical pipe shaft, shaftways, chaseways and conduits and other common elements.Sponsor reserves the right to make changes in accordance with the terms of the offering plan. Plans and dimension may contain minor variation from floor to floor. The complete offering terms are in an offering plan available from Sponsor.

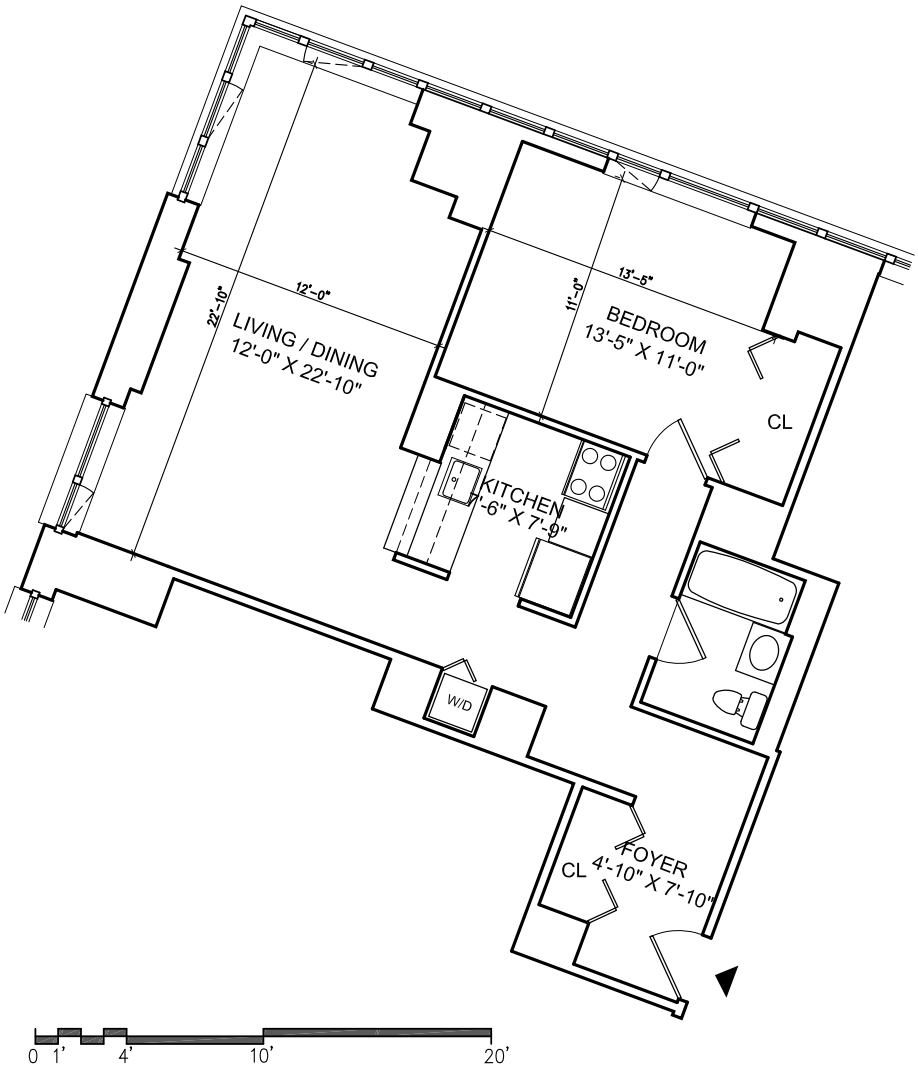


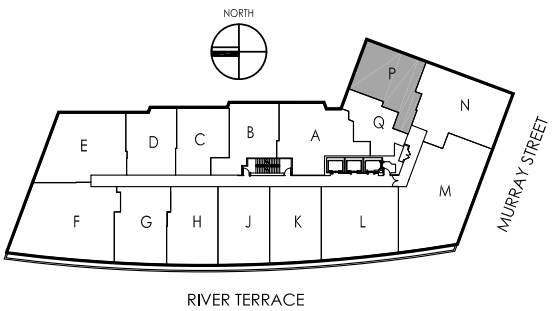


THE SOLAIRE

20 River Terrace
Residence N
Floor: 17th, 18th
Area: 1,213 Square feet
2 Bedrooms
2 Bathrooms

All dimensions are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area and includes columns, mechanical pipe shaft, shaftways, chaseways and conduits and other common elements.Sponsor reserves the right to make changes in accordance with the terms of the offering plan. Plans and dimension may contain minor variation from floor to floor. The complete offering terms are in an offering plan available from Sponsor.

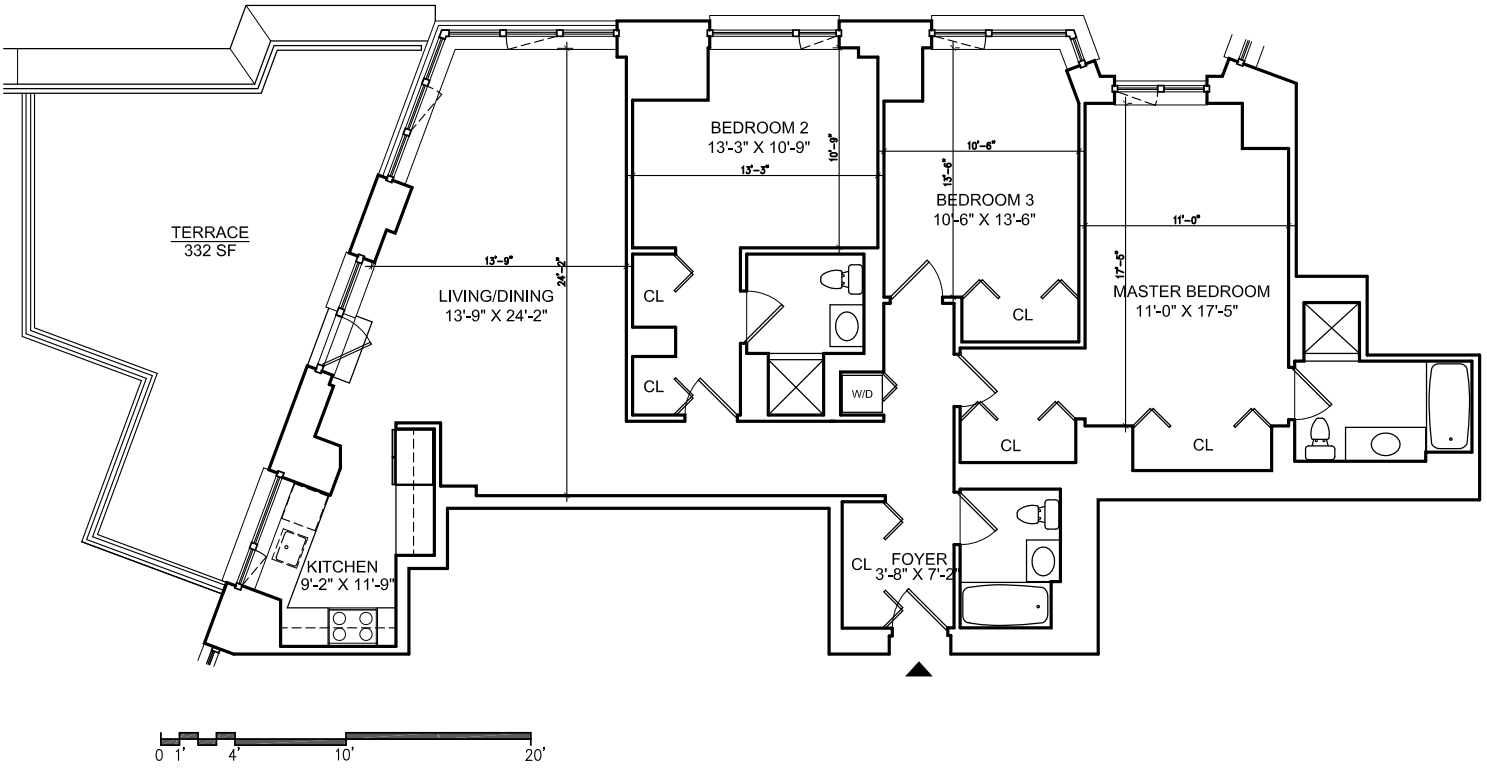


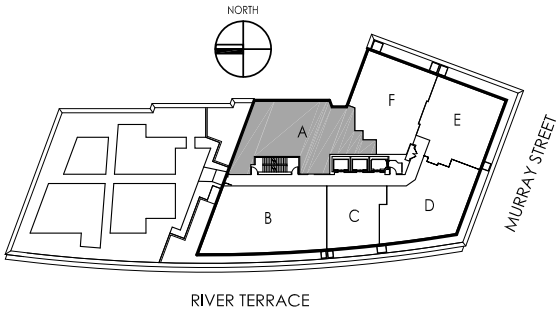


THE SOLAIRE

20 River Terrace
Residence P
Floor: 17th, 18th
Area: 833 Square feet
1 Bedroom
1 Bathroom

All dimensions are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area and includes columns, mechanical pipe shaft, shaftways, chaseways and conduits and other common elements.Sponsor reserves the right to make changes in accordance with the terms of the offering plan. Plans and dimension may contain minor variation from floor to floor. The complete offering terms are in an offering plan available from Sponsor.

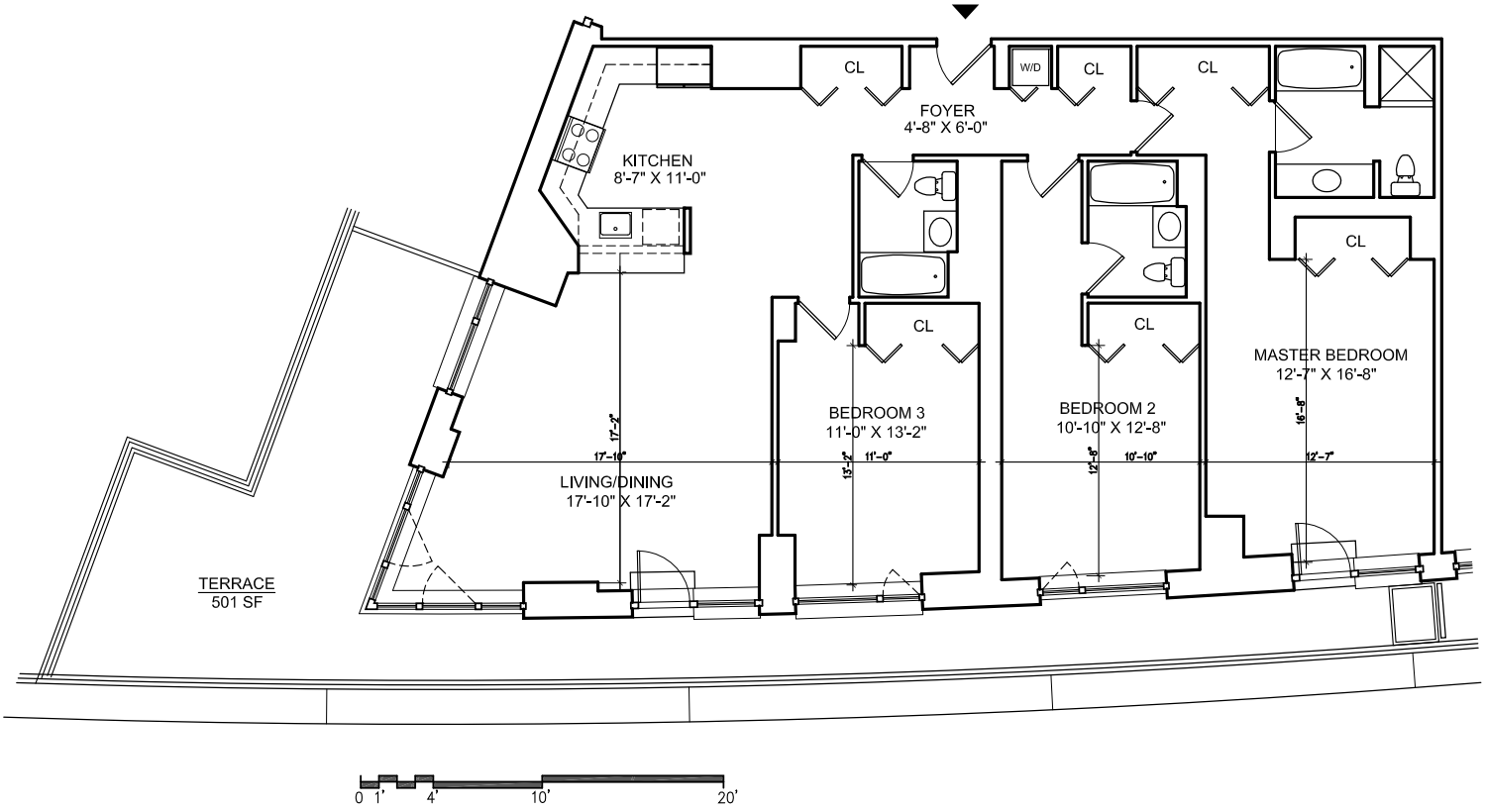


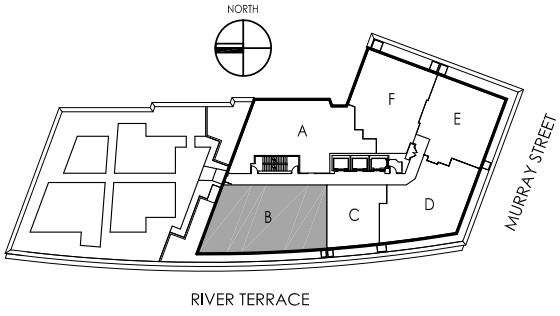


THE SOLAIRE

20 River Terrace
Residence A
Floor: 19th
Area: 1,530 Square feet
3 Bedrooms
3 Bathrooms
Terrace: 332 Square feet

All dimensions are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area and includes columns, mechanical pipe shaft, shaftways, chaseways and conduits and other common elements.Sponsor reserves the right to make changes in accordance with the terms of the offering plan. Plans and dimension may contain minor variation from floor to floor. The complete offering terms are in an offering plan available from Sponsor.

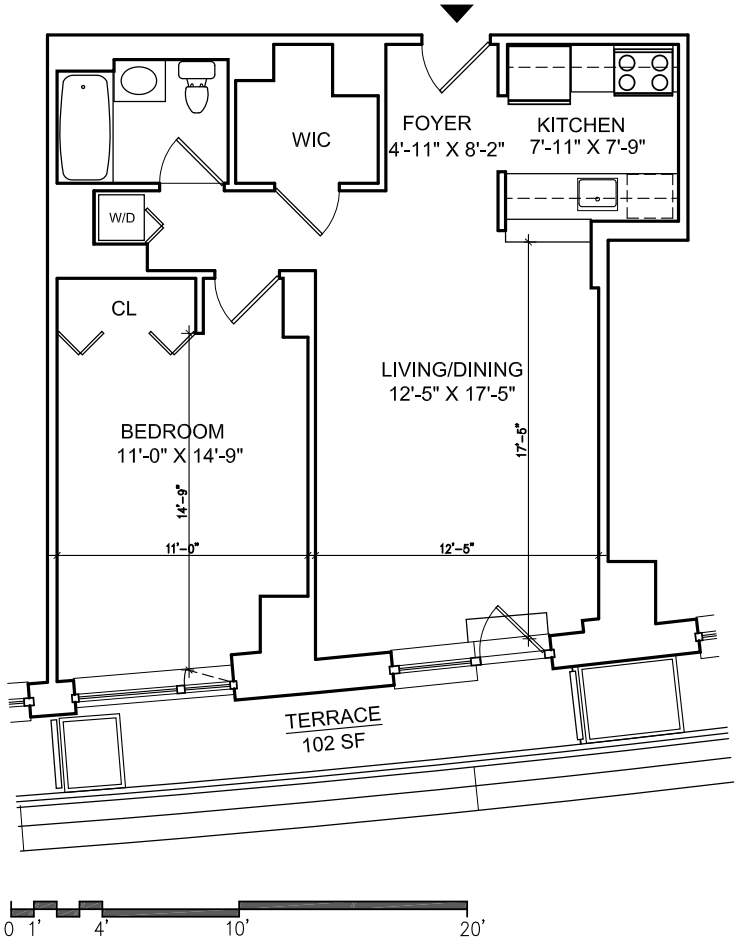


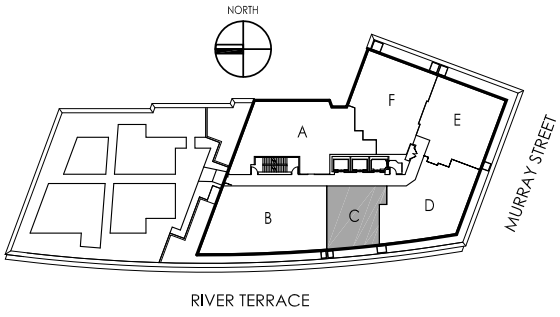


THE SOLAIRE

20 River Terrace
Residence B
Floor: 19th
Area: 1,662 Square feet
3 Bedrooms
3 Bathrooms
Terrace: 501 Square feet

All dimensions are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area and includes columns, mechanical pipe shaft, shaftways, chaseways and conduits and other common elements.Sponsor reserves the right to make changes in accordance with the terms of the offering plan. Plans and dimension may contain minor variation from floor to floor. The complete offering terms are in an offering plan available from Sponsor.

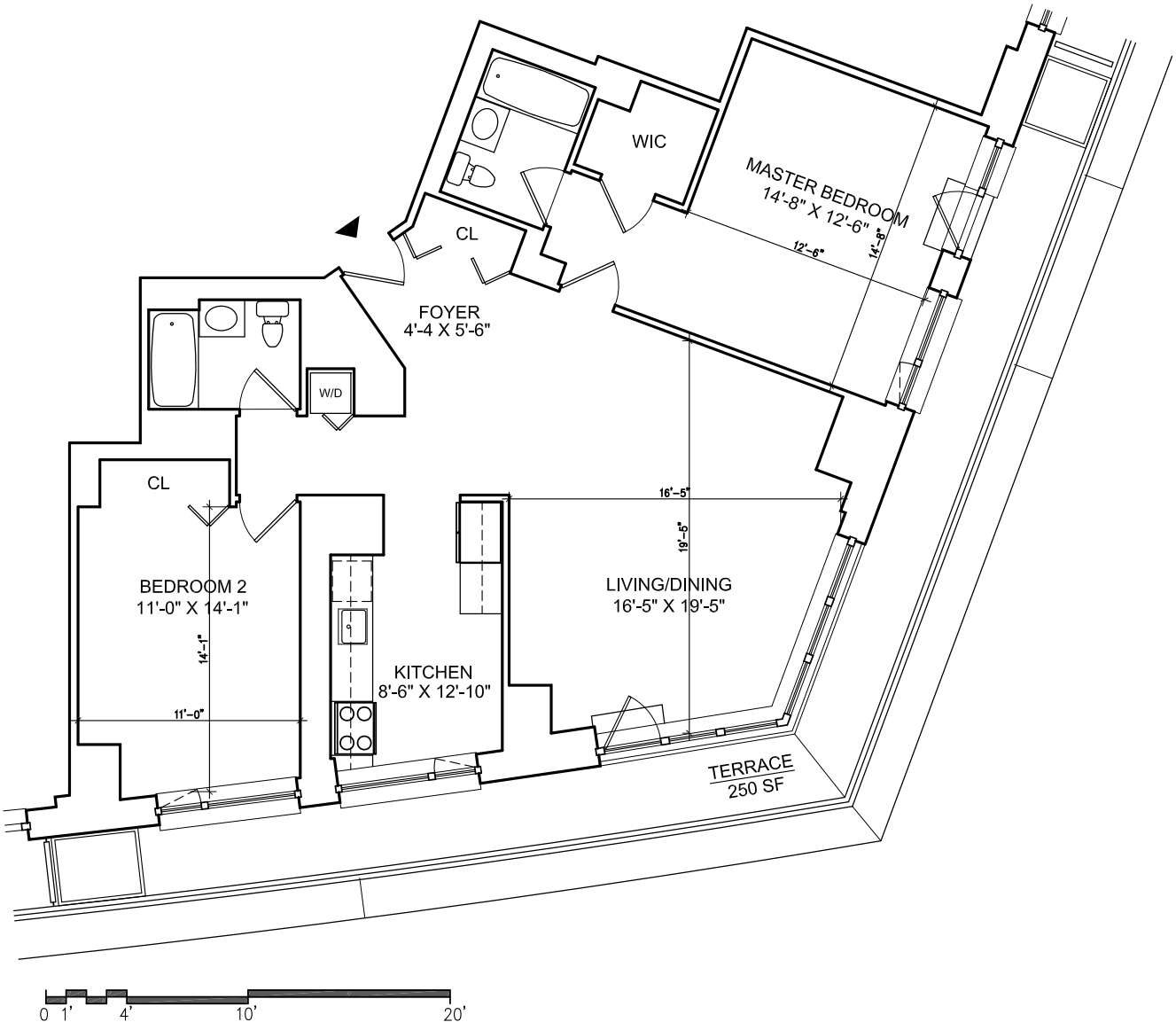


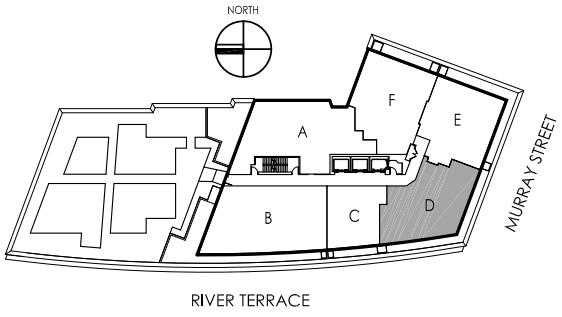


THE SOLAIRE

20 River Terrace
Residence C
Floor: 19th
Area: 718 Square feet
1 Bedroom
1 Bathroom
Terrace: 102 Square feet

All dimensions are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area and includes columns, mechanical pipe shaft, shaftways, chaseways and conduits and other common elements.Sponsor reserves the right to make changes in accordance with the terms of the offering plan. Plans and dimension may contain minor variation from floor to floor. The complete offering terms are in an offering plan available from Sponsor.

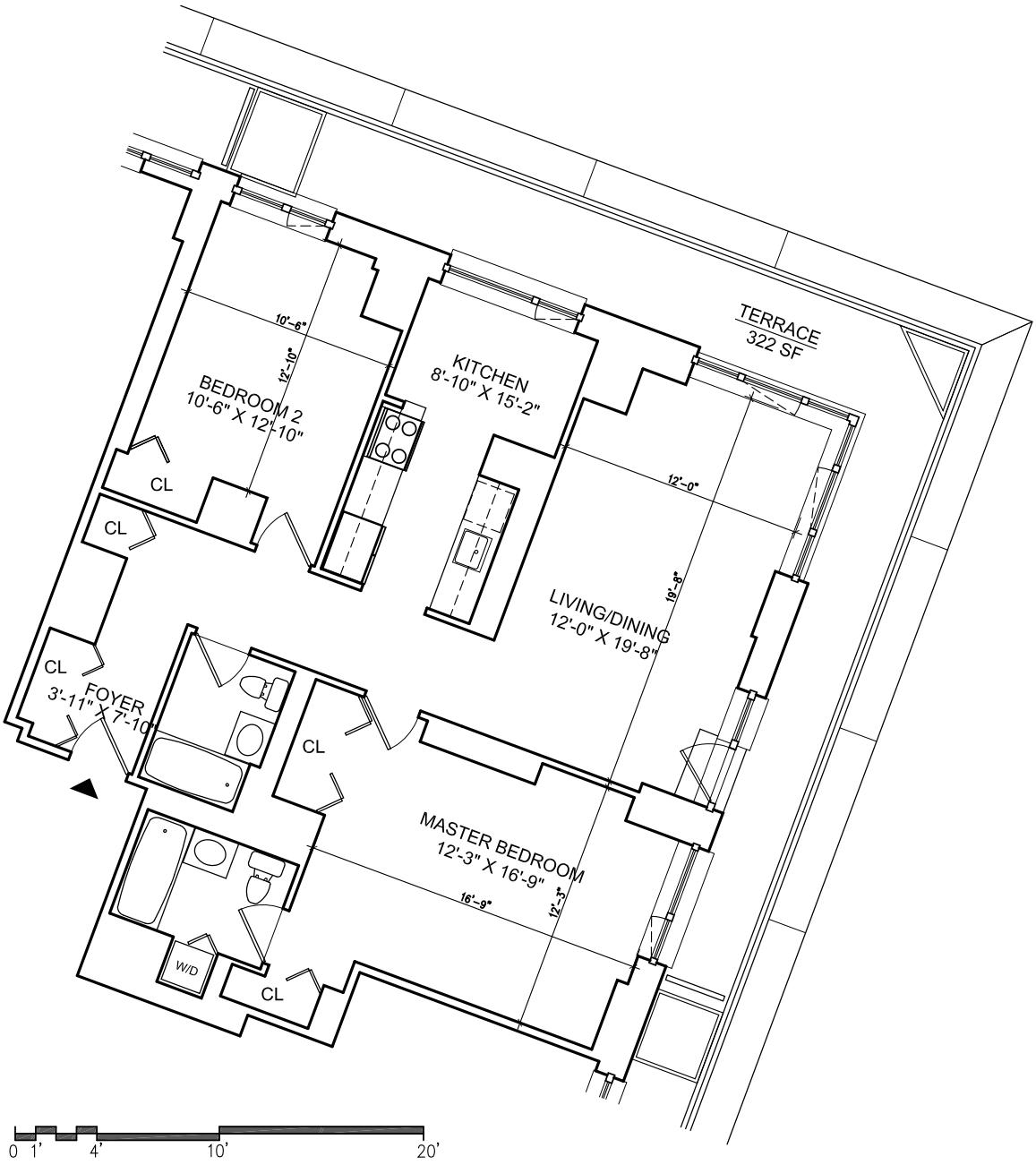


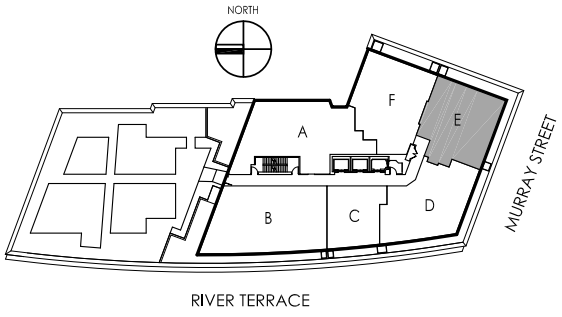


THE SOLAIRE

20 River Terrace
Residence D
Floor: 19th
Area: 1,239 Square feet
2 Bedrooms
2 Bathrooms
Terrace: 250 Square feet

All dimensions are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area and includes columns, mechanical pipe shaft, shaftways, chaseways and conduits and other common elements.Sponsor reserves the right to make changes in accordance with the terms of the offering plan. Plans and dimension may contain minor variation from floor to floor. The complete offering terms are in an offering plan available from Sponsor.

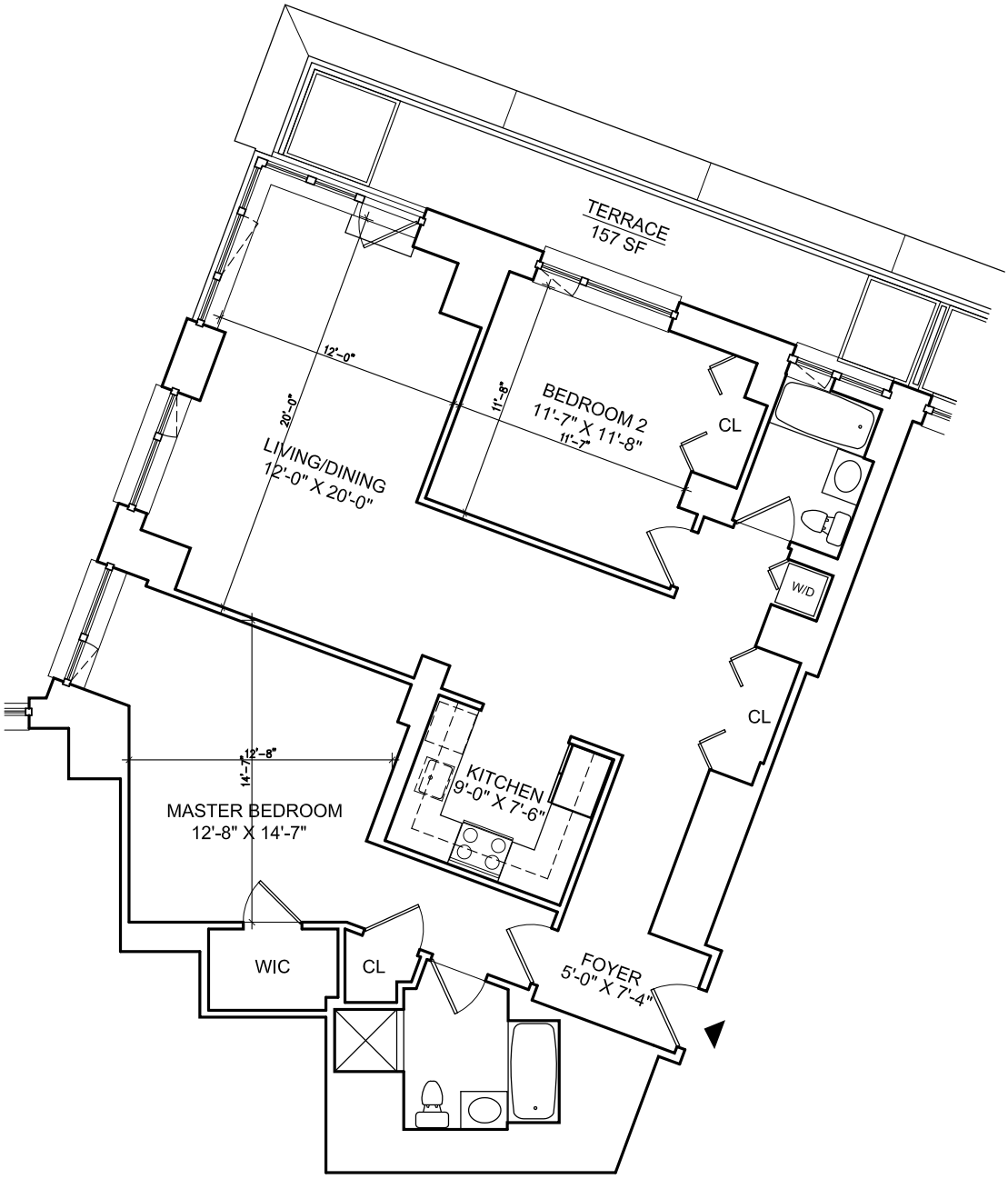


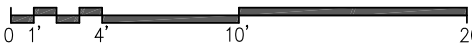


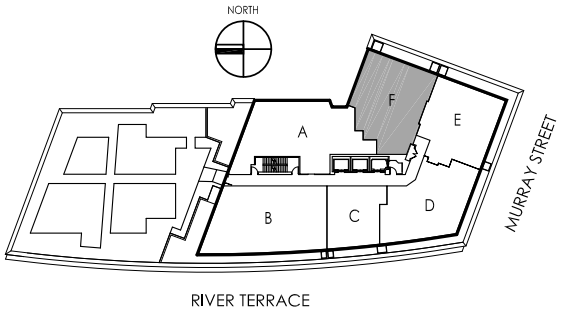
THE SOLAIRE

20 River Terrace
Residence E
Floor: 19th
Area: 1,171 Square feet
2 Bedrooms
2 Bathrooms
Terrace: 322 Square feet

All dimensions are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area and includes columns, mechanical pipe shaft, shaftways, chaseways and conduits and other common elements.Sponsor reserves the right to make changes in accordance with the terms of the offering plan. Plans and dimension may contain minor variation from floor to floor. The complete offering terms are in an offering plan available from Sponsor.



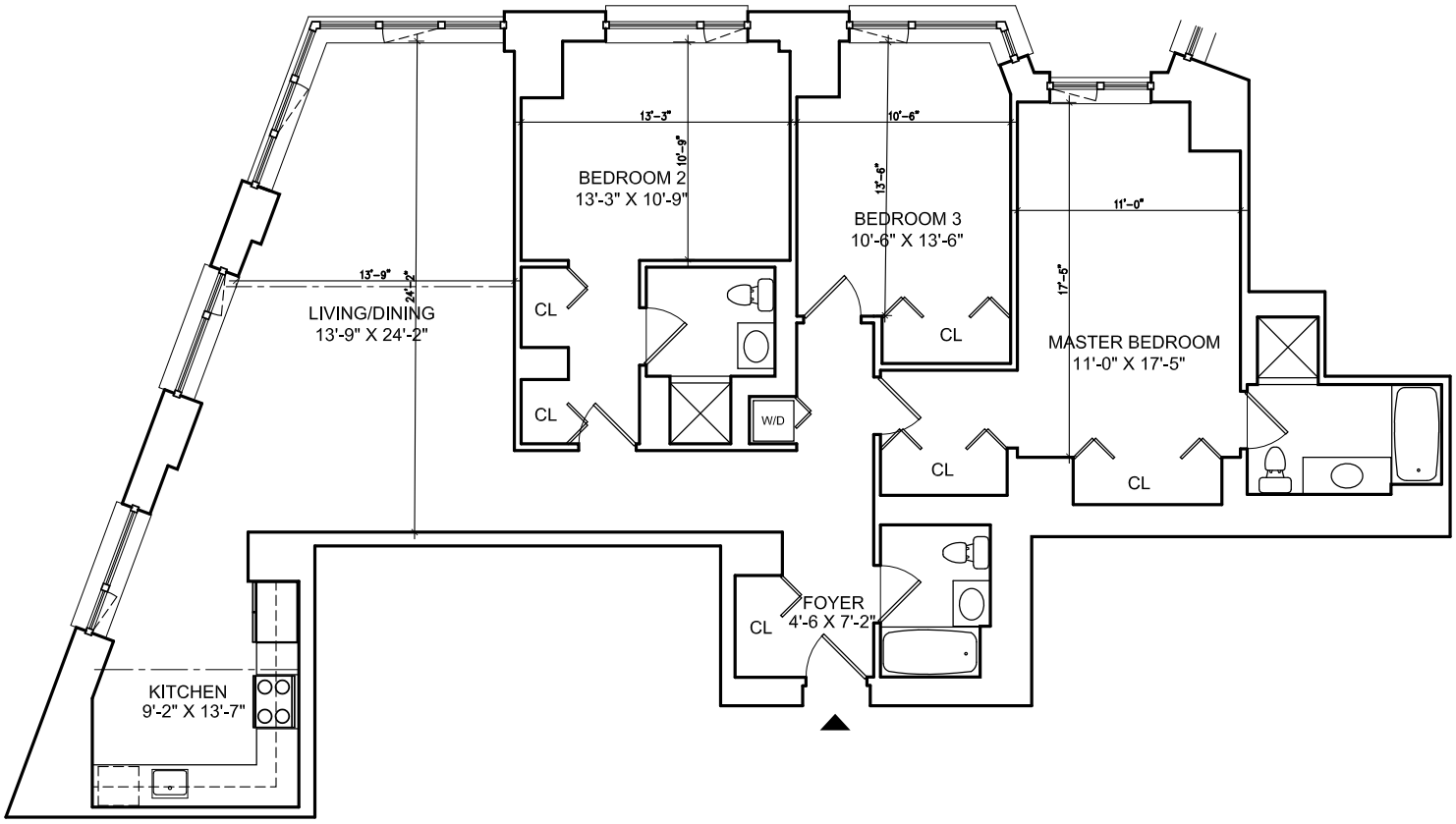


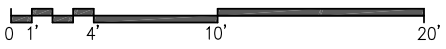


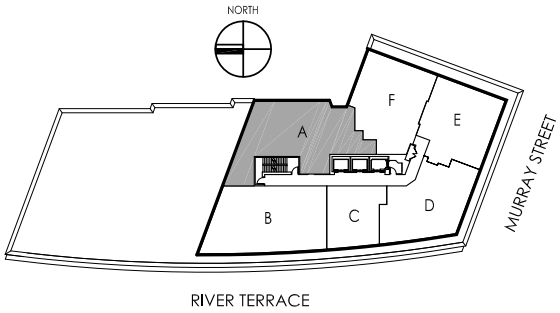
THE SOLAIRE

20 River Terrace
Residence F
Floor: 19th
Area: 1,288 Square feet
2 Bedrooms
2 Bathrooms
Terrace: 157 Square feet

All dimensions are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area and includes columns, mechanical pipe shaft, shaftways, chaseways and conduits and other common elements.Sponsor reserves the right to make changes in accordance with the terms of the offering plan. Plans and dimension may contain minor variation from floor to floor. The complete offering terms are in an offering plan available from Sponsor.



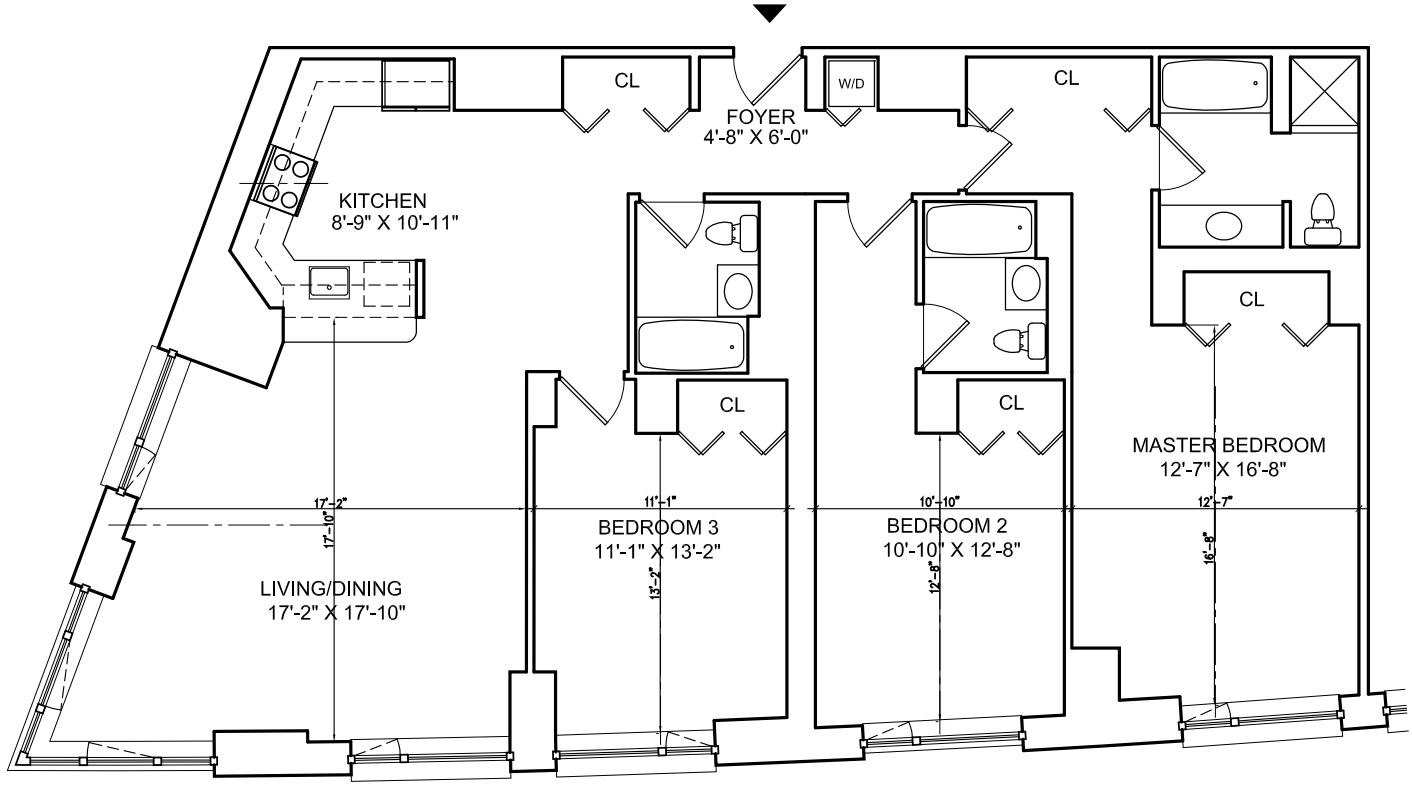


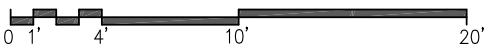


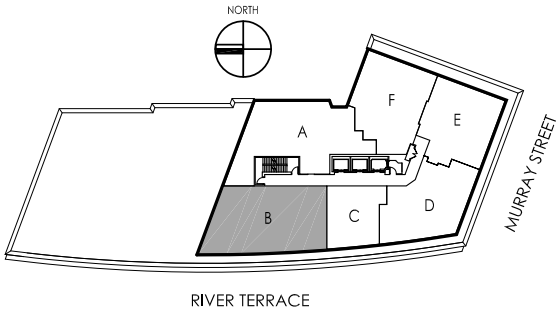
THE SOLAIRE

20 River Terrace
Residence A
Floor: 20th thru 27th
Area: 1,628 Square feet
3 Bedrooms
3 Bathrooms

All dimensions are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area and includes columns, mechanical pipe shaft, shaftways, chaseways and conduits and other common elements.Sponsor reserves the right to make changes in accordance with the terms of the offering plan. Plans and dimension may contain minor variation from floor to floor. The complete offering terms are in an offering plan available from Sponsor.





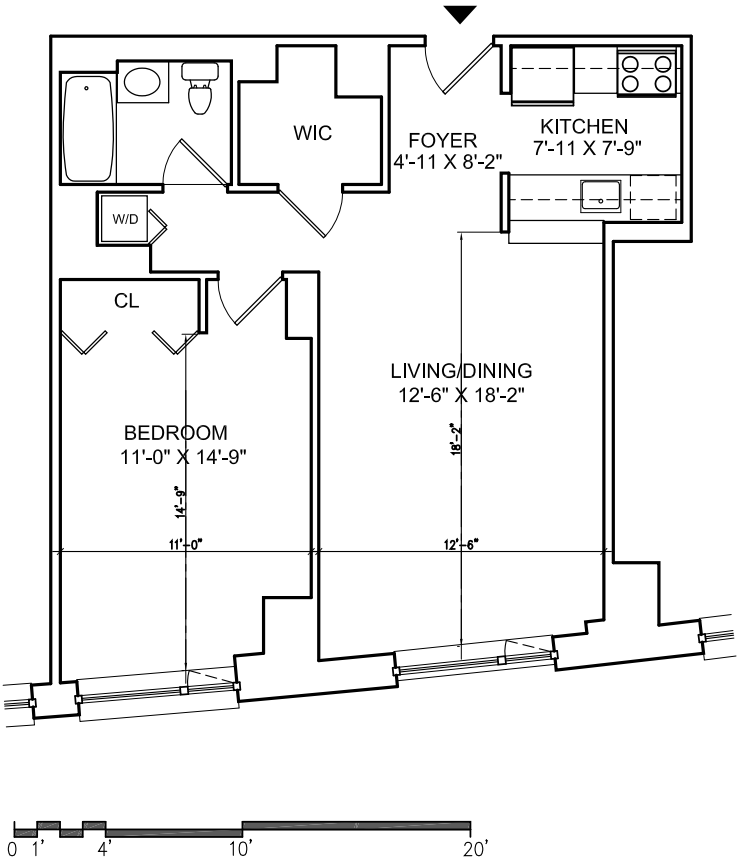


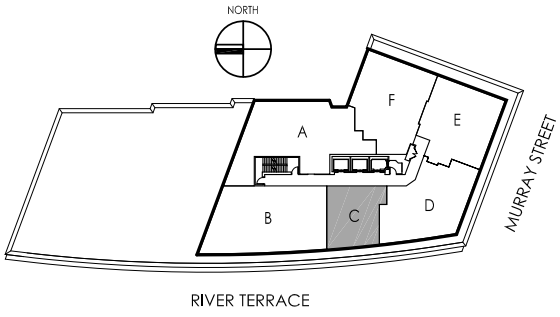
THE SOLAIRE

20 River Terrace
Residence B

Floors: 20th thru 27th
Area: 1,662 Square feet
3 Bedrooms
3 Bathrooms

All dimensions are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area and includes columns, mechanical pipe shaft, shaftways, chaseways and conduits and other common elements.Sponsor reserves the right to make changes in accordance with the terms of the offering plan. Plans and dimension may contain minor variation from floor to floor. The complete offering terms are in an offering plan available from Sponsor.



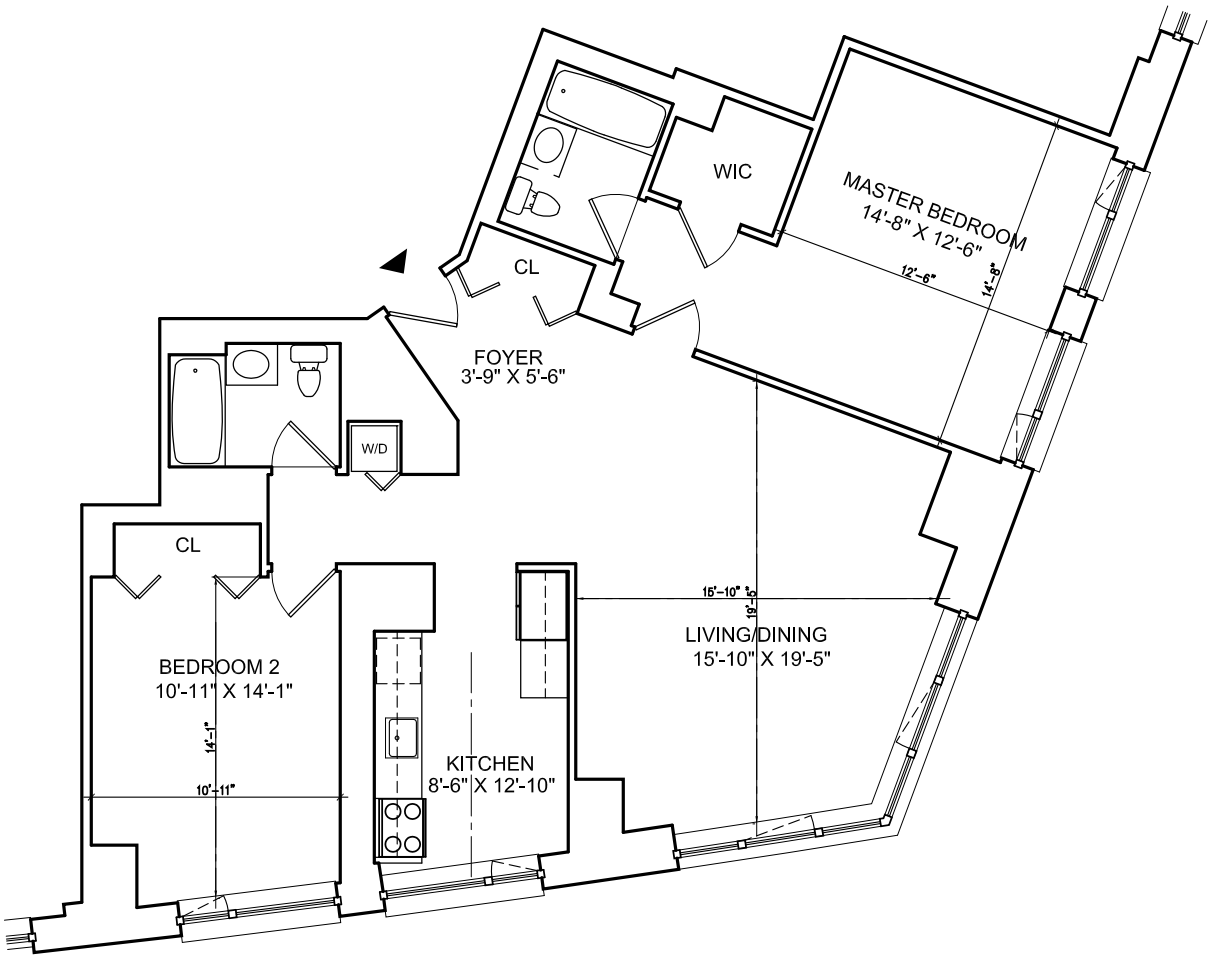


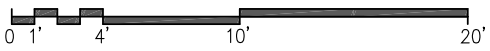
THE SOLAIRE

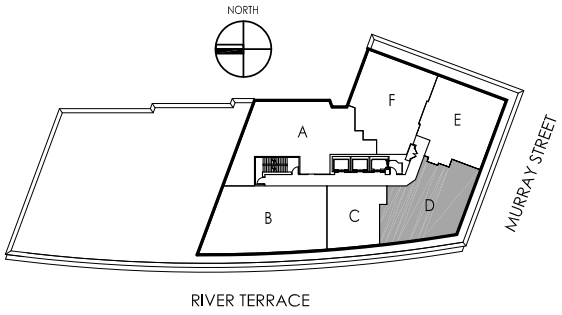
20 River Terrace
Residence C

Floors: 20th thru 27th
Area: 718 Square feet
1 Bedroom
1 Bathroom

All dimensions are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area and includes columns, mechanical pipe shaft, shaftways, chaseways and conduits and other common elements.Sponsor reserves the right to make changes in accordance with the terms of the offering plan. Plans and dimension may contain minor variation from floor to floor. The complete offering terms are in an offering plan available from Sponsor.





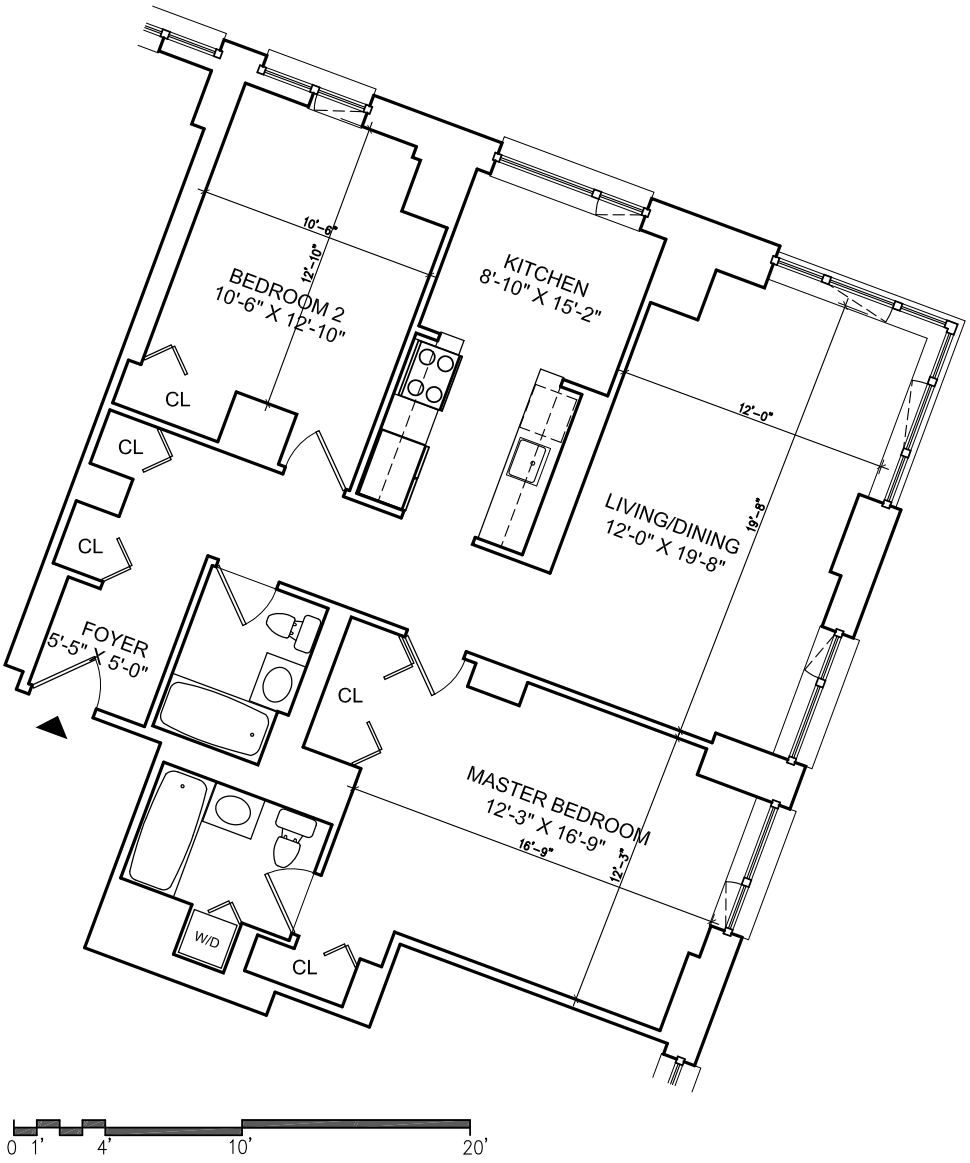


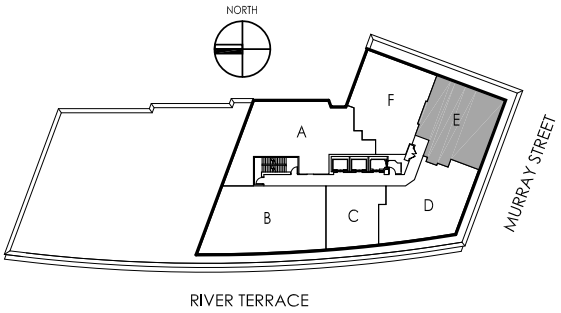
THE SOLAIRE

20 River Terrace
Residence D

Floors: 20th thru 27th
Area: 1,239 Square feet
2 Bedrooms
2 Bathrooms

All dimensions are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area and includes columns, mechanical pipe shaft, shaftways, chaseways and conduits and other common elements.Sponsor reserves the right to make changes in accordance with the terms of the offering plan. Plans and dimension may contain minor variation from floor to floor. The complete offering terms are in an offering plan available from Sponsor.



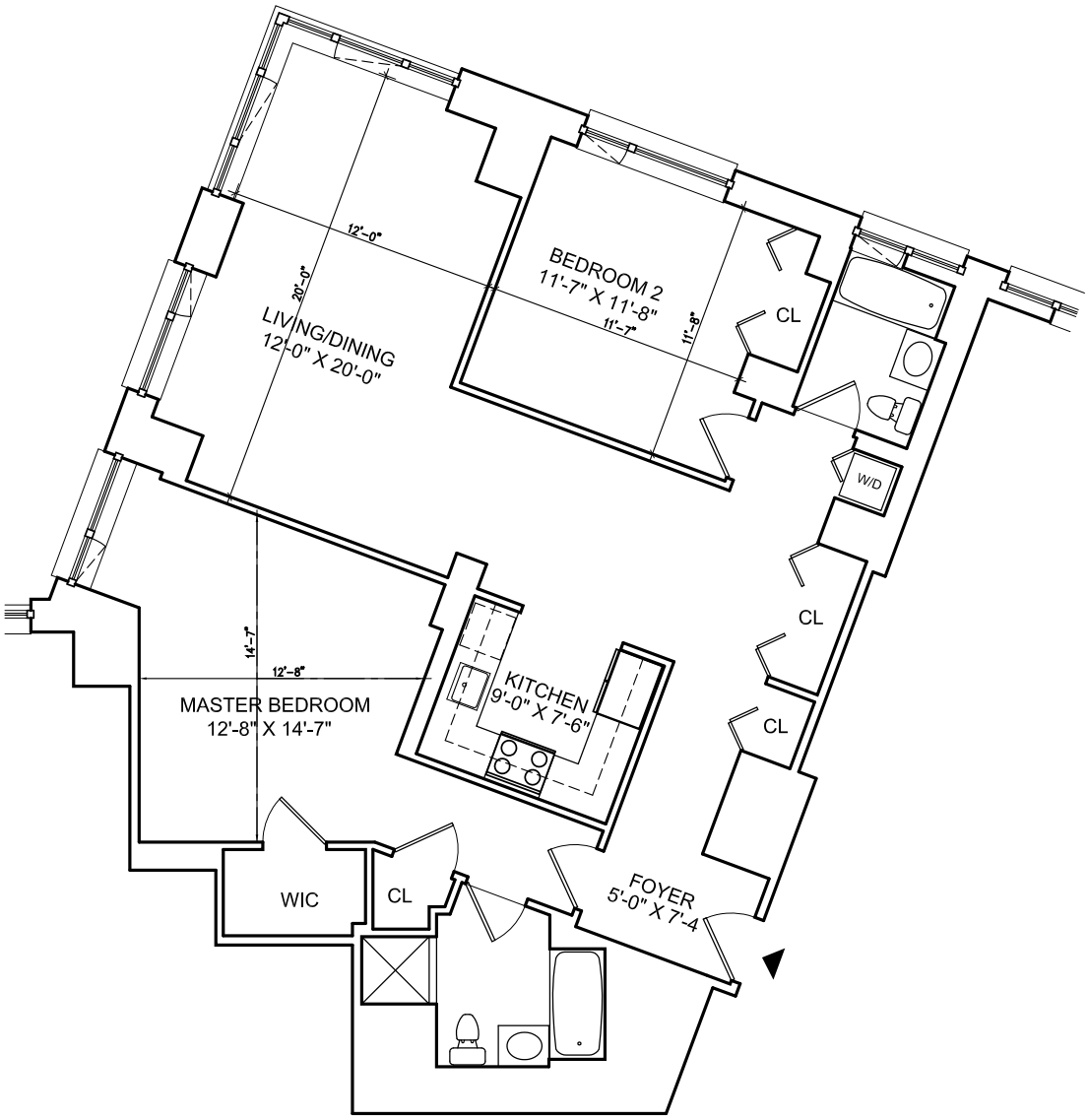


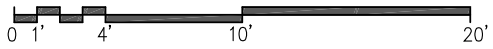
THE SOLAIRE

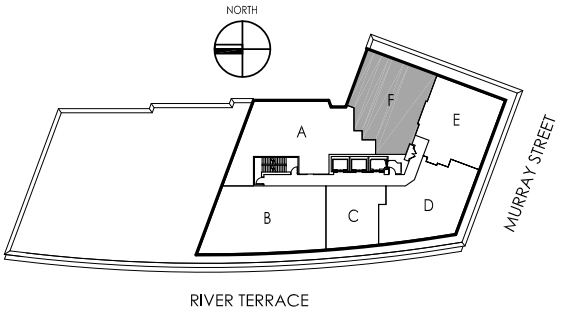
20 River Terrace
Residence E

Floors: 20th thru 27th
Area: 1,171 Square feet
2 Bedrooms
2 Bathrooms

All dimensions are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area and includes columns, mechanical pipe shaft, shaftways, chaseways and conduits and other common elements.Sponsor reserves the right to make changes in accordance with the terms of the offering plan. Plans and dimension may contain minor variation from floor to floor. The complete offering terms are in an offering plan available from Sponsor.



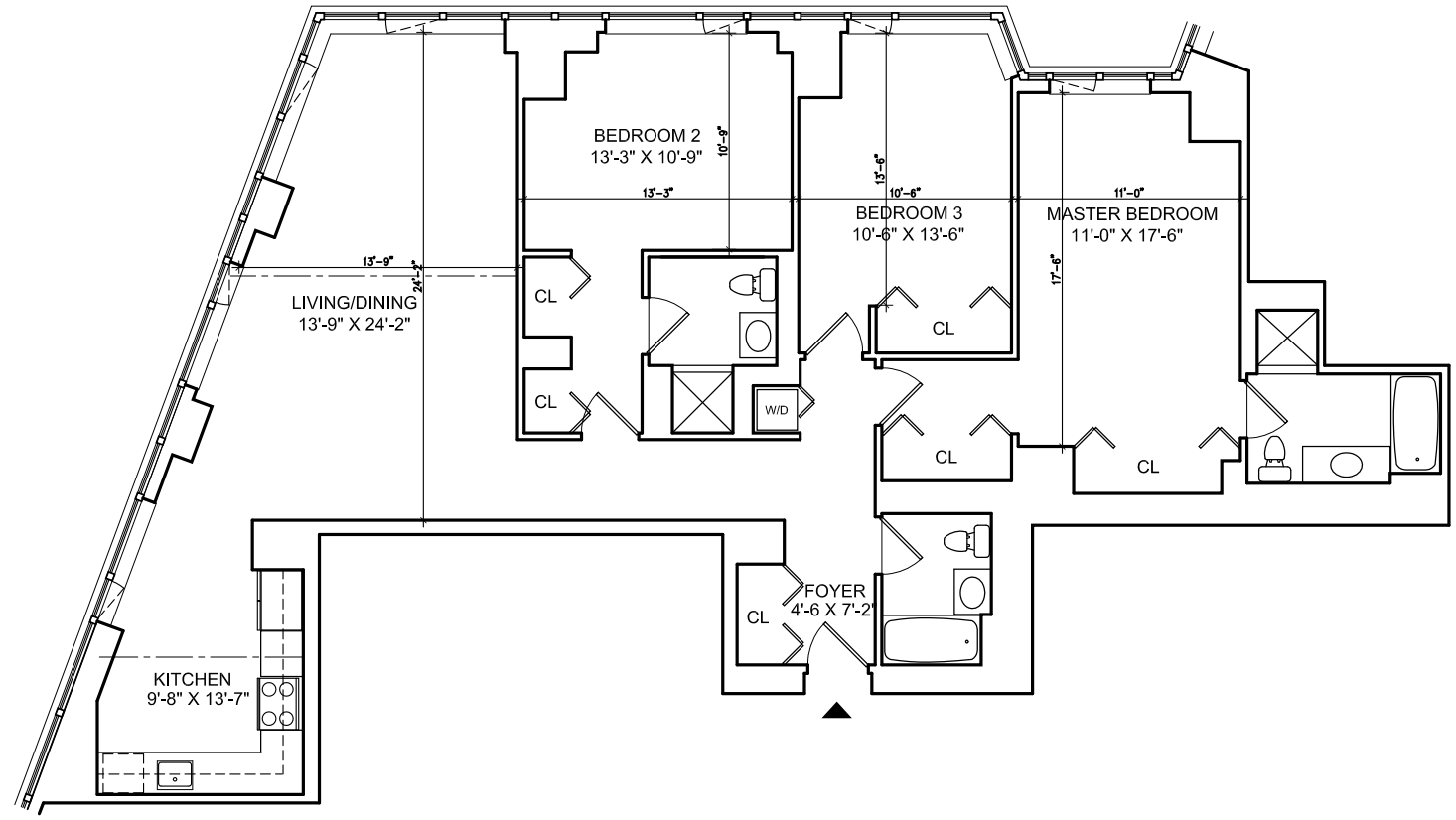


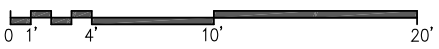


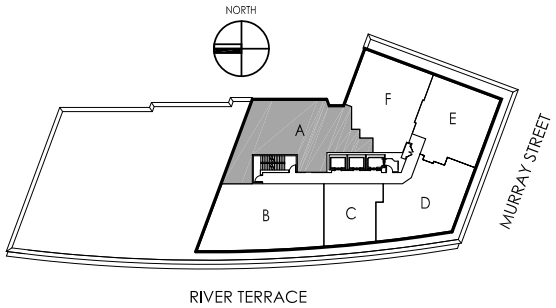
THE SOLAIRE

20 River Terrace
Residence F
Floors: 20th thru 27th
Area: 1,288 Square feet
2 Bedrooms
2 Bathrooms

All dimensions are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area and includes columns, mechanical pipe shaft, shaftways, chaseways and conduits and other common elements.Sponsor reserves the right to make changes in accordance with the terms of the offering plan. Plans and dimension may contain minor variation from floor to floor. The complete offering terms are in an offering plan available from Sponsor.



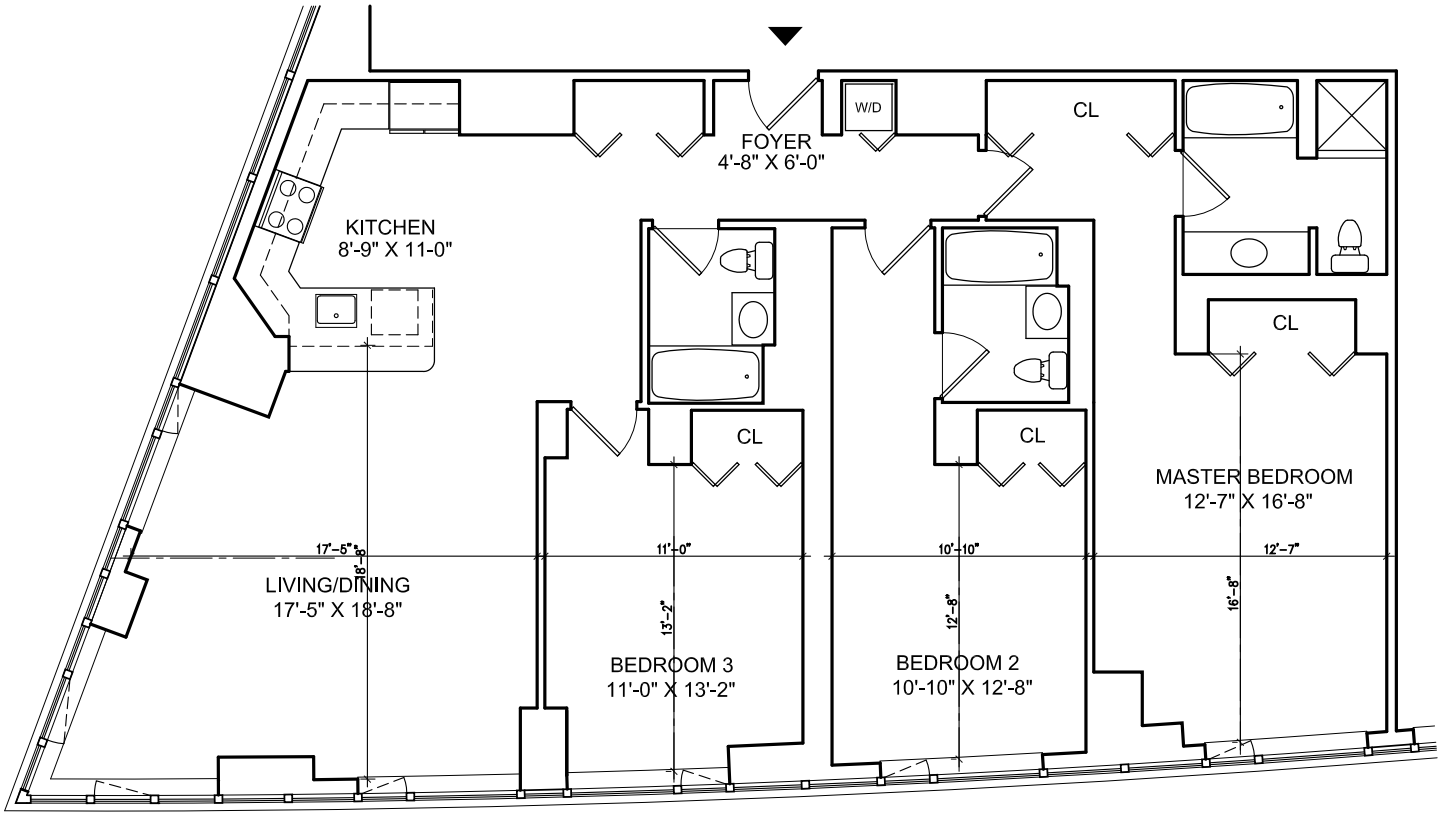


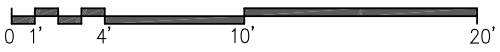


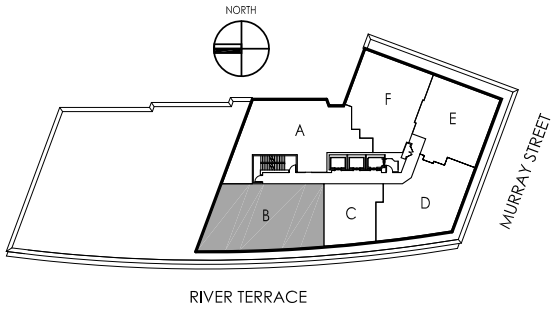
THE SOLAIRE

20 River Terrace
Residence A
Floors: 28th, PH
Area: 1,594 Square feet
3 Bedrooms
3 Bathrooms

All dimensions are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area and includes columns, mechanical pipe shaft, shaftways, chaseways and conduits and other common elements.Sponsor reserves the right to make changes in accordance with the terms of the offering plan. Plans and dimension may contain minor variation from floor to floor. The complete offering terms are in an offering plan available from Sponsor.



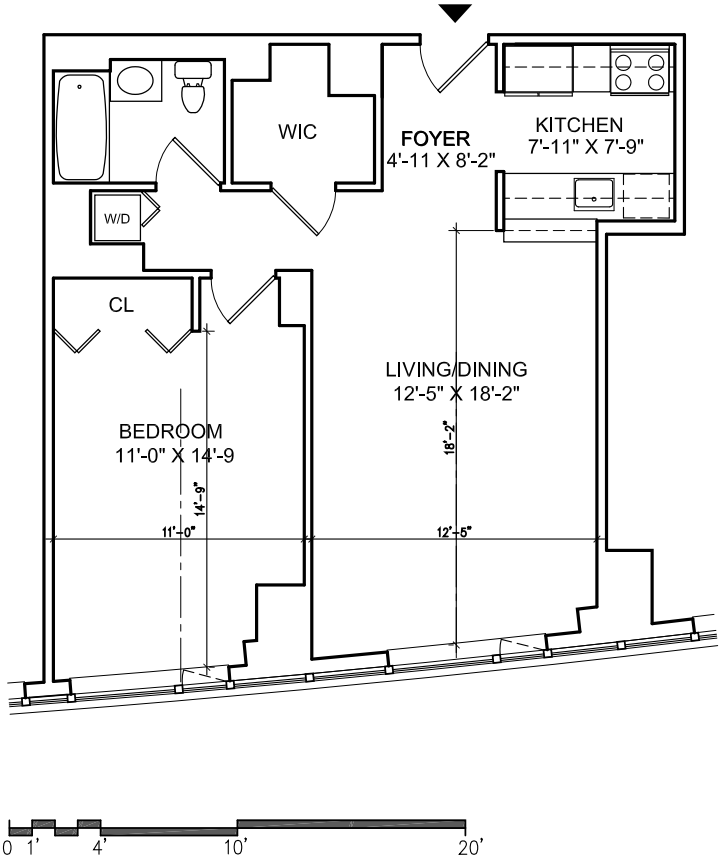


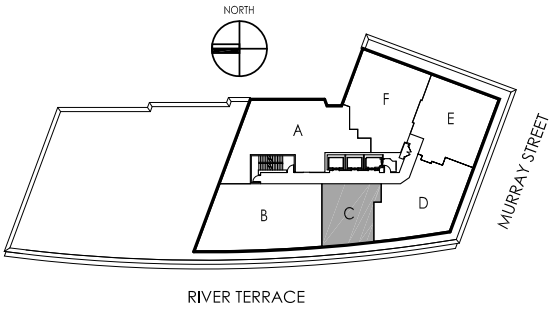


THE SOLAIRE

20 River Terrace
Residence B
Floors: 28th, PH
Area: 1,627 Square feet
3 Bedrooms
3 Bathrooms

All dimensions are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area and includes columns, mechanical pipe shaft, shaftways, chaseways and conduits and other common elements.Sponsor reserves the right to make changes in accordance with the terms of the offering plan. Plans and dimension may contain minor variation from floor to floor. The complete offering terms are in an offering plan available from Sponsor.



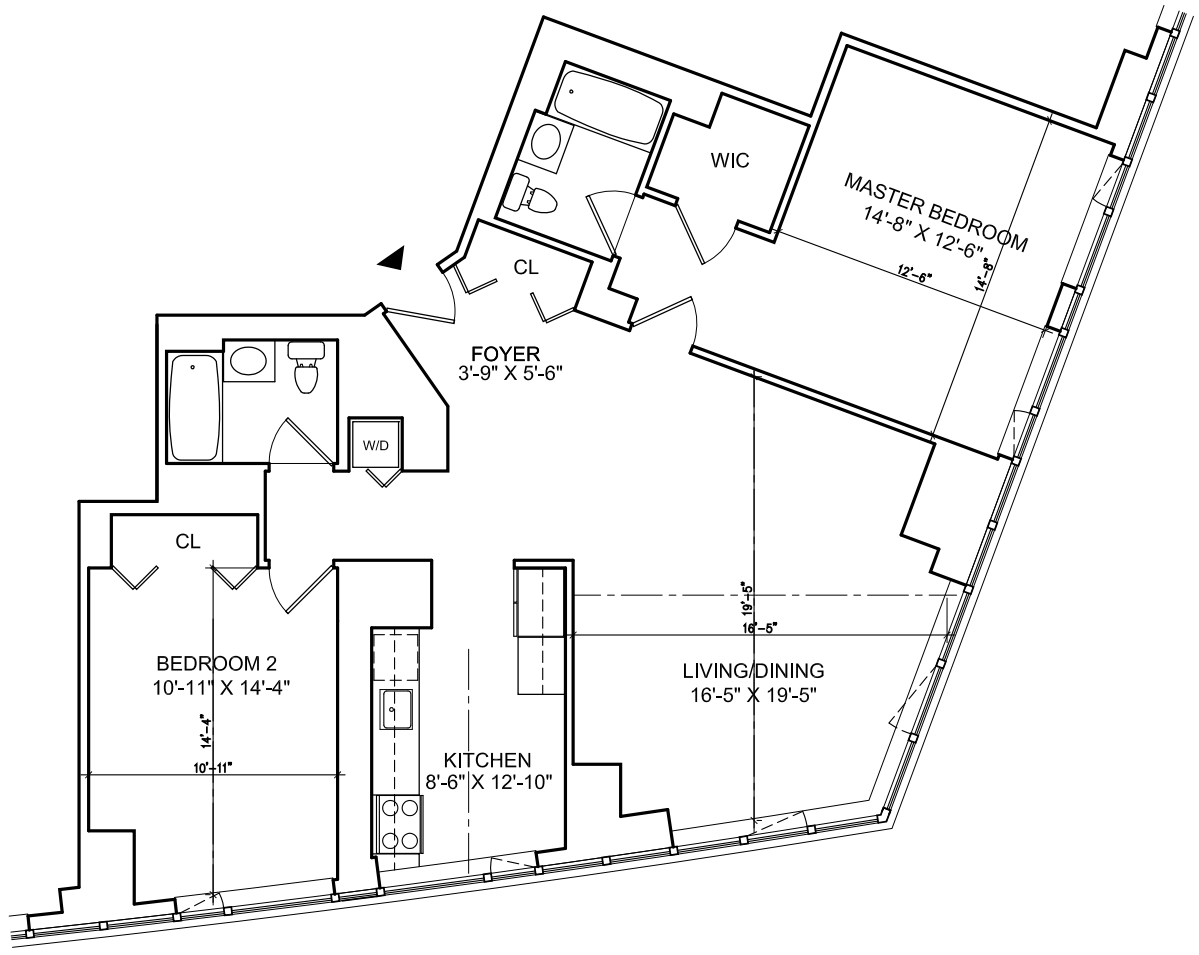


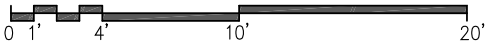
THE SOLAIRE

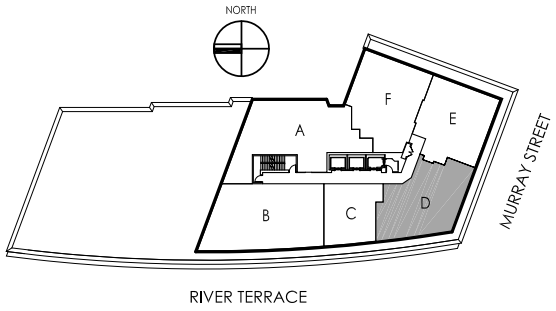
20 River Terrace
Residence C

Floors: 28th, PH
Area: 709 Square feet
1 Bedroom
1 Bathroom

All dimensions are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area and includes columns, mechanical pipe shaft, shaftways, chaseways and conduits and other common elements.Sponsor reserves the right to make changes in accordance with the terms of the offering plan. Plans and dimension may contain minor variation from floor to floor. The complete offering terms are in an offering plan available from Sponsor.



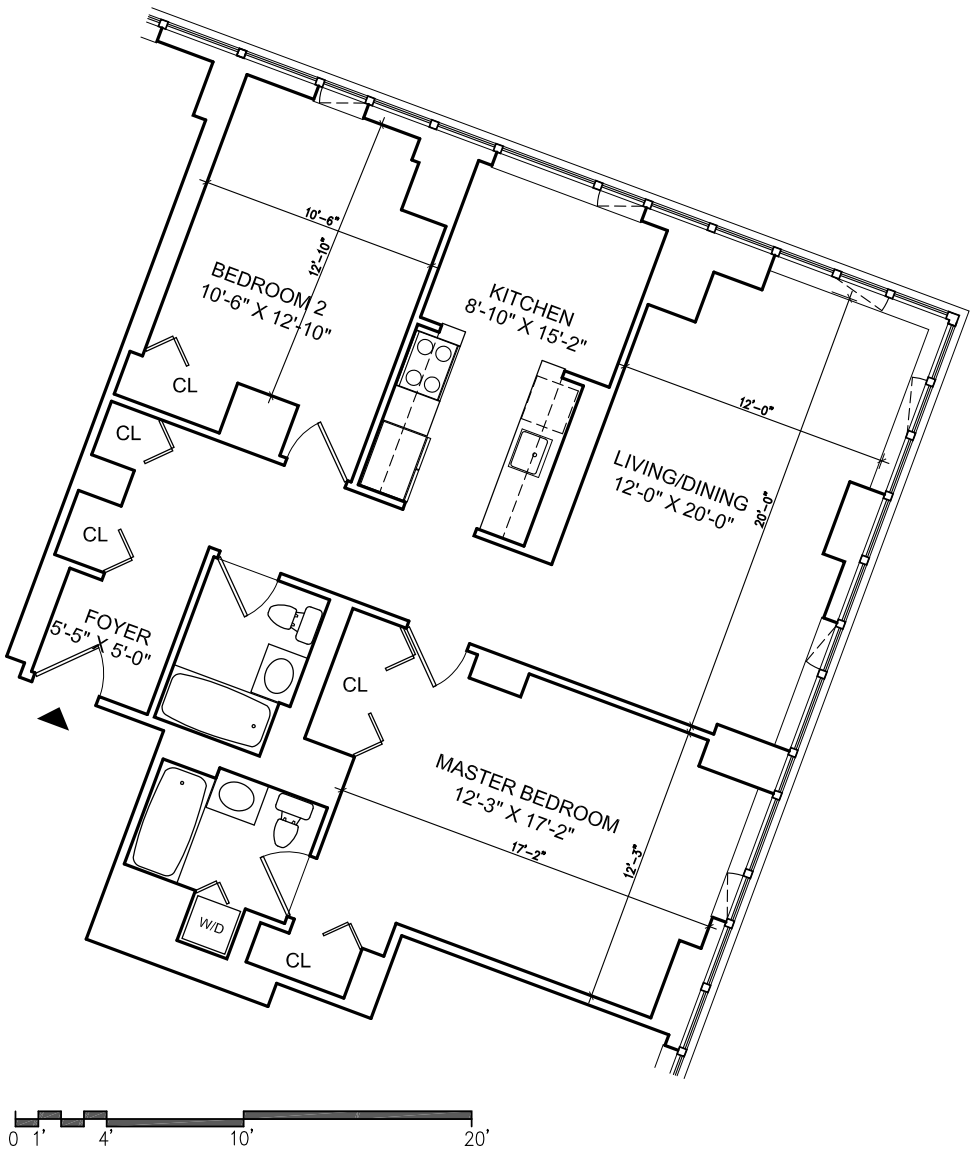


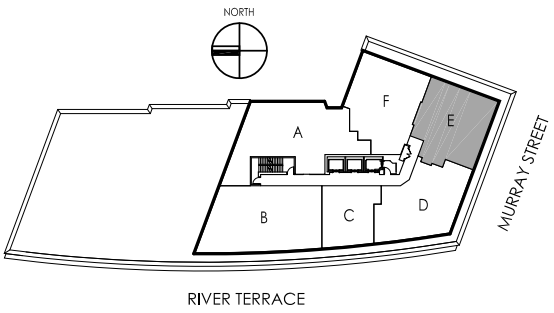


THE SOLAIRE

20 River Terrace
Residence D
Floors: 28th, PH
Area: 1,224 Square feet
2 Bedrooms
2 Bathrooms

All dimensions are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area and includes columns, mechanical pipe shaft, shaftways, chaseways and conduits and other common elements.Sponsor reserves the right to make changes in accordance with the terms of the offering plan. Plans and dimension may contain minor variation from floor to floor. The complete offering terms are in an offering plan available from Sponsor.

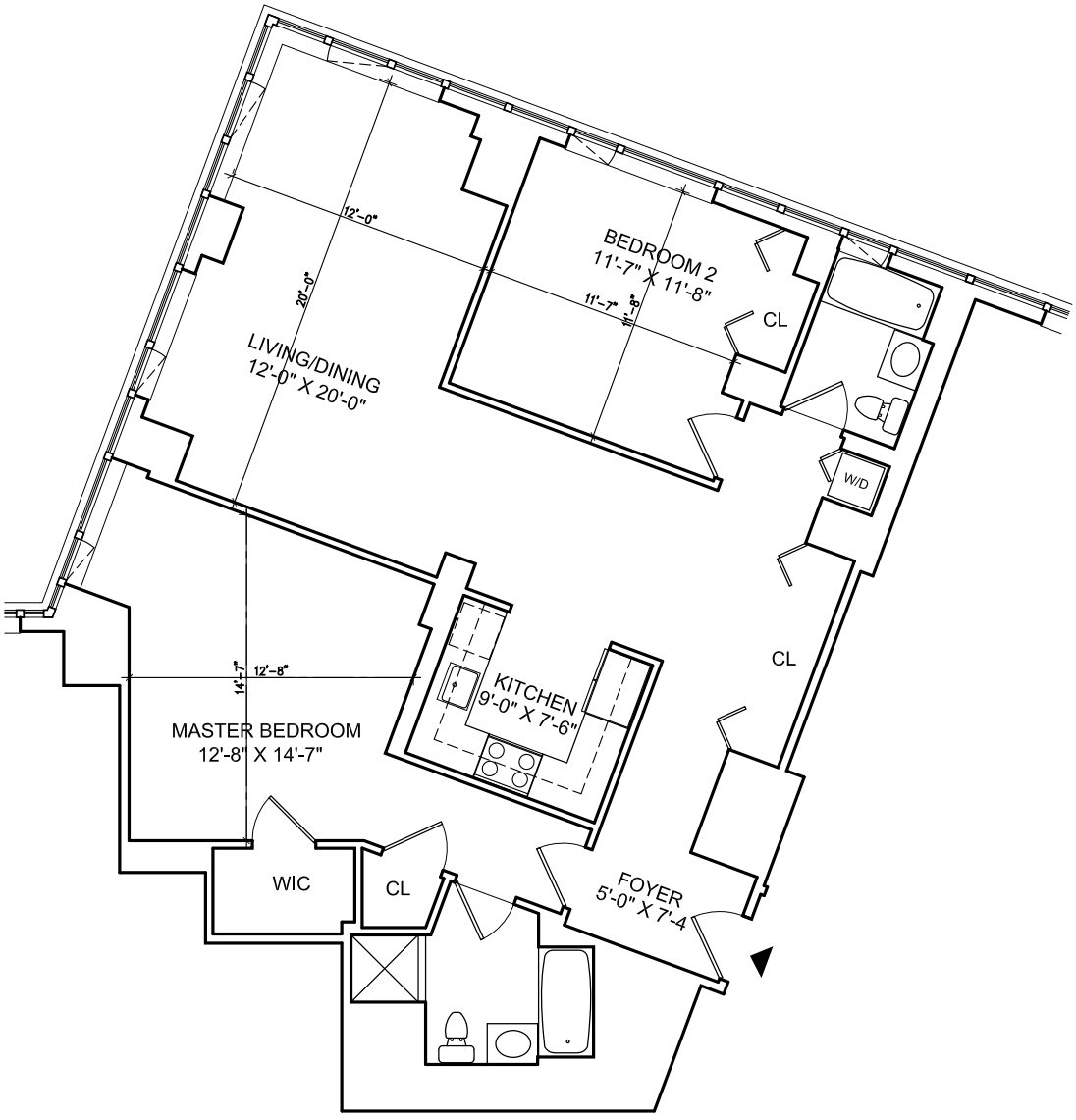


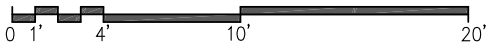


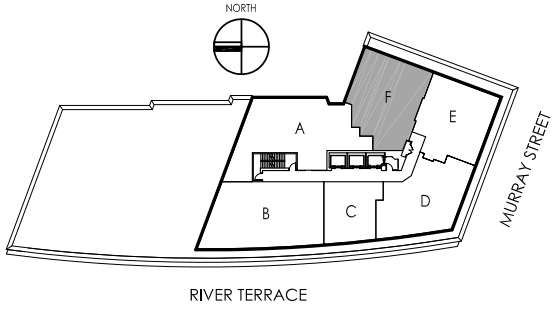
THE SOLAIRE

20 River Terrace
Residence E
Floors: 28th, PH
Area: 1,143 Square feet
2 Bedrooms
2 Bathrooms

All dimensions are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area and includes columns, mechanical pipe shaft, shaftways, chaseways and conduits and other common elements.Sponsor reserves the right to make changes in accordance with the terms of the offering plan. Plans and dimension may contain minor variation from floor to floor. The complete offering terms are in an offering plan available from Sponsor.







THE SOLAIRE

20 River Terrace
Residence F
Floors: 28th, PH
Area: 1,266 Square feet
2 Bedrooms
2 Bathrooms

All dimensions are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area and includes columns, mechanical pipe shaft, shaftways, chaseways and conduits and other common elements.Sponsor reserves the right to make changes in accordance with the terms of the offering plan. Plans and dimension may contain minor variation from floor to floor. The complete offering terms are in an offering plan available from Sponsor.

FORM OF PURCHASE AGREEMENT

PURCHASE AGREEMENT

RIVER TERRACE ASSOCIATES, LLC

Sponsor

With

Purchaser

_____Apartment Number

20 RIVER TERACE
NEW YORK, NEW YORK 10282

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PURCHASE AGREEMENT

For ___ Shares of The 20 River Terrace Apartment Corporation
Allocated to Apartment No. _____ in
20 River Terrace
New York, New York 10282

PURCHASE PRICE OF SHARES: $_____

10% DOWN PAYMENT FOR SHARES (TENANT PURCHASER: $_____

15% DOWN PAYMENT FOR SHARES (NON-TENANT PURCHASER: $_____

BALANCE DUE AT CLOSING $_____

NO. OF SHARES: _____ APARTMENT NO. _____

Purchaser(s) Name(s):

(1) _____ (2) _____

Purchaser(s) Mailing Address(es):

(1) _____ (2) _____

_____ _____

Purchaser(s) Email Address:

(1) _____ (2) _____

Purchaser's Broker (if any): _____

Purchaser's Attorney: _____

Address of Purchaser's Attorney: _____

_____

Telephone: (____) ____-_____ E-Mail: _____

PURCHASE AGREEMENT

APARTMENT NUMBER_____
20 RIVER TERRACE
NEW YORK, NEW YORK 10282

AGREEMENT, made as of _____, between Sponsor (as defined below) 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 sale of shares in the 20 River Terrace Apartment Corporation ("Shares") 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 required Down Payment to the Sponsor. 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, the Proprietary Lease and the Apartment Corporation By-Laws) 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 "Apartment Corporation" means the 20 River Terrace Apartment Corporation.

2.2 "Sponsor" means River Terrace Associates, LLC, having an office at 1050 Franklin Avenue, Garden City, New York 11530.

2.3 "Attorney for Sponsor" means Seiden & Schein, P.C., having an address at 570 Lexington Avenue, 14th Floor, New York, New York 10022. Attention: Adam A. Levenson, Esq. Telephone number: (212) 935-1400. E-mail address: alevenson@seidenschein.com

2.4 "Escrow Agent" means Attorney for Sponsor.

3. THE APARTMENT

Upon and subject to the terms and conditions set forth herein, Sponsor agrees to sell and convey, and Purchaser agrees to purchase, Shares of capital stock of the Apartment Corporation allocated to the Apartment, together with a proprietary lease ("Proprietary Lease") appurtenant to such Apartment, as provided on Page 1 of this Agreement.

4. PURCHASE PRICE

Purchaser must deliver the payment of any Down Payment by personal check, official bank check or bank wire transfer, and the Balance of the Purchase Price by official bank check, or bank 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 Sponsor, or as Sponsor otherwise directs, 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 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 Shares may be sold to another as though this Agreement had never been made, unless otherwise indicated in writing by Sponsor or Attorney for Sponsor. The return of any check delivered in payment of 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 11 hereof. With respect to wire transferred funds, any wiring fees charged by the initiating and/or receiving bank shall be paid by Purchaser. FUNDS DRAWN ON OUT-OF-STATE OR FOREIGN BANKS WILL NOT BE ACCEPTED.

5. 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 the Down Payment shall be delivered to Escrow Agent and shall be held in accordance with the escrow rider attached hereto and made a part hereof as Exhibit A. 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 the Down Payment to Sponsor in the event Sponsor and Purchaser close title to the Shares under this Agreement. In the event Sponsor determines that it cannot convey leasehold title to the Shares appurtenant an Apartment to Purchaser by reason other than Purchaser's default, the Down Payment shall be returned to Purchaser, within 30 business days of Sponsor's notification to Purchaser that it cannot convey leasehold title to such Shares.

6. CLOSING DATE AND PLACE

6.1 The Closing (as defined below) 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.

6.2 Notwithstanding the foregoing, Sponsor reserves the right, in its sole and absolute discretion, to conduct Closings remotely without the personal attendance at a physical location by Sponsor or Purchaser, their respective attorneys, a representative of the Title Company or a representative of Purchaser's lender, if applicable (collectively, "Required Closing Parties"). Therefore, Purchasers should confirm with their title company and lender that they perform and permit remote closings, as certain title companies and lenders may

not perform or permit remote closings. Sponsor shall have no liability as a result of any title company or lender who does not perform or permit remote closings, nor will Purchaser be entitled to any credit, offset or reduction in the Purchase Price of the Shares or otherwise be relieved from any obligation under this Purchase Agreement. After the 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 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. In the event of a remote/escrow Closing, no checks will be accepted in payment of any portion of the Balance or any closing costs, adjustments or fees.

6.3 The term "Closing" or words of similar import, whenever used herein, shall mean the conveyance of the Shares and Proprietary Lease appurtenant to the Apartment from Sponsor to Purchaser.

6.4 The Closing shall only occur with or after compliance with the prerequisites to Closing and the Sections of the Plan entitled "Procedure to Purchase" and "Apartment Closing Costs and Adjustments."

7. DELIVERY OF SHARES AND PROPRIETARY LEASE

7.1 At the Closing, Sponsor shall cause the Apartment Corporation to deliver to Purchaser the Shares, and Purchaser and the Apartment Corporation will enter into the Proprietary Lease for the Apartment, substantially in the form set forth in Part II of the Plan. To the extent there is a credit against the Transfer Tax due in connection with the sale of the Apartment as the result of the Transfer Tax previously paid by Sponsor in connection with the Cooperative Conversion, such credit will inure solely to the benefit of Sponsor. Each Purchaser will be required to pay to Sponsor at Closing, the amount of the credit which may be attributable to Purchaser's Apartment, either by certified check or bank wire, in Sponsor's discretion, as a reimbursement to Sponsor for the Transfer Tax previously paid by Sponsor on the Cooperative Conversion Date. At Closing, Purchaser shall pay any balance of New York State and New York City real property transfer taxes, and New York State Additional Real Estate Transfer Tax, commonly referred to as the "Mansion Tax" (if applicable) (collectively, the "Transfer Taxes"), and Sponsor and Purchaser shall duly complete and signed before a notary public the New York City and New York State Transfer Tax Return Forms and any other forms then required by Law, all of which shall be prepared by Sponsor.

7.2 Purchaser shall indemnify and hold Sponsor harmless from and against any and all liabilities and expenses (including, without limitation, reasonable legal fees and disbursements) incurred by Sponsor by reason of the non-payment or underpayment by Purchaser of any Transfer Taxes in connection with the purchase of the Shares, including penalties and interest, and any additional Transfer Taxes imposed by the New York State Department of Taxation and Finance and the New York City Department of Finance after the Closing. The provisions of this subsection 7.2 shall survive the Closing.

7.3 Sponsor shall deliver to Purchaser a certification stating that the Sponsor and/or the Apartment Corporation is not a foreign person in the form then required by the Internal Revenue Code and (ii) each party shall execute, acknowledge and deliver to the other party such instruments, and take such other actions, as such other party may reasonably request in order to comply with IRS Section 1445, as amended, or any successor provisions or any regulations promulgated pursuant thereto, insofar as the same requires reporting of information in respect of real estate transactions.

7.4 Sponsor and Purchaser shall execute and acknowledge in form for recording or filing such other documents that are reasonably necessary or customary in connection with the conveyance of an

Apartment, including, but not limited to, necessary affidavits, transfer tax forms, reporting information in respect of real estate and/or stock transactions, smoke detector affidavit and window guard notices.

7.5 Purchaser's payment of the Balance of the Purchase Price and acceptance of the Shares and Proprietary Lease to the Apartment 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 21 of the Regulations issued by the Department of Law.

7.6 Purchaser hereby adopts, accepts and approves all terms, conditions and disclosures in the Plan (including, without limitation, the proposed Proprietary Lease, Declaration, By-Laws and House Rules and Regulations and the other Cooperative Documents 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.

8. CLOSING ADJUSTMENTS

8.1 The following adjustments shall be made as of and including the Closing Date with respect to the Apartment:

(a) Maintenance Charges and assessments for the month in which the Closing occurs; and

(b) if Purchaser is occupying the Apartment prior to Closing, accrued rent and any other charges pursuant to a use and occupancy agreement, if any, covering the Apartment.

8.2 Provided Sponsor is ready, willing and able to Close in accordance with this Agreement, if Purchaser fails for any reason to Close on the originally scheduled Closing Date subject to Sponsor's rights under Section 11.2 of this Agreement, (a) the Closing apportionments will be made as of and including the Closing Date, regardless of when the actual Closing occurs, and (b) Purchaser will be required to pay to Sponsor, as a reimbursement of Sponsor's increased carrying costs for the Apartment 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 .03% of the Purchase Price for each day starting from (and including) the originally scheduled Closing Date to (and including) the actual Closing. 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 Shares allocated to the Apartment on the rescheduled Closing Date.

8.3 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.

8.4 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.

9. CLOSING COSTS

In addition to those costs and adjustments described in Article 8 herein, Purchaser shall be required to pay the other closing costs which are a Purchaser's responsibility as more particularly described in the Section of the Plan entitled "Apartment Closing Costs and Adjustments." Such closing costs include, but

are not limited to, New York State Transfer Taxes (including the "Mansion Tax") and New York City Transfer Taxes. All such Closing Costs shall be paid by Purchaser, at Closing, by Purchaser's unendorsed personal certified check, by official bank check or by bank wire transfer, in either event drawn upon a bank that is a member of the New York Clearing House Association.

10. AGREEMENT NOT A LIEN OR ENCUMBRANCE

No lien or encumbrance shall arise against the Property, the Ground Lease, the Apartment Corporation, the Unsold Shares or the Apartment 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 or other loan heretofore or hereafter made, encumbering the Property, the Ground Lease, the Apartment Corporation, the Unsold Shares or the Apartment, 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, and that the provisions of this Agreement are and shall be further subject and subordinate to the Permitted Encumbrances annexed hereto and incorporated herein as Schedule A. 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.

11. DEFAULT BY PURCHASER

11.1 The following shall constitute "Events of Default" hereunder:

(i) Purchaser's failure to close title to the Shares allocated to the Apartment on the scheduled Closing Date; or

(ii) Purchaser's failure to pay when due the Balance of the Purchase Price, 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 the dishonor of any check given by Purchaser to Sponsor; 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 Apartment, Purchaser's failure to pay rent or to otherwise comply with some other lease or occupancy obligation; or

(v) if a judgment or tax lien is filed by Purchaser and Purchaser does not satisfy such judgement or tax lien as of the Closing Date; or

(vi) if Purchaser assigns its rights under this Purchase Agreement (see also Paragraph 22).

11.2 **TIME IS OF THE ESSENCE** with respect to Purchaser's obligations to pay 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 this Agreement, Purchaser and Sponsor will be released and discharged of all further liability and obligations hereunder and under the Plan, and the Apartment may be sold to another as though this Agreement had never been made, and without any obligation to account to Purchaser for any of the proceeds of such sale.

12. 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, as set forth in the Plan. The Plan may be abandoned, at Sponsor's sole option, at any time before the amendment substantiating effectiveness is filed and before Purchase Agreements for eighty percent (80%) of the Apartments have been fully executed and delivered to Purchasers. If the Plan is abandoned or if, after being declared effective, the Plan is not consummated for any reason and Purchaser is not in default under this Agreement beyond any applicable grace period, this Agreement shall be deemed cancelled and the Down Payment, together with 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.

13. FIXTURES, APPLIANCES AND PERSONAL PROPERTY

Only those fixtures, appliances and items of personal property located within the Apartment that are owned by the Sponsor which are described in the Plan as being included in the Apartment are included in this sale. No portion of the Purchase Price shall be attributable to such items. Except as otherwise stated in this Offering Plan, occupied Apartments are being sold "as is" in the condition in which they exist on the Filing Date of this Plan, subject to ordinary wear and tear and further subject to Sponsor's obligation to maintain the Building until the Closing and further subject to Sponsor's obligations to make repairs, improvements or decorations as may be otherwise set forth in this Plan.

14. THE BUILDING; APARTMENT CLOSINGS

14.1 The Building and the Apartment, 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).

14.2 The actual date for the Cooperative Conversion Date or the First Closing is not guaranteed or warranted, and may be earlier or later depending on the progress of the prerequisites recited in the Section of the Plan entitled "Apartment Closing Costs and Adjustments." Purchaser acknowledges that certain Building improvements disclosed by Sponsor 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.

14.3 The Closing shall occur only after, or concurrently with, compliance with the prerequisites set forth under the sections of the Plan entitled "Procedure to Purchase" and "Apartment Closing Costs and Adjustments" 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 Apartment.

15. INSPECTION OF THE APARTMENT

15.1 Upon receipt of the Closing Notice, Purchaser shall arrange an appointment with a representative of Sponsor to inspect the interior of the Apartment, subject to the rights of any tenant or occupant of such Apartment. Purchaser 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 to arrange such appointment, to inspect the interior of the Apartment, 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 Apartment "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" and Sponsor's obligation under the Inspection Statement shall survive delivery of the Shares.

15.2 Any work set forth on the Inspection Statement shall be completed by Sponsor as agreed in writing and the non-completion of any such work shall not be grounds for delaying the Closing. Purchaser will be obligated to provide Sponsor and its contractors, subcontractors, agents and employees, unfettered access to the Apartment and any terraces 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.

16. NO FINANCING CONTINGENCY

16.1 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 Shares 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. Purchaser must provide the Selling Agent with necessary authorization for the Selling Agent to conduct a credit and asset check of the Purchaser.

16.2 In the event that Purchaser finances the purchase of Shares allocated to an Apartment, Purchaser, Purchaser's Lender and the Cooperative Board, shall execute a Recognition Agreement ("Recognition Agreement"). The Recognition Agreement states that the lien of such security interest (as set forth in a Security Agreement) is in all cases subordinate to the lien of the Apartment Corporation for that portion of Maintenance Charges. No Security Agreement on the Shares to an Apartment shall be valid or enforceable against any person unless and until the holder thereof shall have executed and delivered a Recognition Agreement.

17. SMOKING POLICY

All Shareholders are prohibited from smoking in or around any of the Common Areas, as well as and Terraces, and within all Apartments 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, vaping, or otherwise handling or controlling any lit or smoldering product containing tobacco, marijuana or other flammable substance, including, but not limited to, cigarettes, cigars, or pipes.

18. ACCEPTANCE OF APARTMENT CONDITION; DAMAGE TO THE APARTMENT

If between the date of this Agreement and the closing of title to the Shares the Apartment is damaged by fire or other casualty, the following shall apply:

18.1 The risk of loss to the Apartment by fire or other casualty until the earlier of closing of title to the Shares or possession of the Apartment by Purchaser is assumed by Sponsor; provided that Sponsor shall have no obligation or liability to repair or restore the Apartment. If Sponsor elects to repair or restore the Apartment (which election shall be made within 90 days of the damage to the Apartment), 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 possible rights of the Apartment Corporation, 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.

18.2 In the event Sponsor notifies Purchaser that it does not elect to repair or restore the Apartment (which election shall be made within 90 days of the damage to the Apartment), and the Apartment Corporation do not resolve to make such repairs or restoration, this Agreement shall be deemed cancelled and of no further force and effect and Sponsor shall return to Purchaser all Down Payments and other sums deposited by Purchaser hereunder, 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.

18.3 The signing of this Agreement by Purchaser signifies Purchaser's acceptance of the condition of the Property (as represented by Sponsor in the Plan) including the Building, the Apartment and all fixtures, machinery, equipment, furnishings, appliances, installations and other personal property contained therein (hereinafter collectively called "Installations"), in their respective existing conditions, ordinary wear and tear excepted, between the date Purchaser signs this Agreement and delivery of the Proprietary Lease to Purchaser. Purchaser acknowledges having read the section of the Offering Plan entitled Description of Property and Building Condition, located in Part II of the Plan, which sets forth a description of the physical condition of the Building. Purchaser understands that Sponsor has no obligation to make any repairs, improvements or decorations in or to the Property, the Building, the Apartment or the Installations, except as may otherwise be set forth in the Plan. Sponsor has agreed in the Plan to maintain the Building in substantially the same condition they were in on the Filing Date, until the First Closing (subject to ordinary wear and tear between the Filing Date and the First Closing, and subject to Sponsor's right to make alterations, improvements and replacements to the Common Areas and vacant Apartments, as described in this Plan), unless prevented from so doing by reason of acts or events beyond Sponsor's control, as more particularly set forth in the Plan.

18.4 Prior to the Closing of title to the Shares, no Purchaser who is not then a tenant or interim licensee shall be permitted to enter the Apartment without the prior consent of Sponsor. Under no circumstances shall Purchaser perform or cause to be performed any work in such Apartment prior to the Closing.

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 or otherwise, including, but not limited to, any relating to the description or physical condition of the Property, the Building or the Apartment, or the size or the dimensions of the Apartment or the rooms therein contained or any other physical characteristics thereof, the services to be provided to shareholders, the estimated Maintenance allocable to the Apartment, the right to any income tax deduction for any PILOT (or real estate taxes) or mortgage interest paid by Purchaser, the right to any income tax credit with respect to the purchase of the Apartment, or any other data, except as herein or in the Plan specifically represented. Purchaser has relied solely on this Plan and Purchaser's own judgment and investigation in deciding to enter into this Agreement and purchase the Apartment. 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 makes no representation or warranty as to the work, materials, appliances, equipment or fixtures in the Apartment 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 Apartment, without offset or any claim against, or liability of, Sponsor, whether or not any layout or dimension of the Apartment or any part thereof, 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 inaccuracy or error. The provisions of this Article shall survive the Closing.

20. PROHIBITION AGAINST ADVERTISING PRIOR TO CLOSING

Prior to the Closing, a Purchaser is prohibited from listing the Apartment for sale or rental 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 Apartment for sale or rental, 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 Purchaser prior to the Closing shall be a default by Purchaser, entitling Sponsor to the default remedies set forth in this Agreement.

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 Purchaser's 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 Purchaser's Broker. Purchaser agrees that, should any claim be made against Sponsor for commissions by any broker, other than the Selling Agent or the Purchaser's 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, which consent may be unreasonably withheld or delayed. 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. 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 Purchaser's Attorney. If this Agreement is not accepted within 30 days from the delivery to Sponsor of this Agreement executed by Purchaser together with the Down Payment by the delivery to Purchaser of a fully executed counterpart, this Agreement shall be deemed to have been rejected and cancelled and the Down Payment 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. 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 Notwithstanding any provisions to the contrary set forth in the Purchase Agreement or the Plan, Sponsor and/or Sponsor's Attorney, as well as Purchaser and Purchaser's Attorney, may give any notices set forth in the Purchase Agreement by electronic mail to Purchaser and Purchaser's Attorney, or Sponsor and Sponsor's Attorney, as the case may be, without copies sent by mail, personal delivery or overnight courier, and such notices shall be deemed valid notices pursuant to the Purchase Agreement and the Plan. Electronic mail shall be deemed valid if (i) a delivery receipt confirming the electronic mail was delivered to the recipient's email server is received, (ii) a read receipt confirming the recipient viewed the message is received, (iii) an email confirming receipt is provided by the recipient, or (iv) the recepient confirmed receipt via telephone. Purchasers and their attorneys are advised to activate the delivery receipt and read receipt options in their email settings.

24.3 Each party to this Agreement and their respective attorneys shall notify one another, as provided above, about any change of address or designation of address that may occur prior to the Closing.

24.4 The postmark date on the mailing envelope shall be deemed to be the date of the giving of notice, except that the date of actual receipt shall be deemed to be the date of the giving of any notice of change of address.

24.5 Sponsor hereby designates and empowers 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.

24.6 Purchaser hereby designates and empowers the 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

In the event that any obligation or undertaking required by Sponsor under the Purchase Agreement (including without limitation any fully-executed rider hereto) is prevented, delayed or hindered by Force Majeure, Sponsor's time to perform such obligation or undertaking shall be tolled for the length of the duration of the Force Majeure event and such tolling shall not entitle Purchaser to any credit, offset, or reduction in Purchase Price or to be relieved of any other obligation under the Purchase Agreement. However, none of Purchaser's rights under the applicable regulations promulgated by the Attorney General, Article 23 of the General Business Law or under the Plan shall be abridged by virtue of Force Majeure except as determined in a final decision or order by a court of competent jurisdiction or any governmental agency, or by executive order. **Purchasers are specifically advised that the timing of the closing of title to the Unit may be significantly delayed in the event that Sponsor exercises its tolling rights under the foregoing Force Majeure provision. The Attorney General recommends that Purchasers consult with their attorneys as to: (i) whether there exists a final decision or order by a court of competent jurisdiction or any governmental agency, or executive order that impacts the timing of Purchaser's obligations under the Purchase Agreement; and (ii) any risks associated with executing a Purchase Agreement containing the foregoing Force Majeure provision prior to executing the Purchase Agreement**.

27. STATUTE OF LIMITATIONS FOR CLAIMS AGAINST SPONSOR AND ITS PRINCIPALS

27.1 Purchasers are advised that, pursuant to the terms of the Plan and the provisions of this Purchase Agreement, the statute of limitations to bring a claim or commence an action against Sponsor is contractually modified as follows: (1) individual Shareholders shall have 3 years from the date of closing of the respective Apartment to commence an action or special proceeding against Sponsor, and (2) the Board shall have 3 years from the First Closing to commence an action or special proceeding.

27.2 Under no circumstances shall any amendment to the Plan extend the statute of limitations, whether that statute of limitations be a modified statute of limitations as addressed herein, or a statute of limitations as provided by applicable Law, for Shareholders or the Board to commence an action or special

proceeding against Sponsor, and nothing herein shall limit or modify the ability of any governmental authority to pursue a claim against Sponsor. Moreover, Sponsor is not modifying any statute of limitations regarding the amount of time permitted under the New York State Civil Practice Law and Rules to collect on a court-ordered judgement, should one be awarded to a Shareholders or the Board, as the case may be.

27.3 **Purchasers are advised that modifications to the statute of limitations are permissible if they are deemed to be reasonable, therefore it is possible that such modification may be found to be unreasonable by a court of law.** However, various courts have upheld modifications to statutes of limitations as reasonable, including those involving the sale of cooperative interests in realty. See *John J. Kassner & Co. v. City of N.Y.*, 46 N.Y.2d 544, 551 (1979); *USA United Holdings, Inc. v. Tse-Peo, Inc.*, 23 Misc. 3d 1114(A), at *4 (Sup. Ct. Kings Cty. 2009); *Top Quality Wood Work Corp. v. City of N.Y.*, 191 A.D.2d 264, 264 (1st Dep't 1993); and *Rudin v. Disanza*, 202 A.D.2d 202, 203 (1st Dep't 1994). **Purchasers should discuss this provision with their attorney prior to executing a Purchase Agreement.**

27.4 **Purchasers are further advised that nothing herein shall modify the statute of limitations for the Department of Law to bring a claim against Sponsor under the Martin Act.**

27.5 The Provions of this Article 27 shall survive the Closing.

28. FURTHER ASSURANCES

Either party shall execute, acknowledge and deliver to the other party such instruments, and take such other actions, in addition to the instruments and actions specifically provided for herein, as such other party may reasonably request in order to effectuate the provisions of this Agreement or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

29. BINDING EFFECT OF APARTMENT CORPORATION BY-LAWS, PROPRIETARY LEASE AND RULES AND REGULATIONS

Purchaser hereby accepts and approves the Plan (including the Proprietary Lease, Apartment Corporation By-Laws and Rules and Regulations of the Apartment Corporation contained therein) and agrees to abide and be bound by the terms and conditions thereof.

30. 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 30 shall survive the Closing or earlier termination of this Agreement.

31. WAIVER OF JURY

PURCHASER HEREBY WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM INVOLVING ANY MATTER WHATSOEVER ARISING OUT OF, OR IN ANY WAY CONNECTED WITH THIS PURCHASE AGREEMENT OR THE RELATIONSHIP OF THE PARTIES AS PURCHASER AND SPONSOR, OR THE RIGHT OF PURCHASER TO ANY STATUTORY RELIEF OR REMEDY. PURCHASER, ON BEHALF OF PURCHASER AND

ALL RESIDENTS OF THE APARTMENT, INCLUDING MINOR CHILDREN, HEREBY AGREES THAT ANY AND ALL DISPUTES WITH SPONSOR, SPONSOR'S PARENT COMPANY OR ITS SUBSIDIARIES OR AFFILIATES ARISING OUT OF THE APARTMENT, THIS PURCHASE AGREEMENT, ANY OTHER AGREEMENTS, COMMUNICATIONS OR DEALINGS INVOLVING PURCHASER, OR THE CONSTRUCTION OR CONDITION OF THE APARTMENT INCLUDING, BUT NOT LIMITED TO, DISPUTES CONCERNING BREACH OF CONTRACT, EXPRESS AND IMPLIED WARRANTIES, PERSONAL INJURIES AND/OR ILLNESS, MOLD-RELATED CLAIMS, REPRESENTATIONS AND/OR OMISSIONS BY SPONSOR, ON-SITE AND OFF-SITE CONDITIONS AND ALL OTHER TORTS AND STATUTORY CAUSES OF ACTION ("CLAIMS") SHALL BE RESOLVED BY BINDING ARBITRATION IN NEW YORK COUNTY IN ACCORDANCE WITH THE RULES AND PROCEDURES OF ARBITRATION OF JAMS OR ITS SUCCESSOR OR AN EQUIVALENT ORGANIZATION MUTUALLY AGREED UPON BY THE PARTIES. IN ADDITION, PURCHASER AGREES THAT PURCHASER MAY NOT INITIATE ANY ARBITRATION PROCEEDING FOR ANY CLAIM(S) UNLESS AND UNTIL PURCHASER HAS FIRST GIVEN SPONSOR SPECIFIC WRITTEN NOTICE OF EACH CLAIM (AT 1050 FRANKLIN AVENUE, GARDEN CITY, NEW YORK 11530, ATTN: DISPUTE RESOLUTION) AND GIVEN SPONSOR A REASONABLE OPPORTUNITY AFTER SUCH NOTICE TO CURE ANY DEFAULT, INCLUDING THE REPAIR OF THE APARTMENT, IN ACCORDANCE WITH THE OFFERING PLAN. THE PROVISIONS OF THIS PARAGRAPH SHALL BE GOVERNED BY THE PROVISIONS OF THE FEDERAL ARBITRATION ACT, 9 U.S.C. §1, ET SEQ. AND SHALL SURVIVE SETTLEMENT. THE PROVISIONS OF THIS SECTION 34 SHALL SURVIVE THE CLOSING OF TITLE TO THE SHARES.

Arbitration is a less formal method of resolving disputes than litigation in a court, and arbitration has certain limitations, as compared to litigation in court. Such limitations include, but are not limited to, (i) giving up the right to bring a legal action against one another in court, except as may be provided by the rules of the arbitration forum in which a claim is filed; (ii) limiting the ability of the parties to obtain documents and perform discovery; (iii) arbitrators may not have to explain the reasons for their award; (iv) a notice of pendency may not be filed against a property based on ongoing arbitration proceedings.

As with litigation, certain time limits are imposed for bringing a claim in litigation.

Arbitration awards are generally binding and, therefore, a party's ability to have a court reverse an arbitration award is limited (see New York Civil Practice Law and Rules §7511). PURCHASER SHALL BE OBLIGATED TO REIMBURSE SPONSOR FOR ANY LEGAL FEES AND DISBURSEMENTS INCURRED BY SPONSOR IN DEFENDING SPONSOR'S RIGHTS AND ENFORCING PURCHASER'S OBLIGATIONS UNDER THIS PURCHASE AGREEMENT.

For further information about arbitration, please visit www.adr.org.

The provisions of this Section 31 shall survive the closing of title to the Shares or the cancellation of this Purchase Agreement.

32. SALE SUBJECT TO EXISTING TENANCY

32.1 The following is applicable to Purchasers of Apartments occupied by others: Complete the following only if Purchaser is not the tenant of the Apartment:

Apartment is Vacant: Yes ( )No ( )

Apartment is Occupied by
a Non-Purchasing Tenant: Yes ( )No ( )

If Apartment is Occupied: Monthly Rent: $_____

Current Ground Lease Term Expires: _____
or month-to-month ( )

Rent Security: $_____

32.2 Purchaser understands and agrees that the Apartment being sold hereunder is subject to the lease or tenancy of the present tenant and Section 352-eeee of the New York State General Business Laws (the "GBL") as explained more fully in the Plan under the Section entitled "Rights of Existing Tenants", and Purchaser and Purchaser's successors and assigns shall continue to be bound by such laws and regulations so long as such occupancy continues.

32.3 Purchaser further understands that, as explained in the Plan, if a Non-Purchasing Tenant is in possession of the Apartment on the Closing Date hereunder, Purchaser will assume the rights and obligations of Sponsor as the landlord of such tenant, including the right to collect rent (whether the same be greater or less than the Maintenance established from time to time by the Apartment Corporation) and the obligation to repair, maintain and paint the Apartment Corporation (including its equipment and appliances) for the benefit of the existing tenant. From and after delivery of the Shares and Proprietary Lease, Purchaser alone will bear the entire costs and expenses of owning the Apartment including, but not limited to, any legal fees and litigation expenses for enforcing the lease and obtaining possession of the Apartment).

32.4 Purchaser understands that if the tenant of the Apartment exercises any right granted under the Plan (or any amendment thereto) or under the Rent Laws or GBL or other applicable law, which may or may not exist as of the date of this Agreement, or any administrative or judicial interpretation thereof, to purchase the Apartment, then upon the closing of such purchase, this Agreement shall be deemed canceled and, within thirty (30) days after the occurrence of such event, all monies paid by Purchaser hereunder shall be refunded. Upon such repayment, Purchaser, Sponsor, and the Selling Agent, and any other party hereto shall be (and hereby are) released and discharged of all liability or obligations hereunder and under the Plan.

32.5 Purchaser hereby irrevocably appoints the then managing agent of the Building (which managing agent may be replaced from time to time by the Apartment Corporation) as his agent, coupled with an interest, to provide for the account and at the expense of Purchaser, all services and facilities required by Law on a non-discriminatory basis, to the Non-Purchasing Tenant who has the right to occupy the Apartment. Purchaser is purchasing until such time as such right of occupancy terminates. Purchaser agrees to deposit with the managing agent at the Closing hereunder a sum not less than an amount equal to two (2) months Maintenance to be used as working capital to furnish service and facilities required under the Non-Purchasing Tenant's lease and those required by the GBL. Purchaser agrees that upon written notice by the then managing agent that such deposit has been diminished, that Purchaser shall replenish such fund within thirty (30) days thereafter. Purchaser further understands that Sponsor will guarantee the obligation of the then managing agent to provide all such services and facilities until such time as Sponsor surrenders control of the Apartment Corporation and Purchaser will indemnify Sponsor for all costs expended by Sponsor on Purchaser's behalf. The provisions of this Section 32.5 shall survive the Closing.

32.6 If Purchaser is or hereafter becomes a tenant of the Apartment, Purchaser's unapplied rent security deposit, if any, will be refunded to Purchaser together with any interest earned thereon, within 45 calendar days following the Closing, provided Purchaser is not in default under Purchaser's lease or tenancy obligations. If the Apartment is occupied by a tenant other than Purchaser, then the unapplied security deposit

(if any) of the tenant or occupant will be transferred at closing to Purchaser, who will upon receipt, sign and deliver to Sponsor an agreement acknowledging the amount received, indemnifying Sponsor from all liability in connection therewith and agreeing to hold such security deposit in trust and to deposit same in an interest bearing account pursuant to the provisions of Section 7-103 of the New York General Obligations Law (such agreement to be in form and substance satisfactory to Sponsor). In either event, Sponsor will have the right to deduct from the tenant's security deposit the amount of any rent arrearage owing to Sponsor and to Sponsor reserves the right to sue the tenant to the extent such rent security is insufficient.

33. TENANT IN OCCUPANCY'S RIGHT TO BENEFIT FROM IMPROVED TERMS

If prior to the expiration of any Exclusive Purchase Period, Sponsor amends the terms and conditions of the Plan to be more favorable to a Tenant in Occupancy, then if Purchaser is a Tenant in Occupancy who executed and submitted this Agreement and the Down Payment before Sponsor amended the terms of the Plan, Purchaser shall benefit from the more favorable terms and conditions.

34. TENANT IN OCCUPANCY'S RIGHT TO PURCHASE THE SHARES

A Tenant in Occupancy who is residing in the Apartment on the Presentation Date of an amendment to the Plan in which Sponsor offers an exclusive period in which to purchase the Shares shall have the right to purchase such Shares appurtenant to the Apartment during any such exclusive purchase period, even if a Purchase Agreement for the Shares appurtenant to such Apartment that has been executed by an outside purchaser is in full force and effect. IF SUCH TENANT IN OCCUPANCY TIMELY EXERCISES SUCH RIGHT TO PURCHASE THE SHARES, THE OUTSIDE PURCHASER SHALL BE SO NOTIFIED, THE PURCHASE AGREEMENT SHALL BE AUTOMATICALLY DEEMED NULL AND VOID, AND THE OUTSIDE PURCHASER'S DOWN PAYMENT, PLUS ALL ACCRUED INTEREST, SHALL BE PROMPTLY RETURNED TO OUTSIDE PURCHASER WITHOUT ANY FURTHER RECOURSE TO PURCHASER, AND WITHOUT ANY FURTHER OBLIGATION ON THE PART OF SPONSOR.

35. PURCHASER'S REPRESENTATIONS

35.1 If Purchaser was a Tenant in Occupancy of an Apartment in the Building on the Filing Date of the Plan, Purchaser hereby represents that this Agreement was executed and delivered by Purchaser pursuant to an offering made without a discriminatory purchase agreement or other discriminatory inducement.

35.2 If the Apartment to which this Agreement relates is not occupied by Purchaser, Purchaser shall duly complete and sign before a notary public, the Affidavit of Bona fide Non-Tenant Purchaser for Purposes of Declaring Offering Plan Effective set forth as **Exhibit B** hereto and deliver same to the Sponsor together with this Agreement.

35.3 If the Apartment to which this Agreement relates is occupied by Purchaser, Purchaser shall duly complete and sign before a notary public, the Affidavit of Bona fide Tenant Purchaser for Purposes of Declaring Offering Plan Effective set forth as **Exhibit C** hereto and deliver same to the Sponsor together with this Agreement.

35.4 In connection with the Plan being declared effective, Purchaser agrees that, in the event Purchaser is contacted by the Department of Law and is required to complete and return to the Department of Law any additional information concerning the intended occupancy of the Apartment and/or to otherwise cooperate with the Department of Law in any inquiry into the intended occupancy of the Apartment, Purchaser shall fully cooperate in such inquiry.

35.5 If Purchaser fails to (i) complete and return to the Department of Law the affidavit referred to in Sections 35.2 or 35.3 hereof, as applicable, as and when required; (ii) deliver any and all additional information the Department of Law may require; and (iii) otherwise cooperate in any inquiry the Department of Law may initiate into the intended occupancy of the Apartment, Purchaser will be deemed to have committed a default under this Agreement, entitling Sponsor to all rights and remedies, including, without limitation, the right to retain, as and for liquidated damages, the entire Down Payment and any interest earned on the Down Payment.

35.6 The provisions of this Article 35 shall survive the Closing or termination of this Agreement.

36. 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.

37. 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.

38. 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.

39. 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.

40. 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 purchase of the Apartment and the Purchase Price thereunder, but not the identity of Purchaser or its principals. Sponsor and Purchaser agree that any information which is required to be disclosed to the parties respective lawyers, brokers, architects/engineers, accountants, 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.

41. 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.

42. 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.

43. 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.

44. GOVERNING LAW

The provisions of this Agreement shall be governed by and construed in accordance with the internal laws of the State of New York applicable to agreements made and to be performed wholly in the State of New York, without regard to principles of conflicts of law.

45. 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.

46. 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.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

PURCHASER(S):

_____
(signature)

_____
(signature)

SPONSOR:

River Terrace Associates, LLC

By: _____
Name:
Title:

EXHIBIT A

RIDER TO PURCHASE AGREEMENT RE: ESCROW PROVISIONS

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

Re: Apartment No: ___ ("Apartment") # Shares _____
The 20 River Terrace Apartment Corporation
20 River Terrace
New York, New York 10282 ("Apartment Corporation")

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 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 rider to the Purchase Agreement or other provision of the 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.

The law firm of Seiden & Schein, P.C., with an address at 570 Lexington Avenue, 14th Floor, New York, New York 10022, telephone number (212) 935-1400, shall serve as escrow agent ("Escrow Agent") for Sponsor and Purchaser.

The Escrow Agent has established the escrow account at Bank Leumi USA having an office at 579 Fifth Avenue, New York, New York 10017 and Signature Bank located at 200 Park Avenue South, Suite 501, New York, New York 10003 (the "Bank"), a bank authorized to do business in the State of New York. The escrow account is entitled Seiden & Schein, P.C., Attorney Account ("Escrow Account"). All Tenant Purchaser deposits and Down Payments shall be deposited in the same bank. The signatories on the at Bank Leumi USA Escrow Account authorized to withdraw funds are Jay G. Seiden, Esq., Alvin Schein, Esq., Adam A. Levenson, Esq., and David Lu, Esq., each of whom has an office at 570 Lexington Avenue, 14th Floor, New York, New York 10022. The signatories on the Signature Bank Escrow Account authorized to withdraw funds are Jay G. Seiden, Esq., Alvin Schein, Esq., and Adam A. Levenson, Esq., each of whom has an office at 570 Lexington Avenue, 14th Floor, New York, New York 10022. All designated signatories are admitted to practice law in the State of New York. Neither the Escrow Agent nor any authorized

signatories on the account are the Sponsor, Selling Agent, Managing Agent, or any principal thereof, or have any beneficial interest in the Escrow Account.

All Down Payments properly made payable to "Seiden & Schein, P.C., as Escrow Agent" will be placed in the Escrow Account within 5 business days after tender by Purchaser to Sponsor.

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 Sponsor at the time Purchaser tenders the D Down Payment and the Purchase Agreement. 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.

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 Payment as per GBL § 352-h.

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 tender of the Down Payment. If Purchaser does not receive notice that the Down Payment has been placed in the Escrow Account within 15 business days after tender of the 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 tender or crediting of the 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, 21st Floor, New York, New York 10005. Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Down Payment was timely deposited and requisite notice was timely mailed to Purchaser in conformity with the Attorney General's regulations. Escrow Agent will not be required to send the letter referred to above to each Purchaser in connection with any subsequent payments tendered by Purchaser after the Down Payment (or 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 rider to the Purchase 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) 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. 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. No representation is made with respect to any further changes in Law which may increase or decrease such limit.

The Down Payment may be tendered by Purchaser to Sponsor by either personal delivery, delivery by messenger or courier service or mailed by certified mail, return receipt requested, overnight courier or express

mail service. The Down Payment shall be deemed tendered by Purchaser on the date it is actually received by Sponsor.

Acceptance of the Down Payment by Sponsor and the Down Payment 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 executes a duplicate thereof and delivers the Purchase Agreement to Purchaser in accordance with the terms of the Plan. All Down Payments made by check are subject to collection.

If a Purchaser tenders 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 tender, 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. In the event a Down Payment or portion thereof is delivered by wire transfer to Escrow Agent, any wiring fees charged by the initiating and/or receiving banks will be Purchaser's obligation.

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 the Down Payment. All interest will be credited to Sponsor only in the event there is a Consummation of the Plan (as such term is defined in the Attorney General's regulations) and Purchaser defaults. The interest rate to be earned will be the prevailing rate for these accounts. As of the Filing Date, the interest rate for the Escrow Bank is less than 0.05%. The interest rate is subject to change by the Escrow Bank. Sponsor makes no guarantee 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.

All instruments shall be made payable directly to the order of "Seiden & Schein, P.C., as Escrow Agent." Endorsed instruments will not be accepted.

If a check delivered by a Purchaser fails for collection, the Purchase Agreement will be deemed void ab initio (as if the Purchase Agreement had never been executed).

Sponsor or its agents, shall deliver to Escrow Agent all Down Payments within two (2) business days of tender of the Down Payment 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.

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 Shares; 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; or

(iv) pursuant to an award issued upon the completion of binding arbitration.

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 Apartment Corporation is located and shall give written notice to both parties of such deposit.

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 to the Shares 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.

Annexed to the Purchase Agreement in Part II of the Plan is a copy of the form of escrow rider 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 rider to the Purchase 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 rider to the Purchase Agreement. Escrow Agent shall be permitted to act as counsel to Sponsor in any dispute as to the disbursement of the Down Payment or any other dispute between Sponsor and a Purchaser whether or not Escrow Agent is in possession of the Down Payment 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 rider to the Purchase Agreement or the performance or non-performance of Escrow Agent's duties under the escrow rider to the Purchase Agreement, except with respect to actions or omissions taken or suffered by Escrow Agent in bad faith or in willful disregard of the escrow rider to the Purchase 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 rider to the Purchase Agreement. Escrow Agent's fees and disbursements will neither be paid by Sponsor from the Down Payment nor deducted from the Down Payment 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:

River Terrace Associates LLC

By: _____
Name:
Title:

ESCROW AGENT:

Executed solely in connection with the provisions set forth in this Escrow Rider.

SEIDEN & SCHEIN, P.C.

By: _____
Name:
Title:

EXHBIT B

Affidavit of Bona fide Non-Tenant Purchaser
For Purposes of Declaring Offering Plan Effective

Purchaser Name(s):

_____

_____

20 River Terrace
New York, New York 10282

File No.: CD18-_____

Apartment No.: _____

No. of Shares: _____

Purchase Price: _____

Down Payment: _____

STATE OF NEW YORK)
) SS.:
COUNTY OF _____)

I/We, as the Purchaser under the Offering Plan for the above-referenced Apartment hereby affirm, under the penalty of perjury, the following information:

1. I or one or more members of my immediate family intend to reside in the Apartment (if the Apartment is vacant), or, if the Apartment is occupied by a tenant, when it becomes vacant.

2. I/we represent that I/we are not purchasing the Apartment as an accommodation to, or for the account or benefit of the sponsor or principals of Sponsor.

3. I/we have duly executed a Purchase Agreement and have paid the Down Payment as required in the Offering Plan and any amendment thereto.

4. The Purchase Agreement I/we have executed for the above-referenced Apartment does not contain any right of rescission that has not yet expired or been waived.

5. The Purchase Agreement I/we have executed for the above-referenced Apartment does not permit the assignment or transfer of the rights afforded therein without the Sponsor's prior consent [*If an assignment has been granted for purposes of transferring the rights to an ownership entity such as an LLC or trust on behalf of the Purchaser, state so below*].

_____

_____

6. I/We signed the Purchase Agreement for the above-referenced Apartment in good faith, without fraud and with no discriminatory purchase agreements or other discriminatory inducements.

7. I/we am/are not the Sponsor, selling agent, or a principal of the Sponsor, the selling agent or the managing agent nor am/are I/we related to the Sponsor, selling agent or the managing agent or any principal of the Sponsor, the selling agent or the managing agent by blood, marriage or adoption, or as a business associate, an employee, a shareholder or a limited partner, or member thereof.

_____

Sworn to before me this

____ day of _____, 20___

_____

NOTARY PUBLIC

_____

Sworn to before me this

____ day of _____, 20___

_____

NOTARY PUBLIC

EXHBIT C

Affidavit of Bona fide Tenant Purchaser

For Purposes of Declaring Offering Plan Effective

Purchaser Name(s):

_____

_____

20 River Terrace
New York, New York 10282

File No.: CD18-_____

Apartment No.: _____

No. of Shares: _____

Purchase Price: _____

Down Payment: _____

STATE OF NEW YORK)

) SS.:

COUNTY OF _____)

I/We, as the Purchaser under the Offering Plan for the above-referenced Apartment, hereby affirm, under the penalty of perjury, the following information:

1. I/We [am/are] [a] bona fide purchaser[s] because I/we [was/were] either (a) a bona fide tenant in occupancy on the Filing Date; or (b) a bona fide tenant with the right to renew a lease on the Filing Date; or (c) a bona fide tenant who has the right to continued occupancy on the Filing Date; or (d) a bona fide tenant of record with an unexpired lease on the Filing Date even though the tenant has sublet the Apartment or the Apartment is not the Tenant in Occupancy's primary Apartment; or (e) a bona fide sublessee in occupancy on the Filing Date, if such sublessee sublets from a non-bona fide tenant, or has obtained written permission to purchase the Apartment from the bona fide tenant of record; or (f) an occupant on the Filing Date entitled to protection under Article 7C of the Multiple Dwelling Law. I/we [am/are] [a] purchaser[s] who intends that I/we or one or more members of my/our immediate family members intend[s] to occupy the Apartment when it becomes vacant.

2. I/we represent that I/we am/are not purchasing the Apartment as an accommodation to, or for the account or benefit of the sponsor or principals of Sponsor.

3. I/we have duly executed a Purchase Agreement and have paid the Down Payment as required in the Offering Plan and any amendment thereto.

4. The Purchase Agreement I/we have executed for the above-referenced Apartment does not contain any right of rescission that has not yet expired or been waived.

5. The Purchase Agreement I/we have executed for the above-referenced Apartment does not permit the assignment or transfer of the rights afforded therein without the Sponsor's prior consent.

   5a. For *Tenants in Occupancy who have assigned their Purchase Agreement, distinguish between an assignment that is for purposes of transferring the rights to an ownership entity such as an LLC or trust on behalf of the purchaser, if applicable*]:_____
   _____

   5b. i. The Purchase Agreement was signed by Purchaser as a bona fide Tenant in Occupancy in the above-referenced Property; and

      ii. In the event that Sponsor consents to an assignment of this Purchase Agreement, I/we shall obtain an affidavit from the assignee which states that such assignment was not procured by the Sponsor, selling agent, or the managing agent of the property, and I/we represent that I/we or a specified member of his or her immediate family will personally occupy the dwelling unit.

6. I/We signed the Purchase Agreement for the above-referenced Apartment in good faith, without fraud and with no discriminatory purchase agreements or other discriminatory inducements.

7. I/we am/are not the Sponsor, selling agent, or a principal of the Sponsor, the selling agent or the managing agent nor am/are I/we related to the Sponsor, selling agent or the managing agent or any principal of the Sponsor, the selling agent or the managing agent by blood, marriage or adoption, or as a business associate, an employee, a shareholder or a limited partner, or member thereof.

_____

Sworn to before me this

____ day of _____, 20___

_____

Notary Public

Sworn to before me this

____ day of _____, 20___

_____

Notary Public

APARTMENT PROPRIETARY LEASE

PROPRIETARY LEASE

THE 20 RIVER TERRACE APARTMENT CORPORATION

The Apartment Corporation

TO

_____,

Shareholder

PROPRIETARY LEASE

APARTMENT NO: _____
NO. OF SHARES: _____
TERRACE(S) _____

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DEFINITIONS

Definitions of certain important terms used in this Proprietary Lease are set forth below:

"Additional Maintenance Charges"	Sums due and payable by Shareholder to or on behalf of the Apartment Corporation under the terms of the Proprietary Lease, including, but not limited to, Special Assessments, fines, penalties, interest, late charges and reasonable attorney's fees.
"Apartment"	Any of the Apartments described in Schedule A and on the Floor Plans. All such Apartments are, collectively, referred to as "Apartments."
"Apartment Corporation"	The 20 River Terrace Apartment Corporation.
"BPCA"	Battery Park City Authority, and its successors and assigns.
"Building"	The structure located at 20 River Terrace, New York, New York.
"Closing"	The time, place and procedure by which the leasehold interest in the Shares allocated to the Apartment in question is conveyed to a Purchaser pursuant to a fully executed Purchase Agreement.
"Closing or Closing Date"	The date upon which a Closing occurs.
"Common Areas"	The Land and all parts of the Building, including their foundations, roofs, and support, other than Apartments.
"Cooperative Board, "Board of Directors" and "Board"	The governing body of the Apartment Corporation which conducts the affairs and supervised the operations of the Apartment Corporation.
"Cooperative Conversion Date" or "Cooperative Conversion"	The date the Lease will be assigned by the Sponsor to the Apartment Corporation. The Lease is a so-called "net lease," meaning that the Apartment Corporation, as tenant thereunder, following the Cooperative Conversion Date, will be responsible for the payment of all expenses relating to the maintenance and operation of the Property.
"Department of Law"	The New York State Department of Law.
"Emergency"	A situation or condition posing imminent threat or harm to Persons or the Property or the suspension or material diminution of any necessary service or utility to the Property.
"First Closing"	The first Closing with a Purchaser of an Apartment.
"Floor Plans"	The floor plans of the Apartments and Building certified by a registered architect or licensed professional engineer.

"GBL"	Section 352-e and 352-eeee of the New York State General Business Law.
"Ground Lease" or "Lease"	The ground lease for the Property between Sponsor and Battery Park City Authority ("BPCA") dated as of April 4, 2001, as amended by that certain Amendment to Lease, dated July 8, 2002, and that certain Second Amendment to Lease dated October 22, 2002, for a term of approximately sixty-eight (68) years.
"Ground Lease Lessee"	Sponsor under the Ground Lease with Battery Park City Authority ("BPCA"). The Ground Lease Lessee shall be the Apartment Corporation after the Cooperative Conversion Date.
"Ground Lease Lessor"	Battery Park City Authority ("BPCA") under the Ground Lease with Sponsor.
"Guest"	A non-pyaing occupant of an Apartment, and not an occupant living in the Apartment pursuant to an arrangement that involves money or other consideration in exchange for occupancy.
"Holder of Unsold Shares"	Any Person designated by Sponsor to hold Shares to any Apartment. Sponsor's statement in writing that a Person is a Holder of Unsold Shares shall be conclusive evidence of such status so as to entitle such Person to all the rights of a Holder of Unsold Shares under the Offering Plan. A Holder of Unsold Shares shall have the right to designate a Person to succeed to its rights and any such designee shall also be deemed a "Holder of Unsold Shares".
"Immediate Family Member"	The spouse, domestic partner, their children, stepchildren, grandchildren, siblings, stepsiblings, aunts, uncles, nieces, nephews, parents, stepparents, parents-in-law and grandparents of a Shareholder who reside in such Shareholder's Apartment.
"Land"	All that certain tract, plot, piece and parcel of land situate, lying and being in the City, County and State of New York, on which the Building is constructed.
"Landlord"	Battery Park City Authority or the landlord at the time in question under the Lease.
"Law"	The laws and ordinances of any or all of the Federal, New York State, New York City, and New York County governments, the rules, regulations, orders and directives of any or all departments, subdivisions, bureaus, agencies, or offices thereof or of any other governmental, public, or quasi-public authorities having jurisdiction over the Property and/or the Apartment Corporation, and/or the direction of any public officer pursuant to law.
"Maintenance Charges"	Each Apartment's proportionate share of the Maintenance Expenses in accordance with its Share Allocation.
"Maintenance Expenses"	Costs and expenses incurred or projected in connection with the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, the Common Areas.

"Managing Agent"	A person employed by the Cooperative Board pursuant to Article 2, Section 2.3 of the By-Laws, who shall undertake to perform the duties and services that the Cooperative Board shall direct and who shall have whatever powers the Apartment Corporation shall delegate, subject to the limitations contained in such Section of the By-Laws.
"Offering Plan" or "Plan"	The document filed with the New York State Department of Law which describes the Apartment Corporation property and pursuant to which individual Apartments in the Apartment Corporation are offered for sale, as the same may be amended from time to time.
"Parking Garage"	A parking garage designated as the Parking Garage in the Plan, which will be subleased to Sponsor.
"Purchaser's Lender"	The holder of a security interest in the Shares allocated to an Apartment pursuant to a Security Agreement.
"Permitted Occupant"	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 Shareholder who has permission to use an Apartment and/or a portion of the Common Area, subject to the terms of the Proprietary Lease and By-Laws of the Apartment Corporation, whether written or oral, granted by: (i) a Shareholder in the case of such Shareholder's Apartment; or (ii) the Board; or (iii) the Proprietary Lease and By-Laws of the Apartment Corporation; or (iv) Sponsor or Holders of Unsold Shares.
"Person"	A natural person, corporation, partnership, limited liability company, association, trustee, or other legal entity.
"Property"	Means and includes the Land, the Building and all other improvements thereon, and all easements, rights and appurtenances belonging thereto, and all other property, personal or mixed, intended for use in connection therewith, which have been or are intended to be submitted to the cooperative ownership.
"Proprietary Lease"	The lease between the Apartment Corporation, as the Apartment Corporation, and a Shareholder, as Shareholder, permitting occupancy of the Apartment to which Shares have been allocated, as the same may be amended from time to time.
"Purchase Agreement"	The agreement to purchase an Apartment pursuant to the Offering Plan.
"Purchaser"	Any Person who has entered into a Purchase Agreement with Sponsor to purchase an Apartment and is not in default thereunder.
"Recognition Agreement"	An agreement between Purchaser, Purchaser's Lender and the Cooperative Board, stating that the lien of Purchaser's Lender against the Shares allocated to an Apartment (as set forth in a Security Agreement) is in all cases subordinate

	to the lien of the Apartment Corporation for that portion of Maintenance Charges.
"Resident Manager's Apartment"	The Apartment designated for use and occupancy by the Building's resident manager.
"Rules and Regulations"	The rules and regulations of the Apartment Corporation, which are annexed as an addendum to the By-Laws, as any of the same may be amended, modified, added to, or deleted from time to time pursuant to the terms of the By-Laws, provided that they are not in conflict with the terms of the By-Laws.
"Security Agreement"	An agreement between Purchaser and Purchaser's Lender securing an interest in the Shares allocated to an Apartment, as evidenced by a UCC-1, provided that Purchaser's Lender executes and delivers a Recognition Agreement and complies with all provisions of the Lease.
"Shares"	The shares of the Apartment Corporation which the Cooperative Board is authorized to issue pursuant to the Certificate of Incorporation of the Apartment Corporation. All such shares shall have a par value of $1.00 each.
"Share Allocation"	The Shares of the Apartment Corporation allocated to each Apartment based on floor space, subject to the location of such space and the additional factors of relative value to their space in the Building, uniqueness of the Apartment, and the availability of the additional space for exclusive or shared use and the overall dimensions of the particular Apartment.
"Shareholder"	An owner of Shares allocated to, and the Shareholder under the terms of a Proprietary Lease for, an Apartment. All such owners are collectively referred to as the "Shareholders."
"Special Assessments"	The special Maintenance Charges allocated and assessed by the Cooperative Board to the Shareholders, pro rata, in accordance with their respective Share Allocation (except as otherwise provided in the By-Laws).
"Sponsor"	River Terrace Associates, LLC, its designees, successor and assigns.
"Sponsor Control Period"	The period in which Sponsor shall control the Cooperative Board, which shall be until the later of (i) the date upon which Sponsor owns 50% or less of Shares allocated to Apartments; or (ii) five (5) years from the First Closing.
"Tenant"	The tenant under the Ground Lease, which is the Sponsor, and shall be the Apartment Corporation from and after the First Closing.
"Underlying Mortgages"	Any mortgages held by the Apartment Corporation that encumber the Property.
"Unsold Shares"	Any Shares allocated to an Apartment owned by Sponsor or a Holder of Unsold Shares at the time in question.

PROPRIETARY LEASE, made as of _____ __, 20__ by and between The 20 River Terrace Apartment Corporation, a New York Corporation formed pursuant to the Business Corporation Law, having an address at 20 River Terrace, New York, New York 10282 (the "Apartment Corporation") and _____, having an address at 20 River Terrace, Apartment__ , New York, New York 10282 ("Shareholder")

WHEREAS, 20 River Terrace Associates, LLC, is the sponsor ("Sponsor") of the Offering Plan ("Plan") for the Apartment Corporation, and was the Tenant of the Ground Lease with Battery Park City Authority ("BPCA"); and

WHEREAS, pursuant to the Plan and Ground Lease, Sponsor assigned and conveyed all of its rights, title and interest in and to the Ground Lease to the Apartment Corporation; and

WHEREAS, the Apartment Corporation is the net Shareholder by such assignment, for the Land and the Building which has an address at 20 River Terrace, New York, New York 10282; and

WHEREAS, the Shareholder is the owner of the number of Shares of the Apartment Corporation set forth on the cover page of this Proprietary Lease which have been allocated to the Apartment indicated on the cover page of this Proprietary Lease (the "Apartment"); and

WHEREAS, as of the Cooperative Conversion Date, Sponsor and the Apartment Corporation entered into a long-term lease with respect to the Parking Garage.

NOW, THEREFORE, in consideration of the premises and of the rents, covenants and agreements hereafter provided and contained, the parties hereto agree as follows:

Demised Premises and Term

The Apartment Corporation hereby leases to Shareholder, and Shareholder hires from the Apartment Corporation, subject to the terms and conditions hereof the Apartment, for a term that shall run from _____ __, 202__ until June 17, 2069 (unless sooner terminated as hereinafter provided). As used herein the "Apartment" means the rooms in the Building as partitioned on the date of the execution of this Proprietary Lease designated by the above-indicated Apartment number together with their appurtenances and fixtures and the right to exclusive use of any terraces located outside of the partitioned rooms, which may include a terrace or a portion of the roof outside of and adjoining said partitioned rooms, which are allocated exclusively to the Apartment ("Terraces"). Any such Terrace, the use of which is allocated exclusively to the Apartment, is identified on the cover page of this Proprietary Lease.

SHAREHOLDER ACKNOWLEDGES AND AGREES THAT THIS PROPRIETARY LEASE IS SUBJECT AND SUBORDINATE IN ALL RESPECTS TO THE PROVISIONS OF THE GROUND LEASE.

Article 1
Maintenance Charges How Fixed

1.1 Maintenance Charges /Additional Maintenance Charges

The Maintenance Charges payable by Shareholder for each year, or portion of a year, during the term shall equal that proportion of the Apartment Corporation's Cash Requirements (as defined in paragraph 1.3 below) for such year, or portion of a year, which the number of Shares of the Apartment Corporation allocated to the Apartment bears to the total number of shares of the Apartment Corporation

issued and outstanding on the date of the determination of such Cash Requirements. Such Maintenance Charges shall be payable in equal monthly installments, in advance, on the first day of each month, unless the Board of Directors of the Apartment Corporation (hereinafter called the "**Board**" or the "**Directors**") at the time of its determination of the Cash Requirements shall otherwise direct. Shareholder shall also pay such Additional Maintenance Charges as may be provided for herein when due. Any Special Assessments enacted by the Board shall be deemed Additional Maintenance Charges. Notwithstanding the foregoing, Shareholder shall not pay Maintenance Charges more than one (1) month in advance of its due date, excluding security and other deposits required by the Board.

The Ground Lease and/or certain Underlying Mortgages and the requirements of insurers thereof, mandate that the Apartment Corporation maintain certain reserves, which will be considered in determining the Apartment Corporation's Cash Requirements. The Apartment Corporation shall increase Maintenance Charges proportionately to any increases in operating expenses not covered by other sources of revenue.

1.2 Accompanying Shares to be Specified in Proprietary Leases

In every Proprietary Lease there will be specified the number of Shares of the Apartment Corporation issued to a Shareholder simultaneously therewith, which number, in relation to the total number of Shares of the Apartment Corporation then issued and outstanding, shall constitute the basis for fixing the proportionate share of the Apartment Corporation's cash requirement which shall be payable as Maintenance Charges by a Shareholder.

1.3 Cash Requirements

"Cash Requirements" whenever used in this Proprietary Lease shall mean the estimated amount in cash which the Board shall from time to time in its judgment determine to be necessary or proper for (i) the operation, maintenance, care, alteration and improvement of the Property during the year or portion of the year for which such determination is made, (ii) the creation of such reserve for contingencies as it may deem proper, (iii) the creation of mortgage insurance escrows, property insurance and real estate tax escrows, operating deficit escrows and reserves for replacements in the amounts and at such times as may be required by holders or insurers of Underlying Mortgages, or which the Board shall otherwise deem prudent and (iv) the payment of, or the establishment of one or more reserve funds for, any rentals and other sums payable under any obligations, liabilities or expenses incurred (even though incurred during a prior period) or to be incurred, after giving consideration to (1) income expected to be received during such period (other than Maintenance Charges from Shareholders), and (2) cash on hand which the Board in its discretion may choose to apply. The Board may from time to time modify its prior determination and increase or diminish the amount previously determined as Cash Requirements of The Apartment Corporation for a year or portion thereof. No determination of Cash Requirements shall have any retroactive effect on the amount of the Maintenance Charges payable by Shareholder for any period prior to the date of such determination. All determinations of Cash Requirements shall be conclusive as to all Shareholders.

During the Sponsor Control Period, Sponsor shall have the right, in its sole and absolute discretion, to cause the Board to waive the collection of some or all of the Maintenance Charges from Shareholders from the date of the First Closing up until such time as Sponsor chooses (the "Waiver Period"); provided, however, that Sponsor shall be solely responsible for the payment of all actual expenses to operate the Apartment Corporation in accordance with Law during the Waiver Period.

1.4 Authority Limited to Board

Whenever in this paragraph or any other paragraph of this Proprietary Lease a power or privilege is given to the Board, the same may be exercised only by the Board, and in no event may any such power or privilege be exercised by a creditor, receiver or trustee.

1.5 Issuance of Additional Shares

If the Apartment Corporation shall hereinafter issue its corporate Shares (whether now or hereafter authorized) in addition to those issued as of the date of the execution of this Proprietary Lease, the holders of the Shares hereafter issued shall be obligated to pay Maintenance Charges at the same rate as the other Shareholders from and after the date of issuance. If any such Shares shall be issued on a date other than the first or last day of the month, the Maintenance Charges for the month in which such Shares are issued shall be apportioned as of 12:00 AM on the day of the Apartment Closing Date. The Cash Requirements as last determined shall, upon the issuance of such Shares, be deemed increased by an amount equal to such Maintenance Charges.

1.6 Paid-In-Surplus

The Board may from time to time as may be proper determine how much, if any, of the Maintenance Charges and other receipts received (but not more than such amount as represents payments on account of principal of mortgages on the property and other capital expenditures) shall be credited on the corporate accounts to "Paid-in-Surplus". Unless the Board shall determine otherwise, the amount of payments on account of principal of any mortgages shall be credited to Paid-in-Surplus.

1.7 Failure to Fix Cash Requirements

The failure of the Board to determine the Apartment Corporation's Cash Requirements for any 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 Shareholder from the obligation to pay Maintenance Charges or any installment thereof, but Maintenance Charges computed on the basis of the Cash Requirements as last determined for any year or portion thereof shall thereafter continue to be the Maintenance Charges until a new determination of Cash Requirements shall be made.

Article 2
The Apartment Corporation's Repairs

The Apartment Corporation shall at its expense keep in good repair the Building, including, without limitation, the Apartments, and the Building's equipment and apparatus, except those portions the maintenance and repair of which are expressly stated to be the responsibility of Shareholder pursuant to Article 18 hereof.

Article 3
Services by the Apartment Corporation

The Apartment Corporation shall maintain and manage the Building as a first-class residential multiple dwelling, and shall provide the number of attendants requisite, in the judgment of the Board, for the proper care and service of the Building. The covenants by the Apartment Corporation herein contained are subject, however, to the discretionary power of the Board to determine from time to time what services and what attendants shall be proper and the manner of maintaining and operating the Building, and also what existing services shall be increased, reduced, changed, modified or terminated, subject, however, to

the terms of the Ground Lease and the rights of the Sponsor and Holders of Unsold Shares as set forth in Article 41 hereof. This paragraph is further subject to the proviso that there shall be no diminution, reduction or abatement of Maintenance Charges, nor shall there be any compensation accruing to Shareholder for the failure of the Apartment Corporation to perform the services enumerated or due to the curtailment of services, when such failure, interruption or curtailment shall be due to accident or to alterations or repairs made, or due to the inability or difficulty of securing supplies or labor or due to any cause, other than gross negligence on the part of the Apartment Corporation.

Article 4
Damage to Apartment or Building

4.1 Damage

If the Apartment, or the means of access thereto, or the Building shall be damaged by fire or other cause covered by insurance policies carried by the Apartment Corporation (any other damage to be repaired by the Apartment Corporation or Shareholder, as the case may be), the Apartment Corporation shall, at its own cost and expense, with reasonable dispatch after receipt of notice of such damage and notice of coverage by the Apartment Corporation's insurance carrier, due allowance to be made for any delay arising in connection with the adjustment of insurance claims or labor difficulties, repair or replace or cause the damage to be repaired with materials of a kind and quality standard and customary in the Building at the time it was converted to cooperative ownership, all in accordance with the terms of the Ground Lease. Notwithstanding anything in this Proprietary Lease to the contrary, the Apartment Corporation shall not be responsible to repair or replace any damaged item not covered by insurance policies carried by the Apartment Corporation, except in the case of the Apartment Corporation's gross negligence. Notwithstanding anything in this paragraph or elsewhere in this Proprietary Lease to the contrary, The Apartment Corporation shall not be required to repair or replace equipment, fixtures, furniture, furnishings, flooring, wall coverings or decorations installed by Shareholder or any of Shareholder's predecessors in title (including those installed by Sponsor), nor shall the Apartment Corporation be obligated to repaint or replace wallpaper or other decorations in the Apartment or to refinish floors located therein. Shareholder shall obtain and maintain insurance coverage as provided for in this Proprietary Lease.

4.2 Terraces

The Apartment Corporation shall be responsible for structural and extraordinary repairs and structural and extraordinary maintenance to Terraces appurtenant to the Apartment, if any, as a common expense of all Shareholders, unless, however, the repair or maintenance was necessitated by the use or misuse of the Terrace by the Shareholder having the exclusive use thereof, in which event the cost shall be assessed against that Shareholder exclusively. Shareholder shall have general maintenance responsibilities for any Terrace appurtenant to the Apartment, as described in Article 7 of this Proprietary Lease.

4.3 Shareholder Insurance

At all times during the Proprietary Lease term, Shareholder will carry and maintain, at Shareholder's expense, the following insurance, in the types specified below or such other amounts as the Apartment Corporation may from time to time reasonably request, with insurance companies and on forms satisfactory to the Apartment Corporation: insurance covering all of Shareholder's furniture and fixtures, equipment, and any other personal property owned and used and found in, on, or about the Apartment, and any leasehold improvements in an amount not less than the full replacement cost. All policy proceeds to the extent necessary, will be used for the repair or replacement of the property damaged or destroyed; however, if this Proprietary Lease ceases under the provisions of the "Expiration of Proprietary Lease Due to Damage" section set forth below, Shareholder will be entitled to any proceeds resulting from damage to

Shareholder's furniture and fixtures, equipment, and any other personal property. All such policies maintained by Shareholder will provide that they may not be terminated nor may coverage be reduced except after 30 days' prior written notice to the Apartment Corporation. All such policies maintained by Shareholder will be written as primary policies, not contributing with and not supplemental to the coverage that the Apartment Corporation may carry.

4.4 Abatement of Maintenance Charges

In case the damage resulting from fire or other cause shall be so extensive as to render the Apartment partly or wholly untenantable, as determined by an arbitrator or a court of competent jurisdiction, or if the means of access thereto shall be destroyed, the Maintenance Charges hereunder shall proportionately abate until the Apartment shall again be rendered wholly tenantable or the means of access restored. However, if said damage shall be caused by the act or negligence of Shareholder or the agents, employees, guests or members of the family of Shareholder or any occupant of the Apartment, such rental shall abate only to the extent of the rental value insurance, if any, collected by The Apartment Corporation with respect to the Apartment.

4.5 Expiration of Proprietary Lease Due to Damage

Subject to the provisions of the Ground Lease, which shall in all events control, and provided that the written consent of the Sponsor is obtained for so long as the Sponsor shall own at least one Unsold Apartment, if the Board shall determine that (i) the Building is totally destroyed by fire or other cause, or (ii) the Building is so damaged that it cannot be repaired within a reasonable time after the loss shall have been adjusted by the insurance carriers, or (iii) the destruction or damage was caused by a hazard that is not covered under The Apartment Corporation's insurance policies then in effect, and if in any such case the record holders of at least sixty-six and two-thirds (66 2/3%) percent of the issued Shares, at a Shareholders' meeting duly called for that purpose held within one-hundred-twenty (120) days after the determination by the Board, shall vote not to repair, restore or rebuild, then upon the giving of notice pursuant to this Proprietary Lease and all other proprietary leases and all right, title and interest of the parties thereunder and the tenancies thereby created, shall thereupon wholly cease and expire and rent shall be paid to the date of such destruction or damage. Shareholder hereby waives any and all rights under Section 227 of the Real Property Law and any option or right to surrender possession of the Apartment or terminate this Proprietary Lease.

4.6 Waiver of Subrogation in The Apartment Corporation's Insurance Policies

The Apartment Corporation agrees to use its best commercially reasonable efforts to obtain a provision in all insurance policies carried by the Apartment Corporation, waiving the insurer's right of subrogation against Shareholder, and, to the extent that any loss or damage is fully covered by any insurance policies payable to the Apartment Corporation which contain such waiver of subrogation and if the proceeds of such policies are paid to the Apartment Corporation, the Apartment Corporation releases Shareholder from any liability with respect to such loss or damage. In the event that Shareholder suffers loss or damage for which the Apartment Corporation would be liable, and Shareholder carries insurance which fully covers such loss or damage and the proceeds of such policy(ies) are paid to Shareholder, and such insurance policy or policies contain a waiver of subrogation against the Apartment Corporation, then in such event Shareholder releases the Apartment Corporation from any liability with respect to such loss or damage.

Article 5
Inspection of Books of Account

The Apartment Corporation shall keep full and correct books of account at its principal office or at such other place as the Board may from time to time determine, and the same shall be open during all reasonable business hours to inspection by Shareholder or a representative of Shareholder, upon Shareholder's reasonable prior notice and request. The Apartment Corporation shall deliver to Shareholder within a reasonable time after the end of each fiscal year an annual report of corporate financial affairs, including a balance sheet and a statement of income and expenses, certified by an independent certified public accountant.

Article 6
Changes in Terms and Conditions of Proprietary Lease

6.1 Amendment by Shareholders

Each Proprietary Lease made by the Apartment Corporation shall be in the form of this Proprietary Lease, except with respect to the statement as to the number of Shares owned by the Shareholder under such Proprietary Lease, unless a variation of a particular proprietary lease is authorized by Shareholders owning at least sixty-six and two-thirds percent (66-2/3%) of the Shares then issued and outstanding, and executed by The Apartment Corporation and the affected Shareholder. In addition, the form and provisions of all Proprietary Leases in effect at a given time, as well as the form of each Proprietary Lease to be executed after that time, may be changed by the approval of Shareholders owning at least sixty-six and two-thirds percent (66-2/3%) of the Shares then issued and outstanding. Such changes shall be binding on all Shareholders even if they did not vote for such changes except that (i) the proportionate share of Maintenance Charges or Cash Requirements payable by any Shareholder may not be increased, (ii) the right of any Shareholder to cancel Shareholder's Proprietary Lease under the conditions set forth in Article 43 may not be eliminated or impaired, without, in each of the foregoing instances, the express consent of the Shareholder affected, and (iii) the provisions hereof are subject to the provisions of Article 42 of this Proprietary Lease. Approval by Shareholders as provided for herein shall be evidenced by written consent or by affirmative vote taken at a meeting called for such purpose. Notwithstanding the foregoing, no change in the form and provisions of the proprietary lease may be made without the unanimous consent of Sponsor and all Holders of Unsold Shares.

6.2 Amendment to Conform to Plan.

Notwithstanding the provisions of subparagraph 6.1 above to the contrary, Sponsor and Sponsor's successors and assigns are hereby appointed as the attorney-in-fact of The Apartment Corporation, the Shareholder hereunder, each contract vendee of Shares and this Proprietary Lease and each holder of an Underlying Mortgage or other lien holder or party claiming a legal or equitable interest in the Apartments and/or the Building, with the power of substitution, for a period of five (5) years subsequent to the last Apartment Closing Date for an Apartment sold under the Plan, to act in the name, place and stead for any of said parties with respect to any and all applications, documents, agreements, amendments or supplements to the form of Proprietary Lease of The Apartment Corporation or the Apartment Corporation By-laws, which may be required or necessary to carry out the provisions of the Plan, or which may be required or necessary by any governmental or quasi-governmental agency, institutional lender or title insurance company, to complete development of the Apartments and/or the Property or otherwise in furtherance of the purposes of the Plan. Any such act shall be in conformity with the Ground Lease. The power of attorney aforesaid is expressly declared and acknowledged to be coupled with an interest in the subject matter hereof and the same shall be binding upon the heirs, personal representatives, successors and assigns of any of the foregoing parties. Further, said power of attorney shall not be affected by the death, incompetence, disability

or dissolution of any of the foregoing parties and is intended to deliver all right, title and interest of said parties in and to said powers.

Article 7
Terraces

7.1 Use by Shareholder

If the Apartment includes, as an appurtenance, a Terrace as indicated on the cover page of this Proprietary Lease, Shareholder shall have the exclusive use of such area, subject to (i) the applicable provisions of this Proprietary Lease and (ii) the use of these areas by the Apartment Corporation to the extent permitted in this Proprietary Lease. In connection with all such Terraces, the Apartment Corporation and its employees, contractors, agents and/or licensees (and their employees, contractors and agents) shall have the right of access to the roof (and all other portions of the Building) for such Terraces and for the repair thereof. The Apartment Corporation also shall have the right of access to Terraces for such repair and/or maintenance as is the responsibility of the Apartment Corporation under this Proprietary Lease.

7.2 Installations

Shareholders shall be subject to all use restrictions imposed by the Apartment Corporation with respect to or Terraces, including, without limitation, restrictions on the type of materials for fencing and decking, maintenance and repair obligations for such fencing and decking, planting, furniture, plant containers, watering, barbecuing, alterations, laundry, play equipment, etc. No structures or enclosures shall be erected or installed on the Terrace without the prior written approval of the Cooperative Corporation, and if approved, such structures shall be installed in full compliance with Law, and the rules imposed by the Apartment Corporation, as may be modified from time to time. The Apartment Corporation shall remove or cause the removal of any structure or installation placed on the Terrace, even if such the installation was previously authorized by the Apartment Corporation, in the event the Board shall determine, in their sole and absolute discretion, that the installation poses a serious risk of harm to persons or property or violates the provisions of any agreement to which the Apartment Corporation isa party or which is binding upon the Apartment Corporation or any Underlying Mortgage.

7.3 Maintenance

If Shareholder has the right to use a Terrace appurtenant to the Apartment, Shareholder shall be responsible for normal maintenance, repair and replacements to such Terrace and to any fencing or other enclosure around the Terrace and to any decking, pavers or other surface of the Terrace. Shareholder shall, in this regard, at a minimum, be obligated to keep all drains and gutters on or appurtenant to the Terrace free and clear of snow, ice, leaves and other debris, and to prevent water from backing up on the Terrace. Shareholder's use of the Terrace shall be subject to all rules and regulations adopted by the Apartment Corporation regarding such use, including, without limitation, type of materials for fencing and decking, maintenance and repair schedules for fencing and decking, restrictions regarding plantings, furniture, plant containers, watering, play equipment, laundry, barbecuing, etc. Shareholder shall be responsible for securely fastening any furniture or other property stored on the Terrace. Shareholder shall be liable for all damage arising out of Shareholder's use or misuse of the Terrace or the fixtures, structures or furnishings thereon.

7.4 Access by The Apartment Corporation

The Apartment Corporation, its agents and authorized workmen and contractors shall have the unlimited right of access to the Terrace (i) to enforce compliance with the provisions of this Article 7; (ii)

for any purpose set forth in this Article 7 and in this Proprietary Lease; and (iii) to otherwise enable the Apartment Corporation to protect the safety of and security of Shareholders or comply with Law. Shareholders shall be obligated to provide clear access to the Terrace in connection with the foregoing. The Apartment Corporation shall use reasonable care in exercising its right of access and shall exercise its rights with minimal disturbance to Shareholder, to use such Terrace.

7.5 Indemnity

Shareholder shall indemnify and hold the Apartment Corporation harmless from all costs and expenses, including, without limitation, reasonable attorneys' fees, liability, loss, damage or judgement arising from injury to persons or property occasioned by Shareholder's use of the Terrace.

Article 8
Assignment of the Apartment Corporation's Rights Against Occupant

If at the date of the commencement or assignment, if applicable, of this Proprietary Lease, any third party shall be in possession or have the right to possession of the Apartment, then the Apartment Corporation hereby assigns to Shareholder all of The Apartment Corporation's rights against said third party from and after the date of the commencement of the term hereof, or effective date of assignment, if applicable, and Shareholder by the execution hereof assumes all the Apartment Corporation's obligations to said third party only from said date. The Apartment Corporation agrees to cooperate with Shareholder, but at Shareholder's expense, in the enforcement of Shareholder's rights against said third party. The Apartment Corporation and Shareholder hereby agree that their rights under this Proprietary Lease are subject to the rights of such third party occupants and that Shareholder's successors and assignees under this Proprietary Lease shall continue to be bound by such rights so long as such occupancy continues.

Article 9
Cancellation of Prior Occupancy Agreement

If at the date of the commencement of this Proprietary Lease or at the date of assignment of this Proprietary Lease to Shareholder as applicable, Shareholder has the right to possession of the Apartment under any interim lease or other lease or occupancy agreement or tenancy, this Proprietary Lease shall supersede such agreement or tenancy which shall be of no further effect after the date of commencement of this Proprietary Lease, except for claims theretofore arising thereunder.

Article 10
Quiet Enjoyment

Shareholder, upon paying the Maintenance Charges and performing the covenants and complying with the conditions on the part of Shareholder to be performed as herein set forth, shall, at all times during the term hereby granted, quietly have, hold and enjoy the Apartment without any lawsuit, trouble or hindrance from the Apartment Corporation, and subject to any and all mortgages and underlying Ground Leases of the Building.

Article 11
Indemnity

Shareholder agrees to save the Apartment Corporation harmless from all liability, loss, damage and expense arising from injury to person or property occasioned by the failure of Shareholder to comply with any provision of this Proprietary Lease, or due wholly or in part to any act, default or omission of Shareholder or of any person dwelling, working or visiting in the Apartment, or by the Apartment

Corporation, its agents, servants or contractors when acting as agent for Shareholder as in this Proprietary Lease provided. This paragraph shall not apply to any loss or damage incurred by the Apartment Corporation's loss or damage to the extent the Apartment Corporation's loss or damage is covered by insurance which includes a waiver of insurer's right of subrogation against Shareholder.

Article 12
Payment of Maintenance Charges: No Set-Off

Shareholder will pay the Maintenance Charges and any Additional Maintenance Charges to the Apartment Corporation upon the terms and at the times herein provided, without any deduction on account of any set-off or claim which Shareholder may have against The Apartment Corporation. If Shareholder shall fail to pay any installment of Maintenance Charges promptly, Shareholder shall pay (i) late charges as established by the Board from time to time. Initially, such late charge shall be fixed until changed by the Board, at $150 per month if Maintenance Charges or Additional Maintenance Charges remains unpaid for more than ten (10) days after the date when due, and (ii) interest thereon at the maximum legal rate from the date when such installment shall have become due to the date of the payment thereof, and such interest shall be deemed Additional Maintenance Charges hereunder. All interest and late charges shall be deemed Additional Maintenance Charges under this Proprietary Lease, plus all expenses of collection, including, but not limited to reasonable attorneys' fees. Notwithstanding anything to the contrary set forth above, no such interest charges or late fees shall be charged to Sponsor or Holders of Unsold Shares.

Article 13
House Rules

The Apartment Corporation has adopted House Rules, and the Board may alter, amend or repeal such House Rules and adopt new House Rules as described in the By-laws. This Proprietary Lease shall be in all respects subject to such House Rules and Shareholder hereby covenants to comply with all such House Rules and see that they are faithfully observed by the family, guests, employees and subtenants of Shareholder. Written consent of the Sponsor and Holders of Unsold Shares shall be required for any adoption, amendment or repeal of any House Rules. This Proprietary Lease shall be in all respects subject to the House Rules which shall be deemed incorporated into this Proprietary Lease and made a part of this Proprietary Lease. Shareholder covenants to comply with each and every one of the House Rules and see that they are faithfully observed by all of the Permitted Users of the Apartment. A breach of the House Rules shall be deemed a default under this Proprietary Lease and, among other remedies available to The Apartment Corporation under this Proprietary Lease and at Law, will result in the imposition of fines or penalties against Shareholder, as established by the Board from time to time. Fines and penalties shall be deemed Additional Maintenance Charges under this Proprietary Lease. The Apartment Corporation shall not be responsible or liable to Shareholder for the nonobservance or violation of House Rules by any other Shareholder or person. Notwithstanding anything to the contrary above, no such fees shall be charged to Sponsor or other Holders of Unsold Shares. Breach of a House Rule shall be a default under this Proprietary Lease.

Article 14
Use of Premises

(1) Shareholder shall not, without the prior written consent of the Apartment Corporation on such conditions as the Apartment Corporation may prescribe, occupy or use the Apartment or permit the Apartment or any part thereof to be occupied or used for any purpose other than (i) as a private dwelling for Shareholder, Shareholder's Immediate Family Member or Permitted Occupants (it being the intent of this paragraph that prior written consent of the Board be required for any member of Shareholder 's Immediate Family Member or Permitted Occupants to reside in or occupy the Apartment without

Shareholder being in simultaneous occupancy, except that no consent shall be required for Shareholder's spouse or domestic partner to reside in the Apartment without simultaneous occupancy by the Shareholder), and (ii) for such home occupations as are defined in and permitted under applicable zoning Laws. Shareholder shall inform the Apartment Corporation in writing of the names(s) of any Permitted Occupant(s) thirty (30) days prior to the commencement of occupancy by such Permitted Occupant(s) or ten (10) days following a request by the Apartment Corporation. An Apartment may not be used for any "dormitory," "bed and breakfast" or other transient use. The foregoing provisions of this paragraph shall not be applicable to Sponsor or Holders of Unsold Shares or principals thereof, who may use or grant permission for the use of any Unsold Apartment as a professional office or for any other purpose, provided such use is permitted by Law and does not violate the existing certificate of occupancy. Any use or occupancy of the Apartment, including, without limitation, the number of Permitted Occupants residing in the Apartment, shall conform to the terms and conditions of the existing certificate of occupancy for the Building and Law.

(2) In addition to the foregoing, the Apartment may be occupied from time to time by Guests of Shareholder, without the simultaneous occupancy by Shareholder, Shareholder's Immediate Family or Permitted Occupant, for a period of time not exceeding thirty (30) days in any calendar year, unless a longer period is approved in writing by Cooperative Corporation. Prior written approval is required for a Guest to occupy the Apartment for a period exceeding thirty (30) days, even where Shareholder, Shareholder's Immediate Family or Permitted Occupant simultaneously occupy the Apartment with the Guest, it being intended that simultaneous occupancy by Shareholder, Shareholder's Immediate Family or Permitted Occupant, is required for any period of occupancy by a Guest of more than thirty (30) days during any calendar year and that prior written consent is required for such occupancy and for any occupancy by a Guest that exceeds a thirty (30) day period in any calendar year. Shareholder shall inform the Apartment Corporation in writing of the name(s) of the Guest(s) or any other information reasonably required by the Apartment Corporation prior to the commencement of occupancy by the Guest(s), provide the Managing Agent with complete contact information for Shareholder, including address and telephone information to enable the Apartment Corporation to contact Shareholder, should that become necessary, during Shareholder's absence.

Article 15
Subleasing and Assignment of Proprietary Lease

15.1 Subleasing

The subleasing of Shareholder's Apartment is subject to Shareholder's compliance with the Right of First Refusal provisions in Article 16 of this Proprietary Lease. Any sublease which the Shareholder proposes to enter into shall (i) be consistent with this Proprietary Lease, (ii) be for a term of not less than, nor more than, twelve (12) months, (iii) provide that it may not be modified, amended, or extended without complying with the Right of First Refusal provisions in Article 16 of this Proprietary Lease, (iv) provide that the subtenant shall not further sublet the Apartment, or any part thereof, and (v) provide the Board, if permitted by applicable law, shall have the power to terminate such sublease and/or to bring summary proceedings to evict the subtenant in the name of the Shareholder thereunder, in the event of default by the subtenant in the performance of such sublease. Such sublease shall provide that if the Shareholder shall default for a period of one month in the payment of any Maintenance Charges, or Additional Maintenance Charges, the Apartment Corporation may, at its option, so long as such default shall continue, after serving written notice of the default upon Shareholder and the subtenant, demand and receive from the subtenant occupying the Apartment the rent due or becoming due from such subtenant to the Shareholder, in accordance with Article 16, subparagraph 16.5 (iv).

15.2 Assignment

Subject to the terms of Article 16, each Shareholder may assign this Proprietary Lease and transfer the Shares to which it is appurtenant or any interest therein, provided, however, no Shareholder may transfer the Shares except in compliance with the provisions of this Article 15. Any purported assignment consummated in default in the applicable terms of this Article 15 shall be voidable at the sole election of the Board, and, if the Board shall so elect, the transferring Shareholder shall be deemed to have authorized and empowered the Board to institute legal proceedings to eject the purported purchaser in the name of such Shareholder. Such Shareholder shall reimburse the Apartment Corporation for all costs and expenses paid or incurred in connection with such proceedings, including, without limitation, reasonable attorneys' fees and disbursements and court costs.

Article 16
Right of First Refusal

16.1 Right of First Refusal

Subject to the terms of subparagraphs 16.2, 16.3, 16.4 and 16.5, any contract to sell or sublease Shares allocated to an Apartment ("Sale Agreement" or "Sublease", as the case may be) shall contain the following language:

(i) "THIS AGEEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT ARE HEREBY MADE EXPRESSLY SUBJECT TO THE RIGHTS, IF ANY, OF THE BOARD OF THE APARTMENT CORPORATION WITH RESPECT TO THE TRANSACTION EMBODIED IN THIS AGREEMENT PURSUANT TO THE TERMS OF PARAGRAPH 16 OF THE PROPRIETARY LEASE OF THE APARTMENT CORPORATION, AS THE SAME MAY HAVE BEEN AMENDED". Promptly after any such bona fide Sale Agreement or Sublease shall be fully executed, the Shareholder executing the same ("Offeree Shareholder") shall send notice thereof to Apartment Corporation by certified or registered mail, return receipt requested, which notice shall be accompanied by a fully executed, original counterpart of the Sale Agreement or Sublease, containing all of the terms offered in good faith by the prospective purchaser ("Outside Offeror").

(ii) The sending of the notice referred to in subparagraph (i) above shall constitute an offer by the Offeree Shareholder to sell or sublease the Apartment (as the case may be), subject, however, to any variance therefrom provided in subparagraph 16.2. The giving of such notice shall further constitute a representation and warranty by the Offeree Shareholder to Apartment Corporation, that such Offeree Shareholder believes the Sale Agreement or Sublease to be bona fide in all respects. Thereafter, upon the written demand of the Board, the Offeree Shareholder shall submit to Apartment Corporation, in writing, such further information with respect to the Outside Offeror and the Sale Agreement or Sublease as the Board may reasonably request.

(iii) The Board may elect, by sending written notice to the Offeree Shareholder by certified or registered mail not later than thirty (30) days after receipt of the notice referred to in subparagraph (i) together with such further information as may have been requested pursuant to the terms of subparagraph (ii), to purchase or sublease (as applicable) the Apartment upon the same terms and conditions as were contained in the Sale Agreement or Sublease and stated in the response(s) by the Offeree Shareholder to any requests for additional information. Notwithstanding anything to the contrary contained herein, however, the Board shall not exercise any option to purchase or sublease (as applicable) any Apartment without the prior approval of Shareholders owning at least fifty-one (51%) percent of Apartment Corporation's Shares then issued and outstanding. The Offeree Shareholder shall have the right to vote in

any vote conducted for the purpose of determining whether the Board shall exercise its right to purchase or sublease the Offeree Shareholder's Apartment.

(iv) The Board may not discriminate against any person on the basis of race, creed, color, national origin, sex, sexual orientation, age, disability, marital status or other grounds prohibited by Law in connection with its exercise of its right of first refusal with respect to the sale or sublease of a Apartment.

16.2 Acceptance of Offer

(1) In the event that the Board shall elect, within the time and in the manner provided in subparagraph 16.1, to purchase the Apartment or to sublease the Apartment, title to the Shares shall close or a sublease shall be executed in accordance with the terms of the Sale Agreement or Sublease, at the office of the attorneys for Apartment Corporation within forty-five (45) days after the day upon which the Board shall give notice of its election to accept such offer.

If Shares allocated to an Apartment are to be purchased by Apartment Corporation, such purchase may be made from the funds deposited in the working capital and/or contingency fund accounts of the Apartment Corporation. If the funds in such accounts are insufficient to effectuate such purchase, the Board may levy a Special Assessment against each Shareholder (other than the Offeree Shareholder) in accordance with and/or the Board may, in its discretion, finance the sale of the Shares; 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 Shares to be purchased. In addition, if the Outside Offeror were to assume the Shares allocated to the Apartment subject to the Offeree Shareholder's existing Security Agreement pursuant to the Purchase Agreement, the Apartment Corporation may purchase the Shares allocated to the Apartment and assume the Shares to the Apartment subject to such financing. At the Closing, the Offeree Shareholder shall transfer the Shares allocated to the Apartment to the Apartment Corporation, by such transfer instruments required by the Board with proper transfer taxes paid and/or documentary stamps affixed at the expense of the Offeree Shareholder, who shall also pay all other transfer taxes arising out of such sale notwithstanding any terms of the Purchase Agreement to the contrary. Maintenance Charges shall be apportioned between the Offeree Shareholder and Apartment Corporation as of the date of the Closing, notwithstanding any terms of the Purchase Agreement to the contrary.

If the Apartment is to be subleased by the Apartment Corporation or its designee, the Offeree Shareholder shall execute and deliver to the Board or such designee a sublease covering such Apartment by and between the Offeree Shareholder, as landlord, and the Apartment Corporation or such designee, as tenant. Such sublease shall be in accordance with subparagraph 16.2(2). Notwithstanding anything to the contrary set forth in subparagraph 16.2(2) or in the sublease, however, such sublease shall expressly provide that the Apartment Corporation or such designee may enter into a sublease of the premises demised thereunder without the right of first refusal of the landlord. The form of any sublease shall be a printed form residential lease approved by the Board.

(2) Each Sublease 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 Board or such other form approved in writing by the Board. Notwithstanding the foregoing, however, each such sublease shall be consistent with the Lease and By-Laws and shall expressly provide that:

(i) such sublease may not be modified, amended, or extended without complying with the Right of First Refusal provisions in Article this 16 in each instance;

(ii) the subtenant thereunder shall not assign the subtenant's interest in such sublease or sublet the premises demised thereunder or any part thereof; and

(iii) the Board shall have the power to terminate such sublease and/or to bring summary proceedings to evict the subtenant in the name of the Shareholder thereunder in the event of a default by the subtenant in the performance of obligations under such sublease.

16.3 Failure to Accept Offer

In the event that the Board shall fail to accept an offer made pursuant to the terms of subparagraph 16.2, the Offeree Shareholder shall be free to consummate the transaction embodied in the Sale Agreement or Sublease within sixty (60) days after (i) notice of refusal is sent to the Offeree Shareholder by the Board or (ii) the expiration of the period within which the Board might have accepted such offer. If the Offeree Shareholder shall fail to consummate the transaction embodied in the Sale Agreement or Sublease within such sixty (60) day period, then, should the Offeree Shareholder thereafter elect to sell or sublease the Apartment, the Offeree Shareholder shall be required again to comply with all of the terms and provisions of this paragraph, but not more often than once in any twelve (12) month period, except the Board shall have the right to waive this requirement for good cause shown, in its sole discretion.

16.4 Termination of, and Exceptions to, the Right of First Refusal

A certificate executed and acknowledged by the Secretary of the Board or the managing agent, stating that the provisions of subparagraph 16.1 have been met by the Offeree Shareholder or that the right of first refusal provided for in subparagraph 16.1 has been duly released or waived by the Board and that, as a result thereof, the rights of Apartment Corporation have terminated, shall be conclusive upon Apartment Corporation and the Board in favor of all persons who rely upon such certificate in good faith. After the due issuance of such a certificate, the Shares allocated to the Apartment to which the same shall relate, may be transferred or subleased, free and clear of the terms and conditions contained in subparagraph 16.1. The Board shall furnish or cause the managing agent to furnish without charge, such certificate upon written request to any Shareholder in respect to whom the provisions of subparagraph 16.1 have, in fact, been terminated. In no event, however, shall the right of first refusal be deemed released or waived by the Board (as opposed to satisfied) in the absence of the certificate that has been duly executed, acknowledged and issued by the Secretary of the Board or the managing agent.

The terms and conditions contained in subparagraphs 16.1, 16.2 and 16.3 shall not apply with respect to any sale or sublease of Shares allocated to an Apartment (including a bequest in a last will and testament), by:

(i) the Shareholder to Shareholder's adult Immediate Family, existing joint tenant or tenant in common, or to a trust for the benefit of any of them (in which case the Board shall have the right to review the trust documents and provide for such terms and restrictions on such sale or sublease as the Board deems advisable), provided, however, that if the succeeding Shareholder is an infant or a person judicially declared incompetent of managing affairs, then such Apartment shall be held by the personal representative of such infant or incompetent, or in the case of a Shareholder that is not an individual, to any entity or individual that owns more than fifty (50%) percent of the legal and beneficial interests of such Shareholder or to any entity with respect to which such Shareholder (individual or otherwise) owns more than fifty (50%) percent of the legal and beneficial interest thereof.

(ii) Sponsor.

(iii) Holders of Unsold Shares.

(iv) Apartment Corporation or the Board on behalf of Apartment Corporation.

(v) Any proper officer conducting the Transfer of an Apartment in connection with the foreclosure of a lien covering the Shares allocated to an Apartment or the Transfer of the Shares in lieu of foreclosure.

(vi) Any permitted lienor or purchaser, or its nominee, who has acquired title to the shares allocated to the Apartment at any foreclosure sale or by a Transfer in lieu thereof delivered in a bona fide transaction.

(vii) Any party to whom this Proprietary Lease and the Shares have been devised by gift, testamentary transfer or intestacy.

Provided however, that each succeeding Shareholder shall be bound by, and the Apartment shall be subject to, all the terms and conditions of this paragraph 16.4.

16.5 Other Transfer and Sublease Conditions

No sale or sublease shall take effect as against Apartment Corporation for any purpose, until all of the following conditions have been met, as applicable, in addition to compliance with subparagraph (b) hereof and except as provided in subparagraph 16.4 hereof:

(i) With respect to Transfers, an instrument of assignment in a form approved by Apartment Corporation executed and acknowledged by the assignor is delivered to Apartment Corporation.

(ii) With respect to Subleases, any Sublease other than those entered into by the Sponsor and Holders of Unsold Shares shall be consistent with this Proprietary Lease and shall provide that it may not be modified, amended, or extended without complying with the Right of First Refusal provisions in this Article 16 in each instance, that the subtenant shall not further sublet the Apartment or any part thereof, and that the Board, if permitted by Law, shall have the power to terminate such Sublease and/or bring summary proceedings to evict the subtenant in the name of the Shareholder thereunder, in the event of default by the subtenant in the performance of such Sublease.

(iii) An agreement executed and acknowledged by the assignee or subtenant, as applicable, in a form approved by Apartment Corporation assuming and agreeing to be bound by all the covenants and conditions of this Proprietary Lease to be performed or complied with by Shareholder on and after the effective date of the assignment or sublease, as applicable, shall have been delivered to Apartment Corporation, or (with respect to Transfers only), at the request of Apartment Corporation; the assignee shall have surrendered the assigned lease and entered into a new lease in the same form for the remainder of the term, in which case Shareholder's lease shall be deemed cancelled as of the effective date of the assignment.

(iv) If Shareholder shall at any time sublet the Apartment and shall default in the payment when due of any Maintenance Charges or Additional Maintenance Charges, the Apartment Corporation may, at its option, so long as the default continues, demand and receive from any subtenant the rent due or becoming due from such subtenant to Shareholder, up to an amount sufficient to pay all sums due from the Shareholder to and all expenses incurred by

Apartment Corporation, including, without limitation, reasonable attorneys' fees. Subtenant shall pay the rent to the Apartment Corporation within 10 days of receipt of a demand therefor. Any such payment of rent to the Apartment Corporation shall be sufficient payment and discharge of such subtenant as between such subtenant and the Shareholder, to the extent of the amount so paid, and any such demand or acceptance of rent from any subtenant shall not be deemed a consent or approval of any sublease or assignment by the Shareholder, or a release or discharge of any of Shareholder's obligations thereunder.

(v) With respect to assignments only, all Shares of Apartment Corporation to which this Proprietary Lease is appurtenant shall have been assigned and transferred at the expense of Shareholder to the assignee, with proper transfer taxes paid and documentary stamps affixed.

(vi) With respect to assignments and subleases, all sums due from Shareholder shall have been paid to Apartment Corporation, together with a sum to be fixed by the Board to cover reasonable legal and other expenses of Apartment Corporation and its managing agent in connection with the assignment and transfer of Shares.

(vii) With respect to Transfers and Subleases, at the expense of Shareholder, a search or certification from a title or abstract company as the Board may require shall have been delivered and shall be satisfactory to Apartment Corporation.

(viii) Reasonable processing fees assessed by the Board, in its discretion, have been paid and each succeeding Shareholder shall be bound by, and the Apartment shall be subject to, all the terms and conditions of this paragraph 16.5.

16.6 Commencement of Time/Sublet Renewals

(1) The period of time set forth in subparagraph 16.1 in which the Board has to waive its right of first refusal shall not commence until such time as Apartment Corporation or the managing agent has received a completed sale or sublease package, including all fees set forth therein, as the case may be, from a Shareholder. If the information provided by the Shareholder or prospective purchaser is incomplete, the Board shall have the right to request additional information and the thirty (30) day period will commence on receipt by the Board of the additional information.

(2) The terms of this paragraph applies with equal force to all sublet renewals except for those entered into by Sponsor and Holders of Unsold Shares.

16.7 Costs and Expenses

All costs and expenses incurred by Apartment Corporation, including, without limitation, reasonable attorneys' fees and disbursements paid or, incurred by Apartment Corporation or by the managing agent in connection with any action taken by the Board with regard to an assignment of lease, transfer and/or subletting in violation of this paragraph, shall be borne by Shareholder and/or Subletting Shareholder (except for the Sponsor and Holders of Unsold Shares) as Additional Maintenance Charges under this Proprietary Lease.

16.8 Violations

The violation of any of the provisions of this paragraph shall entitle Apartment Corporation to apply, at the sole cost and expense (including the reasonable attorneys' fees incurred by Apartment Corporation) of Shareholder or of Shareholder's estate, as the case may be, to the Supreme Court, New

York County or court of concomitant jurisdiction or an injunction restraining the occupancy of the Apartment by any unauthorized occupant. Shareholder acknowledges that the occupancy of the Apartment by any unauthorized person is deemed "irreparable injury", so as to obviate the requirement of Apartment Corporation to demonstrate to a court that it will suffer irreparable injury if an injunction does not issue.

16.9 Release of Shareholder Upon Transfer

If the Proprietary Lease shall be transferred in compliance herewith, Shareholder-assignor shall have no future liability with respect to any of the covenants of this Proprietary Lease.

16.10 Attornment of Subtenant

If Shareholder shall at any time sublet the Apartment and shall default in the payment when due of any rent or Additional Maintenance Charges, the Apartment Corporation may, at its option, so long as the default continues, demand and receive from any subtenant the rent and Additional Maintenance Charges due or becoming due from such subtenant to Shareholder, up to an amount sufficient to pay all sums due from the Shareholder to and all expenses incurred by Apartment Corporation, including, without limitation, reasonable attorneys' fees. Any such demand or acceptance of rent or Additional Maintenance Charges from any subtenant shall not be deemed a consent to or approval of any sublease.

16.11 Statement by Apartment Corporation

If this Proprietary Lease is then in full force and effect, Apartment Corporation will, upon request of Shareholder, deliver to the assignee a written statement to the effect that this Proprietary Lease remains on the date thereof in force and effect; but no such statement shall be deemed an admission that there is no default under the Proprietary Lease.

Article 17
Pledge of Shares, Proprietary Lease and Underlying Mortgage

17.1 Pledge

A pledge of this Proprietary Lease and the Shares to which it is appurtenant by Shareholder to a bank or other recognized lending institution, shall not be a violation of this Lease, provided, however, that Shareholder shall not be in default under this Lease at the time of such pledge and the lien of the secured party shall in all respects be subordinate to the lien of the Apartment Corporation for payment of Maintenance Charges and other amounts due the Apartment Corporation pursuant to this Lease or otherwise. In the event of such pledge, except as otherwise provided in this Lease, neither the pledgee nor any transferee of pledgee shall be entitled to have the Shares transferred of record on the books of The Apartment Corporation, to occupy or permit occupancy by others of the Apartment demised by this Lease, or to sell the Shares or this Proprietary Lease, without in each instance complying with the provisions of Articles 15 and/or 16 of this Lease, as applicable. Acceptance by the Apartment Corporation of payments by the pledgee or any transferee of the pledgee on account of Maintenance Charges or Additional Maintenance Charges, shall not constitute a waiver of the foregoing provisions.

17.2 Lenders

Shareholder may pledge and assign this Lease and the Shares allocated to the Apartment as security for a loan made to Shareholder by a bank, trust company, savings and loan association, insurance company or other recognized institutional lender (“Lender”) provided, however, that the certificate representing the Shares allocated to the Apartment and this Proprietary Lease may be assigned to Lender only as security

for repayment of the loan. In the event of a default by Shareholder in any of the terms, covenants, provisions or conditions of this Proprietary Lease, the Apartment Corporation may give written notice thereof to Lender provided (i) Lender's lien on the Shares and Proprietary Lease has been perfected; (ii) the Apartment Corporation and Lender have entered into a recognition agreement (which agreement shall contain (a) an acknowledgement by the Apartment Corporation of the lien in favor of Lender, (b) an agreement by the Apartment Corporation to notify Lender of any default by Shareholder hereunder, (c) the grant to Lender of a right to cure any such default, and such other terms and conditions as shall be acceptable to the Apartment Corporation in its sole discretion; and (iii) written notice of the name and current address of Lender has been given by registered or certified mail to the Apartment Corporation prior to the date of any default. If written notice of a perfected lien has been given to the Apartment Corporation by Lender, Lender may assign all its rights thereto and to the Shares allocated to the Apartment and to this Proprietary Lease by giving written notice to the Apartment Corporation, setting forth the name and address of the assignee, and such assignee and any subsequent assignee or assignees shall thereupon have all the rights of the Lender under this paragraph, but neither Lender, nor any assignee of Lender, shall be deemed to have been accorded any right to have the Shares transferred of record on the books of the Apartment Corporation, occupy the Apartment, permit occupancy of the Apartment by others or vote the Shares, except in compliance with Article 16 of this Proprietary Lease. No fee or charge may be imposed on Sponsor, a Holder of Unsold Shares or Lender with respect to any pledge of this Proprietary Lease and the Shares allocated to the Apartment. The Apartment Corporation shall, upon request of the Sponsor or Holder of Unsold Shares, execute one or more recognition agreements and other documents reasonably required in connection with a pledge of this Proprietary Lease and the Shares allocated to the Apartment, which execution shall not be withheld, delayed or conditioned.

Other than Sponsor and Holders of Unsold Shares, Shareholder shall defend, indemnify and hold the Apartment Corporation and its employees, other Shareholders, and the managing agent, harmless from any and all costs, suits, losses, damages, fines and expenses, including, without limitation, reasonable attorneys' fees incurred by the Apartment Corporation, in connection with, directly or indirectly, the execution of a recognition agreement with Lender or any obligation of the Apartment Corporation set forth in this paragraph 17.2 in the recognition agreement.

17.3 General

Nothing contained in this Article 17 shall be construed to restrict the authority of the Board to establish a policy from time to time limiting the amount that may be borrowed by Shareholder to a percentage of value of this Proprietary Lease and the Shares to which it is appurtenant, or to establish additional rules and regulations governing the procedures to be followed in connection with the pledge or assignment of this Proprietary Lease and the appurtenant Shares as collateral security for a loan.

Article 18
Repairs by Shareholder

Shareholder agrees that Shareholder takes possession of the Apartment and its appurtenances and fixtures "as is" as of the date Shareholder enters into this Proprietary Lease or succeeds to the Shareholder's interest hereunder by assignment, as applicable. Subject to the provisions of Article 4 hereof Shareholder shall keep the interior of the Apartment (including interior walls, floors and ceilings, but excluding windows, window panes, window frames, sashes, sills, and entrance doors and doors leading to Terraces or patios appurtenant to this Proprietary Lease, and frames and saddles) in good repair, and shall do all of the painting and decorating required for the interior of the Apartment, including, without limitation, the interior of window frames, sashes and sills. Any decorations, fixtures and coverings (including, without limitation, pictures, mirrors, shelving and lighting fixtures on the surfaces of walls, ceilings and floors that face the interior of the Apartment shall be installed to a depth of no more than one inch behind such surfaces

for the purpose of installing nails, screws, bolts and the like, provided that no such installation shall impair the structural integrity of the Building or affect any of the mechanical, plumbing, or electrical systems of the Apartment or the Building. Shareholder shall be solely responsible for the maintenance, repair and replacement of interior walls, floors and ceilings, and all plumbing, electrical, gas and heating fixtures, appliances and equipment within the Apartment, including, without limitation, toilets, bathtubs, sinks, refrigerator, dishwasher, incremental Apartments (if any), including the fans inside the Apartments, air-conditioning equipment, ranges, washers, dryers and other appliances. Plumbing, gas and heating fixtures as said terms are used in this Article 18 shall include exposed gas, steam and water pipes within the Apartment attached to fixtures, appliances and equipment in the Apartment, and the fixtures, appliances and equipment in the Apartment to which they are attached, and any special pipes or equipment which Shareholder may install within the walls or ceilings, or under the floor, but shall not include gas, steam, water or other pipes or conduits within the walls, ceilings or floors of the Building or air conditioning or heating equipment which is part of the standard building equipment. Shareholder shall be solely responsible for the maintenance, repair and replacement of all lighting and electrical fixtures, appliances, and equipment, and all meters, fuse boxes or circuit breakers and electrical wiring and conduits from the junction box at the riser into and through the Apartment. Any ventilator or air conditioning device which shall be visible from the outside of the Building shall, if mandated by The Apartment Corporation, be painted by Shareholder in a standard color which The Apartment Corporation may select for the Building and/or shall be limited to such model(s) as the Board shall prescribe.

The prior written consent of the Apartment Corporation shall be required before Shareholder commences any structural or non-structural additions or alterations in connection with Shareholder's responsibilities under this Article 18, or otherwise. Shareholder shall be liable for loss or damage to the Building or the contents thereof, and to any other Apartment and the contents therewith, arising out of Shareholder's failure to comply with Shareholder's maintenance and repair obligations and responsibilities in this Article 18 and elsewhere in this Proprietary Lease. Each Shareholder must notify the Managing Agent in writing when a child or children under the age of eleven (11) years lives or resides (even temporarily) in the Apartment and each Shareholder shall take reasonable steps to ensure that the window "stops" or "guards" are installed in the windows of the Apartment and are operational in accordance with Law.

The Apartment Corporation shall be solely responsible for the maintenance, repair and replacement of doors leading from the Apartment to any Terrace, at the sole cost and expense of Shareholder. In no event shall the Apartment Corporation be responsible to repair or replace, or cause to be repaired or replaced, equipment, fixtures, flooring furniture, furnishings or decorations installed by Shareholder or any predecessors in title (including those installed by Sponsor) nor shall the Apartment Corporation be obligated to repaint or replace wallpaper or other decorations in the Apartment or to replace, repair or refinish floors therein. The obligations set forth in this paragraph are intended to supplement and not limit the obligations of Shareholder to repair and maintain the Terrace as set forth in this Proprietary Lease

Article 19
Odors and Noises

Shareholder shall not permit cooking or other odors to emanate from the Apartment. Shareholder shall keep and maintain the Apartment in a clean and sanitary manner and shall not permit, suffer or make any loud or unreasonable noises, or make sounds that may be disturbing to others. Shareholder shall not do or permit Permitted Users to do anything that interferes with the rights of other Shareholders or occupants or unreasonably annoys them or obstructs the public halls, stairways, fire escapes or courtyards. No hazardous materials may be kept, stored or maintained in any Apartment or storage facility.

All Shareholders are prohibited from smoking in or around any of the Common Areas and terraces, and within all Apartments 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, vaping, or otherwise handling or controlling any lit or smoldering product containing tobacco, marijuana or other flammable substance, including, but not limited to, cigarettes, cigars, or pipes.

Article 20
Equipment and Appliances

If in the Apartment Corporation's judgment, any of Shareholder's equipment or appliances shall result in damage to the Building, or poor quality services or interruption of service to the Building, or overloading of, or damage to facilities maintained by The Apartment Corporation for the supplying of water, gas, electricity or air-conditioning to the Building, or if any such appliances visible from the outside of the Building shall become rusty or discolored, Shareholder shall promptly, on notice from The Apartment Corporation, remedy the condition and, pending such remedy, shall cease using any appliance or equipment which may be creating the objectionable condition.

Article 21
Rules and Regulations and Requirements of Lenders and Ground Lease Lessors

Shareholder will comply with all requirements of the Board of Fire Underwriters, insurance authorities and all governmental authorities and with all laws, ordinances, rules and regulations with respect to the occupancy or use of the Apartment. If the Ground Lease shall contain any provisions pertaining to the right of Shareholder to make changes or alterations in the Apartment, or to remove any of the fixtures, appliances, equipment or installations, Shareholder herein shall comply with the requirements of such Ground Lease relating thereto. Upon Shareholder's written request, The Apartment Corporation will furnish Shareholder with copies of applicable provisions of the Ground Lease.

Article 22
The Apartment Corporation's Right to Remedy Shareholder's Defaults

If Shareholder shall fail for thirty (30) days after written notice from The Apartment Corporation to make repairs to any part of the Apartment, its fixtures or equipment, or shall fail to remedy a condition which has become objectionable to The Apartment Corporation for reasons above set forth, except for the non-payment of Maintenance Charges which shall be governed by Article 12 of this Proprietary Lease, or if Shareholder or any person dwelling in the Apartment shall request The Apartment Corporation, its agents or servants to perform any act not hereby required to be performed by The Apartment Corporation, The Apartment Corporation may at Shareholder's sole cost and expense, make such repairs, or arrange for others to do the same, or remove such objectionable condition or equipment, or perform such act, without liability on the Apartment Corporation; provided that, if the condition requires prompt action, notice of less than thirty (30) days may be given or, in case of emergency, no notice need be given. In all such cases The Apartment Corporation, its agents, servants and contractors shall, as between The Apartment Corporation and Shareholder, be conclusively deemed to be acting as agents of Shareholder and all contracts therefor made by The Apartment Corporation shall be so construed whether or not made in the name of Shareholder. If Shareholder shall fail to perform or comply with any of the other covenants or provisions of this Proprietary Lease within the time required by a notice from The Apartment Corporation (which notice shall provide at least five (5) days for such performance or compliance), then The Apartment Corporation may, but shall not be obligated to, comply therewith, and for such purpose may enter upon the Apartment of Shareholder. The Apartment Corporation shall be entitled to recover from Shareholder all expenses incurred

or for which it has contracted hereunder, such expenses to be payable by Shareholder, or Shareholders as appropriate, on demand as Additional Maintenance Charges.

Article 23
Increase in Rate of Fire Insurance

Shareholder shall not permit or suffer anything to be done or kept in the Apartment which will increase the rate of fire insurance on the Building, or the contents thereof. If, by reason of the occupancy or use of the Apartment by Shareholder, the rate of fire insurance on the Building, or any other Apartment in the Building or the contents of the Building, or any other Apartment shall be increased, Shareholder shall (if such occupancy or use continues for more than thirty (30) days after written notice from The Apartment Corporation, specifying the objectionable occupancy or use) become personally liable for the additional insurance premiums incurred by the Apartment Corporation, or any other Shareholder of an Apartment in the Building on all policies so affected, and The Apartment Corporation shall have the right to collect the same for its benefit or the benefit of any such party as Additional Maintenance Charges for the Apartment due on the first day of the calendar month following written demand therefor by the Apartment Corporation.

Article 24
Alterations by Shareholder

(1) Other than Sponsor and Holders of Unsold Shares, who may perform any alterations in and to their Apartments without the consent of the Apartment Corporation, so long as such alterations comply with Law, Shareholder shall not, without obtaining the prior written consent of The Apartment Corporation, subject to any reasonable terms and conditions as The Apartment Corporation may impose and subject to any requirements of the Ground Lease or any Underlying Mortgages, perform in or around the Apartment or on any Terrace, any alteration, enclosure, addition, improvement or repair thereto, or any alteration, enclosure, improvement or addition to the water, gas, or steam risers or pipes, heating or air conditioning system or units, electrical conduits, wiring or outlets, plumbing fixtures, intercommunication or alarm system, or any other installation or facility in the Apartment or Building. The Apartment Corporation shall not consent to any alteration unless Shareholder cures any default that may exist under this Proprietary Lease and pays all sums to be fixed by the Board to cover reasonable legal, architectural, engineering and other expenses of The Apartment Corporation and the Building's managing agent in connection with the alteration. Applications to the Board for its consent to perform alterations shall be submitted together with detailed and fully code-compliant architectural plans and specifications, as The Apartment Corporation may require. Shareholder must sign an alteration agreement in the form and substance acceptable to The Apartment Corporation, setting forth the terms and conditions under which the alteration may be made, including, without limitation, the hours and days during which work may be performed and garbage and refuse removed, containing a per diem liquidated damages provision for delays in completion of work beyond the time specified in the alteration agreement and providing for the delivery of a security deposit in an amount to be determined by the Board to ensure compliance with the provisions of the alteration agreement. The performance by Shareholder of any work in the Apartment shall be in accordance with applicable rules and regulations of the Apartment Corporation and all governmental agencies having jurisdiction thereof. The Shareholder shall not in any case install any appliance or equipment that will overload the existing wires or equipment in the Building. Shareholder shall not alter the structure of any Apartment, except in full compliance with Law and this Proprietary Lease and shall not encroach or impinge on the public areas of the Building.

(2) Prior to performing any alteration, addition, installation or improvement, Shareholder shall, at Shareholder's sole cost and expense, obtain all permits, licenses, approvals and certifications required by governmental authorities having jurisdiction and (upon completion), certificates of final approval thereof and shall promptly deliver to The Apartment Corporation duplicates of all permits, approvals and certificates. Shareholder agrees to carry and will cause all contractors to carry workmen's compensation, general liability,

personal and property damage insurance, in such amounts as The Apartment Corporation may require, all of which shall name The Apartment Corporation and the managing agent of the Building as additional insured parties thereunder. Shareholder shall engage only those contractors that are licensed to perform the work for which they are engaged and who agree in writing to waive the filing of mechanics' liens against the Building. Shareholder shall not engage any building staff or any contractors or sub-contractors engaged by the Apartment Corporation unless expressly agreed to in writing by the Apartment Corporation.

(3) The Apartment Corporation reserves the unconditional right to refuse to consent to any alterations, additions, installations or improvements performed by Shareholders until the work performed by Sponsor pursuant to the Offering Plan has been completed and a permanent certificate of occupancy for the Building has been issued.

Article 25
Removal of Fixtures

Without the Apartment Corporation's prior written consent, Shareholder shall not remove any fixtures, appliances, additions or improvements from the Apartment except as otherwise provided in this paragraph. If Shareholder, or a prior Shareholder, shall have previously placed, or Shareholder shall hereafter place in the Apartment, at Shareholder's own expense, any additions, improvements, appliances or fixtures, including but not limited to, lighting fixtures, refrigerators, air conditioners, dishwashers, laundry machines and dryers, ranges, woodwork, wall paneling, ceilings, special doors or decorations, special cabinet work or other built-in ornamental items, which can be removed without structural alterations or permanent damage to the Apartment or to any building system or structural element, then title thereto shall remain in Shareholder and Shareholder shall have the right, prior to the termination of this Proprietary Lease, to remove it at Shareholder's own expense, provided: (i) that Shareholder at the time of removal shall not be in default in the payment of rent or Additional Maintenance Charges or in the performance or observance of any other covenants or conditions of this Proprietary Lease; and (ii) that Shareholder shall, at Shareholder's own expense, prior to the termination of this Proprietary Lease, repair all damage to the Apartment which shall have been caused by either the installation or removal of any of such additions, improvements, appliances or fixtures; (iii) that if Shareholder shall have removed from the Apartment any articles or materials owned by The Apartment Corporation or its predecessor in title, or any fixtures or equipment necessary for the use of the Apartment, Shareholder shall either restore such articles and materials and fixtures and equipment and repair any damage resulting from their removal and restoration, or replace them with others of a kind and quality customary in comparable buildings and satisfactory to The Apartment Corporation; and (iv) that if any lender had acquired a lien on any such property prior to the execution of this Proprietary Lease, Shareholder shall first procure from such lender its written consent to such removal.

Article 26
Surrender on Expiration of Term

On the expiration or earlier termination of this Proprietary Lease, Shareholder shall surrender to the Apartment Corporation possession of the Apartment with all additions, improvements, appliances and fixtures then included therein, except as otherwise provided in this paragraph. Any additions, improvements, fixtures or appliances not removed by Shareholder on or before such expiration or termination of this Lease shall, at the option of the Apartment Corporation, be deemed abandoned and shall become the property of the Apartment Corporation and may be disposed of by the Apartment Corporation without liability or accountability to Shareholder. Any alterations or additions made to the Apartment shall remain the responsibility of Shareholder, notwithstanding any other provision of this Proprietary Lease or

any consent received from the Apartment Corporation and/or subsequent assumption of Shareholder's obligations by a transferee or assignee (who shall likewise be responsible).

Article 27
Lease Subordinate to Agreements, Mortgages and Ground Lease

27.1 Subordination

This Proprietary Lease is and shall be subject and subordinate to (i) the Ground Lease and all other present and future ground or underlying leases, and (ii) any mortgages now or hereafter made liens upon the Apartment Corporation's leasehold interest ("Underlying Mortgage") (excluding mortgages solely encumbering the fee interest in the Property), and to any extensions, modifications, consolidations, renewals and replacements thereof. This clause shall be self-operative and no further instrument of subordination shall be required by any such lender or ground or underlying Shareholder. In confirmation of such subordination, Shareholder shall at any time, and from time to time, on demand, execute any instruments that may be required by the holder of an Underlying Mortgage, or by the Apartment Corporation, for the purpose of more formally subjecting this Proprietary Lease to the lien of any such agreements, mortgage or Ground Lease. Each of the duly elected officers of the Apartment Corporation is hereby irrevocably appointed the attorney-in-fact and agent of Shareholder to execute any such instrument upon such demand. Shareholder hereby ratifies any such instrument hereafter executed by virtue of the power of attorney hereby given.

27.2 Ground Lease Rent

In the event that the Apartment Corporation defaults in the payment of Rent (as defined in the Ground Lease) beyond any applicable notice and cure periods under the Ground Lease, Shareholder shall pay to the Ground Lease Lessor upon demand, its proportionate share of the Rent and other sums due or accruing under the Ground Lease (as defined in the Ground Lease) in accordance with its Share Allocation.

27.3 Termination of Ground Lease

If there is a termination of the Ground Lease, or if the Ground Lease Lessor exercises its rights under the Ground Lease to dispossess the Apartment Corporation or enter the Building, Shareholder (provided that Shareholder is not an affiliate of the Apartment Corporation) shall, at the BPCA's election, attorn to the Ground Lease Lessor and the Ground Lease Lessor will have all rights of the Apartment Corporation under this Proprietary Lease, including without limitation, the right to enforce those rights by court proceeding or otherwise.

Article 28
Mechanic's Lien

In case a notice of mechanic's lien against the Property shall be filed purporting to be for labor or material furnished or delivered at the Building or the Apartment to or for Shareholder, or anyone claiming under Shareholder, Shareholder shall forthwith cause such lien to be discharged by payment, bonding or otherwise. If Shareholder shall fail to discharge such lien as described in the previous sentence within ten (10) days after written notice from The Apartment Corporation, then the Apartment Corporation may cause such lien to be discharged by payment, bonding or otherwise, without investigation as to the validity thereof or of any offsets or defenses thereto. In such event, the Apartment Corporation shall have the right to collect, as Additional Maintenance Charges, all amounts so paid and all costs and expenses paid or incurred in connection therewith, including reasonable attorney's fees and disbursements, together with interest thereon from the time or times of payment.

Article 29
Cooperation

Shareholder shall always in good faith endeavor to observe and promote the Apartment Corporation purposes for the accomplishment of which The Apartment Corporation is incorporated.

Article 30
The Apartment Corporation's Right of Entry: Keys

The Apartment Corporation and its agents and their authorized employees shall be permitted to visit, examine, or enter the Apartment, Terrace or other areas appurtenant thereto, at any reasonable hour of the day upon reasonable advance notice to Shareholder, or at any time and without notice in case of emergency, to make or facilitate repairs in any part of the Building or elsewhere in the Building for which The Apartment Corporation is responsible under this Proprietary Lease, or to cure any default by Shareholder. The Apartment Corporation shall have the right to remove such portions of the walls, floors and ceilings of the Apartment, Terrace and other areas and appurtenances as may be required for any such purpose, but The Apartment Corporation shall thereafter restore the Apartment, and other areas and appurtenances, to their proper and usual condition at The Apartment Corporation's expense if such repairs are the obligation of The Apartment Corporation, or at Shareholder's expense if such repairs are the obligation of Shareholder or are caused by the act or omission of Shareholder or any of Shareholder's family, guests, licensees, agents, employees or subtenants. The Apartment Corporation shall in no event, however, have an obligation to repaint or replace wallpaper or other decorations in the Apartment, or to refinish floors therein.

In order that the Apartment Corporation shall at all times have access to the Apartment, Terrace or other appurtenant areas, if any, for the purposes provided for in this Proprietary Lease, Shareholder shall provide the Apartment Corporation with a key to each lock providing access to the Apartment and all appurtenant areas, and if any such lock shall be altered or new lock installed, Shareholder shall provide the Apartment Corporation with a key to each such altered or new lock. If any lock shall be altered or new lock installed, Shareholder shall provide the Apartment Corporation with a key thereto immediately upon installation. If Shareholder shall not be personally present to open and permit an entry at any time when an entry therein shall be necessary or permissible hereunder and shall not have furnished a key to the Apartment Corporation, the Apartment Corporation or the Apartment Corporation's agents (but, except in an emergency, only when specifically authorized by an officer of the Apartment Corporation or an officer of the managing agent) may forcibly enter the Apartment, Terrace or other appurtenant areas without liability for damages by reason thereof (if during such entry The Apartment Corporation shall accord reasonable care to Shareholder's property), and without in any manner affecting the obligation and covenants of this Proprietary Lease. The right and authority hereby reserved do not impose, nor does The Apartment Corporation assume by reason thereof, any responsibility or liability for the care or supervision of the Apartment, or any of the pipes, fixtures, appliances or appurtenances therein contained, except as herein specifically provided.

Article 31
Waivers

The failure of the Apartment Corporation to insist, in any one or more instances upon a strict performance of any of the provisions of this Proprietary Lease, or to exercise any right or option herein contained, or to serve any notice, or to institute any action or proceeding, shall not be construed as a waiver, or a relinquishment for the future, of any such provisions, options or rights, but such provisions, options or rights shall continue and remain in full force and effect. The receipt by the Apartment Corporation of Maintenance Charges, with knowledge of the breach of any covenant hereof, shall not be deemed a waiver

of such breach, and no waiver by the Apartment Corporation of any provision hereof shall be deemed to have been made unless in a writing expressly approved by the Board.

Article 32
Notices

Any notice by or demand from either party to the other shall be duly given only if in writing and sent by certified or registered mail, return receipt requested or by recognized overnight delivery courier/express service:

(i) if by Shareholder, addressed to the Apartment Corporation at the address set forth above with a copy sent by regular mail to The Apartment Corporation's Managing Agent;

(ii) if to Shareholder, addressed to Shareholder at the Building, or during such time as the Apartment is subleased, at an alternate address to be provided by Shareholder.

(iii) Either party may, by notice served in accordance herewith, designate a different address for service of such notice or demand. Notices or demands shall be deemed given on the date when mailed, except notices of change of address shall be deemed served where received.

Article 33
Reimbursement of The Apartment Corporation's Expenses

If Shareholder shall at any time be in default hereunder and the Apartment Corporation shall incur any expense (whether paid or not) in performing acts which Shareholder is required to perform, or in instituting any action or proceeding based on such default, or defending, or asserting a counterclaim, in any action or proceeding brought by Shareholder, the expense thereof to the Apartment Corporation, including reasonable attorneys' fees and disbursements, shall be paid by Shareholder to the Apartment Corporation, on demand, as Additional Maintenance Charges. If the Shareholder shall at any time be in default under this Proprietary Lease and the Apartment Corporation shall incur any other expense (whether or not paid) in performing the obligations that Shareholder is required to perform, the expense thereof to the Apartment Corporation shall be paid by Shareholder to the Apartment Corporation, on demand, as Additional Maintenance Charges under this Proprietary Lease.

Article 34
The Apartment Corporation's Immunities

The Apartment Corporation shall not be liable, except by reason of the Apartment Corporation's, or its employees' and licensees', gross negligence, for any failure or insufficiency of heat, air conditioning, water supply, electrical current, gas, telephone, elevator service or other service to be supplied by the Apartment Corporation hereunder, or for interference with light, air, view or other interests of Shareholder. No abatement of Maintenance Charges or other compensation or claim of eviction shall be made or allowed because of the making or failure to make or delay in maintaining any repairs, alterations or decorations to the Building, or any fixtures or appurtenances therein, or for space taken to comply with any laws, ordinance or governmental regulation, or for interruption or curtailment of any service agreed to be furnished by the Apartment Corporation, due to accidents, alterations or repairs, or the difficulty or delay in securing supplies or labor or other cause beyond the Apartment Corporation's control, unless due to the Apartment Corporation's gross negligence.

Article 35
Window Cleaning

Shareholder will not require, permit, suffer or allow the cleaning of any window in the Building from the outside (within the meaning of Section 202 of the New York Labor Law), which shall be the responsibility of the Apartment Corporation at the cost and expense of each Shareholder in accordance with each Shareholder's Share Allocation.

Article 36
Termination of Proprietary Lease by The Apartment Corporation

36.1 Notice

If upon, or at any time after the happening of any of the events in paragraphs 36.1(i) to 36.1(xi) inclusive, the Apartment Corporation may give to Shareholder a notice stating that the term hereof will terminate on a date at least five (5) days thereafter. If such notice is given, the term of this Proprietary Lease shall expire on the date so fixed in such notice as fully and completely as if it were the date herein definitely fixed for the expiration of the term, and all right, title and interest of Shareholder hereunder shall thereupon wholly cease and expire. Upon such expiration Shareholder shall quit and surrender the Apartment to the Apartment Corporation, it being the intention of the parties hereto to create hereby a conditional limitation, and upon such expiration the Apartment Corporation shall have the right to re-enter the Apartment and to remove all persons and personal property therefrom, either by summary dispossess proceedings, or by any suitable action or proceeding at law or in equity or by force or otherwise, and to repossess the Apartment in its former estate as if this Proprietary Lease had not been made, and no liability whatsoever shall attach to the Apartment Corporation by reason of the exercise of the right of re-entry, re-possession and removal herein granted and reserved.

The following events, if uncured after notice where applicable, will trigger termination of this Proprietary Lease by the Apartment Corporation:

(i) **Shareholder Ceasing to Own Accompanying Shares**

If Shareholder shall cease to be the owner of the Shares, or if this Proprietary Lease shall pass or be assigned pursuant to Article 16 hereof to anyone who is not then the owner of the Shares, or if this Proprietary Lease and the Shares appurtenant hereto shall pass or be assigned to anyone other than Shareholder pursuant to a pledge or security agreement or loan agreement entered into by Shareholder and secured by this Proprietary Lease and the Shares.

(ii) **Shareholder Becoming Bankrupt**

If at any time during the term of this Proprietary Lease (i) the then holder hereof shall be adjudicated as bankrupt under the laws of the United States; or (ii) a receiver of all of the property of such holder or of this Proprietary Lease shall be appointed under any provision of the laws of the State of New York, or under any statute of the United States, or any statute of any state of the United States and the order appointing such receiver shall not be vacated within thirty (30) days; or (iii) such holder shall make a general assignment for the benefit of creditors; or (iv) any of the Shares owned by such holder to which this Proprietary Lease is appurtenant shall be duly levied upon under the process of any court whatever unless such levy shall be discharged within thirty (30) days; or (v) this Proprietary Lease or any of the Shares shall pass by operation of law or otherwise to anyone other than

Shareholder herein named or a person to whom such Shareholder has assigned this Proprietary Lease in the manner herein permitted, but this clause (v) shall not be applicable if this Proprietary Lease shall devolve upon the executors or administrators of Shareholder and provided that within eight (8) months (which period may be extended by the Board) after the death of Shareholder, this Proprietary Lease and Shares shall have been transferred to an assignee in accordance with Article 16 hereof.

(iii) **Unauthorized Occupancy**

If there is any subletting hereunder or an assignment of this Proprietary Lease in violation of this Proprietary Lease or without full compliance with the requirements of Articles 15 or 16 hereof; or if any person not authorized by Article 14 shall be permitted to use or occupy the Apartment, and Shareholder shall fail to cause such unauthorized person to vacate the Apartment within ten (10) days after written notice from The Apartment Corporation.

(iv) **Default in Maintenance Charges**

If Shareholder shall be in default for a period of one month in the payment of any Maintenance Charges or Additional Maintenance Charges or of any installment thereof and shall fail to cure such default within ten (10) days after written notice from the Apartment Corporation.

(v) **Default in Other Covenants**

If Shareholder shall be in default in the performance of any covenant or provision hereof, other than the covenant to pay Maintenance Charges, and such default shall continue for thirty (30) days after written notice from the Apartment Corporation; provided, however, that if said default consists of the failure to perform any action the performance of which requires any substantial period of time, then if within said period of thirty (30) days such performance is commenced and thereafter diligently prosecuted to conclusion without delay and interruption, Shareholder shall be deemed to have cured said default.

(vi) **Shareholder's Objectionable Conduct**

If at any time the Apartment Corporation shall determine, upon the affirmative vote of the record holders of at least sixty-six and two-thirds percent (66-2/3%) in amount of its then issued and outstanding corporate Shares, at a Shareholders' meeting duly called for that purpose, that because of objectionable conduct on the part of Shareholder, or of a person dwelling or visiting in the Apartment, repeated after written notice from The Apartment Corporation, the tenancy of Shareholder is undesirable (it being understood, without limiting the generality of the foregoing, that repeatedly to violate or disregard the House Rules or to permit or tolerate a person of loose or immoral character to enter or remain in the Building or the Apartment, shall be deemed to be objectionable conduct).

(vii) **Default Under Pledge Agreement**

If Shareholder shall be in default in the payment of any note or the terms, covenants and conditions of any loan security agreement secured by a pledge of this Lease and the Shares.

(viii) **Termination of All Proprietary Leases**

If at any time The Apartment Corporation shall determine, upon the affirmative vote of three-quarters of its then Board at a meeting of such directors duly called for that purpose, or the affirmative vote of the record holders of at least sixty-six and two-thirds percent (66-2/3%) in amount of its then issued and outstanding corporate Shares, at a Shareholders meeting duly called for that purpose, to terminate all Proprietary Leases.

(ix) **Destruction of the Building**

If the Building or the Residential Unit shall be destroyed or damaged and the Shareholders shall decide not to repair or rebuild, subject to the provisions of the Ground Lease, the Condominium Documents and any Underlying Mortgage.

(x) **Condemnation**

If at any time the Building or a substantial portion thereof shall be taken by condemnation proceedings, subject to the provisions of the Ground Lease and any Underlying Mortgage.

(xi) **Termination or Expiration of Ground Lease**

Subject to the terms of the Ground Lease, if the term of the Ground Lease expires or is terminated pursuant to Article 33 of the Ground Lease, at the Ground Lease Lessor's option, the Apartment Corporation shall well and truly surrender and deliver up to Landlord the Premises in good order, condition and repair, reasonable wear and tear excepted, free and clear of all lettings, occupancies. liens and encumbrances including, without limitation, Shareholder's rights under the Offering Plan or otherwise with respect to such Shareholder's Apartment, other than those, if any, existing at the date hereof, or created by or consented to by Landlord or which lettings and occupancies by their express terms and conditions extend beyond the Ground Lease expiration date, and which Landlord shall have consented and agreed, in writing, may extend beyond the Ground Lease expiration date, without any payment or allowance whatever by Landlord.

Article 37
The Apartment Corporation's Rights After Shareholder's Defaults

37.1 Relet Apartment

(1) In the event the Apartment Corporation resumes possession of the Apartment, either by summary proceedings, action of ejectment or otherwise, because of default by Shareholder in the payment of any Maintenance Charges or Additional Maintenance Charges due hereunder, or on the expiration of the term pursuant to a notice given as provided in paragraph 36.1 hereof upon the happening of any event specified in paragraphs 36.1(i) through 36.1(xi) inclusive, Shareholder shall continue to remain liable for payment of a sum equal to the Maintenance Charges which would have become due hereunder and shall pay the same in installments at the time such Maintenance Charges would be due hereunder. No suit brought to recover any installment of such Maintenance Charges or Additional Maintenance Charges shall prejudice the right of the Apartment Corporation to recover any subsequent installment.

(2) After resuming possession, the Apartment Corporation may, at its option, from time to time (i) relet the Apartment for its own account or (ii) relet the Apartment as the agent of Shareholder, in the name of Shareholder or in its own name, for a term or terms which may be less than or greater than the

period which would otherwise have constituted the balance of the term of this Proprietary Lease, and may grant concessions or free Maintenance Charges, in its discretion. Any reletting of the Apartment shall be deemed for the account of Shareholder, unless within ten (10) days after such reletting the Apartment Corporation shall notify Shareholder that the premises have been relet for the Apartment Corporation's own account. The fact that the Apartment Corporation may have relet the Apartment as agent for Shareholder shall not prevent the Apartment Corporation from thereafter notifying Shareholder that it proposes to relet the Apartment for its own account. If the Apartment Corporation relets the Apartment as agent for Shareholder, it shall, after reimbursing itself for its expenses in connection therewith, including leasing commissions and a reasonable amount for attorneys' fees and expenses, and decorations, alterations and repairs in and to the Apartment, apply the remaining avails of such reletting against Shareholder's continuing obligations hereunder. There shall be a final accounting between the Apartment Corporation and Shareholder upon the earliest of the four following dates: (i) the date of expiration of the term of this Proprietary Lease as stated on page 1 hereof; (ii) the date as of which a new Proprietary Lease covering the Apartment shall have become effective; (iii) the date The Apartment Corporation gives written notice to Shareholder that it has relet the Apartment for its own account; (iv) the date upon which all Proprietary Leases of the Apartment Corporation terminate.

37.2 Acceptance of Rent from Subtenant

If Shareholder shall at any time sublet the Apartment either in accordance with the provisions of this Proprietary Lease or otherwise, and if Shareholder shall thereafter default in the payment of any Maintenance Charges or Additional Maintenance Charges, the Apartment Corporation may, at its option, and subject to the provisions of General Business Law Section 352-i (as same may be amended from time to time), as long as such default shall continue, demand and receive from the subtenant the rent due or becoming due from such subtenant to Shareholder, and apply the amount to pay sums due and becoming due from Shareholder to the Apartment Corporation. Any payment by a subtenant to the Apartment Corporation shall constitute a discharge of the obligation of such subtenant to Shareholder to the extent of the amount so paid. The acceptance of rent from any subtenant shall not be deemed a consent to or approval of any subletting by Shareholder, or a release or discharge of any of the obligations of Shareholder hereunder.

37.3 Sales of Shares

(1) Upon the termination of this Proprietary Lease under any of the provisions of Article 36, Shareholder shall surrender to The Apartment Corporation the certificate for the Shares and Shareholder's certificate shall be canceled by The Apartment Corporation. Whether or not said certificate is surrendered, The Apartment Corporation may issue a new Proprietary Lease for the Apartment and issue a new certificate for the Shares when a purchaser therefor is obtained, provided that the issuance of such Shares and such Proprietary Lease to such purchaser is authorized by a resolution of the Board, or by writing signed by a majority of the Board or by Shareholders owning of record, at least a majority of the corporate shares of The Apartment Corporation accompanying Proprietary Leases then in force.

(2) Upon such issuance, the certificate owned or held by Shareholder shall be automatically canceled and rendered null and void. The Apartment Corporation shall apply the proceeds received for the issuance of such Shares toward the payment of Shareholder's indebtedness hereunder, including interest, attorneys' fees and other expenses incurred by the Apartment Corporation, and if the proceeds are sufficient to pay the same, the Apartment Corporation shall pay over any surplus to Shareholder, but, if insufficient, Shareholder shall remain liable for the balance of the indebtedness. Upon the issuance of any such new Proprietary Lease and certificate, Shareholder's liability hereunder shall cease and Shareholder shall only be liable for Maintenance Charges and expense accrued to that time. The Apartment Corporation shall not,

however, be obligated to sell such Shares and appurtenant Proprietary Lease or otherwise make any attempt to mitigate damages.

Article 38
Waiver of Right of Redemption

Shareholder hereby expressly waives any and all right of redemption in case Shareholder shall be dispossessed by judgment or warrant of any court or judge. The words "enter", "re-enter" and "re-entry" as used in this Proprietary Lease are not restricted to their technical legal meaning.

Article 39
Surrender of Possession

Upon the termination of this Proprietary Lease under any other of its provisions, Shareholder shall be and remain liable to pay all Maintenance Charges, Additional Maintenance Charges and other charges due or accrued and to perform all covenants and agreements of Shareholder up to the date of such termination. On or before any such termination Shareholder shall vacate the Apartment and surrender possession thereof to the Apartment Corporation or its assigns, shall execute, acknowledge and deliver to the Apartment Corporation or its assigns any instrument which may reasonably be required to evidence the surrendering of all estate and interest of Shareholder in the Apartment.

Article 40
Lease Cancellation

40.1 Shareholder's Option to Cancel

(i) This Lease may be canceled by Shareholder on any December 31st after the third anniversary of the Cooperative Conversion Date, upon Shareholder's compliance with all the provisions hereinafter set forth. Irrevocable written notice of intention to cancel must be given by Shareholder to Apartment Corporation on or before July 1st, in the calendar year in which such cancellation is to occur. At the time of the giving of such notice of intention to cancel there must be deposited with Apartment Corporation by Shareholder:

(ii) Shareholder's counterpart of this Lease with a written assignment in form required by Apartment Corporation, in blank, effective as of November 30 of the year of cancellation, free from all subleases, tenancies, liens, encumbrances and other charges whatsoever;

(iii) Shareholder's certificate for the Shares of Apartment Corporation endorsed in blank for transfer and with any necessary transfer tax stamps affixed and with payment of any applicable state or local transfer taxes or other transfer taxes due in connection with the transfer, as determined by Apartment Corporation in its sole discretion; and

(iv) a written statement setting forth in detail those additions, improvements, fixtures or equipment which Shareholder has the right to remove under the terms of this Lease and intends to remove.

40.2 Removal of Fixtures: Possession

All additions, improvements, appliances and fixtures which are removable under the terms of this Lease and which are enumerated in the statement made as provided in subdivision (iii) above shall be removed by Shareholder prior to December 31st of the year of cancellation, and on or before said December 31st Shareholder shall deliver possession of the Apartment to Apartment Corporation in good condition

with all required equipment, fixtures and appliances installed and in proper operating condition and free from all subleases and tenancies, liens, encumbrances and other charges (except as aforesaid) and pay to Apartment Corporation all Rent and other charges which shall be payable under this Lease up to and including the following December 31st.

40.3 Permission to Show and Occupy Premises

Apartment Corporation and its agents may show the Apartment to prospective Shareholders, contractors and architects at reasonable times, after notice of Shareholder's intention to cancel. After the apartment has been vacated, Apartment Corporation and its agents, employees, and Shareholders may enter the Apartment, occupy the same and make such alterations and additions therein as Apartment Corporation may deem necessary or desirable.

40.4 Effective Date of Cancellation

If Shareholder is not otherwise in default hereunder and if Shareholder shall have timely complied with all of the provisions of subdivisions (i-iii) of Section 40.1 hereof, then this Lease shall be canceled and all rights, duties and obligations of the parties hereunder shall cease as of the December 31st fixed in said notice, and the Shares of Apartment Corporation theretofore owned by Shareholder shall become the absolute property of Apartment Corporation, provided, however, that Shareholder shall not be released for any indebtedness owing Apartment Corporation on said last mentioned date and shall be liable to Apartment Corporation for same.

40.5 Rights on Shareholder's Default

If Shareholder shall give the notice but fail to comply with any of the other provisions of this paragraph, Apartment Corporation shall have the option at any time prior to December 31st (i) of returning to Shareholder this Lease, the certificate for the Shares and other documents deposited, and thereupon Shareholder shall be deemed to have withdrawn the notice of intention to cancel this Lease or (ii) of treating this Lease as canceled as of the December 31st named in the notice of intention to cancel as the date for the cancellation of such Lease, and bringing such proceedings and actions as it may deem best to enforce the covenants of Shareholder herein above contained and to collect from Shareholder the payments which Shareholder is required to make hereunder, together with reasonable attorneys' fees and expenses.

40.6 Extension of Option to Cancel

If, in any year, the total number of corporate Shares of Apartment Corporation owned by Shareholders holding Proprietary Leases for Apartments in the Building, who have given notice pursuant to paragraph 40.1 of intention to cancel such Proprietary Lease on December 31st of said year, shall aggregate ten (10%) percent or more of Apartment Corporation's outstanding and issued corporate Shares, exclusive of treasury shares, then Apartment Corporation shall, on or prior to July 31st in such year, give a written notice to the holders of all issued and outstanding Shares of Apartment Corporation, stating the total number of Shares owned by Shareholders holding Proprietary Leases who have given notice of intention to cancel. In such case the proprietary Shareholders to whom such notice shall have been given shall have the right to cancel their Lease in compliance with the provisions of paragraph 42.1 hereof, provided only that written notice of the intention to cancel such Leases shall be given on or before October 1st instead of July 1st of that year.

40.7 Right of Shareholders to Cancel

If Shareholders owning at least sixty-six and two-thirds percent (66-2/3%) of the then issued and outstanding corporate Shares of Apartment Corporation shall exercise the option to cancel their Lease in one year, then this and all other Proprietary Leases shall thereupon terminate on December 31 of the year in which such options shall have been exercised, as though every Shareholder had exercised such option. In such event none of the Shareholders shall be required to surrender their Shares to Apartment Corporation and all certificates for Shares delivered to Apartment Corporation by those who had, during the year, served notice of intention to cancel their Lease under the provisions hereof, shall be returned to such Shareholders.

Article 41
Sale of Shares Under the Plan: Unsold Shares

41.1 Title

The term "Unsold Shares" means and has exclusive reference to the Shares of the Apartment Corporation offered under the Offering Plan which were not purchased and fully paid for by purchasers under the Offering Plan as of the Cooperative Conversion Date, and were owned by Sponsor as of that date. Unsold Shares lose their characterization as Unsold Shares upon their transfer by Sponsor, as applicable, to any transferee unless the transferee to whom the Shares are transferred is acquiring the Shares for purposes other than occupancy of the appurtenant Apartment by the transferee or transferee's family and offers the Shares for sale under the Offering Plan. For a transferee to be deemed a "Holder" of Unsold Shares, the Shares must be Unsold Shares and the transferee must be explicitly designated in writing by Sponsor as a "Holder" of Unsold Shares at the time of transfer. Such "Holder" designation must be in writing by Sponsor to the transferee to be a valid designation as a Holder of Unsold Shares. If the transferee Shareholder has been designated a Holder of Unsold Shares by Sponsor, Sponsor shall be deemed to have guaranteed the payment of Shareholder's Maintenance Charges under the Proprietary Lease. Sponsor's guarantee shall exist only with respect to a Holder of Unsold Shares designated as such by Sponsor while that Holder owns the Unsold Shares and shall not run to transferees of that Holder of Unsold Shares. If a Holder of Unsold Shares, or a person related by blood, marriage or adoption to the Holder of Unsold Shares, takes occupancy of the Apartment to which the Unsold Shares are appurtenant, the Shares shall cease to be Unsold Shares.

41.2 Sale of Shares

Any sale of Unsold Shares and their appurtenant Proprietary Leases pursuant to the Plan shall be in accordance with the terms of the Plan. A Holder of Unsold Shares shall not require consent of the Apartment Corporation with respect to any sale or transfer. However, a Holder of Unsold Shares shall provide the Apartment Corporation and its Managing Agent with the contact information of the new owner of such Shares.

41.3 Sublet

Sponsor and each Holder of Unsold Shares shall have the right, freely and without charge, to sublet his Apartment to which Unsold Shares have been allocated to any person and on such terms and conditions as he deems desirable and shall also have the right, freely and without charge, to sell such Unsold Shares and transfer the appurtenant proprietary lease to a third party. A Holder of Unsold Shares shall not require the consent of the Apartment Corporation with respect to any subletting. However, a Holder of Unsold Shares shall provide the Apartment Corporation and its Managing Agent with the contact information of the subtenant.

The Apartment Corporation has the right to direct that the tenant of an Apartment owned by a "non-occupying" Shareholder pay rent directly to the Apartment Corporation instead of to the Shareholder, if the Shareholder defaults in payment of Maintenance Charges and/or Additional Maintenance Charges for more than sixty (60) days in accordance with the provisions of General Business Law Section 352-l.

41.4 No Interference

Anything contained in this Proprietary Lease and the House Rules of the Apartment Corporation to the contrary notwithstanding, the Apartment Corporation or the Board shall not prevent impede or interfere with the sale of any Unsold Shares or the subletting of an Apartment to which Unsold Shares are allocated. In addition, prospective purchasers of Unsold Shares and sales personnel shall be given access to the public areas of the Building, including (without limitation) the parking areas (if any), lobbies, elevators and hallways, for purposes of ingress and egress, without being subject to any charge or fee. No discriminatory charge or fee may be imposed on any Shareholder who is a Holder of Unsold Shares. A Holder of Unsold Shares may use the Apartment to which such Unsold Shares are allocated for a model or an office in compliance with the certificate of occupancy of the Building and Law.

41.5 Models

Sponsor and each Holder of Unsold Shares shall have the right to use one or more Apartments to which Unsold Shares have been allocated as a model or an office (or both) to display "For Sale" and "For Rent" signs and similar promotional signs and material on or about the exterior of the Building, the lobby and Apartments to which Unsold Shares have been allocated provided same is in accordance with applicable laws, codes and zoning regulations.

41.6 No Discrimination

No discriminatory charge or fee may be imposed on any Shareholder who is a Holder of Unsold Shares.

41.7 Recognition Agreement

Upon request of a Holder of Unsold Shares, the Apartment Corporation shall enter into an agreement (commonly known as a "Recognition Agreement") with a lender designated by the Holder of Unsold Shares. All costs and expenses incurred by the Apartment Corporation in connection with such Recognition Agreement (including legal fees) shall be borne entirely by the Apartment Corporation, and no charge therefor may be assessed to said Holder of Unsold Shares, the heirs, legal representatives, successors or assigns, the individual acquiring the Proprietary Lease and the appurtenant shares from the Holder of Unsold Shares or the lender.

41.8 Alterations

(1) Each Holder of Unsold Shares shall have the right to make alterations and additions in or to his Apartment to which Unsold Shares have been allocated (and to its fixtures and equipment) without obtaining the Apartment Corporation's written consent, and without the payment of any fee or charge, provided the alterations or additions are done in accordance with applicable law.

(2) Each Holder of Unsold Shares shall have the right to change the number, size and/or layout of his Apartments to which Unsold Shares have been allocated and to reallocate shares in connection therewith, without obtaining the consent of the Apartment Corporation or its Shareholders and without payment of any fee or charge. However, all changes in the number or size of the Apartments to which

Unsold Shares have been allocated must be done in accordance with applicable law and by amendment to the Offering Plan and shall not prevent ingress or egress to exits elevators or other Apartments. In addition, any reallocation of Shares must meet the reasonable relationship test, as evidenced by a letter of reasonable relationship, and be disclosed in an amendment to the Offering Plan. In the event of a dispute concerning the provisions of this paragraph, same will be decided by a recognized real estate expert selected by the Holder of Unsold Shares whose determination shall be conclusive and binding. In no event shall the total number of issued and outstanding shares be changed as a result of such reallocation.

(3) Sponsor and Holders of Unsold Shares and their contractors, subcontractors, agents and employees will have a right of access to each Apartment and to all of the Common Areas for the purpose of fulfilling Sponsor's obligations under the Offering Plan and performing certain alterations and repairs in or about the Apartments and Common Areas. 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 Apartment for its permitted purposes. If reasonable care under the circumstances is exercised to safeguard the Shareholder's property, such entry shall not render Sponsor or its authorized agents liable for any damage to the Apartment or to the personal property or fixtures contained therein.

41.9 Indemnification

The Apartment Corporation will defend, indemnify and hold harmless the Holders of Unsold Shares against any and all claims, actions, suits, judgments, losses, liabilities, penalties, costs and expenses (including, without limitation, reasonable attorneys' fees and disbursements and litigation expenses) incurred or required to be paid as a result of the Apartment Corporation's failure either (i) to operate the Building at the same level of services as those supplied on the Cooperative Conversion Date, or (ii) to perform any obligation to be performed by it as the Apartment Corporation under the Proprietary Lease.

41.10 No Abridgment

So long as there are any Unsold Shares outstanding, no amendment, alteration, repeal or addition to the Certificate of Incorporation, Apartment Corporation By-Laws, Proprietary Lease or House Rules shall be made which would, directly or indirectly, abridge or otherwise adversely affect the rights, privileges, obligations or interests of any Holder of Unsold Share, unless all Holders of Unsold Shares shall consent thereto in writing.

41.11 Fees

No expenses referred to in this Proprietary Lease established by (or required to be collected by) The Apartment Corporation, its Directors, or its Shareholders or any agent of the Apartment Corporation, its Directors or its Shareholders (including, but not limited to, legal fees, transfer fees, resale fees, move-in fees, move-out deposits or similar fees) shall be due on or in connection with the sales or sublets of Apartments appurtenant to Unsold Shares being offered for sale under the Offering Plan.

Article 42
Change in Form of Proprietary Lease: Amendments to Proprietary Lease

No change in the form, terms or conditions of this Proprietary Lease shall be made (i) which adversely affects the rights of the Sponsor, Holders of Unsold Shares or any other parties selling Shares under the Plan as said rights are set forth in this Proprietary Lease, or (ii) which eliminates, modifies or adversely affects any other rights, privileges or obligations under this Proprietary Lease or the Offering Plan of Sponsor, Holders of Unsold Shares or any other party selling Shares under the Offering Plan, without the consent of each such party. This Proprietary Lease may not be altered, amended or repealed in

such a manner as would adversely affect the rights or interests of parties selling Shares under the Offering Plan, without the unanimous consent of all such parties.

Article 43
Limitation On Option to Cancel

The provisions of Article 40 may not be availed of by a party who is engaged in the sale of Shares under the Plan unless (i) Lessees owning a majority of Lessor's outstanding Shares shall have given notice of intention to cancel pursuant to Article 40, or (ii) (x) all Shares then being offered for sale under the Plan constitute fifteen percent (15%) or less of Lessor's outstanding Shares; (y) at least five (5) years have elapsed since the Cooperative Conversion Date; (z) and on the effective date of cancellation, such party shall pay to Lessor a sum equal to the product of the then current monthly Rent payable under this Lease multiplied by twenty-four (24).

Article 44
Insurance

Shareholder shall, at Shareholder's sole cost and expense, obtain, maintain and keep in full force and effect throughout the term of this Proprietary Lease (a) comprehensive personal liability insurance coverage against claims of bodily injury, property damage (including water damage and personal injury) with a minimum combined single limit of liability in an amount per occurrence as the Board shall determine; and (b) all-risk personal property insurance coverage (including coverage for water damage) for the replacement value of any portion of the Apartment which Shareholder is obligated to maintain under the terms of this Lease as well as furniture, fixtures, , and other contents, improvements and betterments to the Apartment. Upon ten (10) days written notice from the Apartment Corporation, Shareholder shall deliver to the Apartment Corporation either from time to time a duplicate original of the policies or certificates evidencing the insurance. The insurance policies shall be written in a form reasonably satisfactory to The Apartment Corporation by good and solvent insurance carriers of recognized standing that are admitted to do business in the State of New York. The Apartment Corporation may change the amounts of insurance coverage required in its sole discretion

Article 45
Miscellaneous

45.1 Cooperation

The Apartment Corporation will cooperate with the Sponsor, Holder of Unsold Shares, or any other party offering Shares for sale pursuant to the Plan in connection with the sale of such Shares and in connection with the filing of amendments to the Offering Plan. Such cooperation shall include, without limitation, the furnishing of all relevant information concerning the Apartment Corporation, the Building and their operation, and the furnishing of all required documents. If such documents are not in existence, the party requesting them shall pay the cost of their preparation, subject to, if The Apartment Corporation reasonably should have those documents in its possession, The Apartment Corporation shall pay for their preparation.

45.2 Additional Rights & Non-Interference with Marketing of Shares Under the Plan

If any provision of the Offering Plan grants any specific rights or privileges to the Sponsor, Holders of Unsold Shares, or any other parties engaged in the sale of Shares under the Plan, other than rights contained in this Proprietary Lease, those provisions shall be deemed to be incorporated in this Proprietary

Lease and any party so engaged in the sale of Shares pursuant to the Plan shall be entitled to those rights and privileges as if those provisions were expressly set forth in this Proprietary Lease.

45.3 Inconsistencies

If there are any inconsistencies between this Proprietary Lease and the Offering Plan with respect to the rights and privileges of parties selling Shares under the Offering Plan, the provisions of the document containing the broader rights and privileges shall control. Inconsistencies between this Proprietary Lease and the Offering Plan with respect to obligations of parties selling Shares under the Plan shall be resolved in favor of the document with fewer and/or less onerous obligations.

45.4 Defaults or Foreclosure - Receiver of Maintenance Charges

Notwithstanding anything to the contrary contained in this Proprietary Lease, if any action shall be instituted to cure any default by the holder of any Underlying Mortgage or to foreclose any Underlying Mortgage, Shareholder shall, on demand, pay to the receiver of the rents appointed in such action Maintenance Charges, if any is owing hereunder on the date of such appointment, and shall pay thereafter to such receiver in advance, on the first day of each month during the pendency of such action, as Maintenance Charges hereunder, the higher of (i) the Maintenance Charges for the Apartment as last determined and established by the Board prior to the commencement of said action, or (ii) the Maintenance Charges for the Apartment determined and established by the Board as of the fiscal year prior to the fiscal year in which the foreclosure action was commenced, and such Maintenance Charges shall be paid during the period of such receivership, whether or not the Board shall have determined and established the Maintenance Charges payable hereunder for any part of the period during which such receivership may continue. The provisions of this paragraph 45.4 are intended for the benefit of present and future holders of Underlying Mortgages and may not be modified or annulled without the prior written consent of any such mortgage holders.

Any uncured default by Shareholder under the terms of any Underlying Mortgage shall be a default under the terms of this Proprietary Lease.

45.5 To Whom Covenants Apply

The references herein to The Apartment Corporation shall be deemed to include its successors and assigns, and the references herein to a Shareholder or Shareholder of The Apartment Corporation shall be deemed to include the executors, administrators, legal representatives, legatees, distributees and assigns of Shareholder or of such Shareholder. The covenants herein contained shall apply to, bind and inure to the benefit of The Apartment Corporation and its successor and assigns, and Shareholder and the executors and administrators, legal representatives, legatees, distributees and assigns of Shareholder, except as herein above stated.

45.6 Waiver of Trial by Jury

To the extent permitted by law, the respective parties hereto shall and they hereby do waive trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto against the other on any matters whatsoever arising out of or in any way connected with this Proprietary Lease, Shareholder's use or occupancy of the Apartment, or any claim of damage resulting from any act or omission of the parties in any way connected with this Proprietary Lease or the Apartment or the Terrace in the Building assigned to Shareholder, or any other portion of the Building.

45.7 The Apartment Corporation's Additional Remedies

In the event of a breach or threatened breach by Shareholder of any provision hereof, The Apartment Corporation shall have the right of injunction and the right to invoke any remedy at law or in equity, as if reentry, summary proceedings and other remedies were not herein provided for, and the election of one or more remedies shall not preclude The Apartment Corporation from any other remedy.

45.8 Shareholder More Than One Person

If more than one person is named as Shareholder hereunder, The Apartment Corporation may require the signatures of all such persons in connection with any notice to be given or action to be taken by Shareholder hereunder, including, without limiting the generality of the foregoing, the surrender or assignment of this Proprietary Lease, or any request for consent to assignment. Each person named as Shareholder shall be jointly and severely liable for all of Shareholder's obligations hereunder. Any notice by the Apartment Corporation to any person named as Shareholder shall be sufficient, and shall have the same force and effect as though given to all persons named as Shareholder.

45.9 Action by Shareholder

Shareholder may not institute an action or proceeding against the Apartment Corporation, or defend or make a counterclaim in any action by the Apartment Corporation related to Shareholder's failure to pay Maintenance Charges, if such action, defense or counterclaim is based upon the Apartment Corporation's failure to comply with its obligations under this Lease or any law, ordinance or governmental regulation unless such failure shall have continued for thirty (30) days after the giving of written notice thereof by Shareholder to the Apartment Corporation.

45.10 Conditions of Ownership of Shares

The Shares have been acquired and are owned subject to the following conditions agreed upon with the Apartment Corporation and with each of the other proprietary Shareholders for their mutual benefit:

(i) the Shares represented by each certificate are transferable only as an entirety;

(ii) the Shares shall not be sold except to The Apartment Corporation or to an assignee of this Proprietary Lease after compliance with all of the provisions of Article 16 of this Proprietary Lease relating to assignments; and

(iii) the Shares represented by each certificate and the accompanying proprietary lease are subject to a first lien of the Apartment Corporation, as described in the Apartment Corporation By-Laws.

45.11 Utilities

If at any time or times during the term of this Proprietary Lease the consumption of gas or electricity, or both, in the Apartment is measured by a meter which also measures consumption outside the Apartment, the Apartment Corporation may determine from time to time by resolution of the Board thereof, the charges, if any, to be paid by Shareholder on account of such consumption of gas or electricity, or both and any such charges shall be payable monthly in advance or in such payments or installments as shall be required by the Board, and at such times as shall be provided in such resolution.

45.12 Reservation of Rights by Sponsor

On the Cooperative Conversion Date, Sponsor may reserve the right to (a) to install, utilize, operate, maintain, repair, alter, rebuild, restore and replace satellite dishes, cell phone towers, antennae and similar equipment (collectively, the "Installations") on the roof and facade of the Building and to retain any and all income derived therefrom, (b) to enter upon any Apartment or elsewhere on the Property to install, utilize, operate, maintain, repair, alter, rebuild, restore and replace the Installations as may be necessary or appropriate, and (c) to grant such rights to do any of the foregoing to its designees, assignees and licensees. The Apartment Corporation shall not be entitled to any portion of fees, compensation or other profits received by Sponsor, its designees, assignees or licensees for the use of the Installations. Any and all Installations placed upon the roof and the facade of the Building by Sponsor, its designees, assignees or licensees shall be the exclusive property of Sponsor, its designees, assignees or licensees and neither the Apartment Corporation nor any Shareholder or occupant shall have any rights with respect thereto. Notwithstanding the foregoing, access to an Apartment in furtherance of the Installations and the rights reserved thereby with respect thereto shall be exercised in a manner so as to not unreasonably interfere with the use of the Apartments for their permitted purposes. Such entry shall be permitted on not less than one day's notice, except that no notice is necessary in the case of an emergency.

45.13 No Discrimination

The Apartment Corporation will not discriminate against any person because of Shareholder's race, creed, color, national origin, sex, age, disability, marital status or sexual orientation when exercising any right reserved to it in this Proprietary Lease.

45.14 Validity of Provisions

If any clause or provision herein contained shall be adjudged invalid, the same shall not affect the validity of any other clause or provision of this Proprietary Lease, or constitute any cause of action in favor of either party as against the other.

45.15 Paragraph Headings

The headings of the paragraphs and Articles of this Proprietary Lease shall not be deemed a part of this Proprietary Lease, nor used as evidence of the intent of the parties.

45.16 Changes to Lease in Writing

Any modification to any provision of this Proprietary Lease must be in writing and acknowledged by both the Apartment Corporation and Shareholder in order to be effective.

45.17 Gender

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

45.18 Conflict of Laws

If any provision of this Proprietary Lease conflicts with the laws of the State of New York, the laws of the State of New York shall prevail. The conflicting provision of this Proprietary Lease shall be void to the extent that it varies from applicable law. Except for the conflicting provision, this Proprietary Lease shall continue in full force and effect.

45.19 Other Conflicts

If any provision of this Proprietary Lease conflicts with the terms of Ground Lease or any Underlying Mortgages, the terms of the applicable document, shall prevail over the terms of this Proprietary Lease. The conflicting provision of this Proprietary Lease shall be void to the extent it varies from the provision of said document. Except for the conflicting provision, this Proprietary Lease shall continue in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Proprietary Lease.

THE APARTMENT CORPORATION:

THE 20 RIVER TERRACE APARTMENT CORP.,

By: _____
Name:
Title:

SHAREHOLDER(S):

By: _____
Name:

By: _____
Name:

ACKNOWLEDGMENTS

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

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

_____
Notary Public

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

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

_____
Notary Public

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

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

_____
Notary Public

BY-LAWS OF THE APARTMENT CORPORATION

BY-LAWS OF

THE 20 RIVER TERRACE APARTMENT CORPORATION

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BY-LAWS

OF

THE 20 RIVER TERRACE APARTMENT CORPORATION

ARTICLE 1

DEFINITIONS

"Apartment"	Any of the Apartments in the Building. All such Apartments are, collectively, referred to as "Apartments."
"Apartment Corporation"	The 20 River Terrace Apartment Corporation.
"BPCA"	Battery Park City Authority, and its successors and assigns.
"Building"	The structure located at 20 River Terrace, New York, New York.
"Closing"	The time, place and procedure by which the leasehold interest in the Shares allocated to the Apartment in question is conveyed to a Purchaser pursuant to a fully executed Purchase Agreement.
"Closing or Closing Date"	The date upon which a Closing occurs.
"Common Areas"	The Land and all parts of the Building, including their foundations, roofs, and support, other than Apartments.
"Cooperative Board, "Board of Directors" and "Board"	The governing body of the Apartment Corporation which conducts the affairs and supervised the operations of the Apartment Corporation.
"Cooperative Conversion Date" or "Cooperative Conversion"	The date the Lease will be assigned by the Sponsor to the Apartment Corporation. The Lease is a so-called "net lease," meaning that the Apartment Corporation, as tenant thereunder, following the Cooperative Conversion Date, will be responsible for the payment of all expenses relating to the maintenance and operation of the Property.
"Department of Law"	The New York State Department of Law with an address at 21 Liberty Street, New York, New York.
"Emergency"	A situation or condition posing imminent threat or harm to Persons or the Property or the suspension or material diminution of any necessary service or utility to the Property.
"First Closing"	The first Closing with a Purchaser of an Apartment.

"GBL"	Section 352-e and 352-eeee of the New York State General Business Law.
"Ground Lease"	The ground lease for the Property between Sponsor and Battery Park City Authority ("BPCA") dated as of April 4, 2001, as amended by that certain Amendment to Lease, dated July 8, 2002, and that certain Second Amendment to Lease dated October 22, 2002, for a term of approximately sixty-eight (68) years.
"Ground Lease Lessee"	Sponsor under the Ground Lease with Battery Park City Authority ("BPCA"). The Ground Lease Lessee shall be the Apartment Corporation after the Cooperative Conversion Date.
"Ground Lease Lessor"	Battery Park City Authority ("BPCA") under the Ground Lease with Sponsor.
"Holder of Unsold Shares"	Sponsor and any Person designated by Sponsor to hold Shares to any Apartment. Sponsor's statement in writing that a Person is a Holder of Unsold Shares shall be conclusive evidence of such status so as to entitle such Person to all the rights of a Holder of Unsold Shares under the Offering Plan. A Holder of Unsold Shares shall have the right to designate a Person to succeed to its rights and any such designee shall also be deemed a "Holder of Unsold Shares".
"Land"	All that certain tract, plot, piece and parcel of land situate, lying and being in the City, County and State of New York, on which the Building is constructed.
"Landlord"	Battery Park City Authority or the landlord at the time in question under the Lease.
"Law"	The laws and ordinances of any or all of the Federal, New York State, New York City, and New York County governments, the rules, regulations, orders and directives of any or all departments, subdivisions, bureaus, agencies, or offices thereof or of any other governmental, public, or quasi-public authorities having jurisdiction over the Property and/or the Apartment Corporation, and/or the direction of any public officer pursuant to law.
"Maintenance Charges"	Each Apartment's proportionate share of the Maintenance Expenses in accordance with its Share Allocation.
"Maintenance Expenses"	Costs and expenses incurred or projected in connection with the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, the Common Areas.
"Managing Agent"	A person employed by the Cooperative Board pursuant to Article 2, Section 2.3 of the By-Laws, who shall undertake to perform the duties and services that the Cooperative Board shall direct and who shall have whatever powers the Apartment Corporation shall delegate, subject to the limitations contained in such Section of the By-Laws.
"Offering Plan" or "Plan"	The document filed with the New York State Department of Law which describes the Apartment Corporation property and pursuant to which individual

	Apartments in the Apartment Corporation are offered for sale, as the same may be amended from time to time.
"Parking Garage"	A parking garage designated as the Parking Garage in the Plan, which will be subleased to Sponsor.
"Purchaser's Lender"	The holder of a security interest in the Shares allocated to an Apartment pursuant to a Security Agreement.
"Person"	A natural person, corporation, partnership, limited liability company, association, trustee, or other legal entity.
"Property"	Means and includes the Land, the Building and all other improvements thereon, and all easements, rights and appurtenances belonging thereto, and all other property, personal or mixed, intended for use in connection therewith, which have been or are intended to be submitted to the cooperative ownership.
"Proprietary Lease"	The lease between the Apartment Corporation, as the Apartment Corporation, and a Shareholder, as Shareholder, permitting occupancy of the Apartment to which Shares have been allocated, as the same may be amended from time to time.
"Purchase Agreement"	The agreement to purchase an Apartment pursuant to the Offering Plan.
"Purchaser"	Any Person who has entered into a Purchase Agreement with Sponsor to purchase an Apartment and is not in default thereunder.
"Recognition Agreement"	An agreement between Purchaser, Purchaser's Lender and the Cooperative Board, stating that the lien of Purchaser's Lender against the Shares allocated to an Apartment (as set forth in a Security Agreement) is in all cases subordinate to the lien of the Apartment Corporation for that portion of Maintenance Charges.
"Rent"	Collectively, payments of base rent, PILOT, Civic Facilities Payment (as defined in the Ground Lease) and all other sums due and payable by Tenant to or on behalf of Landlord under the terms of the Ground Lease.
"Resident Manager's Apartment"	The Apartment designated for use and occupancy by the Building's resident manager.
"Rules and Regulations"	The rules and regulations of the Apartment Corporation, which are annexed as an addendum to the By-Laws, as any of the same may be amended, modified, added to, or deleted from time to time pursuant to the terms of the By-Laws, provided that they are not in conflict with the terms of the By-Laws.
"Security Agreement"	An agreement between Purchaser and Purchaser's Lender securing an interest in the Shares allocated to an Apartment, as evidenced by a UCC-1, provided that Purchaser's Lender executes and delivers a Recognition Agreement and complies with all provisions of the Lease.

"Shares"	The shares of the Apartment Corporation which the Cooperative Board is authorized to issue pursuant to the Certificate of Incorporation of the Apartment Corporation. All such shares shall have a par value of $1.00 each.
"Share Allocation"	The Shares of the Apartment Corporation allocated to each Apartment based on floor space, subject to the location of such space and the additional factors of relative value to their space in the Building, uniqueness of the Apartment, and the availability of the additional space for exclusive or shared use and the overall dimensions of the particular Apartment.
"Shareholder"	The person or persons, or entity owning Shares to an Apartment, and all such owners are collectively referred to as the "Shareholders."
"Special Assessments"	The charges allocated and assessed by the Cooperative Board to the Shareholders, pro rata, in accordance with their respective Share Allocation (except as otherwise provided in the By-Laws).
"Sponsor"	River Terrace Associates, LLC, its designees, successor and assigns.
"Sponsor Control Period"	The period in which Sponsor shall control the Cooperative Board, which shall be until the later of (i) the date upon which Sponsor owns 50% or less of Shares allocated to Apartments; or (ii) five (5) years from the First Closing.
"Tenant"	The tenant under the Ground Lease, which is the Sponsor, and shall be the Apartment Corporation from and after the First Closing.
"Underlying Mortgages"	Any mortgages held by the Apartment Corporation that encumber the Property.
"Unsold Shares"	Any Shares allocated to an Apartment owned by Sponsor or a Holder of Unsold Shares at the time in question.

ARTICLE 2

PURPOSE OF CORPORATION

The primary purposes of the Corporation are (i) to provide residences for persons who shall be entitled, solely by reason of their ownership of Shares, to Proprietary Leases for Apartments, and (ii) to own and operate the Building in which these residences are located.

ARTICLE 3

MEETINGS OF SHAREHOLDERS

Section 3.1. Place of Meeting. All meetings of the Shareholders of the Corporation shall be held at such place within the City of New York specified in the notice of the meeting or in the waiver of notice thereof; alternatively, at the sole discretion of the Board, meetings of the Shareholders may be held via teleconference.

Section 3.2. Annual Meetings. The Corporation shall hold a meeting of its Shareholders at least once annually. The first annual meeting of Shareholders of the Corporation shall be held within approximately within 1 year of the First Closing. Subsequent annual meetings shall be held on or about the annual anniversary of the first annual meeting at such time and place as may be designated by the Board of Directors. The notice of the meeting shall be in writing and signed by the president, the vice president, the secretary, or the assistant secretary. Such notice shall state the time when and the place within the state where such meeting is to be held. The secretary shall cause a copy of such notice to be delivered personally or mailed to each Shareholders of record entitled to vote at such meeting at least ten (10) but not more than forty (40) days before the meeting. If mailed, the notice of meeting shall be sent directly to each such Shareholders at Shareholders address as it appears in the share book of the Corporation, unless the Shareholders shall have filed with the secretary of the Corporation a written request that notices intended for him or her be mailed to some other address, in which case it shall be mailed to the address designated in such request.

Section 3.3. Special Meetings. Special meetings of Shareholders, other than those regulated by statute, may be called at any time by an officer of or by a majority of the Board. It shall also be the duty of the secretary to call such meetings whenever requested in writing to do so by Shareholders owning at least twenty-five (25%) percent of the outstanding Shares. The secretary shall cause a notice of such special meeting, stating the time, place and objective thereof and the officer or the person or persons by whom the meeting is called, to be delivered personally or mailed as provided in Section 3.2 of these By-Laws to each Shareholder of record entitled to vote at such meeting at least ten (10) but not more than forty (40) days before such meeting. No business other than that stated in such notice shall be transacted at such special meeting unless the holders of all the outstanding Shares be present thereat in person or by proxy.

Section 3.4. Waiver of Notices. The notice provided for in the foregoing sections is not indispensable, and any Shareholders meeting shall be valid for all purposes if the Shareholders of record of all outstanding shares of the Corporation are present thereat in person or by proxy, or if a quorum is present as provided in the next succeeding section and notice of the time, place and purpose of such meeting has been duly waived in writing by all Shareholders not so present. The attendance of any Shareholder at a meeting, in person or by proxy, without protesting prior to the conclusion of the meeting the lack of notice of such meeting, shall constitute a waiver of notice by such Shareholder. Any notice to be served upon a Shareholder by regular or electronic mail shall be directed to the Shareholder at such Shareholder's address as it appears on the stock book unless the Shareholder shall have filed with the secretary of the Corporation prior to the giving of a notice, a written request that notices intended for such Shareholder be mailed to such other address, in which case it shall be mailed to the address designated in such request.

Section 3.5. Quorum. At each meeting of Shareholders, except where otherwise provided by Law, Shareholders representing, in person or by proxy, a majority of the Shares then issued and outstanding shall constitute a quorum. In case a quorum shall not be present at any meeting, the holders of a majority of the Shares represented in person or by proxy at that meeting may adjourn the meeting to some future time and place. No notice of the time and place of the adjourned meeting need be given other than by announcement at the meeting. Only those Shareholders who, if present at the original meeting, would have been entitled to vote at the original meeting shall be entitled to vote at any such adjourned meeting.

Section 3.6. Voting; Proxies.

(a) At each meeting of Shareholders each Shareholder (including Sponsor with respect to any Shares it then owns) present in person or by proxy shall be entitled to one vote for each Share registered in Shareholder's name at the time of service of notice of such meeting, or at such prior date as may be prescribed by the Board for the closing of the corporate share transfer books or fixed by the Board as the date for determining which Shareholders of record are entitled to notice

of and to vote at such meeting. Proxies shall be in writing duly signed by the Shareholder, but need not be acknowledged or witnessed, and the person named as proxy by any Shareholder need not himself or herself be a Shareholder of the Corporation. Voting by Shareholders shall be by voice vote unless any Shareholders present at the meeting, in person or by proxy, demands a vote by written ballot, in which case the voting shall be by ballot, and each ballot shall state the name of the Shareholders voting and the number of Shares owned by a Shareholders and in addition, the name of the proxy if such ballot is cast by a proxy.

(b) All elections shall be determined by a plurality vote and unless otherwise specified in these By-Laws or the Certificate of Incorporation, the affirmative vote of a majority represented at any meeting of Shareholders shall be necessary for the transaction of any item of business and shall constitute the act of the Shareholders

(c) Directors will be elected by a plurality of the votes cast at a meeting of the Board at which a quorum is present.

Section 3.7. Inspectors of Elections. Inspectors of election shall not be required to be appointed at any meeting of Shareholders unless requested by a Shareholders present (in person or by proxy) and entitled to vote at such meeting and upon the making of such request inspectors shall be appointed or elected as provided in Section 610 of the Business Corporation Law.

Section 3.8. Order of Business. At each meeting of Shareholders, the president, or in the president's absence a vice president, shall act as chairman of the meeting. The secretary, or in the secretary's absence such person as may be appointed by the chairman, shall act as secretary of the meeting. So far as consistent with the purpose of the meeting, the order of business of each meeting of Shareholders shall be as follows:

1. Call to order.
2. Presentation of proof of due calling of meeting.
3. Roll call and presentation and examination of proxies.
4. Reading of minutes of previous meeting or meetings, unless waived.
5. Reports of officers and committees.
6. Appointment or election of committees.
7. If the annual meeting or a special meeting called for that purpose, the election of directors
8. Unfinished business.
9. New business.
10. Adjournment.

ARTICLE 4

DIRECTORS

Section 4.1. Qualification and Number.

(a) Upon the adoption of these By-Laws, the Sponsor shall elect two (2) directors. These directors shall serve until the First Annual Meeting of Shareholders held after the Cooperative Conversion Date, or until their successors are elected or appointed, whichever is later. At the First Annual Meeting of Shareholders, the two (2) initial directors shall resign and a seven (7) member Board shall be established. From and after this first annual meeting, the number of directors of the Corporation shall be seven (7). The number of directors of the Corporation shall never be more or less than seven (7), unless these By-Laws are amended to provide otherwise. The number of directors shall be determined by the Shareholders from time to time at any annual or any special meeting of Shareholders called for that purpose (with consent of the Sponsor and any Holders of Unsold Shares), and the number so determined shall be the number of directors of the Corporation until changed by further action of the Shareholders (with consent of the Sponsor and any Holders of Unsold Shares), provided, however, that the number of directors may not be increased or decreased without the consent of the Sponsor for so long as the Sponsor is the Shareholder of at least one (1) Apartment. At least one director of the Corporation shall be a resident of the State of New York. All directors shall be at least 18 years of age.

(b) Each director shall be either a Shareholder (with respect to a natural person Shareholder), or in the case of an entity Shareholders, shall be either a principal or employee or appointee of that entity with authority to bind the entity.

(c) If a Shareholder comprises two or more natural persons in their individual capacities (i.e., wife and husband, siblings, parent and child, life or other partner, etc.), only one person from the Shareholder may be a director.

Section 4.2. Election and Term.

The Sponsor shall initially elect two (2) directors to the Board, who shall hold office until the election of directors at the first annual meeting of Shareholders held after the First Closing, as described in this Article 4. At the First Annual Meeting of Shareholders, and at all annual meetings and special meetings held thereafter at which directors are to be elected, directors shall be elected by a plurality of the votes cast at such election. The entire number of directors to be elected shall be balloted for at one and the same time and not separately.

Directors other than those constituting the initial Board shall serve until the date fixed for the next annual meeting of Shareholders and until the election and qualification of their respective successors. Directors may serve for more than one term.

The "Holders of Unsold Shares" (as such term is defined in the Proprietary Lease) shall be entitled to vote all Shares held by them for any number of directors, at any meeting of Shareholders, but may not vote such Shares to elect a majority of the directors after the Sponsor Control Period, as defined in Section 4.9 below. In addition, for so long as the Sponsor is the Shareholder of at least one Apartment, the Sponsor has the right to designate one (1) director. Nothing contained herein shall be deemed to limit the right of Sponsor or a Holder of Unsold Shares to vote for members who were not designated or nominated by Sponsor and the election of such individuals shall not be deemed the nominees or designees of Sponsor and

shall not be deemed to cause Sponsor to control the Board of Directors after the expiration of the Sponsor Control Period.

Section 4.3. Quorum. The presence in person of a majority of the directors at a particular date comprising the Board shall constitute a quorum at that meeting of the Board of Directors.

Section 4.4. Vacancies. Vacancies in the Board resulting from death, resignation or otherwise may be filled without notice to Shareholders by a vote of a majority of the remaining directors present at the meeting at which such election is held even though no quorum is present. In the event of the failure to hold any election of directors at the time designated for the annual election of directors or in the event that the Board shall not have filled any such vacancy, a special meeting of Shareholders to elect a new Board or to fill such vacancy or vacancies may be called in the manner generally provided for the calling of special meetings of Shareholders. Vacancies in the Board resulting from an increase in the Board by amendment of these By-Laws shall be filled in the manner provided in the resolution adopting such amendment. In case of a reduction of the authorized number of directors by amendment to these By-Laws or by a resolution adopted by Shareholders, the directors, if any whose term of office shall cease, shall be determined in the manner provided in the resolution adopting such amendment.

Section 4.5. Resignation and Removal.

(a) Any director may resign at any time by written notice delivered in person or sent by certified mail to the president or the secretary of the Corporation. Such resignation shall take effect at the time specified therein, and unless specifically requested, acceptance of such resignation shall not be necessary to make it effective.

(b) Subject to Section 4.5(c) hereof, any director may be removed from office at any time with or without cause upon affirmative vote of Shareholders representing more than 50% of the Shares of the Corporation present in person or by proxy, at a duly called Shareholders' meeting, provided notice of the proposed removal was given to the director and in the notice of the meeting. Any member of the Board whose removal has been proposed shall be given an opportunity to be heard at the meeting.

(c) The directors elected by the Sponsor and Holders of Unsold Shares can be removed only for cause by vote of a majority of the Shareholders or without cause by the Sponsor and Holders of Unsold Shares. Any vacancy on the Board in respect of a director elected by Sponsor and Holders of Unsold Shares, whether arising from resignation, removal, death or otherwise, shall be filled only by Sponsor and such Holders of Unsold Shares. The By-Law's provisions requiring a director to resign if he or his spouse ceases to be a Shareholder shall not apply to Sponsor or Holders of Unsold Shares.

(d) A director who ceases to meet the qualifications to be a director as set forth above, shall be deemed to have resigned as a director effective as of the date of disqualification, or the date that such director's Shares are relinquished, as the case may be.

Section 4.6. Meetings. The Board shall meet immediately after each annual meeting of Shareholders without notice and also whenever called together by any officer of the Corporation or upon the written request of any two (2) directors then holding office upon notice given to each director, by delivering personally, mailing or e-mailing the same to such directors at least two (2) days prior to such meeting at the last address furnished by such directors to the Corporation. Regular meetings may be held without notice at such times and places as the Board may determine, but at least four (4) times annually. Any meeting of the Board at which all the members shall be present, or of which notice shall be duly waived

by all absentees, either before or after the holding of such meeting, shall be valid for all purposes provided a quorum be present. Meetings of directors may be held either at the principal office of the Corporation or elsewhere within the City of New York as provided in the notice calling the meeting, unless the Board by resolution adopt some further limitation in regard thereto. At all meetings of the Board, each director shall be entitled to one vote. The vote of a majority of the Board present at the time of a vote or a duly constituted meeting shall be the act of the Board. In connection therewith, one or more directors 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 Board, there shall be less than a quorum present, a majority of the directors 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 4.7. House Rules. Subject to the right of the Sponsor and Holders of Unsold Shares to withhold consent to any House Rules affecting the Sponsor or Holders of Unsold Shares, the Board may from time to time, adopt and amend such House Rules as it may deem necessary for the health, safety and convenience of the Shareholders and all residents of the Building. All House Rules shall be binding upon all Shareholders and residents. Copies thereof and of changes therein shall be furnished to each Shareholder.

Section 4.8. Executive Committee and Other Committees. The Board may by resolution appoint an Executive Committee, and such other committees as it may deem appropriate, each to consist of at least three (3) directors of the Corporation. Such serve in an advisory capacity to the Board, but shall not have any powers of the Board. Vacancies in membership on the Executive Committee or other committees shall be filled by the Board at a regular or special meeting.

Section 4.9. Sponsor Control. Notwithstanding anything to the contrary set forth herein, Sponsor will have the right to appoint, by designation, a majority of the Cooperative Board and veto expenditures during the period which continues until the later of (i) the date upon which Sponsor owns 50% or less of Shares allocated to Apartments; or (ii) five (5) years from the First Closing ("Sponsor Control Period"). Notwithstanding the foregoing, if Sponsor conveys all of the Unsold Shares to Apartments in less than five (5) years from the date of the First Closing, Sponsor shall relinquish control of the Cooperative Board after the conveyance of all Shares allocated to the Apartments. In the event of any vacancy caused by the death, resignation or otherwise of any director designated by Sponsor (as a Holder of Unsold Shares), such vacancy can only be filled by Sponsor. After the Sponsor Control Period, Sponsor shall not designate the majority of the Cooperative Board; provided, however, that after the Sponsor Control Period, Sponsor shall have the right to designate one member of the Cooperative Board, for so long as Sponsor owns any Unsold Shares, and each Shareholder shall be deemed to have given the Sponsor such Shareholder's proxy to the extent necessary to permit the Sponsor to designate such member of the Cooperative Board. Nothing contained herein shall be deemed to limit the right of Sponsor to vote for members who were not designated or nominated by Sponsor, and the election of such individuals shall not be deemed the nominees or designees of Sponsor and shall not be deemed to cause Sponsor to control the Cooperative Board after Sponsor Control Period.

Section 4.10. Annual Budget. In furtherance of the definitions and provisions of the Proprietary Leases entered into or to be entered into by the Corporation with the Shareholders, the Board of Directors shall determine the cash requirements as defined therein, for each particular year of the term of such Proprietary Lease, by resolution or resolutions adopted during the particular year in question or the preceding year, and shall likewise fix the terms and times or payment of the rent due from Shareholder who are Shareholders under such Proprietary Leases to meet such cash requirements. Immediately after the adoption of any such resolution as above provided, the secretary shall mail or cause to be mailed, or deliver

or cause to be delivered, to each Shareholder who is such a Shareholder a statement of the amount of the cash requirements so determined or a copy of the resolution of the Board of Directors concerning the same. The Board of Directors shall have discretionary power to prescribe the manner of maintaining and operating the Property of the Corporation, and any other premises acquired by the Corporation by purchase or otherwise, and to determine the cash requirements and to establish any necessary reserves for capital purposes including, without limitation, reserves for capital improvements, capital repairs or alterations or modifications to the Property and components and a reserve for mortgage amortization, payments to which reserves shall be treated on the books of the Corporation as capital contributions and not as income. Every such determination by the Board of Directors shall be final and conclusive as to all Shareholders who are Shareholders under Proprietary Leases and any expenditures made by the Corporation's officers or agents under the direction or with the approval of the Board of Directors shall, as against such Shareholders, be deemed necessarily and properly made for such purposes. The operating year of the Corporation shall be the calendar year.

Section 4.11. Contracts and Transactions of the Corporation.

(a) In accordance with the Ground Lease, Sponsor and its respective legal representatives, successors and permitted assigns, including without limitation, the Apartment Corporation, shall be required to (i) comply with all of the non-discrimination and affirmative action obligations set forth in the Ground Lease, and (ii) use its commercially reasonable best efforts to cause each of its Contractors (as defined in Exhibit C to the Ground Lease) to comply with all of such Contractor's non-discrimination and affirmative action obligations as set forth in the Ground Lease and construction contract or other instrument pursuant to which such Contractor furnishes materials or services for the Property.

(b) No contract or other transaction between the Corporation and any one or more of its directors or any entity in which one or more of its directors are directors or officers, or are financially interested, shall be void or voidable for this reason alone or by reason alone that such director or directors are present at the meeting of the Board of Directors, or of a Committee thereof which approves such contract or transaction, or that the director or directors' votes are counted for such purpose, provided that the provisions of Section 713 of the Business Corporation Law are complied with.

ARTICLE 5

OFFICERS

Section 5.1. Election, Qualification and Removal. The officers of the Corporation shall be a president, one or more vice presidents, a secretary and a treasurer. Such officers shall be elected by majority vote at the first meeting of the Board after these By-Laws become effective, and thereafter at the regular meeting of the Board in each year following the annual meeting of Shareholders, and shall serve until removed or until their successors shall have been elected. The Board may at any time or from time to time appoint one or more assistant secretaries and one or more assistant treasurers to hold office at the pleasure of the Board and may accord to such officers such power as the Board deems proper. Any such appointed assistant secretary need not be a Shareholder. Any officer may be removed at any time, with or without cause, by the affirmative vote of a majority of the then authorized total number of directors. The president shall be a member of the Board, but none of the other officers need be a member of the Board. One person may hold more than one office at the same time but not more than two offices, except that the president and secretary may not be the same person. Vacancies occurring in the office of any officer may be filled by the Board at any time.

Section 5.2. Duties of President and Vice President. The president shall preside at all meetings of Shareholders and of the Board. The president or any vice president shall sign in the name of

the Corporation all contracts, leases and other instruments which are authorized from time to time by the Board. The president, subject to the control of the Board shall have general management of the affairs of the Corporation and perform all the duties incidental to the office. In the president's absence or inability to act, any vice president shall have the powers and perform the duties of the president.

Section 5.3. Duties of Treasurer.

(a) The treasurer shall, subject to the control of the Board, have the care and custody of all funds and securities of the Corporation, and shall deposit such funds in the name of the Corporation in such bank or trust companies as the Directors may from time to time determine, and shall perform all other duties incidental to the office. If so required by the Board, the treasurer shall, before receiving any such funds, furnish to the Corporation a bond with a surety company as surety, in such form and amount as said Board from time to time shall determine. The premium upon such bond shall be paid by the Corporation. Within three (3) months of the close of each calendar year, the treasurer shall cause to be furnished to each Shareholder whose Proprietary Lease is then in effect, a statement prepared by a certified public accountant of any deductions available for income tax purposes and indicating thereon any such other information as may be necessary or useful to permit Shareholders to compute their income tax returns in respect thereof. Such statement shall not relate to independent business operations, but only cooperative ownership.

(b) Prior to March 15 of each year, the treasurer shall cause to be transmitted to each Shareholder whose Proprietary Lease is then in effect, an annual report of operations and balance sheet of the Corporation prepared by a certified public accountant or public accountant, which shall be certified while Sponsor is in control of the Cooperative Board.

(c) The treasurer shall be obligated to give to BPCA, within one hundred and fifty (150) days after the end of the prior fiscal year, the annual financial statement of the Apartment Corporation for such fiscal year.

(d) In the absence or inability of the treasurer, the assistant treasurer, if any, shall have all the powers and shall perform all the duties of the treasurer.

Section 5.4. Duties of Secretary. The secretary shall keep the minutes of the meetings of the Board and of the meetings of Shareholders, shall attend to the giving and serving of all notices of the Corporation and shall be empowered to affix the Corporation's seal to all written instruments authorized by the Board or these By-Laws. The Secretary shall also perform all other duties incidental to the office of Secretary. The Secretary shall cause to be kept a book containing the names, alphabetically arranged, of all persons who are Shareholders of the Corporation, showing their Apartment, the number of Shares held by them, respectively, the time when they became the owners thereof, and the amount paid thereon, and the denomination and the amount of all Shares issued or transfer stamps affixed thereto, and such book shall be open for inspection as provided by Law. In the absence or inability of the secretary, the assistant secretary, if any, shall have all powers and shall perform all the duties of the secretary.

ARTICLE 6

PROPRIETARY LEASES

Section 6.1. Form of Lease.

(a) The Board shall adopt a form of Proprietary Lease to be used by the Corporation for the leasing of Apartments to Shareholders. Such Proprietary Lease shall be for such terms, with or without provisions for renewals, and shall contain such restrictions, limitations and provisions with respect to the

assignment thereof, the subletting of the premises demised thereby and the sale and/or transfer of the Shares of the Corporation appurtenant thereto, and such other terms, provisions, conditions and covenants as the Board may determine.

(b) After a Proprietary Lease in the form so adopted by the Board shall have been executed and delivered by the Corporation, all Proprietary Leases subsequently executed and delivered shall be in the same form, except with respect to the statement as to the number of Shares owned by the Shareholder and the date of the commencement of the term, unless any change or alteration is approved by Shareholders in accordance with the voting set forth Section 3.6 of these By-Laws.

(c) Notwithstanding the foregoing, no change or alteration may be made to the form of Proprietary Lease if such change or alteration is prohibited by the terms of the Proprietary Lease itself.

Section 6.2. Assignment. Proprietary Leases shall be assigned or transferred only in compliance with, and shall never be assigned or transferred in violation of; the terms, conditions or provisions of such Proprietary Leases. A duplicate original of each Proprietary Lease shall always be kept on file in the principal office of the Corporation or with the managing agent of the Corporation.

Section 6.3. Allocation of Shares. The Board shall allocate to each Apartment to be leased to Shareholders under Proprietary Leases the number of Shares of the Corporation which must be owned by the proprietary Shareholder of such Apartment. The Board of Directors shall adopt the allocation of Shares set forth in the Offering Plan pursuant to which the Corporation was organized. The allocation or any re-allocation of Shares to an Apartment shall bear a reasonable relationship to the portion of the fair market value of the Corporation's equity in the Building and the land on which it stands which is attributable to the Apartment. In the event of any dispute between the Board of Directors and a Shareholder as to whether such "reasonable relationship" test has been met on a proposed reallocation of Shares, such dispute shall be resolved by the then managing agent of the Building, whose determination shall be final and conclusive. The Share Allocation appurtenant to each Apartment may not be altered without the written consent of all affected Shareholders. The Board may, in its discretion (and at the request of Sponsor or a Holder of Unsold Shares with respect to space in the Building retained by Sponsor or such Holder of Unsold Shares) authorize the conversion of space in the Building not covered by a Proprietary Lease, into space suitable for the primary purposes of the Apartment Corporation, as set forth in the Certificate of Incorporation, allocate theretofore unissued Shares to such space, and authorize the execution of a Proprietary Lease or leases covering such space. The foregoing shall not apply to the Parking Garage in the Building as to which no Shares will be allocated and which will be subject to a long-term lease with the Apartment Corporation, as sublandlord, and Sponsor, as subtenant.

Section 6.4. Assignment of Proprietary Lease and Transfer of Shares.

(a) No assignment of any Proprietary Lease or transfer of the Shares of the Corporation shall take effect as against the Corporation for any purpose until the Shareholder has complied with the assignment requirements of the Proprietary Lease, a proper assignment has been delivered to the Corporation, the assignee has assumed and agreed to perform and comply with all the covenants and conditions of the assigned lease or has entered into a new lease for the remainder of the term of the Proprietary Lease, all Shares of the Corporation appurtenant to the lease have been transferred to the assignee, all sums due under the Proprietary Lease have been paid to the Corporation, and all necessary consents have been obtained.

(b) No person to whom the interest of a Shareholder or Shareholder shall pass by Law, shall be entitled to assign any Proprietary Lease, transfer any Shares, or to sublet or occupy any Apartment, other than upon compliance with the requirements of the Proprietary Lease and these By-Laws.

(c) The Board shall be authorized, in connection with determining whether or not to waive its Right of First Refusal for a proposed assignment of the Proprietary Lease and transfer of Shares or proposed sublet of an Apartment, as more fully described in the Proprietary Lease, to request from the potential purchaser or subtenant such financial and other information about the purchaser or subtenant as the Board shall deem reasonably necessary to enable it to make a prudent decision on behalf of the Corporation, (excluding, however assignments, sales, transfers or sublets arising in connection with sales or other provisions under the Offering Plan, as to which the Board shall not have such authority). Unless consented to by Sponsor, the Cooperative Board shall not be permitted to waive its right of first refusal for any Apartment where a Closing occurred within 12 months of the Sponsor Sale. The provisions of this Section 6.4(c) may not be amended or deleted without the prior written consent of Sponsor, for so long as Sponsor owns any Unsold Shares in the Apartment Corporation.

Section 6.5. Fees on Assignment or Sublet. The Board shall have authority before an assignment or transfer of a Proprietary Lease or a sublet of an Apartment or a reallocation of Shares takes effect as against the Corporation as the Apartment Corporation to fix a reasonable fee to cover actual expenses and attorneys' fees of the Corporation, a service fee of the Corporation and such other conditions as it may determine, in connection with each such proposed assignment or sublet or reallocation (excluding, however, assignments, sales, transfers, sublets or reallocations arising in connection with sales or other provisions under the Offering Plan as to which the Board shall not have such authority which shall not be subject to the imposition of any fees by the Board or its agent). No such fees may be charged to the Sponsor or Holders of Unsold Shares in connection with the assignment, transfer or sublease of such Unsold Shares and appurtenant Proprietary Leases or any issuance or reallocation of shares

Section 6.6. Lost Proprietary Leases. In the event that any Proprietary Lease in full force and effect is lost, stolen, destroyed or mutilated, the Board may authorize the issuance of a new Proprietary Lease in lieu thereof; in the same form and with the same terms, provisions, conditions and limitations. The Board of Directors may, in its discretion, before the issuance of such new Proprietary Lease, require the owner of the lost, stolen, destroyed or mutilated Proprietary Lease, or the legal representative of the owner, (i) to pay to the Corporation a reasonable fee for the time and expense incurred in preparing the same; (ii) to make an affidavit or affirmation setting forth such facts as to the loss theft, destruction or mutilation as it deems necessary; and (iii) to give the Corporation a bond in such sum as it directs, not exceeding double the value of the shares accompanying such Proprietary Lease, to indemnify the Corporation.

Section 6.7. Regrouping of Space.

(a) The Board, upon the written request of the owner or owners of Shares appurtenant to one or more Proprietary Leases covering one or more Apartments in the Building may in its discretion, at any time, but subject to all applicable Laws, codes, zoning requirements and provisions of any mortgage encumbering the Building, permit such Shareholder(s), at the Shareholder's (or Shareholders') own expense: (A)(i) to subdivide any Apartment into any desired number of Apartments, (ii) to combine all or any portions of any such Apartments into one or any desired number of Apartments, and (iii) to reallocate the Shares issued to accompany the Proprietary Lease(s), but the total number of the Shares so reallocated shall be the same as the number of Shares previously allocated to the Apartment or Apartments involved, subject to the right of the Board to require that the number of Shares allocated to the Apartment or Apartments involved, be increased from the number of Shares allocated to the original Apartment or Apartments, and to authorize the issuance of Shares from its treasury for such purpose, or (B) to incorporate

space in the Building not covered by a Proprietary Lease, into one or more Apartments covered by a Proprietary Lease, whether in connection with any regrouping of space pursuant to clause (A) of this Section 6.7 or otherwise, and in allocating Shares to any such resulting Apartment or Apartments, shall determine the number of Shares from its treasury to be issued and allocated in connection with the appropriation of such additional space.

(b) Upon any regrouping of space in the Building, the Proprietary Leases so affected, and the accompanying share certificates shall be surrendered and there shall be executed and delivered in place thereof respectively, a new Proprietary Lease for each separate Apartment involved, and a new certificate for the number of Shares so reallocated to each new Proprietary Lease.

(c) Anything hereinabove contained to the contrary notwithstanding, Sponsor and the Holders of Unsold Shares shall have the absolute right, without payment of any fee or charge of whatsoever nature, to (1) change the size, layout, square footage and number of rooms in an Apartment, including the right to subdivide any Apartment owned by them, or any of them, into two or more Apartments or to combine all or any portion of any such Apartments into one or any desired number of Apartments, or to alter any boundary walls between two or more Apartments or otherwise, including incorporating common areas which exclusively benefit an Apartment (including, but not limited to, the end of a hallway) into such Apartment; and (2) cause the Board, upon written request, to allocate the Shares thereto in such proportions as the Sponsor or such Holders of Unsold Shares shall request, without the consent of the Board or the Shareholders. The reallocation of Shares shall be based upon the fair market value of the equity in the Property (including the Building) attributable to the subdivided or combined Apartment. Upon the surrender of the Share certificate or certificates and Proprietary Lease or leases affected by such subdivision or combination, the Board shall issue a new Share certificate or certificates and accompanying Proprietary Lease or leases covering the subdivided or combined Apartment (as the case may be) in accordance with the foregoing.

Any dispute under this Section 6.7(c) concerning the number of Shares to be reallocated, shall be resolved by binding arbitration in New York County in accordance with the rules and procedures of Arbitration of the American Arbitration Association or its successor or an equivalent organization mutually agreed upon by the parties.

(d) The Board may, in its discretion, authorize (except at the request of Sponsor or a Holder of Unsold Shares with respect to space in the Building retained by Sponsor or the Holder of Unsold Shares the Board shall authorize) the conversion of space in the Building not covered by a Proprietary Lease into space suitable for the primary purposes of the Apartment Corporation, as set forth in the Certificate of Incorporation, allocate theretofore unissued Shares to such space, and authorize the execution of a Proprietary Lease or leases covering such space. The foregoing shall not apply to the parking garage in the Building as to which no Shares will be allocated and which will be the subject of a long-term lease with the Apartment Corporation and Sponsor.

Section 6.8. Proprietary Lease Controls. If there are any inconsistencies between these By-Laws and the Proprietary Lease and the Offering Plan, the provisions of the Proprietary Lease shall control.

ARTICLE 7

SALE, LEASE, DEMOLITION OR DISPOSITION OF THE BUILDING

Unless otherwise provided in the Ground Leases or an Underlying Mortgage, which documents shall in all events supersede any inconsistent provision of this Article, no decision to demolish or reconstruct any Building standing on the land leased by the Corporation, or to sell or exchange the Corporation's

leasehold interest shall be made except upon the affirmative vote of the holders of sixty-six and two-thirds (66 2/3%) percent of the Shares of the Cooperative's then issued and outstanding Shares. Notwithstanding the foregoing, the sale, exchange, lease or other disposition of the Building owned by the Corporation after the termination of all Proprietary Leases shall be determined by the affirmative vote of the holders of a majority of the Shares of the Apartment Corporation then issued and outstanding.

ARTICLE 8

CAPITAL SHARES

Section 8.1. Rights of Shareholders. No Shares hereafter issued or acquired by the Corporation shall be issued or reissued except in connection with the execution by a Shareholder and delivery by the Corporation of a Proprietary Lease for an Apartment in the Building. The ownership of Shares shall entitle the holder thereof to occupy the Apartment for the purpose specified in the Proprietary Lease to which the Shares are appurtenant, subject to the provisions, covenants and agreements contained in such Proprietary Lease.

Section 8.2. Form and Share Register. Certificates of the Shares of the Corporation shall be in the form adopted by the Board, shall be signed by the president or a vice president, and secretary, sealed with the seal of the Corporation, and shall be numbered in the order in which issued. Such signatures and seal may be facsimiles when and to the extent permitted by applicable statutory provisions. Certificates shall be issued in consecutive order and there shall be recorded the name of the person holding the Shares and the date of issue. Each certificate exchanged or returned to the Corporation shall be cancelled, and the date of cancellation shall be indicated thereon and such cancelled certificate shall be retained in the corporate records.

Section 8.3. Issuance of Certificates. Shares appurtenant to each Proprietary Lease shall be issued in the amount allocated by the Board to the Apartment or other space described in such Proprietary Lease and shall be represented by a single certificate.

Section 8.4. Transfers. Transfers of Shares shall be made upon the books of the Corporation only by the holder in person or by power of attorney, duly executed and filed with the secretary of the Corporation and on the surrender of the certificate for such Shares, except that Shares sold by the Corporation to satisfy any lien which it holds thereon may be transferred without the surrender of the certificate representing such Shares. No transfer of Shares shall be valid as against the Corporation, its Shareholders and creditors, for any purpose except to render the transferee liable for the debts of the Corporation to the extent provided for in the applicable provisions of the Business Corporation Law of the State of New York, until it shall have been entered in the share ledger, or as required by any then existing applicable provision of Law, by an entry stating from whom and to whom transferred. Subject to the provisions of the form of Proprietary Lease adopted by the Board and in accordance with the provisions of Section 6.5 of these By-Laws, the Board shall have authority before an assignment of Shares takes effect as against the Corporation, to fix and receive a reasonable fee to cover actual expenses and attorneys' fees of the Corporation in connection with each such proposed assignment, and may direct that such attorneys' fees be paid directly to the attorneys (excluding, however, assignments, sales, transfers, sublets or reallocations arising in connection with sales or other provisions under the Offering Plan as to which the Board shall not have such authority which shall not be subject to the imposition of any fees by the Board or its agent).

Section 8.5. Apartments of Issuance. Except as otherwise provided in Section 6.7 of these By-Laws, unless and until all Proprietary Leases which shall have been executed by the Corporation shall have been terminated, the Shares appurtenant to each Proprietary Lease shall not be sold or assigned except

as an entirety to the Corporation or an assignee of such Proprietary Lease, after complying with and satisfying the requirements of such Proprietary Lease in respect to the assignment thereof. The Shares of stock which accompany each Proprietary Lease shall be represented by a single certificate.

Section 8.6. Corporation's Lien. The Corporation shall at all times have a first lien upon the Shares owned by each Shareholder for all indebtedness and obligations owing and to be owing by such Shareholder to the Corporation, arising under any Proprietary Lease issued by the Corporation and at any time held by such Shareholder. Unless and until such Shareholder, as Shareholder, shall default in the payment of any indebtedness or obligation owing by such Shareholder to the Corporation under the Proprietary Lease or otherwise arising, such Shares shall continue to stand in the name of the Shareholder upon the books and records of the Corporation, and Shareholder shall be entitled to exercise the right to vote thereon as though said lien did not exist. The Corporation shall have the right to issue to any purchaser of such Shares upon the enforcement by the Corporation of such lien, or to the nominee of such purchaser, a certificate for the Shares so purchased substantially of the tenor of the certificate issued to such defaulting Shareholder. Upon issuance of such certificate the certificate for Shares previously issued to the defaulting Shareholder shall be void and the defaulting Shareholder shall be obligated to surrender such certificate to the Corporation upon the Corporation's demand. The failure of such defaulting Shareholder so to surrender such certificate shall not affect the validity of the certificate issued in replacement thereof. The Corporation may refuse to consent to the transfer of Shares of any Shareholder who is (i) in default under the Proprietary Lease to which those Shares are appurtenant, or (ii) indebted to the Corporation in connection with the Apartment to which such Shares and Proprietary Lease are appurtenant, unless and until such default is cured and/or such indebtedness is paid.

Section 8.7. Lost Certificate. In the event that any share certificate is lost, stolen, destroyed or mutilated, the Board may authorize the issuance of a new certificate of the same tenor and for the same number of shares in lieu thereof. The Board may, in its discretion, before the issuance of such new certificate require the owner of the lost, stolen, destroyed or mutilated certificate, or the legal representative of the owner, to make an affidavit or affirmation setting forth such facts as to the loss, destruction or mutilation as it deems necessary and to give the Corporation a bond in such reasonable sum as it directs, to indemnify the Corporation.

Section 8.8. Legend on Share Certificates. Certificates representing Shares of the Corporation shall bear a legend reading as follows:

"The rights of any holder of the shares evidenced by this certificate are subject to the provisions of the Certificate of Incorporation and the By-Laws of the Corporation and to all the terms, covenants, conditions and provisions of a certain Proprietary Lease made between the Corporation as The Apartment Corporation, and the person in whose name this certificate is issued, as Shareholder, for an Apartment in the Building which is owned by the Corporation as a leasehold estate and operated as a 'co-operative', which Proprietary Lease limits and restricts the title and rights of any transferee of this certificate

The rights of any holder of this certificate are subject to the provisions of the By-Laws of The 20 River Terrace Apartment Corporation and to all the terms, covenants, conditions and provisions of the Proprietary Lease of appurtenant to the Shares represented by this certificate, which Proprietary Lease limits and restricts the rights of any transferee hereof. The Shares represented by this certificate are transferable only as an entirety and only to an approved assignee of such Proprietary Lease.

The directors of the Corporation may refuse to consent to the transfer of the Shares represented by this certificate until any indebtedness of the Shareholders to the Corporation, in connection with the apartment to which the Shares represented by this certificate and the Proprietary Lease are appurtenant, is paid or the default of the Shareholders under the Proprietary Lease is cured. The Corporation, by the terms

of its By-Laws and Proprietary Lease, has a first lien on the Shares represented by this certificate for all sums due and to become due under said Proprietary Lease".

ARTICLE 9

INDEMNIFICATION

Section 9.1. In Actions by or in the Right of the Corporation. To the extent allowed by Law, the Corporation shall indemnify any person made, or threatened to be made, a party to an action by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that said individual, his or her testator or intestate, is or was a director or officer of the Corporation, against amounts paid in settlement and reasonable expenses, including attorneys' fees actually and necessarily incurred by said individual in connection with an appeal therein, if such director or officer acted in good faith, for a purpose which said individual reasonably believed to be in the best interests of the Corporation. Notwithstanding the foregoing, no indemnification under this paragraph shall be made in respect of (a) a threatened action, or a pending action which is settled or otherwise disposed of, or (b) any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation, unless and only to the extent that the court in which the action was brought, or, if no action was brought, any court of competent jurisdiction, determines upon application that, in view of all the circumstances of the case, the person is fairly and reasonably entitled to indemnity for such portion of the settlement amount and expense as the court deems proper.

Section 9.2. Indemnification of BPCA. Pursuant to section 19.10 of the Ground Lease, Tenant shall not do, or knowingly permit any Subtenant, Shareholder or sublessee of an Apartment or any employee, agent or contractor of Tenant or of any Subtenant, Shareholder or sublessee of an Apartment to do any act or thing upon the Property which may reasonably be likely to subject BPCA to any liability or responsibility for injury or damage to persons or property, or to any liability by reason of any violation of any Requirement (as defined in the Ground Lease), and shall use its best efforts to exercise such control over the Property so as to fully protect BPCA against any such liability. Tenant, to the fullest extent permitted by law, shall indemnify and save BPCA, any former landlord under the Ground Lease and the State of New York and their agents, directors, officers and employees (collectively, the "Indemnitees"), harmless from and against any and all liabilities, suits, obligations, fines, damages, penalties, claims, costs, charges and expenses, including, without limitation, reasonable engineers', architects' and attorneys' fees and disbursements, which may be imposed upon or incurred by or asserted against any of the Indemnitees by reason of any occurrences listed in Section 19.10 of the Ground Lease during the Term of the Ground Lease.

Section 9.3. In Other Actions or Proceedings.

(a) To the extent allowed by Law, the Corporation shall indemnify any person made, or threatened to be made, a party to an action or proceeding (other than one by or in the right of the Corporation to procure a judgment in its favor), whether civil or criminal, by reason of the fact that said individual, his or her testator or intestate, was a director or officer of the Corporation, against judgments, fines, amounts paid in settlement and reasonable expenses, including attorneys' fees actually and necessarily incurred as a result of such action or proceeding, or any appeal therein, if such director or officer acted, in good faith, for a purpose which said individual reasonably believed to be in the best interests of the Corporation and, in criminal actions or proceedings, in addition, had no reasonable cause to believe that his or her conduct was unlawful.

(b) The termination of any such civil or criminal action or proceeding by judgment, settlement, conviction or upon a plea of nolo contendere, or its equivalent, shall not in itself create a presumption that

any such director or officer did not act, in good faith, for a purpose which he or she reasonable believed to be in the best interests of the Corporation or that he or she had reasonable cause to believe that his or her conduct was unlawful.

Section 9.4. Payment.

(a) A person who has been successful, on the merits or otherwise, in the defense of a civil or criminal action or proceeding of the character described in Section 722 of the Business Corporation Law shall be entitled to indemnification as authorized in said Section.

(b) Except as provided in Paragraph (a) of Section 723 of the Business Corporation Law, any indemnification under Section 722 or otherwise permitted by Section 721 of the Business Corporation Law, unless ordered by a court under Section 724 thereof, shall similarly be permitted to be made by the Corporation only if authorized for a corporation in the specific case in accordance with the provisions of Paragraph (b) of said Section 723.

(c) Expenses incurred in defending a civil or criminal action or proceeding may be paid by the Corporation in advance of the final disposition of such action or proceeding upon receipt of an undertaking by or on behalf of such director or officer to repay such amount as, and to the extent, required by Paragraph (a) of Section 725 of the Business Corporation Law.

Section 9.5. Other Provisions. Indemnification of directors or officers shall be subject to the other provisions affecting the same as set forth in Section 726 of the Business Corporation Law, including, but not limited to, the provisions that require that if any expenses or other amounts are paid by way of indemnification, otherwise than by court order or action by the Shareholders, the Corporation shall, not later than the next annual meeting of Shareholders unless such meeting is held within three months from the date of such payments, and, in any event, within fifteen months from the date of such payment, mail to its Shareholders of record at the time entitled to vote for the election of directors a statement specifying the persons paid, the amounts paid, and the nature and status at the time of such payment of the litigation or threatened litigation.

Section 9.6. No Limitation. Nothing contained in this article shall limit any right to indemnification to which any director or any officer may be entitled by contract or under any Law now or hereafter enacted.

ARTICLE 10

SEAL

Section 10.1. Form of Seal. The seal of the Corporation shall be circular in form and have inscribed thereon the name of the Corporation, the year of its organization and the words “Corporate Seal” and “New York”.

ARTICLE 11

NEGOTIABLE INSTRUMENTS

Section 11.1. Signatures.

(a) All checks, drafts, orders for payment of money and negotiable instruments shall be signed by such officer or officers or employee or employees as the Board may from time to time, by standing resolution or special order, prescribe.

(b) Endorsements or transfers of Shares, bonds, or other securities shall be signed by the president or any vice president and by the treasurer or an assistant treasurer or the secretary or an assistant secretary unless the Board by special resolution in one or more instances, prescribes otherwise

Section 11.2. Safe Deposit Boxes. Such officer or officers as from time to time shall be designated by the Board, shall have access to any safe of the Corporation in the vault of any safe deposit company.

Section 11.3. Securities. Such officer or officers as from time to time shall be designated by the Board shall have power to control and direct the disposition of any bonds or other securities or property of the Corporation deposited in the custody of any trust company, bank or other custodian.

ARTICLE 12

FISCAL YEAR: FINANCIAL MATTERS

Section 12.1. General. The fiscal year of the Corporation shall be the calendar year unless otherwise determined by the resolution of the Board.

Section 12.2. Annual Cash Requirements.

The Board shall determine the Cash Requirements of the Corporation (as defined in the Proprietary Lease of the Corporation) and fix the terms and manner of payment of rent under the Proprietary Lease of the Corporation by the adoption of an annual budget for the Corporation. The Board shall adopt annual resolutions relating to the Cash Requirements of the Corporation and the payment of rent by Shareholders for each year during the term of the Proprietary Lease. The Board shall have discretionary power to prescribe the manner of maintaining and operating the Building and to determine the Cash Requirements of the Corporation and the manner and terms of rent payments to be paid as aforesaid by the Shareholders under their respective Proprietary Leases. Every such determination by the Board shall be final and conclusive as to all Shareholders and any expenditures made by the Corporation's officers or its Managing Agent under the direction or with the approval of the Board of the Corporation shall, as against the Shareholders, be deemed necessarily and properly made for such purpose.

Section 12.3. Distributions. No Shareholders shall be entitled, either conditionally or unconditionally, except upon a complete or partial liquidation of the Corporation, to receive any distribution not out of earnings and profits of the Corporation.

ARTICLE 13

MISCELLANEOUS

Section 13.1. Compensation. No salary or other compensation for services shall be paid to any director or officer of the Corporation for services rendered as such director or officer, unless and until the same shall have been authorized in writing or by affirmative vote, taken at a duly held meeting of Shareholders, by the record holders of more than 50% of the then outstanding Shares of the Corporation.

Section 13.2. Emergency Egress. The doorway that connects the commercial space to the residential portion of the Building is required for emergency egress. Such doorway shall not be blocked, locked or modified in any way to restrict egress.

Section 13.3. References. A reference in these By-Laws to any one gender, masculine, feminine, includes the other, and the singular includes the plural, and vice versa, unless the context otherwise requires. The term spouse shall have the meaning given in the Proprietary Lease.

Section 13.4. Discrimination. The Board shall not discriminate against any person on the basis of race, creed, color, national origin, sex, age, disability, marital status or other grounds prohibited by law.

ARTICLE 14

AMENDMENTS

Section 14.1. Procedure.

(a) The Shareholders at any Shareholders' meeting may make, alter, amend, add to or repeal these By-Laws by affirmative vote of Shareholders present in person or by proxy owning in the aggregate at least sixty-six and two-thirds (66 2/3%) of the outstanding and issued Shares, provided that the proposed amendment or the substance thereof shall have been inserted in the notice of meeting or that all of the Shareholders of the Apartment Corporation are present in person or by proxy at that meeting.

(b) The Board at any meeting of the Board, by vote of sixty-six and two-thirds (66 2/3%) of the number of Directors fixed pursuant to Section 4.1 of the By-Laws or fixed pursuant to resolution adopted by the Shareholders pursuant to Section 4.1 of the By-Laws, may make, alter, amend, add to or repeal these By-Laws provided that the proposed amendment or the substance thereof shall have been inserted in the notice of meeting or that all of the directors are present in person. However, the Directors may not repeal a By-Law amendment adopted by the Shareholders as provided above. Notwithstanding the foregoing, during the first two (2) years following the Cooperative Conversion Date, any change to the By-Laws shall require the consent of Shareholders representing at least 80% of the total authorized and issued Shares of the Apartment Corporation.

Section 14.2. Compliance with Certificate of Incorporation. Any amendment to these By-Laws shall be in conformity with the certificate of incorporation of the Corporation.

Section 14.3. Consent of the Holder of any Present or Future Mortgage, Pledge or other Lien or Security Interest. Notwithstanding any provision contained herein to the contrary, no amendment, modification or deletion of or to these By-Laws will be effective without the prior consent, which shall not be unreasonably withheld, of the holder of any present or future mortgage, pledge or other lien or security interest (hereinafter "Lender") in connection with the following: (1) the addition of any blanket financing that is superior to a loan on an Apartment if it would result in an increase of more than 10% of such Apartment's monthly Maintenance Charge or assessment; (2) any action to change the form of ownership of the Property; (3) any provision that expressly benefits the underlying mortgage holder(s); or (4) any action which would contract, expand or terminate the cooperative.

Section 14.4. Sponsor Rights. No amendment to these By-Laws limiting or adversely affecting the rights granted to Sponsor, the Holder of Unsold Shares, or a secured party shall be effective without the written consent of such affected party.

ARTICLE 15

NOTICE TO LENDERS

Section 15.1. Notice to Lenders. Notice shall be given to lenders which have executed a Recognition Agreement with the Apartment Corporation, of the following changes or occurrences:

(1) Threatened or actual condemnation, eminent domain proceeding or acquisition, or any actual loss, whether or not covered by insurance, that affects any portion of the Project;

(2) The Corporation's generation, during any tax year, of 80% or less of its gross income from "Shareholders income", as that term is defined in Section 216, of the Internal Revenue Code;

(3) Any thirty (30) day delinquency by the Corporation in payment of PILOT;

(4) Any lapse, cancellation or material modification of any insurance or fidelity insurance coverage maintained by the Corporation.

ARTICLE 16

INSURANCE

Section 17.1 By the Board. The Board shall be required to obtain and maintain to the extent obtainable the following insurance: (a) fire insurance with all risk extended coverage, vandalism and malicious mischief endorsements and increased cost of construction endorsements, insuring the Building; (b) rent insurance in an amount equal to Maintenance Charges for one year; (c) plate glass insurance to the extent, if any, determined by the Board; (d) water damage insurance to the extent, if any, determined by the Board; (e) fidelity insurance covering the Board and all officers, directors, managing agents and employees of the Corporation; (f) directors and officers liability insurance; and (g) such other insurance as the Board may determine. The premiums for all insurance referred to above and for the liability insurance referred to below shall be made a Maintenance Charge and shall be borne by the Shareholder based on the number of Shares between them. Any insurance obtained pursuant to this Section 17.1 shall provide for the replacement of "builder's grade" fixtures, cabinets, flooring and walls to the extent that the Apartment Corporation has any liability for such replacements. The Board shall not be required to obtain or maintain any insurance with respect to any personal property contained in an Apartment. All such policies shall provide that adjustment of loss shall be made exclusively by the Board. Insurance proceeds with respect to any loss shall be payable to the Board. All policies of physical damage insurance shall contain, to the extent obtainable, waivers of subrogation and waivers of any defense based on (i) co-insurance, (ii) other insurance, (iii) invalidity arising from any acts of the insured, or (iv) pro rata reduction of liability, and shall provide that such policies may not be canceled or substantially modified without at least ten days' prior written notice to the insured.

Section 16.2. General Liability. The Board shall also be required to obtain and maintain, comprehensive general liability insurance against claims for personal injury, death or property damage occurring upon, in or about the Building, in such limits as such Board may from time to time determine, covering (i) the Board, (ii) the managing agent or agents thereof, (iii) each Board member, and each officer and employee of the Corporation, (iv) Sponsor and its members and the officers of its members, and (v) each Shareholder, except that such policy will not cover liability of a Shareholder arising from occurrences within such Shareholder's own Apartment. The Board shall review such limits once each year. The

insurance required in accordance with this Subsection 17.2 shall also cover cross-liability claims of one insured against another.

Section 16.3. Deductibles. Any insurance maintained by the Board may provide for such deductible amounts as the Board determines.

Section 16.4. Ground Lease Insurance Requirements. Notwithstanding the provisions of Sections 17.1 through 17.3, the Corporation shall be obligated to comply with the insurance requirements stated in the Ground Lease for so long as the Ground Lease is in effect, and any conflicts between this Article 17 and the Ground Lease shall be resolved in favor of the Ground Lease.

ARTICLE 17

SMOKING POLICY

All Shareholders are prohibited from smoking in or around any of the Common Areas and terraces, and within all Apartments 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, vaping, or otherwise handling or controlling any lit or smoldering product containing tobacco, marijuana or other flammable substance, including, but not limited to, cigarettes, cigars, or pipes.

ARTICLE 18

AMENDMENT TO CERTIFICATE OF INCORPORATION

The Corporation's Certificate of Incorporation may be amended at any time upon the affirmative vote of at least sixty-six and two-thirds percent (66-2/3 %) of the total authorized and issued Shares, taken at a duly held meeting of the Shareholders for that purpose.

ARTICLE 19

Conflicts Between By-Laws and the Ground Lease

Any conflicts between these By-Laws and the Ground Lease, while the Ground Lease is in full force and effect, shall be resolved in favor of the Ground Lease.

CERTIFICATE OF INCORPORATION

CERTIFICATE OF INCORPORATION

OF

THE 20 RIVER TERRACE APARTMENT CORPORATION

PURSUANT TO SECTION 402 OF THE BUSINESS CORPORATION LAW

OF THE STATE OF NEW YORK

Filed by:

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

CERTIFICATE OF INCORPORATION

OF

THE 20 RIVER TERRACE APARTMENT CORPORATION

THE UNDERSIGNED, for the purpose of forming a corporation pursuant to Section 402 of the Business Corporation Law of the State of New York, does hereby certify and set forth:

1. Name. The name of the corporation is The 20 River Terrace Apartment Corporation ("Corporation")

2. Purpose and Powers. The purposes for which the corporation is formed are:

To engage in any lawful act or activity for which corporations may be organized under the New York Business Corporation Law, provided that the corporation is not formed to engage in any act or activity which requires the act or approval of any state official, department, board, agency or other body without such approval or consent first being obtained.

To acquire by purchase, lease, or otherwise, the land and building or buildings, erected or to be erected thereon at 20 River Terrace, New York, New York 10282; to demolish existing building or buildings; to erect a new building or buildings; to hold operate, manage, sell or exchange and lease the same and the several parts and apartments in any building thereon, and in any replacement thereof, or additions thereto; to do and transact all other lawful business incident to, necessary, and suitable or advisable for, or in any connected with, such purposes for which the Corporation is formed as above set forth. The primary purpose of this Corporation is to provide homes for its shareholders by leasing to them, under leases now commonly known as proprietary leases, apartments in the building or buildings on such premises, and all its shareholders shall be entitled solely by reason of their ownership of shares in the Corporation to proprietary leases, entitling them to occupy for dwelling purposes apartments in the building or buildings.

To acquire by purchase, subscription, underwriting or otherwise, and to own, hold for investment, or otherwise, and to use, sell, assign, transfer, mortgage, pledge, exchange or otherwise dispose of real and personal property of every sort and description and wheresoever situated, including shares of stock, bonds, debentures, notes, scrip, securities, evidences of indebtedness, contracts or obligations of any corporation or association, whether domestic or foreign, or of any firm or individual or of the United States or any state, territory or dependency of the United States or any foreign country, or any municipality or local authority within or without the United States, and also to issue in exchange therefor, stocks, bonds or other securities or evidences of indebtedness of this corporation and, while the owner or holder of any such property, to receive, collect and dispose of the interest, dividends and income on or from such property and to possess and exercise in respect thereto all of the rights, powers and privileges of ownership, including all voting powers thereon.

To construct, build, purchase, lease or otherwise acquire, equip, hold, own, improve, develop, manage, maintain, control, operate, lease, mortgage, create liens upon, sell, convey or otherwise dispose of and turn to account, any and all plants, machinery, works, implements and things or property, real and personal, of every kind and description, incidental to, connected with, or suitable, necessary or convenient for any of the purposes enumerated herein, including all or any part or parts of the properties, assets, business and goodwill of any persons, firms, associations or corporations.

The powers, rights and privileges provided in this certificate are not to be deemed to be in limitation of similar, other or additional powers, rights and privileges granted or permitted to a corporation by the New York Business Corporation Law, it being intended that this corporation shall have all rights, powers and privileges granted or permitted to a corporation by such statute.

3. Office. The office of the Corporation is to be located in the County of New York in the City and State of New York.

4. No Dividends. The Corporation shall not pay any dividends on voting stock.

5. Amendment.

   a. This Certificate shall not be altered or amended without the affirmative vote of sixty-six and two-thirds percent (66 2/3%) of all shareholders.

   b. Such consents or certifications shall be attached to the certificate of amendment, or any other document seeking to effectuate the amendment or alteration of this Certificate which the Corporation files with the Department of State.

6. Dissolution.

   a. The Corporation shall not be dissolved or reconstituted without the affirmative vote of sixty-six and two-thirds percent (66 2/3%) of all shareholders.

   b. Such consents or certifications shall be attached to the certificate of dissolution, or any other document seeking to effectuate the dissolution or reconstitution of the Corporation which the Corporation files with the Department of State.

7. Service of Process. The Secretary of State is hereby designated by the Corporation as agent upon whom process against it may be served. The post office address of the Corporation to which the Secretary of State shall mail a copy of any process against the Corporation served upon it is 20 River Terrace, New York, New York 10282.

8. Stock. The Corporation is authorized to issue only one class of stock. The aggregate number of shares which the Corporation shall have authority to issue is 133,333, with a par value of

One Dollar ($1.00) per share.

9. Directors. The personal liability of directors to the Corporation or its shareholders for damages for any breach of duty in such capacity is hereby eliminated except that such personal liability shall not be eliminated if a judgment or other final adjudication adverse to such director establishes that his or her acts or omissions were in bad faith or involved intentional misconduct or a knowing violation of law or that he or she personally gained in fact a financial profit or other advantage to which he or she was not legally entitled or that his or her acts violated Section 719 of the Business Corporation Law.

10. By-Laws. The board of directors of the Corporation may adopt by-laws of the Corporation at any regular meeting or any special meeting called for that purpose, provided that such by-laws are consistent with the provisions of this Certificate.

IN WITNESS WHEREOF, the undersigned have duly executed this Certificate and affirm that the statements contained herein are true under the penalties of perjury this 13th day of September, 2019

Adam A. Levenson

CONTRACT OF EXCHANGE

CONTRACT OF EXCHANGE

This Contract of Exchange (this "Contract") is made as of the __ day of _____ 20__ between River Terrace Associates, LLC, a New York limited liability company, having an address at 1050 Franklin Avenue, Garden City, New York 11530 (hereinafter referred to as the "Seller") and The 20 River Terrace Apartment Corporation a New York corporation, having an office at 20 River Terrace, New York, New York 10282 (hereinafter referred to as the "Purchaser" or "Apartment Corporation").

STATEMENT OF FACTS

A. Seller is the ground lessee of a parcel of land, and owner of improvements thereon, located at 20 River Terrace, New York, New York 10282 designated and known as Lot 180 in Block 16 on the Tax Map of the Borough of Manhattan (the "Property"), under that Agreement of Lease dated April 4, 2001, as amended by that certain Amendment to Lease, dated as of July 8, 2002 and by that certain Second Amendment to Lease dated as of October 22, 2002, between Battery Park City Authority, as the ground lessor ("Lessor"), and River Terraces Associates, LLC, as ground lessee, as evidenced by that certain Memorandum of Lease dated as of April 4, 2001 and recorded with the New York City Office of the City Register on April 6, 2001 at Reel 3268, Page 815 (the "Ground Lease").

B. The land and the building and improvements erected thereon which are the subject of the Ground Lease, are hereinafter collectively called the "Property" and are more particularly described in Schedule A annexed hereto and made a part hereof.

C. Seller is the sponsor under an offering plan (the "Plan") that was accepted for filing by the New York State Department of Law, Office of the Attorney General, on _____, with respect to the offer and sale of the leasehold cooperative residences in the Property. The Plan calls for the transfer of the Property to the Apartment Corporation which transfer is to occur on a date termed the "Cooperative Conversion Date" or "Closing" as the context requires. The Cooperative Conversion Date shall be after the Plan has been declared effective, all as defined in and pursuant to the Plan. The Plan provides for the sales of shares of the Apartment Corporation allocable to specified residences ("Shares") and the occupancy of the residences pursuant to a lease between the Apartment Corporation, as lessor, and a Shareholder, as lessee, permitting occupancy of the residences to which Shares have been allocated, as the same may be amended from time to time (the "Proprietary Lease"). Shares may be increased or decreased or reallocated by Seller as set forth in the Plan.

E. Seller desires to assign the Ground Lease to Purchaser, and Purchaser desires to accept the Property from Seller, the pursuant to the terms and conditions contained in this Contract.

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, Seller and Purchaser agree as follows:

1. The Purchase Price

Seller agrees to assign the Ground Lease to Purchaser, in exchange for Purchaser's issuance to Seller or on Seller's behalf of all of its Shares (and Proprietary Leases) which shall include

Purchaser's assumption of Seller's rights and obligations under the Ground Lease. Pursuant to the Plan, Seller shall be entitled to all cash or equivalent proceeds from the sale of residences pursuant to any and all pending Purchase Agreements. With respect to Shares not issued to purchasers as of the Cooperative Conversion Date, Seller and/or its designee shall become the holder(s) of unsold shares ("Holder of Unsold Shares").

2. Permitted Encumbrances

(a) The Property will be conveyed, and Purchaser shall take same subject to, the following "Permitted Encumbrances":

(i) The terms and provisions of the Ground Lease;

(ii) The terms and provisions of the Plan, the Cooperative Documents, including the Proprietary Lease, the By-Laws and House Rules;

(iii) Any state of facts an accurate survey for the Property may show, provided that same does not render title uninsurable;

(iv) Revocability of the right to maintain street vaults and other areas, if any, under sidewalks;

(v) Building restrictions and zoning laws, ordinances and regulations, and any amendments thereto, adopted by any governmental authority having jurisdiction thereover, affecting the land at the date hereof and on the Cooperative Conversion Date, provided that they are not violated by existing structures and do not prevent the continued use of the Property as a multiple dwelling;

(vi) Consents by any owner or lessor 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;

(vii) Any easement or right or use created in favor of any public utility company for electricity, steam, gas, telephone, water or other service and the right to install, use, maintain, repair and replace wires, cables, terminal boxes, lines, service connections, poles, mains, facilities and the like, upon, under and across the Property;

(viii) Service, maintenance, employment and concessionaire contracts and agreements ("Service Contracts") in effect on the Cooperative Conversion Date (which shall be apportioned at closing as set forth in Paragraph 5 below);

(ix) Labor and/or facilities sharing agreements which may be entered into by Seller and Purchaser on the Cooperative Conversion Date;

(x) Encroachments of shrubbery, stoops, areas, steps, doors, ledges, window sills, bay windows, trim, coping, cornices, vaults, chutes, fuel oil lines, drainage pipes, stand pipes, sewerage pipes, retaining walls, railings, foundations, footings, fences, fire escapes, air conditioning units, canopies, ramps and similar projections, if any, on, over or under the Property or the streets or sidewalks or Property abutting the Property and rights of governmental authorities and adjoining Property owners to require the removal of any such projections, and variations between record lines of the Property and fences, walls, retaining walls and the like, if any;

(xi) Any and all covenants, restrictions, reservations, agreements and easements of record, or as set forth in the Plan, which are still in force and effect on the Cooperative Conversion Date, provided that they are not violated by and do not prevent the use of the Building or the proposed uses under the Plan;

(xii) Management Agreement as more fully described in the Plan;

(xiii) The uses permitted by the existing certificate of occupancy covering the Building and any amendments thereto, if any, consistent with current uses.

(xiv) The lien of any unpaid PILOT or vault tax, water charges or sewer rents (which shall be apportioned at Closing);

(xv) The lien for any unpaid assessment payable in installments, except Seller will pay all such installments due and payable prior to the Cooperative Conversion Date and Purchaser will be obligated to pay all installments due at or subsequent to said Closing (except, further, that the then current installment, if any, shall be apportioned at Closing);

(xvi) The lien of any unpaid New York State Franchise taxes or New York City General Corporation taxes or estate tax with respect to any corporation or individual in the chain of title, provided the title insurance company insuring Purchaser's leasehold title to the Property shall insure against the collection of such taxes out of the Property;

(xvii) Violations against the Property;

(xviii) Any chattel mortgage and/or financing statement affecting the personal Property and chattels in the Property;

(xix) Standard printed exceptions contained in the form of leasehold title insurance policy then issued by the title insurance company insuring Purchaser's title to the Property;

(xx) Those encumbrances listed on Schedule B hereof; and

(xxi) Any other lien or encumbrance which does not render title to the Property uninsurable or which is set forth in the Plan.

3. Service Contracts

(a) Purchaser acknowledges having examined and hereby approves the Service Contracts described in the Plan and affecting the Property on the date hereof (if any). On the Cooperative Conversion Date, Purchaser shall execute and deliver to Seller an instrument under which Purchaser shall agree to assume the payment and performance of all obligations of Seller under such Service Contracts or replacements thereof (as herein permitted) that arise on or after the Cooperative Conversion Date and shall further agree to indemnify and hold Seller harmless against any claims and liabilities arising under such Service Contracts or said replacements thereof or new Service Contracts that relate to matters or events occurring from and after the Cooperative Conversion Date.

(b) Seller represents that no tenant, concessionaire or licensee of the Property shall be entitled under any lease or other agreement to any rebate, reduction in rent or interest, right of set-

off, concession or other benefit, except as may be expressly set forth herein, and Seller shall indemnify and hold Purchaser harmless from and against any claim, loss or expense with respect to any such benefit not set forth herein accrued prior to the Cooperative Conversion Date.

(c) Seller reserves the right to renew, extend, modify or replace existing Service Contracts and to enter into new Service Contracts prior to the Cooperative Conversion Date, on such terms as Seller deems desirable.

(d) The covenants contained in this Paragraph shall survive the conveyance of the Property.

4. Adjustments at Closing

(a) The following shall be apportioned and adjusted to and including the day immediately prior to the Cooperative Conversion Date:

(i) Maintenance Charges;

(ii) Payment in Lieu of Taxes ("PILOT") payments, assessments, sewer rents, water charges and vault charges (if any) on the basis of the fiscal or calendar year for which assessed, provided that pending the official separation and tax lot apportionment pursuant to the tax lot filings, the Purchaser shall be responsible for its proportionate share of the total PILOT against the Property;

(iii) Cost of fuel on hand and other supplies allocated to the Property as and on the Cooperative Conversion Date, as Seller's actual cost, plus sales tax.

(iv) Deposits with utility companies and fees for governmental permits and license fees, if any, and if assignable;

(v) Charges for electricity, gas, steam, water and other utilities, if and to the extent, not included in Maintenance;

(vi) Escrow funds and Security Deposits (if any, and if assignable) held by Lessor. At the Closing, Seller shall execute, acknowledge and deliver to Purchaser an assignment of Seller's interest in such escrow funds, such assignment to be in form and substance reasonably satisfactory to Purchaser;

(vii) Charges and receipts in connection with service contracts, if any, to the extent not included in the Maintenance;

(viii) Premiums, on then existing transferable insurance policies or renewals of those expiring prior to the Cooperative Conversion Date, if any;

(ix) Wages and payroll expenses, bonuses, vacation and severance pay, welfare benefits and accruals, uniforms and any other obligations payable to employees by reason of their employment;

(x) Rent; additional rent and any security deposit under the Ground Lease; and

(xi) Any other prepaid items and customary adjustments.

(b) If the Cooperative Conversion Date shall occur before the tax rate is fixed, the apportionment of taxes shall be upon the basis of the tax rate applicable to the Property for the next preceding year applied to the latest assessed valuation.

(c) If any of the foregoing items (the "Adjustments") referred to in the preceding subparagraph (a) cannot be apportioned and adjusted at the Cooperative Conversion Date because they are not fully ascertainable, they shall be apportioned and adjusted at the Cooperative Conversion Date to the extent reasonably possible and the balance as soon thereafter as the undetermined amounts are ascertained. If any of the Adjustments shall prove to have been omitted or be erroneous, the same shall be corrected and re-apportioned after the Cooperative Conversion Date. The provisions of this subparagraph to apportion and adjust unascertained, omitted and/or erroneous items subsequent to the Cooperative Conversion Date shall survive the conveyance of the Property and a letter agreement to such effect shall be executed at the Cooperative Conversion Date.

(d) Except as herein otherwise expressly provided, the customs in respect to title closings adopted by the Real Estate Board of New York, Inc., as amended, shall apply to apportionments and other matters therein mentioned.

5. Payment of Closing Adjustments

If the net closing adjustments are in favor of Purchaser, the amount thereof will be paid by Seller. If the net closing adjustments are in favor of Seller, same will be paid to Seller in accordance with the terms of the Plan.

6. Assessment

If, between the date hereof and the Cooperative Conversion Date, the Property or any part thereof shall be or shall have been affected by an assessment or assessments which are or may become payable in annual installments, of which the first installment is then a charge or lien, or has been paid, then for the purposes of this Contract all the unpaid installments of any such assessment which become due and payable after the assignment of the Ground Lease, shall not be deemed to be liens upon the Property and Purchaser shall take a leaseholder interest subject thereto and shall be solely responsible for the payment thereof. Seller will pay all such installments due and payable prior to the Cooperative Conversion Date (except the then current installment, if any, shall be apportioned as of the Cooperative Conversion Date).

7. Default Remedy

(a) Seller shall, at the Cooperative Conversion Date, assign its interest in the Property to Purchaser and Purchaser shall accept the Property, subject only to the Permitted Encumbrances set forth in Paragraph 2 of this Contract and the existence of said Permitted Encumbrances shall not be deemed or construed to render Seller's leasehold interest unmarketable and, to the extent of the amount of any of said Permitted Encumbrances, the purchase price payable to Seller shall not be reduced nor shall Purchaser be entitled to damages thereof.

(b) In the event Seller shall be unable to assign its interest in the Property to Purchaser subject only to the Permitted Encumbrances, Seller shall be obligated to take steps or institute or prosecute any action or proceeding or expend any sums of money including sums necessary to satisfy work orders of a mortgagee, only to the extent that the cost of such steps, actions, or

proceedings does not exceed the dollar limit expressly set forth in the Plan, nor shall Seller be required to make any effort to remove any such lien or encumbrance or to make title good and marketable or to eliminate any defect or objection to title.

(c) If this Contract is terminated under the provisions of this Paragraph 7, neither Seller nor Purchaser shall have any further obligation or liability to the other hereunder, except that Purchaser shall be obligated to cause the Escrow Agent (set forth in the Plan) to refund to nondefaulting purchasers of Shares the sums deposited by them with said Escrow Agent.

(d) In the event Seller shall be unable to assign its interest in the Property to Purchaser due to any adverse actions taken by Lessor, this Contract shall be deemed cancelled and of no further force and effect and neither party hereto shall have any further rights, obligations or liability to or against the other hereunder or under the Plan.

(e) Purchaser shall not, in any event be entitled to damages of any kind by reason of Seller's inability to convey good and marketable leasehold interest to the Property in accordance with the provisions of this Contract and it is intended that Purchaser's rights and Seller's obligations consequent upon such inability shall be limited solely to those specifically set forth in this Paragraph.

8. Title Insurance

Subject to the provisions of paragraph 8 hereof Seller shall give and Purchaser shall accept such leasehold title insurance to the Property as any title insurance company licensed to do business in the State of New York, which is a member of the New York Board of Title Underwriters, designated by Seller, will approve and insure, subject only to the Permitted Encumbrances. Purchaser shall submit a copy of its title report, together with a written statement of all claimed objections to title not less than thirty (30) days prior to the Cooperative Conversion Date.

9. Affidavit Re: Title

If a search of title discloses judgments, bankruptcies or other returns against other persons having names the same as or similar to that of Seller, Seller will on request deliver to Purchaser an affidavit showing that such judgments, bankruptcies or other returns are not against Seller.

10. No Objections to Title

The existence of mortgages, Ground Lease, liens and encumbrances, other than the Permitted Encumbrances, shall not be objections to title, provided that properly executed instruments, in form for recording, necessary to satisfy them are delivered to Purchaser at the Cooperative Conversion Date and proper allowances made to it for the cost of recording or filing such instruments.

11. Adjournments

If at the Cooperative Conversion Date, any exceptions to title (other than Permitted Encumbrances) shall exist and be asserted by Purchaser, then Seller, at its election, shall be entitled to a reasonable adjournment of the Cooperative Conversion Date, to eliminate such exceptions but

without in any respect affecting or enlarging the obligations of Seller as set forth in Paragraph 8 hereof.

12. Risk of Loss

If between the date of this Contract and the Cooperative Conversion Date, the Property is damaged by fire or other casualty, the provisions of Section 5-1311 of the General Obligations Law of the State of New York, or any like statute which may be enacted in substitution or in place thereof, shall not apply and such provisions are hereby waived and the following shall apply instead:

(a) In the event the Property is damaged by fire or other casualty prior to the Cooperative Conversion Date, Seller will repair the damage in accordance with the terms of the Ground Lease and the Plan. If Seller elects not to repair the damage, the Plan will be abandoned, and this Contract shall be deemed terminated. All insurance proceeds resulting from the casualty shall be retained by Seller, except as otherwise provided in the Ground Lease and the Plan.

(b) With regard to any damage that Seller is obligated or has elected to repair, (i) the expense of the repair will be borne entirely by Seller, who shall retain all insurance proceeds resulting from the casualty and (ii) the Property shall be substantially repaired prior to the Cooperative Conversion Date to as near as reasonably possible to its former condition, subject to the Ground Lease and the Plan.

13. Tax Proceedings

Subject to the provisions of the Ground Lease, if, as of the Cooperative Conversion Date, there are any pending applications or proceedings for reduction of the assessed valuation of the Property and the PILOT predicated thereon for the tax year in which the Cooperative Conversion Date occurs, Purchaser shall continue such proceedings with the attorney previously employed by Seller, who shall have the sole right to negotiate and settle all claims which are the subject of such applications or proceedings; however, Purchaser shall have the right to be present personally or by its duly authorized representative during any such negotiations. If any refunds are recovered or the taxes are reduced as a result thereof, whether by settlement or otherwise, the cost of such proceedings (including attorney's fees) and any refunds and/or reduction shall be apportioned between Seller and Purchaser as of the Cooperative Conversion Date according to the respective portions of the tax year each holds title to the Property. Each party hereto shall, at the request of the other, execute and deliver to such other party any documents, prior or subsequent to the closing of title, that may be required to effect a refund or reduction of such taxes. Any refund covering a period prior to the Cooperative Conversion Date and all expenses incurred in connection therewith, shall belong to and be incurred by Seller alone. The provisions of this Paragraph shall not merge with and shall survive the assignment of the Ground Lease.

14. Closing

If the Plan has been declared effective, as therein provided, this transaction shall close upon payment of the purchase price as herein provided at such office in the City and State of New York, and on such date, as Seller may designate. If Seller is prevented from Closing with Purchaser by reason of the issuance of a restraining order or injunction by a court of competent jurisdiction or

similar justifiable cause beyond Seller's control then Seller shall be permitted an adjournment of the Closing hereunder.

15. Deed: Assignment and Assumption of Ground Lease

The Assignment and Assumption of Ground Lease shall be executed and delivered by Seller and executed by and on behalf of the Apartment Corporation, so as to convey to Purchaser the Property, free of all liens and encumbrances, except Permitted Encumbrances and liens and encumbrances to which Purchaser is willing to take subject, and shall also contain the covenant required under subdivision 5 of Section 13 of the Lien Law, as amended.

The Assignment and Assumption of Ground Lease shall be in recordable form.

16. Management Agreement

On the Cooperative Conversion Date, the Purchaser will enter into a management agreement with a managing agent on such terms and conditions as set forth in the Plan.

17. The Plan

(a) The Plan, upon acceptance for filing by the Department of Law (as the same may be amended from time to time), shall be and hereby is incorporated as a part of this Contract as if herein set forth at length. All terms not otherwise defined in this Contract shall have the meanings ascribed to them in the Plan.

(b) If there is any conflict between any of the terms or provisions of this Contract and those in the Plan (as same may be amended), the terms and provisions in the Plan (as amended) shall govern.

(c) If the Plan is withdrawn or abandoned as therein provided, this Contract concurrently therewith shall be deemed terminated without further notice or documentation and neither Seller nor Purchaser shall have any further obligations or liability hereunder to the other except that Purchaser shall cause the Escrow Agent to refund to nondefaulting purchasers of Shares the sums deposited by them under their respective Purchase Agreements with the Escrow Agent (inclusive of interest, if any) and all amounts forfeited by defaulting purchasers of Shares under their respective Purchase Agreements (inclusive of all and any interest earned thereon) shall be paid over to Seller as a non-refundable Contract deposit.

(d) Notwithstanding the execution of this Contract by Seller and Purchaser, it shall not be deemed effective or binding on either party hereto until the Plan has been accepted for filing by the Department of Law.

18. Unsold Shares

(a) As of the Cooperative Conversion Date, Purchaser agrees to issue to Seller all shares which are allocated to residences (the "Unsold Shares") as part of the consideration for Seller conveying the Property to Purchaser.

(b) Purchaser will defend, indemnify and hold harmless the holder(s) of Unsold Shares against any and all claims, actions, judgments, losses, liabilities and expenses (including, without limitation, reasonable attorneys' fees and litigation expenses) incurred or required to be paid as the

result of Purchaser's failure either (i) to operate the Building at the same level of services as those supplied on the Cooperative Conversion Date pursuant to any applicable law, except for those services which under the terms of the proprietary lease (as hereinafter defined) are the obligation of the lessee, or (ii) to perform any obligation to be performed by it as lessor under such proprietary leases; however, such indemnity shall not be applicable during any period that a majority of the Board of Directors consists of non-resident members elected by the holder(s) of Unsold Shares.

(c) The provisions of this Paragraph shall survive the conveyance of the Property and the same, together with all relevant provisions of the Plan, shall inure to the benefit of, and be enforceable by the holders of Unsold Shares, their respective heirs, legal representatives, successors and assigns and each of them, either individually or as a class.

19. Purchaser Acknowledgements

(a) Purchaser acknowledges that neither Seller nor any person acting or purporting to act on behalf of Seller has made any promises, statements, representations or warranties (expressed or implied) regarding the Property, except as herein expressly set forth or in the Plan. Purchaser acknowledges that Seller has not made any representations as to the physical condition, rents, leases, expenses, operation, size, zoning, value of land or building being sold hereby, taxes or other matter or thing affecting or related to the Property or this transaction, except as herein expressly set forth in the Plan. Seller shall not be liable or bound by any verbal or written statements, representations, or information pertaining to the Property furnished by any person unless same are specifically set forth herein or in the Plan.

(b) Seller will maintain and operate the Property as set forth in the Plan and except to the extent that Seller is precluded from so doing by acts of God, fire or other casualty, storm, strikes, lockouts, labor difficulties, riots, insurrection, inability to obtain materials, equipment or labor, governmental restrictions or any other acts over which Seller is reasonably unable to exercise control. If for any of the reasons set forth in the preceding sentence, other than a fire or other casualty, Seller is prevented from so maintaining the Property (or causing the same to be maintained), Seller shall make or cause to be made, within a reasonable period of time after such act ceases to exist, any repairs subsequent to the Cooperative Conversion Date that it was obligated to make prior to the Cooperative Conversion Date. The provisions of this subparagraph (b) shall survive the closing hereunder.

20. No Broker

Seller and Purchaser represent to each other that no broker brought about this sale. Each party agrees to defend, indemnify and hold the other harmless against any claim, loss, liability, judgment, cost and expense (including but not limited to reasonable attorneys' fees and disbursements) arising as a result of the untruthfulness or inaccuracy of the foregoing representation. The provisions of this Paragraph shall survive the closing hereunder.

21. Trial by Jury

To the extent permitted by law, Seller and Purchaser hereby waive trial by jury in any action, proceeding or counterclaim brought by either of them against the other in connection with any matter arising out of this Contract or the conveyance of the Property. The foregoing shall not be applicable to a jury trial demanded by a plaintiff in a lawsuit instituted by other than Seller or

Purchaser in which either party hereto is named as a defendant and such defendant shall interplead the other party. The provisions of this Paragraph shall survive the closing hereunder.

22. Notices

Any notices, demands, consents, approvals or communications (collectively called "Notices") required or permitted hereunder shall be in writing, sent by registered or certified mail, return receipt requested, addressed, as the case may be, to Seller and Purchaser at 20 River Terrace, New York, New York 10282 (with copy sent to Seller's attorney via regular mail, registered mail or certified mail to Seiden & Schein, P.C., 570 Lexington Avenue, New York, New York 10022, Attention: Adam A. Levenson, Esq.). Either party may, by Notice to the other, change the name(s) of the person(s) entitled to receive Notice on its behalf or the address of any such person. Unless otherwise provided herein, all such Notices shall be deemed to have been given on the day deposited in any branch, station or depository maintained by the U.S. Postal Service in the City and State of New York, except the date of actual receipt shall be deemed to be the date of giving any Notice of a new person to receive Notices or a change of address.

23. Condemnation

In the event that any material part of the Property is taken in condemnation or by eminent domain proceedings, this Contract shall cease and come to an end on the date of such taking, and Purchaser shall have no rights to any of the award made thereunder.

24. Seller's Exculpation

In the event (i) this Contract is terminated or cancelled in accordance with the terms hereunder, or (ii) there is a taking of any material portion of the Property by condemnation or eminent domain, or (iii) the Plan is withdrawn or abandoned, or for any other reason whatsoever is not consummated, then Purchaser shall remit to Seller, as. a non-refundable Contract deposit, any and all monies (including interest, if any) forfeited by defaulting Purchasers under their respective Purchase Agreements for the Shares (but not to exceed those liquidated damages on account of the purchase price paid by such defaulting purchasers plus the cost of any work ordered by such purchasers as set forth in the Plan), and upon the receipt thereof by Seller the parties hereto shall be relieved and discharged of all liabilities and obligations hereunder and under the Plan.

25. Assignment

Purchaser may not assign this Contract without the consent of Seller. Seller shall have the right to assign this Contract only in connection with the assignment of the Property, provided, however, any assignment of this Contract by Seller shall not relieve Seller of any of its obligations and covenants hereunder. Except as hereinabove provided, this Contract shall inure to the benefit of and be binding upon Seller and Purchaser and their respective successors and assigns.

26. No Survival

Except for those matters which are expressly stated in this Contract or the Plan to survive the Cooperative Conversion Date or are to be performed subsequent to such date, it is agreed that the Closing and exchanges hereunder shall constitute full compliance, performance and discharge of all of Seller's obligations under this Contract and the Plan, and as a release by Purchaser of any and all rights, obligations, claims, demands or causes of action against Seller of whatsoever nature,

except as to those matters expressly stated to survive, or to be performed subsequent to such closing. Nothing contained herein shall be in derogation of the rights of purchasers of Shares under Article 23-A of the General Business Law.

27. Entire Agreement

This Contract may not be changed or terminated orally. All previous negotiations have been merged in this Contract which together with the Plan completely expresses the agreement of Seller and Purchaser. This Contract shall be construed in accordance with, and governed by, the laws of the State of New York. In the event of any conflict or inconsistency between the provisions of this Contract and those of the Plan, the same shall be resolved in favor of the terms of the Plan.

*****

IN WITNESS WHEREOF, Seller and Purchaser have executed this Contract as of the day and year first above written.

SELLER:

RIVER TERRACE ASSOCIATES, LLC

By: Albanese BPC, LLC
its member

By: _____
Name:
Title: Manager

PURCHASER:

THE 20 RIVER TERRACE APARTMENT CORP., a New York corporation

By: _____
Christopher V. Albanese
President

SCHEDULE A

(DESCRIPTION OF LAND)

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, bounded and described as follows:

BEGINNING at the intersection of the easterly line of River Terrace and the southerly line of Park Place West;

RUNNING THENCE along the southerly line of Park Place West South 88° 07' 10" East, a distance of 71.54 feet to a point;

THENCE passing through parcel 18 the following 9 courses and distances:

1. South 18° 26' 00" East a distance of 41.88 feet to a point;
2. South 88° 04' 17" East a distance of 2.49 feet to a point;
3. South 18° 26' 00" East a distance of 36.01 feet to a point;
4. South 88° 04' 17" East a distance of 2.49 feet to a point;
5. South 18° 26' 00" East a distance of 44.34 feet to a point;
6. South 51° 12' 17" West a distance of 3.20 feet to a point;
7. South 18° 26' 00" East a distance of 6.74 feet to a point;
8. South 88° 07' 10" East a distance of 34.53 feet to a point;
9. South 01° 55' 43" West a distance of 72.90 feet to the Northerly line of Murray Street;

THENCE along said line of Murray Street North 88° 07' 10" West a distance of 76.56 feet to the aforementioned easterly line of River Terrace;

THENCE northwesterly along said easterly line of river terrace being the arc of a curve bearing to the right having a radius of 720.00 feet, an arc length of 211.26 feet (said arc subtends an angle of 16° 48' 40") to the point or place of BEGINNING.

SCHEDULE B

(ADDITIONAL PERMITTED ENCUMBRANCES)

1. Rights of tenants or persons in possession, if any.

2. Taxes, tax liens, tax sales, water rates, sewer rents and assessments set forth herein.

3. Any state of facts which a guaranteed survey of current date would disclose.

4. Terms, covenants and conditions of Option to Purchase by New York State Urban Development Corporation, BPC Development Corporation and Battery Park City Authority to The City of New York, dated as of 06/06/1980 and recorded 06/11/1980 in Reel 527 Page 153. (Option by the City of New York to reacquire Battery Park City.) As assigned by unrecorded Assignment and Assumption Agreement made by and between New York State Urban Development Corporation and BPC Development Corporation, as Assignor, and Battery Park City Authority, Assignee, dated 08/12/1986, as referenced in Amendment to Option to Purchase recorded in Reel 1133 Page 582; as Amended by Amendment to Option to Purchase made by and between Battery Park City Authority and The City of New York, dated as of 08/15/1986 and recorded 10/22/1986 in Reel 1133 Page 852; as further amended by Second Amendment to Option to Purchase made by Battery Park City Authority and The City of New York, dated as of 05/18/1990 and recorded 05/30/1990 in Reel 1697 Page 294.

WITH REGARD THERETO:

The following unrecorded Agreements as referenced in Amendment to Option to Purchase recorded on 08/12/1986 in Reel 1133 Page 582:

a) Terms, covenants and conditions of unrecorded Memorandum of Understanding made by and among The Governor of the State of New York, The Mayor of the City of New York, and The President and Chief Executive Officer of the New York State Urban Development Corporation and Battery Park City Authority, dated 11/08/1979 as assigned by unrecorded Assignment and Assumption Agreement made by and between New York State Urban Development Corporation and BPC Development Corporation, as Assignor, and Battery Park City Authority, as Assignee, dated 08/12/1986 as supplemented by unrecorded 1986 Supplemental Memorandum of Understanding made by and among The Governor of the State of New York, The Mayor of the City of New York, and Battery Park City Authority, dated 08/15/1986.

b) Terms, covenants and conditions of unrecorded Settlement Agreement made by The City of New York and New York State Urban Development Corporation, dated as of 06/06/1980 as assigned by unrecorded Assignment and Assumption Agreement made by and between New York State Urban Development Corporation and BPC Development Corporation, as Assignor, and Battery Park City Authority, as Assignee, dated 08/12/1986 as amended by unrecorded Amendment to Settlement Agreement made by and between The City of New York and Battery Park City Authority, dated 08/15/1986.

5. Terms, covenants and conditions contained in deed made by BPC Development Corporation to Battery Park City Authority dated as of 12/28/1982 and recorded 02/04/1983 in Reel 665 Page 1024.

6. Declaration of Covenants and Restrictions made by Battery Park City Authority dated 03/15/1984 in Reel 776 Page 360.

7. Terms, covenants and restrictions contained in Amendment and Restatement of Declaration of Restrictions dated as of May 18, 1995 recorded May 31, 1995 in Reel 2211, Page 1414, which amends, restates and supercedes the terms, covenants and conditions of the Declaration of Restriction dated June 15, 1983 made by Battery Park City Authority recorded on June 20, 1983 in Reel 696, Page 551.

8. Terms and provisions for permanent and perpetual water main and sewer easements as set forth in Declaration of Easements made among BPC Development Corporation, Battery Park City Authority and The City of New York dated 05/18/1982 and recorded 10/15/1982 in Reel 644 Page 480.

9. Terms, covenants, restrictions, easements, and dedication of streets as set forth in Mapping Agreement made among BPC Development Corporation, Battery Park City Authority and The City of New York dated as of 04/23/1982 and recorded 10/27/1982 in Reel 646 Page 700.

10. Easements for ingress and egress as set forth in Declaration of Easement made by Battery Park City Authority dated as of 03/23/1984 and recorded 03/28/1984 in Reel 778 Page 44.

11. Mutual promises contained in Assignment and Intercreditor Agreement made by and between New York State Housing Finance Agency, Wachovia Bank, National Association, Fannie Mae and River Terrace Associates, LLC dated as of 5/1/2004, recorded on 8/30/2004 as CRFN 2004000537526. (See Post)

12. Terms and provisions contained in the unrecorded Reimbursement Agreement made by and between River Terrace Associates, LLC and Fannie Mae dated as of 5/1/2004, effective as of 5/27/2004, as set forth in the Multifamily Mortgage, Assignment of Rents and Security Agreement (Reimbursement) recorded on 8/30/2004 as CRFN 2004000537529. (See Post)

13. Reclaimed Water Facility Easement and Operating Agreement made by and between North End Associates, LLC and River Terrace Associates, LLC dated as of 8/19/2004, recorded on 9/27/2004 as CRFN 2004000601964. (Affects Lots 180 and 185) (See Post)

14. Lease made by and between The City of New York, as Landlord, and Battery Park City Authority, as Tenant, dated as of 11/24/1969 and recorded on 12/26/1969 in Reel 161 Page 1; as amended by unrecorded agreements dated 10/19/1971, 06/18/1974,

10/24/1974 and 09/10/1979. Which lease was further amended and superseded by Restated Amended Agreement of Lease made by and between BPC Development Corporation, as Landlord, and Battery Park City Authority, as Tenant, dated 06/10/1980 a Memorandum of which dated as of 06/10/1980 was recorded on 06/11/1980 in Reel 527 Page 163; as amended by First Amendment to Restated Amended Lease made by and between Battery Park City Authority, as Landlord and Battery Park City Authority, as Tenant, dated as of 06/15/1983 and recorded on 06/20/1983 in Reel 696 Page 424; and as further amended by Second Amendment to Restated Amended Lease made by and between Battery Park City Authority, as Landlord and Battery Park City Authority, as Tenant, dated 06/15/1983 and recorded 06/20/1983 in Reel 696 Page 432; and as further amended by Third Amendment to Restated Amended Lease made by and between Battery Park City Authority, as Landlord, and Battery Park City Authority, as Tenant, dated as of 08/15/1986 and recorded on 10/22/1986 in Reel 1133 Page 569; and as further amended by Fourth Amendment to Restated Amended Agreement of Lease made by and between Battery Park City Authority, as landlord, and Battery Park City Authority, as tenant, dated as of 05/25/1990 and recorded 05/30/1990 in Reel 1697 Page 302.

15. Terms, covenants, conditions and agreements contained in a sublease made by and between Battery Park City Authority, d/b/a Hugh L. Carey Battery Park City Authority, Lessor, and River Terrace Associates, LLC, Lessee, a memorandum of which dated as of 4/4/2001 was recorded on 4/6/2001 in (as) Reel 3268 Page 815. A copy of the aforementioned sublease and any amendments thereto must be submitted to this Company for consideration prior to closing.

WITH REGARD THERETO:

a) Subordination, Non-Disturbance & Attornment Agreement made by and between Battery Park City Authority and River Terrace Associates, LLC dated as of 4/4/2001, recorded on 4/6/2001 in Reel 3268 Page 822.

b) Amendment to Lease dated as of 7/8/2002.

c) Second Amendment to Lease dated as of 10/22/2002.

16. Supplemental Agreement Re: Mapping Agreements and Easement Agreement made by Battery Park City Authority, dated as of 02/14/2012 and recorded 08/24/2012 as CRFN 2012000336963.

17. a) First Amendment to North Mapping Agreement made by and between Battery Park City Authority and The City of New York dated as of 12/06/2006 and recorded 04/25/2007 as CRFN 2007000213965.

b) Second Amendment to North Mapping Agreement made by Battery Park City Authority, dated as of 03/06/2012 and recorded 08/24/2012 as CRFN 2012000336965.

18. Terms, provisions, rights and restrictions contained in the New York State Housing Finance Agency Regulatory Agreement (Liberty Bond Requirements Included) made by and between River Terrace Associates, LLC and the New York State Housing Finance Agency dated as of 10/31/2002, recorded on 11/25/2002 in Reel 3669 Page 1952. (See Post)

WITH REGARD THERETO:

a) New York State Housing Finance Agency Amended and Restated Regulatory Agreement (Liberty Bond Requirements) made by and between River Terrace Associates, LLC and the New York State Housing Finance Agency dated as of 5/27/2004, recorded on 8/30/2004 as CRFN 2004000537523. (See Post)

19. Pursuant to the Real PropertyTax Law and related statutes, the exemption of the premises from taxation, including for school purposes, terminates on the first day of the tax quarter immediately following the acquisition of title to or possession of Propertyby a person, association, or corporation not entitled to an exemption or in New York City (NYC) upon issuance of a violation by a NYC agency, department or bureau for an illegal occupancy. The premises then may become taxed prorata for the unexpired term of the taxable year from the termination of the exemption and subsequent thereto at the full valuation without benefit of such tax exemption and when there is an issuance of a NYC violation the reimposition of taxes with interest will include all taxes which have been exempted. Policy excepts the reimposition of taxes, including for school purposes, from the termination of the exemption, and in those circumstances where there is a NYC violation all exempted taxes with interest thereon. (See Chapter 242 of the Laws of 1986)

PARKING GARAGE LEASE

LEASE

between

THE 20 RIVER TERRACE APARTMENT CORPORATION

as Landlord,

and

RIVER TERRACE ASSOCIATES, LLC

as Tenant,

Dated: _____ __, 20__

Premises:

Commercial Space

PARKING GARAGE AT
20 RIVER TERRACE
NEW YORK, NEW YORK 10282

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Exhibit A - Legal description of Ground Lease Premises

Exhibit B - Ground Lease and all amendments thereto

Exhibit C – Diagram of the Premises

Exhibit D – Schedule of Base Year Expenses

Exhibit E – Permitted Signage, Canopy and Awning Location

LEASE, made as of the ___ day of September 20__, between THE 20 RIVER TERRACE APARTMENT CORPORATION, a New York not-for profit cooperative corporation, with offices at 20 River Terrace, New York, New York 10282 (hereinafter, the "Landlord"), and RIVER TERRACE ASSOCIATES, LLC, a New York limited liability company, with offices at c/o Albanese Organization, Inc., 1050 Franklin Avenue, Suite 200, Garden City, New York 11530 (hereinafter, the "Tenant").

R E C I T A L S:

A. The premises known as **20 River Terrace, New York, New York** and more particularly described on **Exhibit A** (the "Ground Lease Premises") was originally leased to Tenant, as lessee, pursuant to a certain Agreement of Lease, dated as of April 4, 2001, made by Battery Park City Authority d/b/a Hugh L. Carey Battery, as lessor (the "Ground Lessor").

B. Said Agreement of Lease was assigned by Tenant, as lessee, to Landlord, as lessee (hereinafter said Agreement of Lease, as same has been amended and assigned and as may be further amended and assigned from time to time, shall be referred to, collectively, as the "Ground Lease"). A copy of the Ground Lease is attached hereto and made a part hereof as **Exhibit B**.

C. Unless defined herein, capitalized terms shall have the meaning provided in the cooperative's By-Laws.

In consideration of the covenants and agreements hereinafter set forth to be kept and performed by Tenant hereunder, Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, a portion of the building (the "Building") located on the Ground Lease Premises consisting of the parking garage located in the cellar of the Building that is more particularly described on the floor diagram attached to this Lease as **Exhibit C**, together with the ramp(s) providing vehicular ingress to and egress from the parking garage (collectively, the "Premises"), for a term (the "Term") commencing on _____, (the "Commencement Date") and expiring on _____ (the "Expiration Date"), both dates inclusive, on the terms and conditions set forth below, which Term shall be co-terminus with the Ground Lease, and therefore, the Expiration Date herein shall be the same date as the expiration date of the Ground Lease.

The parties further agree as follows:

1. Use. Tenant, or Tenant's permitted subtenant as hereinafter set forth, may use and occupy the Premises for the parking and storage of motor vehicles and bicycles (but only to the extent that the storage of bicycles is required by applicable law), and for no other purposes.

2. Rent. During the Term and as long as Tenant's subtenant is operating a parking garage in the Premises in accordance with its lease agreement with Tenant, Tenant shall pay rent to Landlord as follows:

A. The first year cooperative operating budget attached hereto as **Exhibit D** and any subsequent operating budget that Landlord may approve is referred to herein as Landlord's "Operating Budget". Tenant shall pay Landlord an annual rent (the "Annual Rent") in an amount that is equal to the line items that are designated for payment by Tenant on **Exhibit D** ("Tenant Allocable Expenses"). Subject to Paragraph 2(C) hereof, for the first year of the Term, Tenant shall pay to Landlord an annual rent of $89,941.00, which Annual Rent shall be payable in equal monthly installments of $7,495.08. Tenant shall not prepay the monthly installments of Annual Rent more than one (1) month in advance. Such Annual Rent shall be prorated in the event that this Lease commences on a date during the calendar year that is after Landlord's commencement of cooperative operation.

B. Annual Rent, and any Additional Rent (as defined herein) due pursuant to Paragraph 3 of this Lease (Annual Rent and Additional Rent are collectively referred to herein as "Rent"), shall be payable in equal monthly installments, in advance, on the first day of each calendar month during the Term, and shall not be paid later than the tenth day of such month. If Tenant fails to pay Rent on or before the tenth day of the month, Tenant's payment of Rent for such month shall be deemed late. Notwithstanding the forgoing, any expense constituting Additional Rent that cannot be determined in advance shall be payable by Tenant to Landlord on or before the first day of the month after such expense is determined and after Tenant receives written notification of same from Landlord. Tenant shall pay the Annual Rent and any Additional Rent to Landlord at Landlord's address appearing at the beginning of this Lease or at such other place as Landlord may designate in writing.

C. Tenant shall continue to pay Annual Rent at the rate then in effect until the first day of the first full month after Landlord's delivery to Tenant of Landlord's approved annual Operating Budget for the new fiscal year (the "New Budget"). After delivery of the New Budget to Tenant, Tenant shall begin paying Annual Rent as determined in the New Budget, on a prospective (not retroactive) basis, except as provided in the following sentence. In the event that the New Budget is delivered to Tenant after the expiration of the previous budget, Landlord and Tenant shall adjust for any Annual Rent payable by Tenant for the period of time between the expiration of the previous budget and the delivery of the New Budget only if Landlord actually adjusts cooperative maintenance charges for such time period with its shareholders. (For example, assume the budget year begins on January 1 and a New Budget with higher operating expenses than the previous budget is issued on March 1 retroactive to January 1. If Landlord prorates the budget increase to its shareholders for January and February in its March maintenance, then Tenant would pay 1.2448% of the Tenant Allocable Expenses for such proration.)

D. A copy of each New Budget shall be delivered to Tenant in accordance with the notice provisions of Paragraph 19.

3. **Additional Rent.** During the Term, and beginning on the Commencement Date, Tenant shall pay to Landlord "Additional Rent".

A. Additional Rent shall include:

(i) Intentionally omitted; and

(ii) Percentage Rent (as defined in the Ground Lease) payable by Tenant will equal three percent (3%) of the Gross Non-Residential Revenue (as defined in the Ground Lease) during each calendar year. No later than thirty (30) days after the end of each calendar quarter, Tenant shall deliver to Landlord a statement Quarterly Percentage Rent Statement (as defined in the Ground Lease), and pay to the Landlord 3 percent (3%) of the Gross Non-Residential Revenue based upon the Quarterly Percentage Rent Statement. Landlord shall then pay the Percentage Rent along with the Quarterly Percentage Rent Statement directly to BPCA. BPCA shall have the right to pursue the Apartment Corporation directly for any non-payment of Percentage Rent.

(iii) In the event of a default by Tenant, Landlord will be responsible for the payment of the Percentage Rent to BPCA in order to comply with the terms of the Ground Lease, and BPCA shall have the right to pursue Landlord directly for any non-payment of Percentage Rent. Landlord may have to utilize reserves, impose Special Assessments, increase Maintenance Charges or borrow or raise additional capital from Shareholders to pay the Percentage Rent. In such event, Landlord will be entitled to exercise all its rights and remedies at Law, including, without limitation, the right to commence eviction proceedings against Tenant; and

(iii) Reimbursement all reasonable third-party costs incurred by Landlord in performing its obligations with regard to Paragraph 6.

(iv) Reimbursement to Landlord for all unpaid and overdue governmentally imposed charges due to Tenant's acts or Tenant's failure to act such as, but not limited to, (a) occupancy and rent taxes, (b) excises, (c) levies, (d) license and permit fees, (e) service charges with respect to police protection, fire protection, street and highway construction, maintenance and lighting and sanitation, if any, (f) fines, penalties and other

similar or like governmental charges applicable to the foregoing and any interest or costs with respect thereto and (g) any and all other governmental levies, fees, rents, assessments or taxes and charges, general and special, ordinary and extraordinary, foreseen and unforeseen, of any kind and nature whatsoever, and any interest or costs with respect thereto, which at any time during the Term are assessed, levied, confirmed, imposed upon Tenant with respect to its operation of the Premises.

B. Additional Rent shall not include the following:

(i) payments made under any mortgage affecting the Land and the Building, including, but not limited to, principal or interest payments and any other mortgage cost, including, but not limited to, prepayment fees, penalties or refinancing costs;

(ii) gas and electricity, provided that such items are separately metered taxed and billed to directly Tenant pursuant to Paragraph 8 of this Lease;

(iii) cooperative special assessments to the extent that such special assessments relate to expenses to maintain, repair or replace the residential portion of Common Areas, the Apartments or the public restrooms located in the Building;

(iv) any capital improvements to the residential common areas of the Ground Lease Premises (by way of example, but not limitation, a lobby renovation); and

(v) salaries, wages or other compensation owed to any Building personnel that Landlord may hire and which were not hired or accounted for in **Exhibit D** (by way of example, but not limitation, any full-time or part-time doorman).

C. Additional Rent shall be payable in accordance with the provisions of Paragraph 2 (B).

4. Rent Adjustments.

A. Subject to Paragraph 16 Limitation on Rent of this Lease, in no event shall Tenant be entitled to a refund, rebate or credit against Annual Rent or Additional Rent if Landlord receives a refund of real estate taxes (PILOT) for such year or if Landlord's actual operating expenses are less than expenses estimated in the Operating Budget for such year. Conversely, in the event that actual expenses exceed Landlord's

estimate of expenses, as provided in the Operating Budget, Tenant shall not be liable to Landlord for any overage in actual expenses.

B. Notwithstanding the foregoing in Paragraph 4(A), Tenant has the right to cause Landlord to undertake to protest the assessed valuation of the Property in any fiscal tax year and/or to cause Landlord to undertake tax assessment reduction proceedings by sending Landlord a written demand notice at least ninety (90) days prior to the applicable deadline for such protest or proceedings. Tenant shall pay 1.2448% of the actual legal costs and disbursements of such proceedings to Landlord as Additional Rent after such charges are paid by Landlord and within 30 days after such costs, disbursements and payments are substantiated in writing to Tenant.

5. Care and Repair of Premises; Signs

A. Landlord shall keep the Building in good repair and shall maintain, repair, restore and replace the Building to the extent required by the Ground Lease and any leasehold mortgage that may encumber the Ground Lease Premises now or in the future, in Landlord's sole discretion. Landlord's obligation to maintain, repair, restore and replace the Building shall include both interior and exterior maintenance, repair, restoration and replacement, as well as sidewalk maintenance, repair, restoration and replacement, snow and ice removal, and the maintenance, repair, restoration and replacement of sewer and utility company connections.

B. Notwithstanding the provisions of Subparagraph 5(A), above, Tenant shall keep the Premises in good repair and shall maintain, repair and restore the Premises, as is required pursuant to this Lease. Tenant shall maintain and make all necessary "Non-Structural" (as defined below) repairs to the Premises, which repairs will be made after obtaining the written consent of Landlord, such consent not to be unreasonably withheld, conditioned or delayed, and Tenant shall be entitled to receive any insurance proceeds collected by Landlord which are attributable to Non-Structural losses occurring within the Premises.

C. Violations arising from Tenant's breach of federal, state and/or local laws, rules and regulations, whether now existing or hereafter enacted or promulgated, or any condition within the Premises that is maintained or permitted to exist by Tenant that violates federal, state and/or local laws, rules and regulations, whether now existing or hereafter enacted shall be cured by Tenant, at Tenant's sole expense. Tenant's failure to cure such violations within thirty (30) days after written notice thereof by Landlord to Tenant shall constitute a breach of this Lease and is subject to Landlord's right to cure pursuant to Paragraph 11; provided, however, that if the nature of such default is such that it cannot reasonably be cured within such thirty (30) day period, Tenant shall not be deemed to be in default of this Lease if Tenant commences such cure within such thirty (30) day period, and thereafter diligently prosecutes the same to completion.

D. "Non-Structural" repairs are all repairs other than the construction, reconstruction, demolition, replacement and alteration of or to the Building's superstructure, any system, framework, load-bearing wall, shear wall, or any other wall which is necessary to support the Building, and without which would compromise the Building's integrity as free-standing and self-supported structure.

E. Tenant, at its own cost and expense, shall have the right, with the prior consent of Landlord, such consent not to be unreasonably withheld, conditioned or delayed, to place sign(s), canopy(ies) and/or awning(s) on the facade of the Building in the location specified in **Exhibit E**, subject to the restrictions below. The erection, installation, or construction of any sign, canopy, or awning must be in full compliance with all laws, orders and ordinances and regulations of municipal authorities having jurisdiction. Landlord agrees to join in the application for any required permits or authorizations to be obtained from governmental authorities having jurisdiction.

(i) The content and style of all sign(s), canopy(ies) and/or awning(s) which are installed shall be in keeping with the style, character and color palette of the Building.

(ii) All signage must be professionally produced (i.e. handwritten signage is prohibited).

(iii) No signage shall be installed so as to illuminate or reflect upward or otherwise unreasonably interfere with the use and enjoyment of any apartment in the Building.

(iv) All sign(s), canopy(ies) and/or awning(s) shall be maintained in good order, repair and appearance at the sole cost and expense of Tenant.

(v) Notwithstanding any provision in this Lease to the contrary, Tenant shall not install neon signage or signage with flashing or blinking lights.

Notwithstanding the foregoing, Landlord hereby acknowledges and agrees that the existing signs used in or about the Premises as of the date hereof are in compliance with this Subparagraph 5(E) and that the same are permitted to remain throughout the Term, and therefore no further consent or approval is required by Landlord with respect to the existing signs in or about the Premises as of the date hereof.

6. Alterations; As Is.

A. Tenant acknowledges that it is leasing the Premises on an "as is" basis. Furnishings and signage installed at the Premises by Tenant shall remain the property of Tenant and shall be removed by Tenant upon the expiration of the Term, at Tenant's sole cost and expense.

B. **(i)** Tenant may, with Landlord's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed, make Structural (as defined below) and mechanical/electrical (such as, but not limited to, HVAC, plumbing, electrical, gas, water/sewer, sprinkler ("Base Building System")) alterations, additions, restorations, changes, replacements or improvements in, to or about the Premises and alterations, additions, restorations, changes, replacements or improvements in, to or about the storefront thereof (collectively, "Tenant Improvements") provided that any Tenant Improvement shall be constructed or installed in compliance with applicable laws in all respects. Landlord agrees to join in applications for permits or authorizations required to be obtained from governmental authorities having jurisdiction in connection with any work to be done pursuant to the right(s) granted under the preceding sentence. In connection with the foregoing, Tenant shall make a written application to Landlord prior to commencing such Tenant Improvements, which application shall include all proposed plans and specifications for the proposed Tenant Improvements. Landlord shall thereafter have thirty (30) days to review and either approve such Tenant Improvements or make a specific, reasonable, written request for modification(s) to such proposed Tenant Improvement. In the event that Landlord does not respond to Tenant's written application within such thirty (30) day period, such request shall be deemed approved by Landlord and Tenant may commence such Tenants Improvement based on such deemed approval. Tenant shall deliver to Landlord a copy of all government-issued sign-offs upon the completion of any Tenant Improvements.

(ii) Notwithstanding the foregoing, Tenant shall not be obligated to obtain Landlord's consent for the mere connection or installation of fixtures and appliances to existing piping or electrical wiring, or the installation of new wiring to Tenant's Landlord-approved electrical box, provided that such connection and/or installation does not materially alter and does not have a material adverse effect on any Base Building System, and further provided that such connection and/or installation is performed in compliance with applicable laws in all respects (e.g. Tenant's connection of a sink within the Premises to Landlord's previously installed or approved water/sewer lines, and Tenant's installation of electrical wiring and outlets within the Premises from the Tenant's Landlord-approved electrical box). In the event that Landlord determines that Tenant's connection and/or installation has (i) materially altered a Base Building System; and/or (ii) has had a material adverse effect on any Base Building System; and/or (iii) has violated any applicable law, Landlord shall send Tenant a written notice which describes the condition and a demand for Tenant to remove such connection and/or installation within fifteen (15) days from the delivery of such notice. In the event that Tenant does not timely remove such connection and/or installation, Landlord shall have the right to enter the Premises, on three (3) days' prior written notice to Tenant, remove the connection and/or installation, and charge Tenant for the cost of such removal as Additional Rent.

C. Notwithstanding the provisions of Paragraph 6(B) hereof, Tenant shall be permitted to install a fresh air intake vent through the rear of the Building below the

second floor of the Building without Landlord's prior consent; provided that (i) all mechanical equipment for the fresh air intake shall be located in the cellar of the Building or in the Premises; (ii) Tenant shall make reasonable efforts to minimize any disruption of the use and enjoyment of the apartments caused by the fresh air intake; and (iii) the installation of the fresh air intake vent does not materially affect any Structural (as defined below) component of the Building.

D. Notwithstanding the provisions of Paragraph 6(B) hereof, Tenant shall be permitted to install a louver vent through the front façade of the Building below the second floor of the Building without Landlord's prior consent; provided that (i) all mechanical equipment for the louver vent shall be located in the cellar of the Building or in the Premises; (ii) Tenant shall make reasonable efforts to minimize any disruption of the use and enjoyment of the apartments caused by the louver vent; and (iii) the installation of the louver vent does not materially affect any Structural (as defined below) component of the Building.

E. Tenant shall be permitted to alter, restore, change, replace or otherwise construct the interior of the Premises including, but not limited to, adding or otherwise configuring partitions, installing electrical lighting, painting, tiling, carpeting, or otherwise finishing or decorating the interior of the Premises ("Finish Work") without Landlord's prior consent, provided that such Finish Work shall be constructed or installed in compliance with applicable laws in all respects. In the event that Tenant installs a sound system (speakers, woofers) in the ceiling of the Premises, Tenant, at Tenant's sole cost and expense, shall simultaneously install sound attenuating material in the ceiling.

F. Without in any way limiting the generality of the foregoing, Tenant shall have the right, with the prior written consent of Landlord, such consent not to be unreasonably withheld, conditioned or delayed, to subdivide the Premises into two or more spaces or to combine the Premises or any portion thereof with any other space adjacent to the Premises and also leased by Landlord to Tenant, provided that any such Tenant Improvement shall be constructed or installed in compliance with applicable laws in all respects.

G. Tenant acknowledges that Landlord has installed sprinklers in the Premises in accordance with plans that have been approved by the New York City Department of Buildings. Anything in this Lease to the contrary notwithstanding, if the New York Board of Fire Underwriters or the Insurance Services Office or any bureau, department or official of the federal, state or city government requires modifications or additions to the existing sprinkler system by reason of Tenant's business, the location of partitions, trade fixtures or other contents of the Premises or for any other reason, or if any such installation, modification, or addition becomes necessary to prevent the imposition of a penalty or charge against the full allowance for a sprinkler system in the fire insurance rate, Tenant shall promptly make such sprinkler system installations, modifications

and/or additions as may be required, after obtaining Landlord's consent in accordance with this Paragraph 6. In the event that Tenant installs, modifies or adds to the sprinkler system that has been installed by Landlord, Tenant shall be responsible for all maintenance, repairs and replacements to such portion of the sprinkler system at Tenant's sole cost and expense.

H. Notwithstanding the foregoing, upon the expiration of the Term, no Tenant Improvements or Finish Work shall be removed from the Premises by Tenant without the consent of Landlord unless such installations are replaced with equal or better Tenant Improvements or Finish Work in accordance with this Lease. Furthermore, Landlord shall have the right to direct Tenant to remove certain Tenant Improvements or Finish Work, at Landlord's sole discretion, at Tenant's sole cost and expense.

I. "Structural" shall mean the Building's superstructure, any system, framework, load-bearing wall, shear wall, column, beam, concrete floor or sub-floor, or any other wall which is necessary to support the Building, and without which would compromise the Building's integrity as free-standing and self-supported structure.

7. Assignment; Subletting; Existing Tenancy. Without requirement for consent or the payment of any fee, this Lease and the interest of Tenant hereunder may be sold, assigned, transferred, mortgaged or hypothecated and the Premises and any part or parts thereof may from time to time be sublet. Tenant agrees, however, to deliver a copy of any such assignment or sublease agreement to Landlord within thirty (30) days after the effective date thereof. Upon assignment of this Lease, Tenant shall be released from any and all liability hereunder (except for any Rent due for periods prior to the assignment.); provided that Tenant shall not be released from liability hereunder unless and until Tenant's assignee assumes this Lease in writing and a duly executed original of the assignment and assumption agreement has been delivered to Landlord.

The parties acknowledge and agree that the terms of this Lease are subject to the terms and provisions of the Ground Lease. Landlord represents that the Ground Lease has not been modified and that a true and correct copy of the Ground Lease with all amendments thereto is attached hereto as **Exhibit B**. Landlord agrees to execute and/or obtain and deliver any non-disturbance agreements or other matters required under the Ground Lease.

Notwithstanding the foregoing, Landlord acknowledges and agrees that the Premises is presently leased by Tenant, as landlord, to Statue Parking LLC, as tenant (the "Existing Tenancy"), pursuant to a certain written lease agreement between the parties, dated as of March 31, 2014 (the "Existing Lease"). Landlord further acknowledges and agrees that Tenant may alter, amend, extend, terminate or otherwise modify, from time to time, the Existing Lease without Landlord's prior consent and enter into a new lease with a new garage operator upon terms acceptable to Tenant, in Tenant's sole discretion, without Landlord's prior consent.

8. Services & Utilities. Subject to the notice, consent, and access provisions of this Lease, existing wiring, conduits and other facilities may be used by Tenant for obtain services, at Tenant's sole cost and expense.

Access to the following services and utilities is provided to the Premises as follows:

i. **Electricity**. Electricity is furnished to the Premises on a direct meter basis and Tenant shall pay the public utility company providing said electricity directly.

ii. **Water & Sewer**. Water and sewer service will be provided by the New York City Water Board. The Premises will be separately sub-metered for water consumption and Tenant shall pay Landlord for all sub-metered water at the rates then in effect. Sewer service shall be initially charged to Tenant at a rate of 1.3726% of the cost of Tenant's actual water usage, the 1.3726% multiplier to be modified monthly to conform to the actual rate charged for sewer service by the New York City Water Board.

iii. **Gas**. Tenant shall have the right to tap into the Building's gas line on reasonable written notice to Landlord, provided that any gas delivered to Tenant through such gas line shall be separately metered or sub-metered. Sub-metered gas usage shall be paid by Tenant to Landlord at the rates then in effect. Landlord shall reasonably comply with Tenant's and the utility company's requests with respect to such installation(s), provided that such installation(s) does not adversely affect any other portion of the Building.

iv. **Telephone/Cable**. Landlord acknowledges that Tenant may connect to existing telephone and cable wiring in the Building on reasonable written notice to Landlord, provided that Tenant shall be responsible for procuring such telephone and cable service at its sole cost and expense and Tenant pay for all such service directly to the provider of such service(s).

9. Casualty. If the Building and/or the Premises shall be damaged by fire or any other cause, Landlord shall restore same with reasonable promptness, as nearly as possible to the condition they were in immediately prior to such damage, subject to delays beyond Landlord's control and reasonable delays in the making of insurance adjustments by Landlord. Notwithstanding the foregoing, it shall be Tenant's responsibility to insure the value of the Tenant Improvements made to the Premises. If at any time the use of the Premises is affected by any damage, there shall be either an abatement or an equitable reduction in the Rent depending on the period of time and the extent to which the Premises are not reasonably usable for the purposes for which they are leased hereunder. The words "restoration" and "restore" as used in this Paragraph shall include repairs.

Notwithstanding any contrary provisions hereof or otherwise; in any event or loss or damage to the Building, the Premises and/or their contents, each party shall look first to any insurance in its favor before making any claim against the other party, and to the extent possible without

additional cost, each party shall obtain for each policy of such insurance provisions permitting waiver of any claim against the other party for loss or damage within the scope of the insurance, and each party, to such extent permitted, for itself and its insurers waives all such insurance claims against the other party.

If the Building or Premises are damaged by fire or other casualty and, subject to the applicable provisions of the Ground Lease, Landlord's shareholders determine, on the basis of such damage, to terminate their respective Proprietary Leases, then the Tenant, at Tenant's option, may terminate this Lease by written notice to the Landlord, within thirty (30) days of such casualty.

10. Eminent Domain. If the entire Premises or any material part thereof or any estate therein or any part of the Building materially affecting Tenant's use of the Premises is taken by virtue of eminent domain, this Lease shall terminate on the date when title vests pursuant to such taking, the Rent shall be apportioned as of said date and Rent paid for any period beyond said date shall be repaid to Tenant and the proceeds of the condemnation award made in respect of the Land and Building which shall actually be received by Landlord pursuant to the applicable provisions of the Ground Lease (the "Net Award"), and shall be paid in the following order of priority:

(a) First, the Tenant shall be entitled to receive as its share an amount equal to 1.2448% of the Net Award; and

(b) Second, Landlord shall be entitled to the remaining proceeds.

Also, Tenant shall be entitled to file a separate claim for and receive a separate award, if any, for the taking of the fixtures and improvements installed by Tenant and for Tenant's moving expenses.

If a partial taking shall occur, Landlord shall restore the remaining portion of the Premises to a self-contained whole, Rent shall be equitably reduced, and this Lease shall otherwise remain in effect, the amount of any Net Award remaining after such restoration by Landlord shall be equitably apportioned between Landlord and Tenant.

11. Default; Remedies.

A. Default by Tenant.

i. If Tenant defaults in the payment of Rent, Landlord shall give Tenant notice of such default and a thirty (30) day opportunity to cure same.

ii. If Tenant defaults in the performance of any obligations of Tenant pursuant to this Lease, other than the payment of Rent, Landlord shall give Tenant written notice of such default and a sixty (60) day opportunity to cure (except that no notice and cure period need be given in case of an emergency). If Tenant's default cannot be completely cured within sixty (60) days of notice of same, Tenant must commence curing of the default within such sixty (60)

days and thereafter proceed with reasonable diligence to cure the default within a commercially reasonable amount of time.

iii. If Landlord has provided Tenant with the requisite notice and an opportunity to cure a default within the time frames provided above and Tenant fails to cure, or commence curing, such default within the applicable cure period Landlord may, in Landlord's sole discretion: **x**) cause the default to the be cured and bill any expenses incurred to cure such default (including, but not limited to, reasonable attorney's fees and other professional fees) to Tenant as Additional Rent; or **y**) terminate this Lease on not less than sixty (60) days' notice to Tenant (the "Termination Notice"), and this Lease shall terminate on the date and time specified the Termination Notice and Tenant shall quit and surrender the Premises to Landlord. If this Lease shall have been terminated by Landlord, Landlord may at any time thereafter resume possession of the Premises by any lawful means and remove Tenant or (subject to the rights under a then existing non-disturbance agreements and if otherwise lawful) other occupants and their effects.

iv. Notwithstanding the foregoing, if this Lease or Tenant's interest hereunder has been mortgaged, no notice of default shall have any effect until a copy thereof has been served on the mortgagee. Further, any such mortgagee shall have the right to cure any default of Tenant hereunder for a period of forty-five (45) days after prior written notice to such mortgagee in addition to Tenant's cure periods, as provided above. If Landlord cancels or terminates this Lease by reason of Tenant's default, such mortgagee(s) (in the order of each mortgagee's respective lien priorities) shall be entitled to receive a new lease for the Premises, executed and delivered by Landlord, for the then remaining term (and renewal terms) hereof on the same terms and conditions on this Lease, provided that such mortgagee timely cures Tenant's default which lead to such cancellation or termination by Landlord. The preceding understandings in respect of mortgages are in addition to, and not in limitation of, the understandings and agreements set forth in Paragraph 39 of this Lease.

B. Default by Landlord.

i. If Landlord fails to make necessary repairs and/or replacements ("Work") to the Building for the benefit of Tenant, as required herein, Tenant may give Landlord written notice of such failure and Landlord shall have sixty (60) days to commence such Work. Landlord shall diligently attempt to complete such Work within a reasonable amount of time.

ii. In the event of Landlord's failure to commence such Work within sixty (60) days after so requested by Tenant, or Landlord's failure to complete such

Work within a reasonable amount of time,Tenant may deliver a proposal for such Work to Landlord and Landlord shall either commence such Work within thirty (30) days after receipt of such proposal or, if Landlord does not commence such Work, Tenant shall have the right to perform such Work, pursuant to the proposal, and Landlord shall reimburse Tenant for reasonable expenses incurred by Tenant, in accordance with the proposal, on thirty (30) days written demand for payment (the "Demand Notice") from Tenant. If Landlord fails to respond or object to the Demand Notice, Tenant may deduct such amount from any Rent or Additional Rent due to Landlord.

12. Dispute Resolution. Any and all disputes between Landlord and Tenant arising under this Lease, including, but not limited to, disputes with respect to the increases or decreases in Rent, or the categorization or allocation of Tenant Allocable Expenses, shall be submitted to and resolved by an arbitrator designated by JAMS, or successor organization, whose determination shall be binding and conclusive on both the Landlord and Tenant. All legal fees incurred by both Landlord and Tenant, as well as fees owed to JAMS, or successor organization, shall be borne by the party against whom the determination is made, unless otherwise determined by such arbitrator.

13. No Waiver or Changes. The failure of either party to insist on strict performance of any covenant or condition hereof, or to exercise any option here in contained shall not be construed as a waiver of such covenant, condition or option in any other instance. This Lease cannot be change or terminated orally.

14. Landlord's Right to Collect Rent from any Occupant; Non-Disturbance of Sublease. If (a) the Premises are sublet or occupied by anybody other than Tenant and Tenant is in default hereunder, or (b) this Lease is assigned by Tenant, then, Landlord (after default and failure to cure by Tenant) may collect Rent from the assignee, sub-tenant, or occupant, and apply the net amount collected to the Rent herein reserved.

When requested by Tenant, Landlord agrees to enter into a written agreement with subleasees of Tenant, the effect of which agreement will be to assure such subleasees that, notwithstanding default by Tenant under this Lease and a termination of this Lease by reason thereof, such subleasees and their subleases will not be disturbed, terminated or otherwise affected and that such sublease will become direct tenants of Landlord upon the terms set forth in their subleases; but Landlord shall not be obligated to enter into any such agreements unless the Rent received under such subleases, on a per square foot basis, shall at least equal the rent that would be payable by Tenant under this Lease.

15. Subordination. This Lease shall be subject and subordinate to any first mortgage (held by a bank or similar institution) or any purchase money mortgage which may now or hereafter affect the Building, and also to all renewals, modifications, consolidations and replacements of said mortgages, and Tenant will execute and deliver an instrument confirming such subordination of this Lease as may be reasonably desired by such purchase money lender or the bank or other institution

holding said mortgages; subject, nevertheless, to the understanding and express condition precedent that, the foregoing provisions of this Paragraph and the subordination therein mentioned, shall not be or become effective for any purpose unless and until such purchase money lender, bank or other institution shall execute, acknowledge and deliver to Tenant a reasonable agreement satisfactory to Tenant, pursuant to which it is agreed that this Lease and the leasehold estate created hereby will not be altered, effected or in any manner disturbed by any default under said mortgages or by any action or proceeding to foreclose same, and that, among other things, such foreclosure shall not result in a cancellation or termination of this Lease or otherwise alter or affect this Lease in any respect. Landlord agrees to keep all leasehold mortgages in good standing. In any event Tenant shall have the option of curing leasehold mortgage defaults and/or of paying real estate taxes or other obligations or charges which Landlord fails to pay and which might result in the filing of a lien against the Land or Building superior to the estate created by this Lease and Landlord will reimburse Tenant therefor within five (5) days after demand. Should Landlord fail so to reimburse Tenant, Tenant may (among its other rights and remedies by reason thereof) deduct such payments and the costs and expenses related thereto from its rental and additional rental obligations under this Lease; and, additionally, if such reimbursement has not occurred for a period of six (6) months, Tenant shall, without necessity for further documentation, be automatically deemed at the end of said six (6) month period to have a mortgage lien upon the Landlord's interest in the Land and building in the form provided therefor in Section 258 of the New York Real Property Law (Schedule N), as same may be amended, to secure repayment thereof with interest at the then prime-rate charged by Wells Fargo Bank N.A. or such other commercial bank in New York City as Tenant may specify (and Landlord agrees to execute, acknowledge and deliver such mortgage documents or other instruments required hereunder on demand).

Landlord shall obtain and deliver to Tenant, on or before the Commencement Date, a subordination, non-disturbance and attornment agreement (the "Ground Lease SNDA") executed by and among the Ground Lessor, Landlord and Tenant, in recordable form and in form satisfactory to Ground Lessor and Tenant. Not less than thirty (30) days prior to the Commencement Date, Landlord shall send Ground Lessor written notice requesting the execution and delivery of the Ground Lessor SNDA, which request shall be accompanied by two (2) true and accurate copies of this Lease.

With respect to any sublease between Tenant, as landlord, and any proposed subtenant, upon written request from Tenant to Landlord, Landlord shall send Ground Lessor written notice requesting the execution and delivery by Ground Lessor, within fifteen (15) days from the date of Landlord's notice, of a subordination, non-disturbance and attornment agreement (the "Sublease SNDA") with Tenant's proposed subtenant, in recordable form, and in form and substance reasonably satisfactory to Ground Lessor, Landlord and Tenant's proposed subtenant. Landlord's written notice requesting a Sublease SNDA shall be accompanied by two (2) true and accurate copies of the proposed sublease.

16. Limitation on Rent. Notwithstanding anything in this Lease to the contrary, it is expressly understood and agreed that, and in the sole discretion of Landlord, if during any fiscal year of Landlord (or other 12-month period) the Annual Rent, Additional Rent and other amounts paid by Tenant under this Lease together with all other income of Landlord which does not qualify under Section 216 of the Internal Revenue Code, as same may be amended, as rent received from "qualified

tenant-shareholders", shall exceed the maximum amount of non-qualifying income the Landlord could receive as a percentage of its gross income and still qualify as a "cooperative housing corporation" within the meaning of Section 216 of the Internal Revenue Code, (the amount of such excess being hereinafter referred to as the "Excess"), then the Annual Rent, Additional Rent and other amounts paid or payable by Tenant for such year or period shall be reduced by an amount equal to the Tenant's pro-rata portion of the Excess (i.e. the ratio of the Tenant's percentage to the total tenant percentages under all the leases made by the Landlord for commercial spaces in the Building) and Landlord shall promptly refund to Tenant any such overpayment.

17. Attornment to Ground Lessor. At Ground Lessor's option, on the termination of the Ground Lease pursuant to Paragraph __ thereof, the Tenant will attorn to, or enter into a direct lease on identical terms with, Ground Lessor.

18. Mechanic's Liens. Tenant shall within ninety (90) days (or sooner as may be required by any mortgage effecting the Land and the building) after notice from Landlord, discharge of record by bond or otherwise any mechanic's lien for materials or labor furnished to the Premises at Tenant's request.

19. Notices. Any notice by either party to the other shall be in writing and shall be deemed to be duly given only if delivered personally or mailed by registered or certified mail, return receipt requested, in a postpaid envelope addressed (a) if to Tenant, at Tenant's address first above set forth, with a copy to Tenant's attorney, Albanese & Albanese LLP, 1050 Franklin Avenue, Suite 500, Garden City, New York 11530, Attn: Vincent A. Albanese, Esq., and (b) if to Landlord, at Landlord's address first above set forth or at such other addresses as Tenant or Landlord, respectively, may designate by notice. Notice shall be deemed to have been duly given, if delivered personally, upon delivery thereof, and if mailed, upon the fifth day after the mailing thereof. During a postal strike, only personal delivery shall suffice.

20. Landlord's Right to Inspect and Repair. Landlord may, but shall not be obligated to, periodically enter the Premises, on reasonable notice to Tenant (except that no notice need be given in case of emergency) for the purposes of inspection or the making of such repairs, replacements, and additions in, to, on and about the Premises or the Building, as Landlord deems necessary. However, Landlord agrees not to unreasonably interrupt or interfere with Tenant's or others' use or occupancy of the Premises. Any of Landlord's repairs, alterations, additions or improvements to the Premises shall be made in a good, workman-like manner and Landlord shall complete such repairs, alterations, additions or improvements within a reasonable period of time. In the event that Landlord requires access to the Premises for a non-emergency purpose, such notice shall specify the reason for such access, a description of the repairs, replacements, and additions, if any, to be performed, and a request for Tenant's consent to undertake such repairs, replacements, and additions, which consent shall not be unreasonably withheld, conditioned or delayed.

21. Tenant's Insurance; Interruption of Services or Use.

A. Tenant agrees to maintain (or to cause its subtenant(s) to maintain), at Tenant's (or subtenant's) sole cost and expense, general public liability insurance in standard form, in a minimum amount as may be reasonably determined by the Landlord from time to time, in favor of Landlord and Tenant against claims for bodily injury or death or property damage occurring in or upon the Premises, effective from the date Tenant enters into possession and during the Term of this Lease. Tenant's liability under this Lease extends to the acts and omissions of any subtenant, and any agent, contractor, employee, invitee or licensee of any subtenant.

B. To the extent that any latent defect in the Building temporarily interrupts or interferes with the normal operation of Tenant's business, an equitable adjustment of the Annual Rent and Additional Rent shall be made. In the event such latent defect makes it impossible, unlawful or impracticable for Tenant or Tenant's subtenant(s) to continue Tenant's (or subtenant's) business, Tenant shall be entitled to an abatement of the payment of Annual Rent and Additional Rent hereunder, and if said latent defect shall continue uncured for a period of more than thirty (30) days from the date said defect is discovered or notice thereof is given to Landlord, whichever shall be later, Tenant's obligation hereunder shall be deemed, at Tenant's sole option and upon five (5) days' prior written notice to Landlord, to have expired. If in the course of Landlord's making any repairs, alterations, additions or improvements to the Building, other than those made necessary by Tenant's acts, the show windows, if any, or entranceways of the Premises shall be temporarily blocked, then an equitable adjustment of the Annual Rent and Additional Rent shall be made. All of Landlord's repairs, alterations, additions or improvements to the Premises shall be made in a good, workman-like manner and Landlord shall complete such repairs, alterations, additions or improvements within a reasonable period of time.

22. Scaffolding. In the event that Landlord erects a sidewalk bridge or other scaffolding at the Building, Landlord shall give due regard to the use of the Premises at the time in question and shall use best efforts to (i) minimize any disruption to the use of and interference with the visibility of the Premises and (ii) not restrict ingress or egress through the exterior doorways to the Premises. In furtherance thereof, Landlord agrees to consult with Tenant prior to the installation of such sidewalk bridge or other scaffolding and to permit Tenant to install signs upon the sidewalk bridge and scaffolding. Any sidewalk bridge or other scaffolding installed shall be a "two-story" structure with adequate lighting.

23. Pipes and Conduits. Landlord shall have no right to place any pipes or conduits in the Premises, except those pipes and conduits that are shown on the final as-built drawings which are on record with the New York City Department of Buildings. No such placement of pipes or conduits shall be made in the Premises, and no entry into the Premises shall be made by Landlord for the purpose of placing pipes or conduits except if the placement of such pipes or conduits is necessary to correct a default of Tenant, to carry out an obligation of Landlord to Tenant under this Lease, to perform emergency repairs needed to preserve the Building, or to comply with a requirement of law or the Board of Fire Underwriters where such compliance is the duty of Landlord under this Lease.

24. Landlord's Right to Show Premises. On prior reasonable notice, during business hours, Landlord may show the Premises to prospective mortgagees, insurance adjusters and appraisers.

25. **No Representations.** Neither party has made any representations or promises in regard to this Lease nor the transaction hereby contemplated, except as expressly contained herein. All prior understandings or discussions are merged into this Lease.

26. **Quiet Enjoyment.** Landlord covenants and warrants that Tenant shall peaceably and quietly have, hold, and enjoy the Premises for the term herein mentioned, subject to the provisions of this Lease.

27. **Estoppel.** Each party shall from time to time, upon not less than ten (10) days' prior written request by the other, execute, acknowledge, and deliver to the other a written statement certifying that this Lease is unmodified and in full force and effect (or that the same is in full force and effect as modified, listing the instruments of modification), the dates to which the rent, and other charges have been paid, and whether or not to the best knowledge of the party delivering such statement, the other party is in default hereunder (and if so, specifying the nature of the default), it being intended that any such statement delivered pursuant to this Paragraph may be relied upon by either a prospective assignee, sublessee or mortgagee of or related to Tenant's interest in this Lease or the Premises, or a prospective purchaser or mortgagee of Landlord's interest in the Building and/or the Land, as the case may be.

28. **Waiver of Jury Trial.** To the extent such waiver is permitted by law the parties waive trial by jury in any action or proceeding brought in connection with this Lease or the Premises.

29. **Limitation of Liability.** Notwithstanding anything in this Lease or any rule of law to the contrary, it is expressly understood and agreed that; (a) Tenant's principals (disclosed or undisclosed) shall at no time have any personal liability for the payment of Rent under this Lease or for the performance or fulfillment of any obligations or agreements hereunder or related hereto or the Premises, it being the understanding and agreement that in the event of defaults of any kind hereunder or in respect hereof or otherwise, Landlord's remedy shall be to bring an action against Tenant and/or to terminate this Lease and the estate created hereunder; and (b) since Landlord under this Lease is a residential cooperative corporation the shareholders and directors of such corporation shall at no time have any personal liability for the performance of Landlord's obligations under this Lease, it being the understanding and agreement that in the event of Landlord defaults of any kind hereunder, Tenant's remedies, rights and judgments shall be exercised and levied solely against such corporation's interest in the Land and Building. The provisions of this Paragraph shall inure to the benefit of and be applicable to a mortgagee that receives a new lease pursuant to the provisions therefore as contained in this Lease.

30. **Consent.** Whenever the consent and/or approval of Landlord is required or desired under or in connection with any provisions of this Lease or the Premises, Landlord covenants that such consent and/or approval shall not be unreasonably withheld, conditioned or delayed.

31. **Intentionally Deleted.**

32. Conflicts. Any conflict between this Lease and the Ground Lease will be resolved in favor of the Ground Lease.

33. Broker. Landlord and Tenant each represent to the other that they dealt with no broker in connection with the negotiation, execution and delivery of this Lease.

34. Invalidity of Certain Provision. If any provisions of this Lease shall be held invalid or unenforceable, the remainder of the provisions of this Lease shall not be affected thereby and each and every provision of this Lease shall be unenforceable to the fullest extent permitted by law.

35. Applicable Law. This Lease and the rights and obligations of the parties hereto shall be governed by and interpreted and construed in accordance with the internal laws of the State of New York, without regard to principles of conflicts of law.

36. Memorandum of Lease. Upon request of either party, Landlord and Tenant, agree to execute, acknowledge and deliver to each other a short form of this Lease and a short form of any modification and/or renewal of this Lease, all to be in recordable form, containing the information required by law for recording same and so as to give notice of the provisions hereof and of any such modification.

37. Paragraph Heading. The Paragraph headings or captions and the Table of Contents in this Lease are included for convenience only and shall not be taken into consideration in any construction or interpretation of this Lease or any of its provisions.

38. Successors, Assigns. The provisions of this Lease shall apply to, bind and enure to the benefit of Landlord and Tenant, and their respective successors, legal representatives and assigns; it being understood that the term "Landlord" as used in this Lease means only the owner, or the mortgagee in possession, or the lessee for the time being of the Land and Building, so that in the event of any sale or sales of the Land and Building or of any Lease thereof or if the mortgagee shall take possession of the Premises, the Landlord named herein shall be and hereby is entirely freed and relieved of all Covenants and obligations of Landlord hereunder accruing thereafter, and it shall be deemed without further agreement that the purchaser, the lessee or the mortgagee in possession has assumed and agreed to carry out any and all covenants and obligations of Landlord hereunder; it being further understood that the term "Tenant" as used in this Lease means only the Tenant under this Lease for the time being, so that in the event of an assignment of the Tenant's interest under the Lease, the assignor shall be, and hereby is, entirely freed and relieved of all covenants and obligations of Tenant hereunder accrued thereafter, and it shall be deemed without further agreement that the assignee or lessee or the mortgagee in possession has assumed and agreed to carry out any and all covenants and obligations of Landlord hereunder.

39. Leasehold Mortgages. Tenant shall have the absolute right from time to time to mortgage this Lease and/or the leasehold interest herein demised and to assign its interest under this Lease and all subleases to any leasehold mortgagee upon such terms and conditions as Tenant shall

determine, and to enter into any extensions, modifications, amendments, consolidations or replacements of any such leasehold mortgage(s).

If Tenant, its successors or assigns shall mortgage the leasehold interest herein demised, then, as long as any such leasehold mortgage shall remain unsatisfied of record and the holder thereof has notified Landlord of such holder's name and address, the following provisions shall apply notwithstanding anything else to the contrary contained in this Lease and any pertinent provisions of this Lease shall be deemed to be amended so as to provide as follows:

A. Tenant shall give Landlord prompt notice of each leasehold mortgage, together with contact information for notices to the leasehold mortgagee (such notice and/or any notice given by Lender to Landlord of its contact information, collectively, the "Lender Notice"). Tenant promptly shall furnish Landlord with a complete copy of each leasehold mortgage (including all documents and instruments comprising the leasehold mortgage) and all amendments, extensions, modifications and consolidations thereof, certified as such by Tenant.

B. After receipt of a Lender Notice, Landlord shall give such leasehold mortgagee, in the manner provided by the notice provisions of this Lease, a copy of each notice of default given by Landlord to Tenant, at the same time that Landlord gives such notice of default to Tenant or promptly thereafter. No such notice of default given by Landlord to Tenant shall be effective unless and until a copy of such notice shall have been so given to each such leasehold mortgagee at the last address furnished to Landlord. Notice to a leasehold mortgagee shall be deemed given on the date received by the leasehold mortgagee. The leasehold mortgagee shall have the right, but not the obligation (except as provided in the next section), to cure such default or to cause such default to be cured, within the time periods set out in Section 39(C).

C. Landlord shall not exercise its right to terminate this Lease following a default by Tenant if:

(a) As to a monetary default, the leasehold mortgagee cures such default on or before the date that is the later of (i) thirty (30) days after the date such default is required to be cured by Tenant under the terms of this Lease and (ii) thirty (30) days after the date leasehold mortgagee is given notice of Tenant's default; and

(b) As to a non-monetary default, (i) Landlord receives written notice from the leasehold mortgagee (the "Lender Cure Notice"), within thirty (30) days after leasehold mortgagee is given Landlord's notice of Tenant's default, that leasehold mortgagee agrees to remedy the default, and (ii) Lender cures such default on or before the date that is the later of (A) sixty (60) days after the date such default is required to be cured by Tenant under the terms of this Lease, and (B) sixty (60) days after the date leasehold mortgagee is given notice of Tenant's default, provided, however, that if any non-monetary default is not capable of being remedied by the leasehold mortgagee within such time period, leasehold mortgagee shall have such greater period of time as is necessary to cure such default if leasehold mortgagee shall:

i) commence to remedy the default within such period and shall diligently continue to prosecute such cure to completion, or

ii) if possession of the Premises is required in order to cure such default, institutes judicial or non-judicial foreclosure proceedings within such sixty (60) day period and diligently prosecutes such proceedings in order to obtain possession directly or through a receiver, and, upon obtaining such possession, commences promptly to cure the default and diligently prosecutes the same to completion, provided that, during the period in which such action is being taken and any foreclosure proceedings are pending, all of the other obligations of Tenant under this Lease, to the extent they are reasonably susceptible to being performed by leasehold mortgagee, shall be performed.

If such non-monetary default is of such a nature that it cannot be cured by leasehold mortgagee (for example, the bankruptcy of Tenant), and if leasehold mortgagee succeeds Tenant to the position of tenant hereunder, Landlord shall not terminate this Lease by reason of such default unless the leasehold mortgagee consents in writing to such termination.

D. At any time after the delivery of the Lender Cure Notice, leasehold mortgagee may notify Landlord, in writing, that it has relinquished possession of the Premises, or that it will not institute foreclosure proceedings, or, if such proceedings have been commenced, that it has discontinued or will discontinue such proceedings, and that it relinquishes all right to a New Lease (the "Abandonment Notice"). In such event, leasehold mortgagee shall have no further obligation to cure Tenant's default(s). Landlord may, at any time after receipt of such Abandonment Notice or upon leasehold mortgagee's failure to comply with the requirements of Section 15.03 above, terminate this Lease in accordance with the terms thereof, without any obligation to give leasehold mortgagee a New Lease.

E. Subject to the preceding sections, no leasehold mortgagee shall become liable under the provisions of this Lease, or any lease executed pursuant to this Article, unless and until such time as it becomes, and then only for as long as it remains, the tenant under the leasehold estate created by this Lease. No leasehold mortgagee or designated affiliate of a leasehold mortgagee shall have any personal liability under this Lease except to the extent of its interest in this Lease, even if it becomes Tenant or assumes the obligations of Tenant under this Lease.

F. Subject to Section 39(C), leasehold mortgagee has no obligation to cure any default of Tenant under the Lease.

G. If this Lease is terminated for any reason, or if this Lease is rejected or disaffirmed pursuant to any bankruptcy, insolvency or other law affecting creditors' rights, Landlord shall give prompt notice thereof to each of the then leasehold mortgagees whose contact information Landlord has received in a Lender Notice, in the manner provided by the notice provisions of this Lease. Landlord, upon written request of any such leasehold mortgagee (or if more than one leasehold mortgagee makes such request, the leasehold mortgagee whose leasehold mortgage has the most senior lien), made any time within thirty (30) days after the giving of such notice by Landlord, and provided that the leasehold mortgagee has diligently exercised its cure rights under Section 39(C) hereof, shall promptly execute and deliver to such leasehold mortgagee a new lease of the Premises (the "New Lease"), naming such leasehold mortgagee or its designee as the tenant under this Lease, for the remainder of the Term upon all of the

terms, covenants, and conditions of this Lease (including options to extend the term of this Lease, if any) except for such provisions that must be modified to reflect such termination, rejection or disaffirmance and the passage of time, if such leasehold mortgagee shall pay to Landlord, concurrently with the delivery of such New Lease, all unpaid Rent due under this Lease up to and including the date of the commencement of the term of such New Lease as well as Landlord's reasonable expenses, including reasonable attorneys' fees and disbursements and court costs incurred by Landlord in connection with the Tenant's default, the termination of this Lease, Tenant's bankruptcy (if any) and the preparation of the New Lease. Leasehold mortgagee or its designee shall execute and deliver to Landlord such New Lease within thirty (30) days after delivery of such New Lease by Landlord to leasehold mortgagee. Upon execution and delivery of such New Lease, leasehold mortgagee shall cure or cause to be cured all defaults existing under this Lease which are capable of being cured by such leasehold mortgagee or its designee promptly and with diligence after the delivery of such New Lease.

H. The New Lease and the leasehold estate thereby created shall, subject to the terms and conditions of this Lease, have the same priority as this Lease with respect to any mortgage on the Premises or any leasehold interest therein or any other lien, charge or encumbrance thereon, whether or not the same shall then be in existence. Concurrent with the execution and delivery of such New Lease, Landlord shall pay (or shall cause any depository to pay) to the tenant named in the New Lease, any moneys (including insurance and condemnation proceeds) then held by Landlord (and/or such depository) that would have been payable to Tenant as of the date of execution of the New Lease but for the termination of this Lease. With respect to any moneys held by Landlord under the terms of this Lease that would not be payable to Tenant if the Lease had not been terminated, Landlord shall continue to hold, and to disburse such moneys, in accordance with the terms of this Lease.

I. If a leasehold mortgagee has timely requested a New Lease, Landlord shall not, between the date of termination of this Lease and the date of execution of the New Lease, without the written consent of such leasehold mortgagee, terminate any Sublease, disturb the occupancy, interest or quiet enjoyment of any Subtenant, or accept any cancellation, termination or surrender of such Sublease (unless such termination or disturbance shall be effected as a matter of law on the termination of this Lease or is pursuant to the provisions of such Sublease(s)) or enter into any lease of all or part of the Premises (other than a new lease with a Subtenant entitled to a new lease pursuant to the terms of a subordination, non-disturbance and attornment agreement or similar agreement), which consent of such leasehold mortgagee shall not be unreasonably withheld, conditioned or delayed. Upon the execution and delivery of a New Lease under this Article, all security deposits of Subtenants and all prepaid rent moneys of Subtenants that are in Landlord's possession shall be transferred to the tenant under the New Lease, and all such leases that have been made by Landlord, shall be assigned and transferred, without recourse, by Landlord to the tenant named in such New Lease.

J. If more than one leasehold mortgagee has requested a New Lease, and the leasehold mortgagee whose leasehold mortgage had the most senior lien does not execute a New Lease or does not fully comply with the provisions of this Article regarding the delivery of such New

Lease, Landlord shall continue to offer, seriatum in order of the priority of their respective leasehold mortgages, such New Lease to the remaining requesting leasehold mortgagees, who shall have ten (10) days from the date of receipt of such offer to execute such New Lease and to fully comply with the provisions regarding the delivery of such New Lease, until the earlier of (a) the execution and delivery of a New Lease and (b) the expiration of the offer period for the requesting leasehold mortgagee whose lien is most junior. As long as any leasehold mortgagee shall have the right to enter into a New Lease with Landlord pursuant to this section, Landlord shall not, without the prior written consent of all leasehold mortgagee(s) that continue to have potential succession rights to a New Lease, terminate any Sublease, disturb the possession, interest or quiet enjoyment of any Subtenant, or accept any cancellation, termination or surrender of any such Sublease (unless such termination or disturbance shall be effected as a matter of law on the termination of this Lease or is pursuant to the provisions of such Sublease(s)) or enter into a lease of all or part of the Premises (except for a New Lease with a leasehold mortgagee entitled to such New Lease or a new lease with a Subtenant entitled to a new lease pursuant to the terms of a subordination, non-disturbance and attornment agreement or similar agreement). If no leasehold mortgagee has the right to be offered a New Lease, Landlord shall be free of all obligations to the leasehold mortgagees and shall be free to lease all or any part of the Premises at Landlord's sole discretion.

K. Landlord's agreement to enter into a New Lease with leasehold mortgagee shall be unaffected by the rejection of this Lease in any bankruptcy proceeding by either Landlord or Tenant. The provisions of this Article shall survive the termination, rejection or disaffirmance of this Lease and shall continue in full force and effect thereafter to the same extent as if this Article were a separate and independent contract made by Landlord, Tenant and leasehold mortgagee. The provisions of this Article are for the benefit of leasehold mortgagee and may be relied upon and shall be enforceable by leasehold mortgagee as if leasehold mortgagee were a party to this Lease.

L. Until each leasehold mortgagee has been given a Lender Cure Notice and this Lease has been terminated, Landlord shall have no right and expressly waives any right arising under applicable Law in and to the rentals, fees, and other amounts payable to Tenant under any Sublease, to the extent such rentals and fees are assigned by Tenant to leasehold mortgagee.

M. If one or more leasehold mortgages is in effect, then, without the prior written consent of every leasehold mortgagee that has delivered the Lender Notice to Landlord: (a) this Lease shall not be modified, amended or terminated by the parties hereto, and (b) the Premises shall not be surrendered by Tenant, and Landlord shall not accept any such surrender of this Premises by Tenant. Notwithstanding the foregoing, (i) this Lease may be terminated by the parties, and the Premises surrendered by Tenant in connection with such termination, in connection with a casualty or condemnation in accordance with the terms of this Lease, and (ii) Landlord may terminate this Lease by reason of Tenant's default in accordance with the terms and conditions of this Lease, subject to the leasehold mortgagee's rights under this Article. If a leasehold mortgagee becomes the owner of the leasehold estate, such leasehold mortgagee shall not be bound by any modification, amendment, or termination of this Lease made subsequent to the

date of its leasehold mortgage and delivery to Landlord of the Lender Notice except for (i) a termination effected in connection with a casualty or condemnation in accordance with the terms of this Lease, and (ii) a termination occurring by reason of Tenant's default in accordance with the terms and conditions of this Lease, subject to the leasehold mortgagee's rights under this Article, and (iii) a modification or amendment effected with such leasehold mortgagees' consent.

N. If and when a leasehold mortgagee or its designee succeeds Tenant as the tenant under this Lease or becomes the tenant under a New Lease, as the case may be, it may assign this Lease and/or sublease all or part of the Premises without the consent of Landlord.

40. Intentionally Deleted.

41. Option to Exchange this Lease for Proprietary Lease (s) Shares of the Landlord.

A. Since Landlord is a cooperative housing corporation (the "Apartment Corporation"), for so long as Tenant is the Tenant of the cooperative offering for the shares in the Apartment Corporation, Tenant shall have the option (but not the obligation) to surrender this Lease to the Apartment Corporation in even exchange for one or more new Proprietary Lease(s) and newly issued shares of the Apartment Corporation, to be issued to the Tenant or its designee at any time prior to the expiration of this Lease, subject to the terms and conditions which are set forth herein. This transaction is hereafter referred to as the "Exchange".

The Exchange shall not occur until and unless (i) the Tenant receives a private letter ruling from the Internal Revenue Service stating that the allocation of shares of the Apartment Corporation to the Premises will not prevent the Apartment Corporation from meeting the requirements of Section 216(b)(l)(B) of the Internal Revenue Code; (ii) the Internal Revenue Code or applicable regulations thereunder are amended; or (iii) a published ruling is issued by the Internal Revenue Service, which rulings or amendments would permit the allocation of shares to the Premises without preventing the Apartment Corporation from meeting the requirements of Section 216(b)(l)(B) of the Internal Revenue Code. The Apartment Corporation shall cooperate with the Tenant in connection with the foregoing and shall execute any and all documents which are reasonably requested by the Tenant or the Internal Revenue Service in connection with the foregoing.

Any Proprietary Lease(s) tendered by Landlord to Tenant for the Premises shall permit Tenant to use the Premises for NY non-residential uses currently permitted pursuant to this Lease, provided that any such use is in accordance with the laws and regulations of all governmental authorities having jurisdiction thereto. The Proprietary Lease shall also contain a provision which acknowledges that the Premises will be used for commercial purposes and permits the Premises to be operated for such purposes and in such manner as is customary for the type of business which is conducted therein notwithstanding any provisions to the contrary therein. If the Tenant has the right under this Lease to use vault space

adjacent to the Premises, Tenant's Proprietary Lease(s) will permit Tenant to continue to use same provided that Tenant pays its proportionate share of the municipal charges related to such use (as provided in Paragraph 32 hereof).

Further, the shares allocated to the Premises and issued in connection with the Exchange will be deemed to be "Unsold Shares," as that term is defined in the Offering Plan and the holders thereof will have all of the rights and obligations of "Holders of Unsold Shares," as set forth in the Offering Plan.

B. The total number of shares to be issued to the Premises is [??] shares. The Tenant will have the option when effectuating the Exchange, to cause more than one (1) Proprietary Lease and one (1) block of shares to be issued to the Premises, provided that any portion of the Premises which is covered by a Proprietary Lease and to which a block of shares has been allocated (i) can be converted to commercial use "as-of-right" under existing building codes and zoning law and (ii) has a share allocation which is directly proportional to the weighted square footage of that portion of the Premises to the weighted square footage of the entire Premises. In no event shall the shares allocated to the Premises exceed [??] shares.[1]

C. Tenant shall exercise its option to effectuate the Exchange by written notice to the Landlord which notice shall set forth the terms of the proposed Exchange. Tenant shall state (i) whether the Exchange includes the Premises; (ii) the number of Proprietary Leases and blocks of shares requested to be issued together with the respective share allocations and diagrams of the spaces covered by each Proprietary Lease and (iii) the identity of the party to whom the Proprietary Leases and blocks of shares are to be issued, which party may be, at Tenant's option, a corporation, a partnership or other non-individual entity. The Apartment Corporation shall issue a Proprietary Lease(s) with the special provisions referred to in Subparagraph A and blocks of shares at such time when the Internal Revenue Service issues an opinion stating that the allocation of shares of the Apartment Corporation to the Premises will not prevent the Apartment Corporation from meeting the requirements of Section 216(b)(1)(B) of the Internal Revenue Code. Upon the issuance of the shares and Proprietary Leases, Tenant shall no longer be responsible for rent or additional rent under this Lease from and after such date, Tenant as of such date shall be responsible for maintenance charges pursuant to the Proprietary Lease(s) on the same basis as all other shareholders of the Apartment Corporation. The Exchange shall be effectuated without the payment of any fees or any costs by the Tenant.

SIGNATURES ON FOLLOWING PAGE

[1] George to advise

IN WITNESS WHEREOF, the parties hereto have duly executed this Lease as of the day and year first above written.

LANDLORD:

THE 20 RIVER TERRACE APARTMENT CORPORATION

By: _____
Name:
Title:

TENANT:

RIVER TERRACE ASSOCIATES, LLC
By: ALBANESE BPC, LLC, a member

By:_____
Name: Christopher V. Albanese
Title: Manager

By: THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY, a member
By: Northwestern Mutual Real Estate Investments, LLC, a Delaware limited liability company, its wholly-owned affiliate and authorized representative

By:_____
Name:
Title:

By: _____
Name:
Title:

EXHIBIT A

Legal Description of the Ground Lease Premises

EXHIBIT B

Copy of the Ground Lease

EXHIBIT C

Diagram of the Premises

EXHIBIT D

Schedule of Base Year Expenses

EXHIBIT D

20 River Terrace
New York, New York
Projected Budget for
The Parking Garage
January 1, 2021 to December 31, 2021

PROJECTED EXPENSES

Labor	$346
Heat/Hot Water	$4,520
HVAC Maintenance	$1,215
HVAC Repairs	$1,153
Fire & Safety Equipment	$144
Alarm Maintenance	$288
Exterminating Contract	$165
Landscape Contract (Street Level Only)	$247
Landscaping Supplies/Exp. (Street Level Only)	$41
Snow Removal	$45
LEED Certifications	$247
PILOT	$62,943
421-A Differential	$4,336
Insurance	$3,431
Base Rent	$4,030
Civic Facilities	$2,235
Management Fee	$2,059
Legal, Audit & Professional Fees	$364
Franchise Tax	$1,445
Contingency	$686
TOTAL EXPENSES	**$89,941**

Exhibit E

Permitted Signage, Canopy and Awning Location

2ND AMENDMENT TO GROUND LEASE

SECOND AMENDMENT TO LEASE

SECOND AMENDMENT (this "Second Amendment") dated as of October 28, 2002 between **BATTERY PARK CITY AUTHORITY, d/b/a HUGH L. CAREY BATTERY PARK CITY AUTHORITY**, a body corporate and politic constituting a public benefic corporation of the State of New York, as Landlord, having an office at One World Financial Center, New York, New York 10281 ("Landlord"), and **RIVER TERRACE ASSOCIATES, LLC**, a New York limited liability company having an office c/o Albanese Organizations, Inc., 1050 Franklin Avenue, Garden City, New York 11530 ("Tenant").

WITNESSETH:

WHEREAS, Landlord and Tenant have heretofore entered into an Agreement of Lease, dated April 4, 2001 (the "Original Lease") as amended by Amendment to Lease dated as of July 8, 2002 (the "First Amendment"; the First Amendment, together with the Original Lease being herein referred to as the "Lease") for the leasing of certain premises known as Site 18A, Battery Park City, New York, New York and as more particularly described in the Original Lease (the "Premises");

WHEREAS, in furtherance of Section 18 of the First Amendment, the parties entered into that certain letter agreed dated July 8, 2002 (the "Letter Agreement");

WHEREAS, pursuant to Section 18 of the First Amendment and the Letter Agreement, the parties agreed to make certain further amendments to the Lease if and when certain financial programs and incentives became available to the Tenant in connection with the development of the Premises;

NOW, THEREFORE, in consideration of the premises and the mutual covenants hereinafter provided, Landlord and Tenant agree that Lease is hereby amended in the following respects:

1. Except as otherwise herein defined, all terms contained in this Amendment shall for the purposes hereof have the same meaning ascribed to them in the Lease.

2. Section 1.01 is amended by:

(a) Deleting the defined terms:

(i) Annual Financial Statements
(ii) Annual NOI Rent Statements
(iii) Assumed Base Rent

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(iv) Capital Event
(v) Capital Event Rent
(vi) Capital Event Rent Termination Date
(vii) Capital Event Shortfall
(viii) Capital Event Statement
(ix) Contribution Funding Conditions
(x) Deferred First Period Rent
(xi) Deferred Obligations
(xii) Estimated Capital Event Statement
(xiii) Final Capital Event Statement
(xiv) Financial Statements
(xv) First Sale
(xvi) Landlord's Contribution
(xvii) Landlord Kicker
(xviii) Net Capital Event Proceeds
(xix) Net Operating Income
(xx) NOI Rent
(xxi) Qualified Capital Event
(xxii) Qualified Capital Improvements
(xxiii) Quarterly Financial Statements
(xxiv) Quarterly NOI Rent Statements
(xxv) Sale
(xxvi) Stabilization Date
(xxvii) Tenant's Contribution

(b) Adding the following defined terms:

Term	Definition/Section Reference
Actual Land Taxes	The PILOT based on the assessed valuation of the Land certified to the City Council of New York City for the first Tax Year following the creation of the tax lot consisting solely of the Land (i.e., Section 1, Block 16, Lot 180).
Base Market Rent Period	The 12 month period commencing on the first day of the calendar month immediately following the earlier to occur of the date which is (x) 9 months after the date upon which a TCO for all residential units in the Building is issued or (y) 6 months following the date upon which the terms have commenced for residential leases covering 95% of the residential units in the Building.

Term	Definition/Section Reference
Base Market Rent PSF	The number which is the quotient of (A) the aggregate base rents payable during the entire Base Market Rent Period under all residential leases for the Market Income Units, net of any direct government subsidy received by the tenants of the Market Income Units, over (B) the total square footage of all Market Income Units (whether or not leased).
Construction Period PILOT	The aggregate sum of all PILOT amounts due pursuant to Section 3.02 for each Tax Year or portion thereof within the Construction Period. The PILOT amount for each such Tax Year or portion thereof shall be determined based on the assessed valuation of the Land certified to the City Council of New York City for the first Tax Year following the creation of the tax lot consisting solely of the Land (i.e., Section 1, Block 16, Lot 180).
PILOT-Base Rent Adjustment	With respect to any given Tax Year where PILOT is reduced pursuant to Section 3.02(d), an amount equal to the difference, expressed as a positive or negative number, of (x) the PILOT for such Tax Year attributable to the Land based on an assumed assessed valuation of the Land of $3,335,800, LESS (y) the PILOT for such Tax Year attributable to the Land based on the assessed valuation of the Land as determined by the City of New York for the 1999/2000 Tax Year, or if the City of New York does not determine the assessed valuation of the Land for the 1999/2000 Tax Year, the assessed valuation of the Land as determined by the City of New York for the 2003/2004 Tax Year.
Market Income Units	The residential units in the Building, excluding (x) the Moderate Income Units and (y) any other residential unit that Tenant does not offer for leasing to the public, including without limitation any residential unit leased or used by Tenant as a model apartment, leasing office and/or for a Building superintendent.

Term	Definition/Section Reference
Market Rent Factor	The percentage set forth in the "BPCA Share" Column of Schedule 3 annexed hereto which is applicable to the established Base Market Rent PSF.
Moderate Income Units	The residential units in the Building that are designated by Tenant and the New York State Housing Finance Agency ("HFA") for occupancy by individuals and families of moderate income pursuant to the provisions of a certain Regulatory Agreement between Tenant and HFA with respect to the Building.
Section 421-a Differential Rent	The amount per annum which is equal to the product of the Market Rent Factor multiplied by the Section 421-a Differential.
Section 421-a Differential	With respect to any given Tax Year, an amount equal to the amount set forth for the applicable Tax Year in Column F of Schedule 2 as revised pursuant to Section 4 of this Second Amendment.

(c) Amending the following definitions:

Term	Definition/Section Reference
Construction Period	The period commencing on the Commencement Date and ending on January 8, 2004.
First Appraisal Date	April 4, 2024 (the twenty-third (23rd) anniversary of the Commencement Date).

3. Schedule 1 is hereby deleted in its entirety and replaced with Schedule 1 annexed hereto.

4. Schedule 2 and Schedule 3 annexed hereto are hereby added to the Lease as new Schedule 2 and Schedule 3, respectively.

5. Section 3.01 is deleted in its entirety and replaced by the following new Section 3.01:

3.01. Base Rent.

(a) For the period beginning on the Commencement Date and continuing thereafter throughout the Term, Tenant shall pay to Landlord, without notice or demand, the annual sums referred to below (collectively, the "Base Rent"):

(i) From and after the Commencement Date through January 8, 2004, an amount equal to the excess, if any, of (x) the sum of Two Million One Hundred Thousand Dollars ($2,100,000), over (y) the amount of the Construction Period PILOT. Landlord acknowledges that Tenant has paid prior to the date hereof on account of Base Rent for the Construction Period and Construction Period PILOT the amount of $1,067,377, and that such amount shall be applied first toward the payment of Construction Period PILOT and the balance toward the payment of Base Rent for the Construction Period. The balance of all of Base Rent for the Construction Period not heretofore paid by Tenant in the amount of $1,032,623, shall be deferred and shall be payable in full (without interest) on July 8, 2012 (the "Deferred Construction Period Rent").

(ii) From and after January 9, 2004 and through the end of the first twenty-three (23) Lease Years (or portion thereof) (the "First Period"), an amount equal to the Base Rent on Schedule 1 for such Lease Year as such Base Rent is adjusted upwards or downwards by an amount equal to the PILOT-Base Rent Adjustment allocable to the Tax Year or portion thereof within such Lease Year, plus an amount equal to the Section 421-a Differential Rent based upon the Section 421-a Differential allocable to the Tax Year or portion thereof within such Lease Year.

(iii) For each Lease Year commencing on the First Appraisal Date and continuing for a period of fifteen (15) Lease Years thereafter (the "Second Period"), an amount per annum equal to the greater of (x) the Base Rent Floor determined as of the First Appraisal Date or (y) $3,731,130 less PILOT due in the last year of the First Period before reduction for any abatement that may be operable, as escalated in accordance with the next succeeding sentence. Base Rent for the Second Period shall escalate on April 4, 2029 and April 4, 2034 by the greater of (x) fifteen percent (15%) of the Base Rent set for the prior five (5) Lease Years or (y) the percentage of increase, if any, of the Consumer Price Index as determined for the month in which the applicable escalation date occurs over the Consumer Price Index for the last month of the prior five (5) Lease Year period (i.e., March, 2024 and March, 2029, respectively).

(iv) For each Lease Year commencing on April 4, 2039 and continuing for a period of fifteen (15) Lease Years thereafter (the "Third Period"), an amount per annum equal to the Base Rent Floor determined as of the first day of the Third Period, as escalated in accordance with the next succeeding sentence. Base Rent

for the Third Period shall escalate on April 4, 2044 and April 4, 2049 by the greater of (x) fifteen percent (15%) of the Base Rent set for the prior five (5) Lease Years or (y) the percentage of increase, if any, of the Consumer Price Index as determined for the month in which the applicable escalation date occurs over the Consumer Price Index for the last month of the prior five (5) Lease Year period (i.e., March, 2039 and March, 2044, respectively).

(v) For each Lease Year commencing on April 4, 2054 and continuing thereafter until the Expiration Date (the "Fourth Period"), an amount per annum equal to the Base Rent Floor determined as of the first day of the Fourth Period, as escalated in accordance with the next succeeding sentence. Base Rent for the Fourth Period shall escalate on April 4, 2059 and April 4, 2064 by the greater of (x) fifteen percent (15%) of the Base Rent set for the prior five (5) Lease Years or (y) the percentage of increase, if any, of the Consumer Price Index as determined for the month in which the applicable escalation date occurs over the Consumer Price Index for the last month of the prior five (5) Lease Year period (i.e., March, 2054 and March, 2059, respectively).

(b) The Base Rent, other than the Deferred Construction Period Rent, shall be payable in equal monthly installments in advance commencing on the Commencement Date and on the first day of each month thereafter during the Term. The Base Rent shall be payable in currency which at the time of payment is legal tender for public and private debts in the United States of America, and shall be payable at the office of Landlord set forth above or at such other place as Landlord shall direct by notice to Tenant. The Base Rent due for any Lease Year containing less than twelve (12) months, and any installment of the Base Rent due for any period of less than a full month, shall be appropriately apportioned.

(c) For the purposes of calculating Base Rent for the Second Period, Third Period and Fourth Period, the fair market value of the Land shall be determined as of the First Appraisal Date and each successive Reappraisal Date, as the case may be. Such determination of fair market value shall be made by appraisal in the manner provided in Section 3.06 hereof, unless at least twelve months prior to the First Appraisal Date or any Reappraisal Date, Landlord and Tenant shall have agreed upon such fair market value.

(d) Within ten (10) days after the date that the final assessment roll for the 2003/2004 Tax Year containing the assessed valuation for the Land is certified to the City Council of New York City, Tenant shall revise Schedule 2 by replacing the amount of $363,000 set forth in Column C of Schedule 2 annexed hereto under the portion of such Column designated "Land," with the Actual Land Taxes and then recomputing the amounts set forth in Columns C, D, E and F using the same formulas used to compute the amounts set forth in Schedule 2 annexed hereto. Notwithstanding anything to the contrary contained herein, the amounts set forth in Column C of Schedule 2 annexed hereto under the portion of such Column designated "Total" shall not be changed by reason of the revisions to Schedule 2 described in this Section. Within thirty (30) days after the date on which Tenant shall have delivered to Landlord a revised Schedule 2, Landlord shall advise Tenant as to whether Landlord agrees with Tenant's computations of the amounts set forth in the revised Schedule 2, including the amount of the

Actual Land Taxes. If Landlord shall advise Tenant that Landlord agrees with Tenant's computations, or if Landlord shall fail to advise Tenant of its determination within such thirty (30) day period, Tenant's computations of the amounts set forth in the revised Schedule 2, including the amount of the Actual Land Taxes, shall become final and conclusive. If Landlord shall advise Tenant that it disagrees with Tenant's computations within thirty (30) days after the date on which Tenant shall have delivered to Landlord a revised Schedule 2, the dispute shall be resolved by arbitration pursuant to Article 36 hereof. Pending resolution of any dispute, Tenant's computations set forth in the revised Section 2 shall prevail and Tenant shall pay any Section 421-a Differential Rent based upon such computations.

(e) Within the first 15 Business Days of each month during the Base Market Rent Period, Tenant shall, for informational purposes, deliver to Landlord a monthly rent roll for the immediately preceding calendar month reflecting all residential leases, rents and vacancies for the Market Income Units. Within 30 Business Days following the expiration of the Base Market Rent Period, Tenant shall deliver to Landlord (i) a certification by the Architect certifying as to the square footage of each residential unit (whether or not leased) in the Building, (ii) a certification duly executed by an officer of Tenant certifying as to (A) the total square footage of all Moderate Income Units (whether or not leased) and all residential units that Tenant did not offer for leasing to the public, including residential units leased or used by Tenant as a model apartment, leasing office and/or for a Building superintendent units and (B) Tenant's calculation of the Base Market Rent PSF, the Market Rent Factor and Base Market Rent Period, setting forth such information necessary to reasonably demonstrate the correctness of the certifications made by Tenant in clauses (A) and (B) above. Tenant shall keep and maintain at its office adequate books and records necessary to calculate the Base Market Rent PSF, the Market Rent Factor and Base Market Rent Period. Landlord or its representatives shall have the right on reasonable notice during regular business hours to examine, audit and/or photocopy all such books and records. For the purposes of this Section, reasonable notice shall mean notice given not less than five (5) Business Days prior to the examination date designated in Landlord's notice. Within one hundred twenty (120) days after the date on which Tenant shall have delivered to Landlord its certification of Tenant's calculation of the Base Market Rent PSF, the Market Rent Factor and Base Market Rent Period, Landlord shall advise Tenant as to whether Landlord agrees with Tenant's calculation. If Landlord shall advise Tenant that Landlord agrees with Tenant's calculation, or if Landlord shall fail to advise Tenant of its determination within such one hundred twenty (120) day period, Tenant's calculation of the Base Market Rent PSF, the Market Rent Factor and Base Market Rent Period shall become final and conclusive. If Landlord shall advise Tenant that it disagrees with Tenant's calculation within one hundred twenty (120) days after the date on which Tenant shall have delivered to Landlord Tenant's certification hereinabove provided, the dispute shall be resolved by arbitration pursuant to Article 36 hereof. Pending resolution of any dispute, Tenant's determinations of the Base Market Rent PSF, the Market Rent Factor and the Base Market Rent Period shall prevail and Tenant shall pay Section 421-a Differential Rent based upon such determinations.

(f) For purposes of determining for each Lease Year the amount of the PILOT-Base Rent Adjustment allocable to the Tax Year or portion thereof within such Lease Year, Tenant shall calculate the PILOT described in clauses (x) and (y) in the definition of

PILOT-Base Rent Adjustment within the time and in the manner provided in Section 3.02 for the calculation of PILOT and the provisions of Section 3.02 regarding the adjustment, payment, credit and/or reduction applicable to the PILOT payable pursuant to such Section, shall apply, to the extent relevant, to the PILOT described in such clauses.

6. Section 3.02(d) is deleted in its entirety and replaced by the following:

(d) Provided that Tenant shall have satisfied the requirements of Section 3.02(f), then PILOT shall be reduced by an amount equal to the abatement or exemption which would have applied to the Premises under Subsection 2.(a)(iv) of Section 421-a, with respect to the period for which such abatement or exemption would have applied to the Premises if Tenant were the fee owner thereof. Annexed hereto as Exhibit 1 is a copy of a letter from the Commissioner of the Department of Housing Preservation and Development of the City of New York, confirming its general consent to the application of this partial tax exemption.

7. Section 3.02(e) is hereby deleted in its entirety.

8. Section 3.04 of the Lease, as amended by Section 5 of the First Amendment, is hereby deleted in its entirety and replaced by Section 3.04 of the Original Lease which is hereby re-instated in its entirety.

9. Section 3.08 of the Lease, added pursuant to Section 6 of the First Amendment, is deleted in its entirety.

10. Section 3.08 of the Original Lease is hereby reinstated in its entirety and Section 3.09, added pursuant to Section 7 of the First Amendment is hereby deleted in its entirety.

11. Section 3.10 of the Lease, added pursuant to Section 8 of the First Amendment, is deleted in its entirety.

12. The additional conditions to Sections 10.01(a) and 10.01(b) of the Lease added pursuant to Section 9 of the First Amendment are hereby deleted.

13. Section 10.01(f) of the Lease as amended by Section 10 of the First Amendment, is hereby deleted in its entirety and replaced by Section 10.01(f) of the Original Lease which is hereby re-instated in its entirety.

14. Section 10.10(e) and Section 10.10(f) of the Lease, both added pursuant to Section 11 of the First Amendment are deleted in their entirety.

15. Section 11.05(c) is deleted and replaced in its entirety by the following:

(c) By reason of the ownership of the Building by Landlord, certain sales and compensating use taxes will not be incurred in connection with the construction of the Building. Tenant shall pay to Landlord, as payments in lieu of such sales and compensating use taxes, $1,511,725.50; (such payment in lieu of sales and compensating use taxes is herein referred to as "PILOST"). Landlord acknowledges that Tenant has paid on account of PILOST prior to the Amendment Date the amount of $188,437.50. Tenant shall pay the balance of $1,323,288.00 in three (3) equal quarterly payments of $441,096.00, payable on each of November 1, 2002, March 1, 2003 and July 1, 2003. In the event Tenant is compelled by any Governmental Authority to pay any such sales or compensating use tax in respect of materials incorporated (or to be incorporated) in the Building, then, provided that Tenant has paid all installments on account of PILOST pursuant to this Section which have theretofore become due and payable, Tenant shall receive a credit against the unpaid installments of PILOST (and to the extent such credit exceeds such unpaid installments, against the next installment(s) of Base Rent payable during the First Period), in an amount equal to the amount of such taxes (including interest and penalties) which Tenant has been compelled to pay, provided that (i) each Construction Agreement contains the provision set forth in Section 11.05(b), (ii) Tenant has notified Landlord prior to payment of such taxes and promptly upon receipt of notice of claim that a claim has been made therefor, and (iii) if permitted by applicable law, Landlord has the opportunity to contest the imposition of same provided that neither Tenant's interest in the Premises nor any income derived by Tenant therefrom would, by reason of such contest, be forfeited or lost, or subject to any lien, encumbrance or charge, and Tenant would not by reason thereof be subject to any civil or criminal liability. At Tenant's request, Landlord shall cooperate and assist Tenant's efforts to establish to any Governmental Authority that by reason of Landlord's ownership of the Building, no sales or compensating use tax is payable in connection with the materials incorporated or to be incorporated into the Building. If Tenant is required to institute any proceedings against any Governmental Authority to obtain a refund of any sales or compensating use tax paid by Tenant in connection with the materials incorporated into the Building, Landlord shall join in the proceedings provided that the provisions of any law, rule or regulation at the time in effect shall require that such proceedings be brought in the name of Landlord. Tenant shall reimburse Landlord for any and all costs and expenses that Landlord may reasonably incur in connection with providing such

cooperation and assistance or in connection with such proceedings, including reasonable attorneys fees and disbursements.

16. Section 14.01 of the Lease is hereby modified by adding the following phrase before the definition of "Requirements" set forth therein: "any agreement with the New York State Housing Finance Agency or other Governmental Authority in connection with or binding upon the Premises".

17. Section 41.01(a) of the Lease, as amended by Section 14 of the First Amendment, is hereby deleted in its entirety and replaced by Section 41.01(a) of the Original Lease which is hereby re-instated in its entirety.

18. Article 44 of the Lease, added pursuant to Section 15 of the First Amendment, is hereby deleted in its entirety.

19. Section 19 of the First Amendment, is hereby deleted in its entirety and the following new Section 42.26 is added:

42.26. Mortgage Recording Tax. If the Mortgagee requires that additional mortgages encumbering the Lease be recorded with the New York City Register, and the recording of the same by the Mortgagee shall not otherwise be exempt from the mortgage recording tax, Landlord agrees to reasonably cooperate with Tenant to restructure the Lease consistent with the lease structure described in that certain Advisory Opinion of the New York State Department of Taxation and Finance known as TSB-A-95 (1)R, in order that said mortgage may be exempt from the mortgage recording tax. Landlord agrees to provide such cooperation in a timely manner so as not to impede the construction of the Building.

20. Except as hereinabove amended, all of the terms, covenants and conditions of the Lease shall remain unmodified and in full force and effect. In the event of any inconsistency between the Lease (prior to amendment hereby) and the terms of this Second Amendment, the terms of this Second Amendment shall control in each and every instance.

[SPACE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, Landlord and Tenant have executed this Second Amendment on the date first above written.

BATTERY PARK CITY AUTHORITY
d/b/a HUGH L. CAREY BATTERY PARK CITY AUTHORITY

By: _____
Name: Timothy S. Carey
Title: President and CEO

RIVER TERRACE ASSOCIATES, LLC

By: ALBANESE BPC, LLC, a member

By: _____
Name: Russell C Albanese
Title: Manager

By: THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY, a member

By: Northwestern Investment Management Company, LLC, a Delaware limited liability company, its wholly-owned affiliate and authorized representative

By: _____
Name: Donald L. O'Dell
Title: Managing Director

APPROVED
LAW DEPT.

SCHEDULE 1

FIRST PERIOD RENT

Lease Year[1]	First Period Base Rent
3	$181,465
4	$185,094
5	$188,796
6	$192,572
7	$196,424
8	$200,352
9	$204,359
10	$208,446
11	$212,615
12	$216,867
13	$221,205
14	$225,629
15	$230,141
16	$234,744
17	$239,439
18	$244,228
19	$249,113
20	$254,095
21	$259,177
22	$264,360
23	$269,647

[1] First Period Rent shall only be payable from and after January 9, 2004.

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Schedule 2
Section 421-A Differential Chart

	2004 $/S.F.	Incr.	S.F.
Est. Land RET	1.00	2.00%	363,000
Total RET	7.25	2.00%	363,000

A	B		C		D		E		F
					20-Year Abatement		10-Year Abatement		Annual
	Exemption		Full Real Estate Taxes		Amt of	Abated	Amt of	Abated	PILOT
Tax Year	20-yr	10-yr	Land (1)	Total	Abatement	RE Taxes	Abatement	RE Taxes	Difference
2004 / 2005	100%	100%	363,000	2,631,750	2,268,750	363,000	2,268,750	363,000	0
2005 / 2006	100%	100%	370,260	2,684,385	2,314,125	370,260	2,314,125	370,260	0
2006 / 2007	100%	80%	377,665	2,738,073	2,360,408	377,665	1,888,326	849,747	472,082
2007 / 2008	100%	80%	385,219	2,792,834	2,407,616	385,219	1,926,093	866,742	481,523
2008 / 2009	100%	60%	392,923	2,848,691	2,455,768	392,923	1,473,461	1,375,230	982,307
2009 / 2010	100%	60%	400,781	2,905,665	2,504,883	400,781	1,502,930	1,402,735	1,001,953
2010 / 2011	100%	40%	408,797	2,963,778	2,554,981	408,797	1,021,992	1,941,786	1,532,989
2011 / 2012	100%	40%	416,973	3,023,054	2,606,081	416,973	1,042,432	1,980,621	1,563,648
2012 / 2013	100%	20%	425,312	3,083,515	2,658,202	425,312	531,640	2,551,874	2,126,562
2013 / 2014	100%	20%	433,819	3,145,185	2,711,366	433,819	542,273	2,602,912	2,169,093
2014 / 2015	100%	0%	442,495	3,208,089	2,765,594	442,495	0	3,208,089	2,765,594
2015 / 2016	100%	0%	451,345	3,272,250	2,820,905	451,345	0	3,272,250	2,820,905
2016 / 2017	80%	0%	460,372	3,337,695	2,301,859	1,035,836	0	3,337,695	2,301,859
2017 / 2018	80%	0%	469,579	3,404,449	2,347,896	1,056,553	0	3,404,449	2,347,896
2018 / 2019	60%	0%	478,971	3,472,538	1,796,140	1,676,398	0	3,472,538	1,796,140
2019 / 2020	60%	0%	488,550	3,541,989	1,832,063	1,709,926	0	3,541,989	1,832,063
2020 / 2021	40%	0%	498,321	3,612,829	1,245,803	2,367,026	0	3,612,829	1,245,803
2021 / 2022	40%	0%	508,288	3,685,085	1,270,719	2,414,366	0	3,685,085	1,270,719
2022 / 2023	20%	0%	518,453	3,758,787	648,067	3,110,720	0	3,758,787	648,067
2023 / 2024	20%	0%	528,822	3,833,963	661,028	3,172,935	0	3,833,963	661,028
2024 / 2025	0%	0%	539,399	3,910,642	0	3,910,642	0	3,910,642	0
Totals						25,322,991		53,343,222	28,020,231

Notes:

(1) The amount boxed in the 2004/2005 Tax Year shall be replaced with the Actual Land Taxes and this Schedule shall be recomputed in accordance with the provisions of Section 4 of the Second Amendment.

SCHEDULE 3

MARKET RENT FACTOR CHART

Base Market Rent PSF	BPCA Share
$47.34	25%
$48.94	30%
$50.46	40%
$52.02	50%

If the Base Market Rent PSF is less than $47.34, the BPCA Share shall be 25% and if the Base Market Rent PSF is more than $52.02, the BPCA Share shall be 50%. If the Base Market Rent PSF is between $47.34 and $48.94, or between $48.94 and $50.46, or between $50.46 and $ 52.02, then the BPCA Share shall be determined by interpolation as hereinafter illustrated.

Illustration of Interpolation

If the Base Market Rent PSF is between the amounts set forth above, the BPCA Share will be the percentage for the lower range plus an incremental percentage in direct proportion to the amount that the Base Market Rent PSF is above the lower percentage of the range. As an illustration if the Base Market Rent PSF is $50.75, then the BPCA Share would be interpolated between the upper and lower ranges of the applicable level, with the incremental percentage solved for as X as follows:

$$\frac{(\$50.75 - \$50.46)}{(\$52.02 - \$50.46)} = \frac{X}{50 - 40}$$

$$\frac{.29}{1.56} = \frac{X}{10}$$

$$.1859 = \frac{X}{10}$$

$$10(.1859) = X$$

$$1.859 = X$$

The incremental percentage of 1.859% would be added to the lower range of 40% and the BPCA Share would be equal to **41.859%**.

39363.1

Exhibit 1

July 25, 2002 Letter from HPD

39316.4

City of New York
DEPARTMENT OF
HOUSING PRESERVATION AND DEVELOPMENT
100 GOLD STREET, NEW YORK, N.Y. 10038

JERILYN PERINE
Commissioner

July 25, 2002

Steven Spinola
President
The Real Estate Board of New York, Inc.
570 Lexington Avenue
New York, New York 10022

Dear Mr. Spinola:

I am writing in response to your letter dated July 10, 2002 regarding the eligibility of Liberty Bond projects for benefits under §421-a of the Real Property Tax Law ("RPTL"). Your letter requests confirmation that new residential construction projects financed through Liberty Bonds will receive a twenty-year partial tax exemption under the §421-a program.

You indicate that developers of these projects will comply with the State requirement that five percent (5%) of the residential units be reserved for tenants earning up to 150% of area median income, if financing is obtained through the State's Housing Finance Agency or with the City requirement of an additional financing fee to fund off-site affordable housing, if financing is obtained through the City's Housing Development Corporation.

Pursuant to RPTL §421-a(2)(a)(iv), a twenty-year post-construction exemption is available to tax lots in Manhattan south of or adjacent to either side of 110th Street if "the construction is carried out with substantial governmental assistance of grants, loans or subsidies from any federal, state of local agency or instrumentality[.]" See also, 28 RCNY §6-02(d)(4)(i). The rules governing the §421-a program define "substantial governmental assistance, (with certain exceptions not pertinent here), as "grants, loans or subsidies from any federal, state or local agency or instrumentality[.]" 28 RCNY §6-01(c).[1] Based on these provisions, tax-exempt bond financing, such as Liberty Bonds,

[1] The definition set forth in the rules provides in full: "'Substantial governmental assistance' shall mean grants, loans or subsidies from any federal, state or local agency or instrumentality, but shall not include: taxable bonds issued by any federal, state, or local agency or instrumentality, purchase money mortgages

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constitutes substantial governmental assistance, and projects receiving financing through Liberty Bonds, if otherwise eligible, are entitled to the twenty-year exemption under the statute.

We have also been advised that a number of existing and prospective new residential construction projects in Battery Park City will be applying for Liberty Bond financing. Pursuant to a 1989 agreement between the State and the City, projects in Battery Park City, which are subject to the jurisdiction of the Battery Park City Authority, make "payments in lieu of taxes for residential developments in accordance with Section 421-a of the Real Property Tax Law upon satisfaction of the requirements set forth in Section 11-245(b) of the New York City Administrative Code and any regulations promulgated there under." The cited Administrative Code section sets forth the §421-a eligibility requirements for projects in the Manhattan geographic exclusion area. Thus, although Battery Park City is outside the confines of the Manhattan geographic exclusion area, Battery Park City projects are treated like projects in the geographic exclusion area pursuant to the 1989 agreement.

Pursuant to Administrative Code §11-245(b) and the §421-a rules, projects in the Manhattan geographic exclusion area that receive substantial governmental assistance, like other such projects in Manhattan south of or adjacent to either side of 110th Street, are eligible to receive a twenty-year post-construction partial tax exemption. 28 RCNY §6-02(d)(4)(i). Consequently, under the terms of the 1989 agreement, Liberty Bond projects in Battery Park City will also receive a twenty-year partial tax exemption.

We recognize the significant contribution Liberty Bonds will make in the redevelopment and revitalization of Lower Manhattan following the tragic events of 9/11. We are pleased that the City will be able to contribute to these efforts by facilitating new residential development through its tax incentive programs.

Sincerely,

Jerilyn Perine

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from any federal, state or local agency or instrumentality entered into after the date of promulgation of these rules, mortgage insurance provided through any federal, state or local agency or instrumentality, or financing provided through the State of New York Mortgage Agency." 28 RCNY §6-01(c).

1ST AMENDMENT TO GROUND LEASE

X - Deleted by Second Amendment
A - Amended by Second Amendment

AMENDMENT TO LEASE

AMENDMENT (this "Amendment") dated as of July 8, 2002 between **BATTERY PARK CITY AUTHORITY, d/b/a HUGH L. CAREY BATTERY PARK CITY AUTHORITY**, a body corporate and politic constituting a public benefic corporation of the State of New York, as Landlord, having an office at One World Financial Center, New York, New York 10281 ("Landlord"), and **RIVER TERRACE ASSOCIATES, LLC**, a New York limited liability company having an office c/o Albanese Organizations, Inc., 1050 Franklin Avenue, Garden City, New York 11530 ("Tenant").

W I T N E S S E T H:

WHEREAS, Landlord and Tenant have heretofore entered into an Agreement of Lease, dated April 4, 2001 (the "Original Lease"; the Original Lease, collectively with and as modified by this Amendment being herein referred to as the "Lease") for the leasing of certain premises known as Site 18A, Battery Park City, New York, New York and as more particularly described in the Original Lease (the "Premises"); and

WHEREAS, following the terrorist attacks on the World Trade Center and the current economic climate of downtown New York City, Tenant has requested and Landlord has agreed to make certain amendments to the Original Lease.

NOW, THEREFORE, in consideration of the premises and the mutual covenants hereinafter provided, Landlord and Tenant agree that, subject to the terms of Section 18 below, the Original Lease is hereby amended as follows:

1. Except as otherwise herein defined, all terms contained in this Amendment shall for the purposes hereof have the same meaning ascribed to them in the Original Lease.

2. Section 1.01 is amended by:

   a. Deleting the defined terms:

      i. "Aggregate Rent".

   b. Adding the following defined terms:

	Term	Definition/Section Reference
	Amendment	Amendment to Lease between Tenant and Landlord dated July 8, 2002.
	Amendment Date	The date of the Amendment.
	Annual Financial Statements	Collectively, the Annual Percentage Rent Statements and the Annual NOI Rent Statements.
	Annual NOI Rent Statements	Defined in Section 3.08(c)
	Assumed Base Rent	Defined in Section 3.01(d)
	Construction Period	Defined in Section 3.01(a)(i)
	Contribution Funding Conditions	Defined in Section 44.02
	Capital Event	Either (x) any Transfer, other than Transfers of membership interests in Tenant between the members of Tenant as of the Amendment Date or (y) any financing of this Lease or the Building by a Mortgagee secured by a Mortgage occurring after the first permanent financing following Substantial Completion.
	Capital Event Rent	Defined in Section 3.10(a)
	Capital Event Rent Termination Date	Defined in Section 3.10(b)

Term	Definition/Section Reference
Capital Event Shortfall	As of any given date, the amount equal to (A) all Capital Event Rent payable pursuant to Section 3.10(a)(i) through (v), less (B) the sum of (x) all Capital Event Rent actually paid to Landlord upon prior Capital Events pursuant to Sections 3.10(b)(iii), (v), (vi), (vii) and (viii) plus (y) any NOI Rent paid pursuant to Section 3.08(a). The unpaid portion of the Deferred Obligations shall accrue interest from and after the date of the first Qualified Capital Event occurring after the Amendment Date at a rate of interest equal to the yield on six (6) month United States Treasury Bills in effect on the date of such Qualified Capital Event, compounded annually and accruing from and after the date of such Qualified Capital Event, which interest shall be added to and become a part of the Capital Event Shortfall.
Capital Event Statement	The Estimated Capital Event Statement and Final Capital Event Statement.
Contribution Funding Conditions	Defined in Section 44.02
Construction Period	The period commencing on the Commencement Date and ending on the Stabilization Date.
Deferred Construction Period Rent	Defined in Section 3.01(a)(i)
Deferred First Period Rent	Defined in Section 3.01(a)(i)
Deferred Obligations	Collectively, all Deferred Construction Period Rent, Deferred First Period Rent and PILOST.
Department	Defined in Section 3.02(f)
DHCR	Defined in Section 45.01
Estimated Capital Event Statement	Defined in Section 3.10(c)

Term	Definition/Section Reference
Final Capital Event Statement	Defined in Section 3.10(d)
Financial Statements	Collectively, the Annual Financial Statements and the Quarterly Financial Statements.
First Sale	The first Sale occurring after the Amendment Date.
Landlord's Contribution	Defined in Section 44.01
Landlord Kicker	Defined in Section 3.10(b)(ix)
Net Capital Event Proceeds	The proceeds of a Capital Event, received by Tenant, decreased by (a) reasonable and customary out-of-pocket transaction costs and expenses and (b) proceeds to be used by Tenant to fund expenditures for Qualified Capital Improvements; provided such Qualified Capital Improvements have (x) not been funded from previously established reserves or Net Operating Income, (y) are undertaken within six (6) months following such Capital Event and diligently prosecuted thereafter and (z) have been approved by Landlord prior to such Capital Event, such approval not to be unreasonably withheld or delayed.

Term	Definition/Section Reference
Net Operating Income	With respect to any fiscal period of Tenant, all revenues received by Tenant during that period from the operation of the Building (including all rents, concessions and use charges received with respect to the Building, but excluding Capital Event Proceeds), decreased by (a) reasonable and customary cash expenditures for bona fide puposes relating to the Premises, (b) reserves established in such amounts as the Tenant reasonably determines and which are comparable to any such reserves maintained for other buildings within borough of Manhattan which are similar to the Building, (c) debt service payable to a Mortgagee under a Mortgage, including interest and customary amortization, but not optional principal payments or other balloon principal payments made prior to the maturity of such Mortgage and (d) expenditures for Qualified Capital Improvements, provided all reserves relating to such capital improvements have first been exhausted.
NOI Rent	Defined in Section 3.08
PILOST	Defined in Section 11.05(c)
Project	Defined in Amendment Section 18
Qualified Capital Event	A Capital Event which is either (x) a Sale or (y) any financing of this Lease or the Building secured by a Mortgage occurring after the first permanent financing following Substantial Completion; provided such financing is funded at loan to value ratio of not less than the maximum percentage then obtainable from Institutional Lenders making non-recourse, commercially reasonable mortgage loans on buildings similar to the Building in Manhattan.

Term	Definition/Section Reference
Qualified Capital Improvements	Capital Improvements required to be made by Tenant under the Lease or a Mortgage; or, Capital Improvements consistent with the kind of capital improvements that a prudent owner of a building within borough of Manhattan similar to the Building would make under the circumstances; or, Capital Improvements that are otherwise approved by Landlord.
Quarterly Financial Statements	Collectively, the Quarterly Percentage Rent Statements and the Quarterly NOI Rent Statements.
Quarterly NOI Rent Statements	Defined in Section 3.08(b)
Re-commencement of Construction	Defined in Amendment Section 17(a)
Re-commencement Outside Date	Defined in Amendment Section 17(a)
Regulatory Body	Defined in Section 45.02
Release Date	Defined in Section 45.02
Rent Control Sanctions	Defined in Section 45.04
Rent Officer	Defined in Section 45.03
Rent Program	Defined in Section 45.03
Sale	Either (a) a bona fide sale of the Building or assignment of this Lease for fair market value or (b) a bona fide Transfer for fair market value, which by itself, or collectively with such prior Transfers, have the effect of conveying one hundred percent (100%) of the direct or indirect ownership interests in Tenant, as Tenant is constituted as of the date hereof.
Section 421-a	Section 421-a of the Real Property Tax Law.

Term	Definition/Section Reference
Stabilization Date	The date which is the last day of the month in which occurs the earlier of the following dates: (x) the date twelve (12) months following the first Temporary Certificate of Occupancy has been issued for the Building or (y) the date upon which ninety-three percent (93%) of the residential units in the Building are occupied.
Temporary Certificate of Occupancy or TCO	A temporary certificate of occupancy issued by the Department of Buildings of New York City pursuant to Section 645 of the New York City Charter or other similar certificate issued by a department or agency of New York City.
Tenant's Contribution	The total equity investment of each of the members of Tenant, consisting of all cash contributed to Tenant from time to time by each of the members of Tenant and a deferred developer's fee in the amount of $3,300,000, which cash contribution shall be certified by the chief financial officer of Tenant and the C.P.A.

c. Amending the following definitions:

Term	Definition/Section Reference
Construction Commencement Date	April 4, 2001.

3. Section 3.01 and Schedule 1 are deleted in their entirety and replaced by the following new Section 3.01 and Schedule 1 attached hereto:

3.01. Base Rent.

a. For the period beginning on the Commencement Date and continuing thereafter throughout the Term, Tenant shall pay to Landlord, without notice or demand, the annual sums referred to below (collectively, the "Base Rent"):

i. From and after the Commencement Date until the Stabilization Date, the total sum of Two Million One Hundred Thousand Dollars ($2,100,000). Notwithstanding the foregoing, all of such Construction Period Base Rent shall be deferred and shall be payable in accordance with the terms of Section 3.10 below

(all Base Rent payable pursuant to this Section 3.01(a)(i) being referred to as "Deferred Construction Period Rent"). Promptly after such date upon which the entire Landlord's Contribution ($9,000,000) has been funded, Landlord will return any portion of the Deferred Construction Period Rent which has been paid prior to the Amendment Date, provided such Deferred Construction Period Rent is not yet then payable pursuant to the terms of this Lease.

ii. From and after the first day of the month following the Stabilization Date and through the end of the first twenty-five (25) Lease Years (or portion thereof) listed on Schedule 1 hereto (the "First Period"), an amount equal to the Base Rent on Schedule 1 for such Lease Year, provided however, all Base Rent due with respect to the First Period which is payable through the end of the first Fifteen (15) Lease Years shall be deferred and shall be payable in accordance with the terms of Section 3.10 (all such deferred Base Rent being referred to as "Deferred First Period Rent").

iii. For each Lease Year commencing on the First Appraisal Date and continuing for a period of fifteen (15) Lease Years thereafter (the "Second Period"), an amount per annum equal to the greater of (x) the Base Rent Floor determined as of the First Appraisal Date or (y) $3,889,481 less PILOT due in the last year of the First Period before reduction for any abatement that may be operable, as escalated in accordance with the next succeeding sentence. Base Rent for the Second Period shall escalate on April 4, 2031 and April 4, 2036 by the greater of (x) fifteen percent (15%) of the Base Rent set for the prior five (5) Lease Years or (y) the percentage of increase, if any, of the Consumer Price Index as determined for the month in which the applicable escalation date occurs over the Consumer Price Index for the last month of the prior five (5) Lease Year period (i.e., March, 2026 and March, 2031, respectively).

iv. For each Lease Year commencing on April 4, 2041 and continuing for a period of fifteen (15) Lease Years thereafter (the "Third Period"), an amount per annum equal to the Base Rent Floor determined as of the first day of the Third Period, as escalated in accordance with the next succeeding sentence. Base Rent for the Third Period shall escalate on April 4, 2046 and April 4, 2051 by the greater of (x) fifteen percent (15%) of the Base Rent set for the prior five (5) Lease Years or (y) the percentage of increase, if any, of the Consumer Price Index as determined for the month in which the applicable escalation date occurs over the Consumer Price Index for the last month of the prior five (5) Lease Year period (i.e., March, 2041 and March, 2046 respectively).

v. For each Lease Year commencing on April 4, 2056 and continuing thereafter until the Expiration Date (the "Fourth Period"), an amount per annum equal to the Base Rent Floor determined as of the first day of the Fourth Period, as escalated in accordance with the next succeeding sentence. Base Rent for the Fourth Period shall escalate on April 4, 2061 and April 4, 2066 by the greater of (x) fifteen percent (15%) of the Base Rent set for the prior five (5) Lease Years or (y) the percentage

of increase, if any, of the Consumer Price Index as determined for the month in which the applicable escalation date occurs over the Consumer Price Index for the last month of the prior five (5) Lease Year period (i.e., March, 2056 and March, 2061 respectively).

b. The Base Rent, other than the Deferred Construction Period Rent and Deferred First Period Rent, shall be payable in equal monthly installments in advance commencing on the Commencement Date and on the first day of each month thereafter during the Term. The Base Rent shall be payable in currency which at the time of payment is legal tender for public and private debts in the United States of America, and shall be payable at the office of Landlord set forth above or at such other place as Landlord shall direct by notice to Tenant. The Base Rent due for any Lease Year containing less than twelve (12) months, and any installment of the Base Rent due for any period of less than a full month, shall be appropriately apportioned.

c. For the purposes of calculating Base Rent for the Second Period, Third Period and Fourth Period, the fair market value of the Land shall be determined as of the First Appraisal Date and each successive Reappraisal Date, as the case may be. Such determination of fair market value shall be made by appraisal in the manner provided in Section 3.06 hereof, unless at least twelve months prior to the First Appraisal Date or any Reappraisal Date, Landlord and Tenant shall have agreed upon such fair market value.

d. During any Lease Year during the Second Period, Third Period and Fourth Period, Tenant shall receive an abatement in Base Rent equal to the amount of any NOI Rent paid to Landlord during such Lease Year; provided however, in no event shall the Base Rent paid during any such Lease Year be reduced by reason of such abatement to an amount less than an amount equal to the sum of (x) the Base Rent that would have been in effect during such Lease Year assuming that the Base Rent payable in the last Lease Year of the First Period, continued into the Second Period, Third Period and Fourth Period, escalating two percent (2%) annually each Lease Year after the last Lease Year of the First Period (such assumed Base Rent is herein referred to as the "Assumed Base Rent") plus (y) ten percent (10%) of Net Operating Income for such Lease Year, assuming, for purposes of this Section 3(d) only, in such calculation of Net Operating Income, the Base Rent under this Lease is the Assumed Base Rent (and not the actual Base Rent).

4. Section 3.02 is deleted in its entirety and replaced by the following:

3.02. Payments in Lieu of Taxes.

a. Subject to the terms of Section 3.02(d) below, for each Tax Year or portion thereof within the Term, Tenant shall pay to Landlord, without notice or demand, an annual sum (each such sum being hereinafter referred to as a "Payment in Lieu of Taxes" or "PILOT") equal to the actual Taxes for such Tax Year, payable in equal semi-annual installments during such Tax Year, in advance on the first day of each January and July. PILOT due for any period of less than six months shall be appropriately apportioned.

b. Within ten (10) days after the date on which the City Council of New York City (or any successor governmental agency) shall fix the tax rate applicable to real property comparable to the Premises and situated in the Borough of Manhattan, Tenant shall advise Landlord of its calculation of the PILOT for the forthcoming Tax Year, pursuant to Section 3.02(c) hereof. In the event that the City Council (or any successor governmental agency) shall not have fixed the tax rate for any Tax Year on or before the fifteenth day of the final month of the immediately preceding Tax Year and, therefore, Tenant shall be unable to calculate the PILOT for such Tax Year prior to the commencement of such Tax Year, Tenant shall pay semi-annually, as estimated PILOT, an amount equal to the amount required to be paid under this Article on account of PILOT for the second half of the preceding Tax Year. Within ten (10) days after the date on which the City Council shall fix the tax rate, Tenant shall pay to Landlord the amount ("Corrected PILOT"), if any, by which PILOT properly payable for the portion of such Tax Year in respect of which Tenant previously paid estimated PILOT exceeds the amount of such estimated PILOT. In the event that the amount of such estimated PILOT shall exceed the amount of PILOT properly payable for the portion of the Tax Year in respect of which Tenant previously paid such estimated PILOT, Tenant may credit such excess against (and deduct such excess from) future semi-annual payments of PILOT during such Tax Year, and to the extent if any, that the amount of Tenant's credit exceeds the next semi-annual installment of PILOT or if the semi-annual payments of PILOT for such Tax Year have been fully paid, Tenant may credit and deduct the amount of the excess from the semi-annual payments of PILOT payable with respect to the next Tax Year(s). Within sixty (60) days after the date on which Tenant shall have advised Landlord of its calculation of Corrected PILOT for a given Tax Year, Landlord shall advise Tenant as to whether Landlord agrees with Tenant's calculation. If Landlord shall advise Tenant that Landlord agrees with Tenant's calculation or if Landlord shall fail to advise Tenant of its determination within such sixty (60) day period, Tenant's calculation shall be the basis for PILOT for that Tax Year provided that the tax rate and any other such calculation does not change. If Landlord shall advise Tenant that it disagrees with Tenant's calculation, Tenant shall revise its calculation in accordance with Landlord's calculation, and Landlord's calculation shall be the basis for PILOT for that Tax Year, unless within ten (10) days after Landlord's advice to Tenant, Tenant shall notify Landlord of its disagreement with Landlord's calculation in which event Tenant shall pay PILOT in accordance with Landlord's calculation pending resolution of the dispute.

c. Tenant shall continue to pay the full amount of PILOT required under this Section 3.02, notwithstanding that Tenant may have instituted tax assessment reduction or other actions or proceedings pursuant to Section 4.06 hereof to reduce the assessed valuation of the Premises or any portion thereof. If any such tax reduction or other action or proceeding applicable to any Tax Year result in a final determination in Tenant's favor, (i) Tenant shall be entitled to a credit against future PILOT to the extent, if any, that the PILOT previously paid for the Tax Year for which such final determination was made exceeds the PILOT as so determined; (ii) if such final determination is made for the then current Tax Year, future payments of PILOT for said Tax Year shall be based on the PILOT as so determined. If, at the time Tenant is entitled to receive such a credit, the City of New York is paying interest on

refunds of Taxes, Tenant's credit shall include interest at the rate and for the applicable period then being paid by the City of New York. In no event, however, shall Tenant be entitled to any refund of any such excess from Landlord.

d. For so long as the Premises are exempt from Taxes by virtue of Landlord's ownership thereof, and provided that Tenant shall have satisfied the requirements of Section 3.02(f), then PILOT, shall be reduced by an amount equal to the abatement or exemption which would have applied to the Premises under Subsection 2.(a)(i) of Section 421-a (as such abatement or exemption may be restricted, limited or conditioned by any local law enacted pursuant to Subsection 2.(i) of Section 421-a), with respect to the period for which such abatement or exemption would have applied to the Premises if Tenant were the fee owner thereof. Annexed hereto as Exhibit 1 is a copy of the Agreement and Consent from the City of New York, confirming, inter alia, its consent to the aforesaid partial tax exemption.

e. In the event that (i) at the time in question the Premises are not exempt from Taxes by virtue of Landlord's ownership thereof, (ii) under applicable Requirements, an abatement of, or exemption from, Taxes would be applicable to the Premises if Tenant were the fee owner of the Premises, and (iii) Tenant shall have taken such steps as may be necessary so that the Premises in fact qualify for and receive the benefits of the abatement or exemption, then PILOT shall be reduced by an amount equal to the abatement or exemption applicable to the Premises as aforesaid, but only if and to the extent that the Taxes payable by Landlord are actually reduced on account of the abatement or exemption.

f. Tenant shall not be entitled to any reduction of PILOT pursuant to Section 3.02(d) unless Tenant shall establish to Landlord's reasonable satisfaction that Tenant has complied with and satisfied all conditions and requirements of all applicable Requirements that would be required in order to obtain for the Premises the benefits of the abatement or exemption referred to therein. Without limiting the generality of the foregoing, in the event that Tenant shall seek to take advantage of such exemption or abatement, Tenant shall (x) comply with the covenants in Article 45 and (y) establish to Landlord's reasonable satisfaction that it has satisfied all conditions and requirements thereof, including, without limitation, all applicable provisions of the Administrative Code of the City of New York and all applicable rules and regulations of the Department of Housing Preservation and Development of the City of New York, or any successor governmental agency that has the authority to administer same (the "Department"), and shall deliver to Landlord a letter addressed to the President and Chief Executive Officer of Landlord executed by the Commissioner of the Department or another authorized officer of the Department, certifying to Landlord that Tenant has complied with all requirements relating to said abatement or exemption, so that the Premises would be entitled to such abatement or exemption but for the fact that same are exempt from taxation on account of Landlord's ownership thereof. Landlord shall cooperate with Tenant's reasonable requests to execute such documents as are required under applicable Requirements to be executed by the fee owner of the Premises in connection with any application for the abatement and/or exemption from Taxes described in Section 3.02(d); provided however, Landlord shall not be liable for the payment of any costs or expenses in connection with any such application and Tenant shall

reimburse Landlord for any and all costs or expenses which Landlord may reasonably sustain or incur in connection with any such proceedings, including reasonable attorneys' fees and disbursements.

g. Landlord and Tenant agree that the assessed value of the Land in effect for the Tax Year preceding the Commencement of Construction of the Building shall be deemed to be $3,335,800.

5. Section 3.04 is hereby deleted in its entirety and replace by the following:

3.04. Rental Generally. All amounts required to be paid by Tenant pursuant to this Lease, including, without limitation, Base Rent, Percentage Rent, Deferred Construction Period Rent, Deferred First Period Rent, NOI Rent, Capital Event Rent, PILOT, Impositions and Civic Facilities Payments (collectively, "Rental"), shall constitute rent under this Lease and shall, except as expressly set forth herein, be payable in the same manner as Base Rent; provided, however, that in the event Tenant shall submit its leasehold interest in the Premises to a condominium form of ownership, then, in accordance with Section 3.07(d) hereof, all of Tenant's obligations with respect to Percentage Rent shall be the direct obligations of the Unit Owners of the respective Commercial Units. Rental shall be absolutely net to Landlord without any abatement, deduction, counterclaim, set-off or offset whatsoever except as specifically set forth in this Lease, so that this Lease shall yield, net, to Landlord, Rental in each year during the Term and that Tenant shall pay all costs, expenses and charges of every kind and nature relating to the Premises (except Taxes, if any and the cost of constructing and maintaining Landlord's Civic Facilities) which may arise or become due or payable during or after (but attributable to a period falling within) the Term.

6. The following new Section 3.08 shall be added after Section 3.07:

3.08. NOI Rent.

a. From the Commencement Date through the date upon which, all Capital Event Shortfalls have been paid, Tenant shall pay to Landlord, in the manner set forth below, an amount equal to ten percent (10%) of Net Operating Income (the "NOI Rent") for each calendar year, or portion thereof, within such period. NOI Rent shall be computed quarterly, and each payment of NOI Rent shall be applied in reduction of the Capital Event Shortfall then outstanding in the order of priority set forth in Section 3.10(b)(iii), (v), (vi), (vii) and (viii) of this Lease and the account balances of each such item described in Section 3.10(b) shall be reduced accordingly until such balances have been reduced to zero. The remaining ninety percent (90%) of Net Operating Income during such period shall be retained by Tenant and applied against amounts payable to Tenant pursuant to Section 3.10(b)(ii) and 3.10(b)(iv) of this Lease and the account balances of each such item described in Section 3.10(b) shall be reduced accordingly until such balances have been reduced to zero; provided however, that notwithstanding the reduction of such balances to zero, Tenant shall continue to receive the remaining ninety percent (90%) of Net Operating Income. Upon the payment in full of all Capital Event Shortfalls, Tenant

shall have no further obligation hereunder to pay NOI Rent and Landlord shall have no right to receive any portion of Net Operating Income received by Tenant thereafter.

b. Tenant shall deliver to Landlord as soon as practicable after the end of each calendar quarter, but in no event later than thirty (30) days thereafter, a statement (the "Quarterly NOI Rent Statement"), showing in reasonable detail Net Operating Income from the prior quarter. Based upon the Quarterly NOI Rent Statement submitted by Tenant to Landlord, Tenant shall pay to Landlord all NOI Rent due for such quarter. Such partial payment of NOI Rent shall be made by Tenant simultaneously with the submission to Landlord of the Quarterly NOI Rent Statement.

c. Tenant shall deliver to Landlord as soon as practicable after the end of each calendar year, but in no event later than one hundred twenty (120) days thereafter, a separate statement (the "Annual NOI Rent Statement") for such year showing Net Operating Income, together with the NOI Rent due for such year. If the Annual NOI Rent Statement shall show that the sums paid by Tenant as NOI Rent for the calendar year for which such Annual NOI Rent Statement is given were less than the NOI Rent payable by Tenant for such year, then Tenant shall pay to Landlord, together with the delivery to Landlord of the Annual NOI Rent Statement, the amount of such deficiency, and if the Annual NOI Rent Statement shall show that the sums paid by Tenant as NOI Rent for such calendar year exceeded the NOI Rent payable by Tenant for such year, Landlord shall permit Tenant to offset the amount of such excess, without interest, against subsequent payments of NOI Rent.

See original lease for 3.10

X 7. Section 3.08 shall be renumbered Section 3.09, deleted and superseded in its entirety by the following:

3.09. Records for Percentage Rent and NOI Rent. In connection with the payment by Tenant of Percentage Rent and NOI Rent the following provisions shall apply:

a. Tenant shall at all times keep and maintain at an office located in New York City or Nassau County, New York, books and records prepared on the basis required under Section 3.09(b), showing in reasonable detail the amount of Gross Non-Residential Revenue and Net Operating Income. Unless consented to by Landlord, such books and records relating to any calendar year shall not be destroyed or disposed of for a period of four (4) years after the end of such year. Landlord or its representatives shall have the right on reasonable notice during regular business hours to examine, audit and/or photocopy all such books and records. For the purposes of this Section 3.09(a), reasonable notice shall mean notice given not less than ten (10) Business Days prior to the examination date designated in Landlord's notice. If an audit by Landlord with respect to any year is not commenced within the aforesaid four (4) year period, the computation of the Percentage Rent and NOI Rent paid by Tenant for such year shall not thereafter be subject to Landlord's audit and shall conclusively be deemed correct.

b. All Financial Statements required under this Lease shall be (i) prepared on a cash basis consistently applied and (ii) verified by the chief financial officer or

managing partner of Tenant or the Affiliate which is the managing agent for the Premises, or if the managing partner of Tenant or such Affiliate is not an individual, by the chief financial officer of such managing partner or such Affiliate, as being true, correct and complete to the best of his knowledge. All Annual Financial Statements shall be certified by an independent public accounting firm (the "C.P.A.") which is (x) an accounting firm having at least eight (8) partners, or (y) a firm approved by Landlord, which approval shall not be unreasonably withheld. Such certification shall include, without limitation, a statement by the C.P.A. that an examination of Tenant's books and records has been conducted by the C.P.A. in accordance with generally accepted auditing standards consistently applied and that the Annual Financial Statements have been prepared on a cash basis in accordance with accounting principles consistently applied.

c. If Landlord shall elect to conduct an audit of Tenant's books and records and such audit discloses an underpayment of Percentage Rent or NOI Rent, subject to Section 3.09(e), Tenant shall pay to Landlord within thirty (30) days after demand the amount of such deficiency, plus interest thereon at the Involuntary Rate from the date upon which such sum was due to the date of actual payment. In addition, if such deficiency shall be in excess of three and one-half percent (3.5%) of the amount alleged by Tenant to be payable, Tenant shall pay to Landlord within thirty (30) days after demand all reasonable costs incurred by Landlord in connection with such audit.

d. If Tenant or an Affiliate of Tenant shall themselves use or occupy any non-residential portion of the Building, there shall be imputed as income the fair market rental value of the portion of the Building so occupied by Tenant or such Affiliate, as the case may be, provided, however, that if Tenant or an Affiliate shall use or occupy any nonresidential portion of the Building for the purpose of maintaining an office to manage the Building and/or other buildings owned or operated by Tenant within the Project Area, income shall only be imputed to the portion used or occupied in excess of 1,200 square feet. Such income shall be deemed to be, and construed as, Gross Non-Residential Revenue for all purposes of this Lease. Fair market rental value as used in this Lease shall mean the rental which would be paid under a sublease (commencing at the same time as Tenant's or such Affiliate's use or occupancy) with a non-related Person leasing a similar amount of space in the same Building, for the same term, for a similar purpose and in a similar location in the Building, and shall include, inter alia, all fixed, percentage and escalation rents which prudent owners of like buildings in the Borough of Manhattan would have included under such sublease as of the date the rental under the sublease is deemed to have commenced in accordance with this Section 3.09(d).

e. If at any time and for any reason there shall be a dispute as to the determination of Gross Non-Residential Revenue, Net Operating Income or fair market rental value, such dispute shall be determined by arbitration pursuant to Article 36 hereof. Pending resolution of the dispute, Tenant's determination of Gross Non-Residential Revenue or Net Operating Income shall prevail and Tenant shall pay Percentage Rent and NOI Rent, as the case may be, based upon such determination. Without limitation of the foregoing, any deficiency, interest and expenses which may be payable by Tenant to Landlord pursuant to Section 3.09(c) shall not be payable if disputed by Tenant unless and until determined by such arbitration. If

such arbitration determines an underpayment by Tenant, Tenant shall pay the amount of such underpayment, plus interest thereon at the Involuntary Rate, within ten (10) days after demand.

8. The following new Section 3.10 shall be added after Section 3.09:

3.10. Capital Event Rent.

a. The amounts listed below shall be herein referred to as "Capital Event Rent" and shall be part of the Rental due under this Lease, payable in accordance with the further provisions of this Section 3.10:

i. Landlord's Contribution; plus
ii. A cumulative annual return of 6.00% on the Landlord's Contribution; plus
iii. The Deferred Construction Period Rent; plus
iv. The Deferred First Period Rent; plus
v. PILOST; plus
vi. The Landlord Kicker.

b. Capital Event Rent shall be payable from Net Capital Event Proceeds payable to Landlord as hereinafter provided, until all Capital Event Rent is paid in full. Upon all Capital Events through and including the Capital Event Rent Termination Date, Net Capital Event Proceeds shall be applied as follows:

i. First to repay the indebtedness secured by the existing Mortgage, to the extent required to be paid in connection with such Capital Event;

ii. Second, to Tenant, to pay the Tenant's Contribution;

iii. Third, to Landlord, to pay the Landlord's Contribution;

iv. Fourth, to Tenant, to provide Tenant with a nine and three-fourths percent (9.75%) cumulative annual return on the Tenant's Contribution;

v. Fifth, to Landlord, to provide Landlord with a six percent (6.00%) cumulative annual return on the Landlord's Contribution;

vi. Sixth, to Landlord, to pay all Deferred Construction Period Rent;

vii. Seventh, to Landlord, to pay all Deferred First Period Rent;

viii. Eighth, to Landlord, to pay all PILOST; and

ix. Ninth, any remaining Net Capital Event Proceeds to be divided ninety percent (90%) to Tenant and ten percent (10%) to Landlord (Landlord's ten percent (10%) share of any remaining Net Capital Event Proceeds being herein referred to as the "Landlord Kicker"); provided however, Tenant's obligation to pay the Landlord Kicker shall terminate immediately after the earlier to occur of (such earlier occurrence being herein referred to as the "Capital Event Rent Termination Date"):

(1) the first Qualified Capital Event occurring after the payment in full of all Capital Event Shortfalls, whether the same was paid to Landlord from Capital Event Rent attributable to prior Capital Events and/or from NOI Rent; or

(2) the First Sale.

c. Prior to the application of Net Capital Event Proceeds pursuant to Section 3.10(b), the amounts described in Section 3.10(b)(i) through (viii) shall first be reduced: (x) in accordance with Section 3.08(a) with respect to payments of NOI Rent made prior to the occurrence of the Capital Event generating such Net Capital Event Proceeds and (y) in accordance with Section 3.10(d) with respect to payments of Capital Event Rent made prior to the occurrence of the Capital Event generating such Net Capital Event Proceeds; it being the intention of Landlord and Tenant that Net Operating Income and Net Capital Event Proceeds received by Landlord and Tenant pursuant to Section 3.08(a) and 3.10(b) be applied in reduction of the unpaid amounts described in Section 3.10(b)(i) through (viii).

d. Prior to and including the Capital Event Rent Termination Date, Net Capital Event Proceeds shall be applied in reduction of the amounts described in Section 3.10(b)(i) through (viii) above in the order of priority set forth therein and the account balances of each such item described in Section 3.10(b) shall be reduced accordingly until such balances have been reduced to zero.

e. Upon the occurrence of the Capital Event Rent Termination Date, Tenant shall have no further obligation hereunder to pay Capital Event Rent and Landlord shall have no right to receive any portion of Net Capital Event Proceeds received by Tenant thereafter.

f. After the First Sale, the unpaid balance of any Capital Event Shortfall shall be payable solely from NOI Rent, which shall be applied in reduction of the Capital Event Shortfall then outstanding pursuant to Section 3.08(a) of this Lease.

g. Not less than twenty (20) days prior to a Capital Event, Tenant shall provide Landlord with a certification (the "Estimated Capital Event Statement") which (x) describes in reasonable detail the proposed Capital Event, (y) certifies whether or not the transaction constitutes a Qualified Capital Event and (z) shows Tenant's calculation of estimated Net Capital Event Proceeds and proposed disbursement pursuant to this Section 3.10, which Estimated Capital Event Statement shall be certified to be true, correct and complete by the chief

financial officer or managing partner of Tenant. In addition, such Estimated Capital Event Statement shall, in the case of a Sale or refinancing, be accompanied by an appraisal of the value of the Premises prepared by a third party appraiser reasonably acceptable to Landlord.. Not more than five (5) business days after the Capital Event, Tenant shall provide Landlord with a final Capital Event Statement (the "Final Capital Event Statement") showing the final calculation of Net Capital Event Proceeds and proposed disbursement pursuant to this Section 3.10, certified to be true, correct and complete by the chief financial officer or managing partner of Tenant.

h. Landlord shall have ten (10) business days to dispute any item contained in the Estimated Capital Event Statement or the Final Capital Event Statement. If Landlord fails to deliver to Tenant a notice disputing the Estimated Capital Event Statement or the Final Capital Event Statement within ten (10) business days after its receipt of such Estimated Capital Event Statement or Final Capital Event Statement, Landlord shall be deemed to have accepted the facts certified therein.

i. If at any time and for any reason there shall be a dispute as to the determination of the facts stated in the Capital Event Statement or the Capital Event Rent payable in connection with such Capital Event, such dispute shall be determined by arbitration pursuant to Article 36 hereof. Pending resolution of the dispute, Tenant's determination of Capital Event Rent payable in connection with such Capital Event as set forth in its Capital Event Statement shall control and Tenant shall pay Landlord Capital Event Rent based upon such determination. If such arbitration determines an underpayment by Tenant, Tenant shall pay the amount of such underpayment, plus interest thereon at the Involuntary Rate, within ten (10) days after demand.

9. Sections 10.01(a) and 10.01(b) are hereby amended such that it shall be additional conditions to the effectiveness of any Transfer permitted under Sections 10.01(a) and 10.01(b) with or without the consent of Landlord that:

a. Landlord shall have received all Capital Event Rent payable in connection with such Transfer pursuant to Section 3.10(b) simultaneously with or prior to such Transfer; and

b. Prior to the payment in full of all Capital Event Shortfalls, Anthony A. Albanese, Vincent M. Albanese, Russell C. Albanese and/or Christopher V. Albanese shall at all times both directly or indirectly (x) control Tenant and (y) maintain a five percent or more ownership interest in Tenant.

10. Section 10.01(f) is deleted and replaced in its entirety by the following:

(f) From and after Substantial Completion of the Building or the payment in full of all Capital Event Rent and Capital Event Shortfalls, whichever is later, Landlord's consent shall not be required prior to any assignment by Tenant of its interest in this

Lease to the Apartment Corporation pursuant to a Cooperative Plan, provided no Default in the payment of Rental (whether or not notice of such Default has been delivered to Tenant) and no other Default as to which notice shall have been given shall have occurred and be continuing hereunder, and Tenant shall have delivered to Landlord (w) a true and correct copy of such Cooperative Plan and any amendments, modifications and supplements thereto, (x) a true and correct copy of the letter of acceptance of the Cooperative Plan issued by the New York State Department of Law, (y) a true and correct copy of the letter accepting the amendment declaring the Cooperative Plan effective issued by the New York State Department of Law and (z) such other documents in connection therewith as may be reasonably requested by Landlord.

11. Section 10.10 is hereby amended by adding the following subsections (e) and (f) at the end thereof:

(e) The obligation to repay the Landlord's Contribution, the 6% cumulative annual return thereon and the Landlord Kicker, shall not survive a foreclosure of the Mortgage or other acquisition by the Mortgagee, its designee or a purchaser at foreclosure of Tenant's interest in this Lease, unless such Person is an Affiliate of the Tenant named herein, in which case such obligation shall survive.

(f) No notice of default delivered to Tenant under the Mortgage shall be effective unless a copy thereof shall be simultaneously delivered to Landlord in the manner set for the delivery of notices pursuant to this Lease.

12. Section 11.05(c) is deleted and replaced in its entirety by the following:

(c) By reason of the ownership of the Building by Landlord, certain sales and compensating use taxes will not be incurred in connection with the construction of the Building. Tenant shall pay to Landlord, as payments in lieu of such sales and compensating use taxes, One Million Five Hundred Eleven Thousand Seven Hundred Twenty-Five Dollars and Fifty Cents ($1,511,725.50); (such payment in lieu of sales and compensating use taxes is herein referred to as "PILOST"); provided however, the balance of all PILOST due on the Amendment Date in amount of One Million Three Hundred Twenty-Three Thousand Two Hundred Eighty-Eight Dollars ($1,323,288.00) shall be deferred and shall be

payable in accordance with Section 3.10. Landlord acknowledges that Tenant has paid on account of PILOST prior to the Amendment Date the amount of One Hundred Eight-Eight Thousand Four Hundred Thirty-Seven Dollars and Fifty Cents ($188,437.50). In the event Tenant is compelled by any Governmental Authority to pay any such sales or compensating use tax in respect of materials incorporated (or to be incorporated) in the Building, then, provided that Tenant has paid all amounts on account of PILOST pursuant to Section 3.10(b)(viii) which have theretofore become due and payable, Tenant shall receive a credit against the unpaid balance of PILOST and the amount payable pursuant to Section 3.10(b)(viii) shall be reduced accordingly (and to the extent such credit exceeds such unpaid balance, against the next installment(s) of Base Rent), in an amount equal to the amount of such taxes (including interest and penalties) which Tenant has been compelled to pay, provided that (i) each Construction Agreement contains the provision set forth in Section 11.05(b), (ii) Tenant has notified Landlord prior to payment of such taxes and promptly upon receipt of notice of claim that a claim has been made therefor, and (iii) if permitted by applicable law, Landlord has the opportunity to contest the imposition of same provided that neither Tenant's interest in the Premises nor any income derived by Tenant therefrom would, by reason of such contest, be forfeited or lost, or subject to any lien, encumbrance or charge, and Tenant would not by reason thereof be subject to any civil or criminal liability. At Tenant's request, Landlord shall cooperate and assist Tenant's efforts to establish to any Governmental Authority that by reason of Landlord's ownership of the Building, no sales or compensating use tax is payable in connection with the materials incorporated or to be incorporated into the Building. If Tenant is required to institute any proceedings against any Governmental Authority to obtain a refund of any sales or compensating use tax paid by Tenant in connection with the materials incorporated into the Building, Landlord shall join in the proceedings provided that the provisions of any law, rule or regulation at the time in effect shall require that such proceedings be brought in the name of Landlord. Tenant shall reimburse Landlord for any and all costs and expenses that Landlord may reasonably incur in connection with providing such cooperation and assistance or in connection with such proceedings, including reasonable attorneys fees and disbursements. Promptly after such date upon which the entire Landlord's Contribution ($9,000,000) has been funded, Landlord will return any portion of the PILOST which has been paid prior to the Amendment Date,

provided such PILOST is not yet then payable pursuant to the terms of this Lease.

13. Section 11.12(a) is deleted and replaced in its entirety by the following:

11.12 Design/Construction Period Letter of Credit.

(a) Tenant has secured its obligations under this Lease, including, without limitation, Tenant's obligation for the payment of Rental, by depositing with Landlord a clean irrevocable letter of credit (the "Design/Construction Period Letter of Credit") drawn in favor of Landlord, in form and content acceptable to Landlord, and having a term of not less than one (1) year, payable in United States dollars upon presentation of one or more sight drafts, issued by and drawn on a recognized commercial bank or trust company which is a member of the New York Clearing House Association or which is satisfactory to Landlord. The initial amount of the Design/ Construction Period Letter of Credit shall be Three Million Three Hundred Fifty Thousand Dollars ($3,350,000.00). Except as hereinafter provided, the Design/Construction Period Letter of Credit shall be renewed or replaced without decrease in amount each and every year as provided herein. Each Replacement Letter of Credit shall be delivered to Landlord not less than thirty (30) days prior to the expiration of the Design/Construction Period Letter of Credit or then current Replacement Letter of Credit. The failure of Tenant to renew the Design/Construction Period Letter of Credit or any Replacement Letter of Credit in accordance with this Section 11.12 and Article 43 hereof shall entitle Landlord to present the Design/Construction Period Letter of Credit or Replacement Letter of Credit for payment, in which event Landlord shall hold the payments in an interest bearing account and apply the proceeds thereof (together with any interest earned thereon) as provided in Section 11.12(b). If Landlord shall obtain the proceeds of the Letter of Credit, Tenant's failure to renew the Letter of Credit shall not constitute a Default under this Lease. Notwithstanding the foregoing, provided (i) Landlord shall not have presented the Design/Construction Period Letter of Credit or any Replacement Letter of Credit for payment (ii) no Default in the payment of Rental (whether or not notice of such Default has been delivered to Tenant) and no other Default as to which notice shall have been given shall have occurred and be continuing hereunder, then (a) at the expiration of seven (7) months from the date of Re-commencement of Construction or at any time thereafter and prior to Substantial Completion, Tenant shall have the right to reduce

the Design/Construction Period Letter of Credit to Two Million Two Hundred Thirty Three Thousand Dollars ($2,233,000.00), (b) at the expiration of nineteen (19) months from the date of Re-commencement of Construction or at any time thereafter, and prior to Substantial Completion, Tenant shall have the right to reduce the Design/Construction Period Letter of Credit to One Million One Hundred Seventeen Thousand Dollars ($1,117,000.00), (c) at any time after Substantial Completion, Tenant shall have the right to reduce the Design/Construction Period Letter of Credit to an amount equal to twice the amount certified by the Architects as the amount required to effect final Completion of the Building in accordance with the Construction Documents, and (d) upon a certification of the Architect that final Completion of the Building in accordance with the Construction Documents has been achieved, Tenant shall have the right to terminate the Design/Construction Period Letter of Credit. In such event as referred to in clauses "a," "b," "c" and "d" of this Section 11.12, Landlord shall provide Tenant with such authorization to so reduce the Design/ Construction Period Letter of Credit as the issuer thereof may require.

See original lease for §41.01(a)

X 14. Section 41.01(a) is deleted in its entirety and replaced by the following:

(a) Upon or after Substantial Completion of the Building, or the payment in full of all Capital Event Rent and all Capital Event Shortfalls, whichever is later, Tenant's leasehold estate in the Premises under this Lease may be submitted to the condominium form of ownership pursuant to the Condominium Act and the terms and provisions of Exhibit F annexed hereto and made a part hereof.

X 15. The following new Article 44 shall be added at the end of the Lease:

Article 44
Landlord's Environmental Guidelines Contributions

44.01 Landlord's Contribution. Landlord agrees that (i) if Tenant is not then in monetary or material non-monetary default under the Lease beyond any applicable grace and/or notice periods and (ii) upon Tenant's satisfaction of the Contribution Funding Conditions, Landlord shall pay to Tenant the amount of $9,000,000, as Landlord's contribution to the construction of the Building consistent with the Environmental Guidelines (the amount advanced by Landlord and not repaid from time to time is herein referred to as the "Landlord's Contribution"), which shall be advanced by Landlord to Tenant in accordance with the provisions of Section 44.03.

44.02 Contribution Funding Conditions. For all purposes in this Lease, the term "Contribution Funding Conditions" shall mean Landlord's receipt of evidence reasonably satisfactory to Landlord, that:

a. Tenant's members have made cash contributions to Tenant in an amount not less than $32,964,000 and Tenant has delivered to Landlord a statement from the chief financial officer of Tenant certifying that such contributions have been made;

b. An Institutional Lender has committed to lend not less than $75,000,000 in connection with the construction of the Building or any lesser sum agreed upon by Landlord; and

c. The Mortgagee has consented to this Amendment.

44.03 Advances of Landlord's Contribution. Provided the Contribution Funding Conditions have been satisfied, Landlord agrees to disburse portions of Landlord's Contribution from time to time by advancing to Tenant an amount equal to the product of (x) the amount of each requisition for a loan advance submitted to, and approved by, Tenant's Institutional Lender multiplied by (y) a fraction, the numerator of which is $9,000,000 and the denominator of which is the entire construction loan amount plus $9,000,000. Such Landlord funding shall occur simultaneously with the funding by Tenant's Institutional Lender of the balance of such requisition, until Landlord shall have advanced to Tenant the aggregate amount of $9,000,000.

16. The following new Article 45 shall be added at the end of the Lease:

Article 45
Rent Regulations

45.01. Until the Release Date, as defined in Section 45.02 hereof, Tenant, on a voluntary basis and solely as a condition precedent to receiving benefits (as set forth in Section 3.02(f) hereof) equivalent to benefits available under Section 421-a, shall enjoy such rights and observe such requirements pertaining to the rental of dwelling units in the Building, as would be available or applicable to the owner of the Building pursuant to Chapter 4 of Title 26 of the Administrative Code of New York City, and the Rent Stabilization Code promulgated by the New York State Division of Housing and Community Renewal ("DHCR"), as well as regulations promulgated pursuant thereto, and all other applicable laws and regulations now in effect or hereafter enacted, all as heretofore and hereafter amended (collectively, the "Rent Regulations"), had construction of the Building commenced thirty (30) days after the Commencement Date and had the Building received partial tax exemption under Section 421-a and consequently been subject to rent stabilization under applicable law and regulation.

45.02 Tenant shall submit itself to the jurisdiction of the DHCR, or any successor agency administered by the State of New York or New York City having jurisdiction over rent stabilized buildings (the "Regulatory Body") solely as a condition precedent to receiving benefits (as set

forth in Section 3.02(f) hereof) equivalent to benefits currently available under Section 421-a. Upon submitting to the jurisdiction of the Regulatory Body, Tenant shall comply with all of the requirements thereof and shall remain subject to the jurisdiction thereof, or of any successor association or agency, for as long as the owner of the Building would be required to so comply and to remain subject to such jurisdiction, had construction of the Building commenced thirty (30) days after the Commencement Date and had the Building received partial tax exemption under Section 421-a and consequently had been subject to rent stabilization under applicable law and regulation. The date as of which the owner of the Building would no longer be required to remain subject to jurisdiction of the Regulatory Body and comply with all of the requirements thereof, had construction of the Building commenced thirty (30) days after the Commencement Date and had the Building received partial tax exemption under Section 421-a and consequently had been subject to rent stabilization under applicable law and regulation is herein referred to as the "Release Date".

45.03 In the event that Tenant fails to subject the Building to the jurisdiction of the Regulatory Body in accordance with the provisions of the preceding Section 45.02 by the date of issuance of a temporary or permanent Certificate of Occupancy for any dwelling unit in the Building or by any later date established in accordance with the requirements of the Regulatory Body, Tenant shall nevertheless comply with all of the requirements of the Rent Regulations as if Tenant had submitted to the jurisdiction of such Regulatory Body (but only to the extent that and for so long as Tenant would be subject to such Rent Regulations had Tenant been subject to the jurisdiction of such Regulatory Body) solely as a condition of the Building receiving partial tax exemption under Section 421-a, and in such case Tenant shall be subject to the jurisdiction of an impartial rent officer ("Rent Officer") (who shall not be a tenant in the Project Area), appointed by Landlord, who shall administer a program of rent regulations which shall be the same as the Rent Regulations administered by the Regulatory Body (the "Rent Program"). The authority of the Rent Officer shall be limited to implementing and administering the Rent Program. In such event, Tenant shall pay to Landlord administration fees, as reasonably determined by Landlord, to cover the costs and expenses of the implementation and administration of the Rent Program by the Rent Officer, and such fees shall constitute Rental hereunder. Tenant in no manner waives, limits or otherwise compromises its right to resort to any and all applicable administrative or judicial actions, proceedings and/or remedies now or hereinafter in effect for the resolution of disputes pertaining to the Rent Program or the administration thereof.

45.04 Noncompliance by Tenant with the Rent Regulations or with the Rent Program, as the case may be, shall cause Tenant to be subjected to such sanctions and penalties as would be imposed by the Regulatory Body, had the Building received partial tax exemption under Section 421-a and had the owner failed to comply with the Rent Regulations, regardless of whether Tenant is actually subject to the jurisdiction of the Regulatory Body or whether the Rent Program is being implemented and administered by the Rent Officer. In the event Tenant fails to remain subject to the jurisdiction of the Regulatory Body, or fails to participate in the Rent Program, as the case may be, prior to the Release Date, Tenant shall become subject to such sanctions and

penalties as are then applicable to owners of buildings receiving partial tax exemption under Section 421-a upon such termination or revocation.

45.05 Solely as a condition precedent to receiving benefits (as set forth in Section 3.02(f) hereof) equivalent to benefits available under Section 421-a, Tenant shall comply with all of the requirements of Section 421-a that would be applicable to a project receiving equivalent benefits and the rules and regulations promulgated thereunder. In the event that Tenant shall either commit an act or fail to commit an act, which act or failure would result in revocation, discontinuance or diminution of tax benefits under Section 421-a had the Building received partial tax exemption under such Section, then the PILOT payable under Section 3.02 hereof shall be increased to an amount equal to the real estate taxes which would be payable by the owner of the Premises in the case of such revocation, discontinuance or diminution, were Tenant the fee owner thereof and had the Building received partial tax exemption under Section 421-a. Prior to payment of any such increase, Tenant shall have the right to contest or challenge the same in the same manner as is provided for contest or challenge of the revocation, discontinuance or diminution of partial tax exemption benefits under Section 421-a and the rules and regulations promulgated thereunder.

45.06 Whether subject to the Rent Regulations or the Rent Program, the initial monthly rents permitted to be charged by Tenant to Subtenants of dwelling units in the Building shall not exceed the aggregate maximum allowable monthly rent roll for the entire Building as determined by the New York City Department of Housing Preservation and Development or any successor agency having such authority, as if the Building had received partial tax exemption under Section 421-a and consequently been subject to rent stabilization under applicable law and regulation, provided that, in addition to such allowable monthly rents, Tenant shall be entitled to charge amounts equal to Civic Facilities Payments as set forth in Section 45.07.

45.07 Notwithstanding anything to the contrary contained in Sections 45.01 through Section 45.06 hereof, Tenant, in addition to any rents permitted to be charged and collected pursuant to the Rent Regulations, the Rent Program or the Requirements of Governmental Authorities, shall be permitted to charge and collect from all Subtenants in the aggregate an amount equal to the Civic Facilities Payment by Tenant pursuant to Section 26.05(a). Such charge shall be based on each Subtenant's pro rata share of the Civic Facilities Payment, apportioned according to the size of the unit.

45.08 Tenant's obligations under this Article 45 shall cease upon the Release Date.

45.09 Each Sublease for a dwelling unit in the Building shall contain a provision, in such form as may be required by the Rent Regulations or by any applicable Requirement advising the Subtenant that rents for the unit are regulated, pursuant to the terms of this Lease, under the Rent Regulations or the Rent Program, as the case may be. Tenant shall make available to such Subtenant a copy of all information regarding the Rent Regulations or Rent Program which is required to be delivered to such Subtenant pursuant thereto.

17. The parties agree that the prompt re-commencement of construction and completion of the Building by Tenant pursuant to the terms of the Lease is a material inducement to Landlord entering into this Amendment. Consequently, the parties agree as follows:

a. The following provisions of this Amendment are expressly conditioned upon the re-commencement of substantial on-site construction of the Building (the "Re-commencement of Construction") on or prior to December 31, 2002 (the "Re-commencement Outside Date"): Sections 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 14, 15 and 16. In the event the Re-commencement of Construction has not occurred on or before the Re-commencement Outside Date and such failure shall continue for thirty (30) days after notice from Landlord to Tenant, the foregoing Sections shall be null and void and of no force and effect, and any provisions of the Original Lease which are were to be modified by the foregoing Sections shall remain unmodified and in full force and effect; and

b. The following events shall be additional Events of Default pursuant to Section 24.01 of the Lease: if the Re-commencement of Construction shall not have occurred on or before the Re-commencement Outside Date and such failure shall continue for thirty (30) days after notice from Landlord to Tenant, or (ii) Substantial Completion of the Building shall not have occurred within twenty-four (24) months from the Re-commencement Outside Date (subject to Unavoidable Delays) and such failure shall continue for ten (10) days after notice from Landlord to Tenant.

18. Further Lease Amendments.

a. The parties have entered into this Amendment in order to enable Tenant to proceed with construction of the Building despite the adverse impact of the September 11, 2001 attack on the World Trade Center. In the event, on one or more occasions, the Project obtains the benefit of tax exempt financing or additional real estate abatement programs more favorable than those described in this Amendment, appropriate adjustments will be made to the terms of the Lease to reflect the economic impact thereof, including, without limitation, the accelerated repayment of Landlord's Contribution.

b. The parties acknowledge that the Liberty Bond program recently authorized by PL 107-147, together with additional incentive programs for residential construction that are likely to be created in the near future by the State and City, would, in all likelihood, also enable construction of the Building to proceed. However, the parties wish to proceed without further delay in resuming construction of the Building and therefore have decided to proceed in accordance with this Amendment, in advance of the Liberty Bond program or other residential development incentives being in place. The parties acknowledge their mutual interest in obtaining financing for the initial development, design and construction of the Building (the "Project") through Liberty Bonds and will both endeavor to ensure that the Project qualifies for such financing and for additional new incentives created by the State and City. In furtherance of this Section 18, Landlord and Tenant have entered into a letter agreement as of the date of this Amendment, which, inter alia, outlines certain further amendments to the Lease

which the parties agree to make should the Liberty Bonds become available. The parties agree that, if the Liberty Bonds are available for the Project, a Lease amendment executed pursuant to the foregoing letter agreement would constitute an appropriate adjustment in the Lease terms pursuant to Section 18(a) above.

19. If the Mortgagee requires that additional mortgages encumbering the Lease be recorded with the New York City Register, Landlord agrees to reasonably cooperate with Tenant to restructure the Lease consistent with the lease structure described in that certain Advisory Opinion of the New York State Department of Taxation and Finance known as TSB-A-95 (1)R, in order that said mortgage may be exempt from the mortgage recording tax. Landlord agrees to provide such cooperation in a timely manner so as not to impede the construction of the Building.

20. Except as hereinabove amended, all of the terms, covenants and conditions of the Contract shall remain unmodified and in full force and effect.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Amendment on the date first above written.

BATTERY PARK CITY AUTHORITY
d/b/a HUGH L. CAREY BATTERY PARK CITY AUTHORITY

By: _____
Name: Timothy S. Carey
Title: President and CEO

RIVER TERRACE ASSOCIATES, LLC

By: ALBANESE BPC, LLC, a member

By: _____
Name: Russell C. Albanese
Title: Manager

By: THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY, a member

By: Northwestern Investment Management Company, LLC, a Delaware limited liability company, its wholly-owned affiliate and authorized representative

By: _____
Name: Robert M. Ruess
Title: Managing Director

APPROVED
LAW DEPT.

SCHEDULE 1

FIRST PERIOD RENT

Lease Year[1]	First Period Base Rent
3 (Deferred)	$181,465
4 (Deferred)	$185,094
5 (Deferred)	$188,796
6 (Deferred)	$192,572
7 (Deferred)	$196,424
8 (Deferred)	$200,352
9 (Deferred)	$204,359
10 (Deferred)	$208,446
11 (Deferred)	$212,615
12 (Deferred)	$216,867
13 (Deferred)	$221,205
14 (Deferred)	$225,629
15 (Deferred)	$230,141
16	$234,744
17	$239,439
18	$244,228
19	$249,113
20	$254,095
21	$259,177
22	$264,360
23	$269,647
24	$275,040
25	$280,541

---

[1] Deferred First Period Rent shall only be payable from and after the first day of the month following the Stabilization Date, regardless of which Lease Year in which the Stabilization Date occurs. All Deferred First Period Rent listed for Lease Years prior to the Lease Year for which the Stabilization Date occurs shall be disregarded. Further, Deferred First Period Rent for the first Lease Year in which the Stabilization Date occurs shall be pro-rated and payable only for the period from the first day of the month following the Stabilization Date through the last day of such Lease Year.

Exhibit 1

Consent and Agreement from NYC

AGREEMENT AND CONSENT
PURSUANT TO SETTLEMENT AGREEMENT
FOR SITE 18A GREEN BUILDING DEVELOPMENT

AGREEMENT AND CONSENT PURSUANT TO SETTLEMENT AGREEMENT FOR SITE 18A GREEN BUILDING DEVELOPMENT, dated as of May 14, 2002, between THE CITY OF NEW YORK (the "City"), a municipal corporation of the State of New York, and the BATTERY PARK CITY AUTHORITY d/b/a Hugh L. Carey Battery Park City Authority (the "Authority"), a public benefit corporation of the State of New York.

WITNESSETH:

WHEREAS, the City and the New York State Urban Development Corporation ("UDC") entered into a Settlement Agreement, dated as of June 6, 1980 (the "Settlement Agreement") regarding the premises (the "Project Area") generally known as Battery Park City (the "Project"); and

WHEREAS, UDC, among other things, assigned all of its right, title and interest in and to the Settlement Agreement to the Authority and the Authority has assumed the same pursuant to an Assignment and Assumption Agreement, dated August 12, 1986; and

WHEREAS, the City and the Authority have amended the Settlement Agreement pursuant to an Amendment to Settlement Agreement dated as of August 15, 1986, between the City and the Authority (the "1986 Amendment") and have amended or otherwise modified the Settlement Agreement by an Agreement for Certain Payments and an Infrastructure Agreement and Consent, each dated June 28, 1989, by an Agreement and Consent made on December 30, 1989 (the "December 30, 1989 Agreement and Consent"), by an Amendment and Agreement and Consent Pursuant to Settlement Agreement dated as of May 18, 1990, by an Amendment and Agreement and Consent Pursuant to Settlement Agreement dated as of October 15, 1993, by a Second Infrastructure Agreement and Consent, dated as of October 25, 1993, by an Agreement and Consent Pursuant to Settlement Agreement dated as of April 10, 1995, by a 1996 Agreement and Consent Pursuant to Settlement Agreement dated as of October 1, 1996, by a 1998 Agreement and Consent Pursuant to Settlement Agreement dated as of May 1, 1998, by a Third Infrastructure Agreement and Consent, dated as of January 11, 2000 and by a 2001 Agreement and Consent Pursuant to Settlement Agreement dated as of December 27, 2001

(the Settlement Agreement, together with the foregoing, the "Amended Settlement Agreement"); and

WHEREAS, prior to the terrorist attack of September 11, 2001 on the World Trade Center, construction of a high rise residential apartment building (the "18A Project") to be built by a private developer (the "Developer") had begun on Site 18A in Battery Park City; and

WHEREAS, after September 11, 2001 rent levels achievable for residential buildings in Battery Park City are significantly lower than before the attack, resulting in a adverse impacts to the viability of the 18A Project, including a reduction by the Developer's lender in the amount it is willing to loan; and

WHEREAS, the Developer has requested that the Authority provide assistance to enable the project to be completed as planned prior to the expiration of favorable terms included in outstanding construction bids; and

WHEREAS, it is in the interest of both the City and the Authority to work together with the Developer to enable the building to be completed; and

WHEREAS, the City and the Authority desire to supplement certain existing agreements and understandings contained in the Amended Settlement Agreement and provide certain agreements and consents required or desirable thereunder.

NOW, THEREFORE, the parties hereto hereby agree as follows:

Section 1. PLAN FOR 18A PROJECT DEVELOPMENT

A. The City agrees that to assist in the construction of the 18A Project, (x) the Authority may advance funds simultaneously with Developer's lender on a pro rata basis in an amount not to exceed $9,000,000 (the "18A Funds") from its Special Fund (as described in paragraph B below) to supplement the Developer's equity investment, (y) the Authority may restructure the existing ground lease for the 18A Project between the Developer and the Authority (the "Lease") to provide for the deferred payment of PILOST and Ground Rent as described in the term sheet attached hereto as Exhibit A and the letter from the Battery Park City Authority dated May 14, 2002 attached hereto as Exhibit B (the "Term Sheet"), and (z) the 18A Project may receive a Section 421-a 10 year abatement of payments in lieu of real estate taxes in accordance with the Term Sheet, notwithstanding anything to the contrary set forth in Paragraph 3 of the December 30, 1989 Agreement and Consent. As consideration for advancing the 18A Funds, restructuring the Lease and receiving the tax abatement, the Authority will receive, as specified in the Term Sheet, (i) a percentage of the net operating cash flow, (ii) a portion of the net proceeds available from refinancing of the permanent project loan or a sale of the 18A Project, (iii) repayment of the 18A Funds, (iv) repayment of deferred payments such as Ground Rent and PILOST,

and (v) additional returns to the Authority. All such payments made to the Authority in connection with Site 18A shall be treated as "Revenues" under the Amended Settlement Agreement. The foregoing consideration will be set forth in an amendment to the Lease consistent with the Term Sheet. In addition, such amendment will provide that, in the event the 18A Project obtains the benefit of tax exempt financing or real estate tax abatement programs more favorable than the program included in the amendment to the Lease pursuant to this Agreement, appropriate adjustments will be made to the terms of the Lease including the accelerated return to the Authority of the 18A Funds.

B. To fund the benefits described in paragraph A. above, without affecting the amount of Authority excess revenues that would otherwise be remitted to the City pursuant to the Amended Settlement Agreement, the Authority will provide the 18A Funds from the Special Fund established under the Master Revenue Resolution adopted by the Authority on October 15, 1993 (the "Special Fund"). The use of the Special Fund for the 18A Funds pursuant to Section 508 of the Master Revenue Resolution and the Amended Settlement Agreement is hereby approved.

C. If, in accordance with the Term Sheet, the Authority arranges for the 18A Project to be exempt from the Mortgage Recording Tax, the parties agree that the Authority shall pay to the City an amount equivalent to the amount of the mortgage tax that the Developer would have been required to pay the City (currently estimated to be $1,348,780) if such an exemption had not been granted. The use of the Special Funds for such payment to the City pursuant to Section 508 of the Master Revenue Resolution and the Amended Settlement Agreement is hereby approved.

D. The Authority will request that the 18A Funds advanced pursuant to paragraph A of this Section and other benefits given by the Authority to the Developer pursuant to this Agreement be replaced by federal funds made available to aid in lower Manhattan's recovery from the effects of the terrorist attack on the World Trade Center.

Section 2. Authorization; Counterparts

By execution and delivery of this Agreement the undersigned represent and warrant on behalf of the City or the Authority, as applicable, that such execution and delivery has been duly authorized in accordance with applicable law. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute one and the same document.

ACCEPTED AND AGREED as of the date first above written.

CITY OF NEW YORK

By: _____
Deputy Mayor
of the City of New York

By: _____
Deputy Comptroller
of the City of New York

By: _____
Timothy S. Carey, President
BATTERY PARK CITY AUTHORITY

Approved as to form:

By: _____
~~Assistant~~ Corporation Counsel
Acting

ACCEPTED AND AGREED as of the date first above written.

CITY OF NEW YORK

By: _____
Deputy Mayor
of the City of New York

By: _____
Deputy Comptroller
of the City of New York

By: _____
Timothy S. Carey, President
BATTERY PARK CITY AUTHORITY

Approved as to form:

By: _____
Assistant Corporation Counsel

ACCEPTED AND AGREED as of the date first above written.

CITY OF NEW YORK

By: _____
Deputy Mayor
of the City of New York

By: _____
Deputy Comptroller
of the City of New York

By: _____
Timothy S. Carey, President
BATTERY PARK CITY AUTHORITY

Approved as to form:

By: _____
Assistant Corporation Counsel

EXHIBIT A

The total amount of PILOST and Ground Rent payable during construction under the provisions of the existing lease will be deferred. This is to be repaid, without interest, upon refinancing of the permanent loan, or sale of the property, as provided below.

On the earlier of (a) twelve months following after first Temporary Certificate of Occupancy (TCO), or (b) 93% occupancy of the building ground rent will be re-established at $0.50 per square foot, escalating annually at 2.0%. Payment of Ground Rent will be deferred until the earlier of sale or refinancing of the permanent loan, or fifteen years. The total Ground Rent deferred is to be repaid in the aggregate, without interest, upon refinancing of the permanent loan, or sale of the property as provided below.

The Authority will request that the City approve a 421-a 10-year tax abatement without the requirement of purchasing certificates.

The Authority will arrange for the transaction to be exempt from Mortgage Recording Tax (MRT) currently estimated at $2,282,550.

Equity Contribution by the Authority

The Authority will advance up to $9 million in equity to the project simultaneously with Developer's lender on a pro rata basis. In return, the Authority is to receive the following:

a) Prior to the sale of the building, or refinancing of the permanent loan, net income after debt service will be split 90%/10% between Developer and the Authority, respectively

b) The net proceeds from either the sale of the building, or refinancing of the permanent loan are defined as remaining cash after payment of the loan. The allocation of the net proceeds is per the following tier system:

1. Repay balance of Developer's equity investment.
2. Repay balance of the Authority's equity investment.
3. Repay Developer equity with a cumulative annual return of 9.75% to Developer.
4. Repay Authority equity with a cumulative annual return of 6.0% to the Authority.
5. Pay deferred Ground Rent and PILOST to the Authority.
6. Any remaining proceeds will be split 90%/10% between Developer and the Authority, respectively.

In the event that either the sale or refinancing of the permanent loan does not satisfy the amounts owed to the Authority, the balance owed is to be carried forward with interest and payable from net income after debt service based upon a 90%/10% split between Developer (or the subsequent owner) and the Authority, respectively.

Alexandra Altman
Executive Vice President
And General Counsel

HUGH L. CAREY
BATTERY PARK
CITY AUTHORITY

EXHIBIT B

May 14, 2002

Scott Ulrey, Esq.
Office of Management and Budget
75 Park Place
New York, NY 10007

Dear Scott:

You have asked that I confirm the following understandings about the meaning of various words used in Exhibit A to the proposed Agreement and Consent with respect to Site 18A in Battery Park City:

(1) The word "this" in the second line of the first paragraph refers to the sum of (a) amount of ground rent during the construction period, as set forth in the existing Site 18A lease ("Lease") and (b) PILOST computed as set forth in the Lease.

(2) The word "deferred" as used in the second line of the first paragraph and the third and fifth lines of the second paragraph means 'delayed,' referring to payment obligations to be delayed to a date later than provided in the Lease. The deferred payment is thus accrued, rather than cancelled.

(3) The term "ground rent" used in the second and fourth lines of the second paragraph means any ground rent after the construction period. Note that the construction period as used in Exhibit A runs through the initial rent-up period, expressed as the earlier of one year after the first TCO or 93% occupancy.

(4) The term "re-established" in the second line of the second paragraph means 'becomes,' i.e., ground rent after the construction period is being re-established or reset and becomes $0.50 per square foot, escalating at 2% annually, rather than the amount set forth in the Lease.

(5) The term "as provided below," which appears at the end of the first and second paragraphs, refers to the repayment structure set forth under "Equity Contribution by the Authority."

(6) The "fifteen years" referred to in the fourth line of the second paragraph refers to the maximum amount of time (following the construction period) for which

GEORGE E. PATAKI, GOVERNOR, STATE OF NEW YORK
ONE WORLD FINANCIAL CENTER, NEW YORK, NY 10281-1097 (212) 417-4140 FAX: (212) 417-4123
ALTMANA@BPCAUTHOR.ORG

annual ground rent accrues but is not payable when due under the Lease. Thus, after this fifteen-year period ground rent is payable annually on a current basis. (The total ground rent accrued and unpaid during this fifteen year period is to be paid in accordance with the repayment structure set forth under "Equity Contribution by BPCA").

Very truly yours,



Alexandra Altman

GROUND LEASE

AGREEMENT OF LEASE

between

BATTERY PARK CITY AUTHORITY,
d/b/a HUGH L. CAREY BATTERY PARK CITY AUTHORITY,
Landlord

and

RIVER TERRACE ASSOCIATES, LLC,
Tenant

Premises:

Parcel 18A, Battery Park City

Dated: As of April 4, 2001

Doc. #30050157.WPD

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Schedule 1	-	Base Rent; Minimum PILOT; Aggregate Rent
Exhibit A	-	Description of Land
Exhibit A-1	-	Description of Vault Space
Exhibit B	-	Title Matters
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Exhibit D	-	Affirmative Fair Marketing Program
Exhibit E	-	Form of Guaranty of Completion
Exhibit F	-	Provisions Regarding the Conversion to Condominium Form of Ownership

AGREEMENT OF LEASE (this "Lease") dated as of the 4th day of April, 2001 between **BATTERY PARK CITY AUTHORITY, d/b/a HUGH L. CAREY BATTERY PARK CITY AUTHORITY** ("Landlord"), a body corporate and politic constituting a public benefit corporation of the State of New York having an office at One World Financial Center, New York, New York 10281, and **RIVER TERRACE ASSOCIATES, LLC**, having an office c/o Albanese Organizations, Inc., 1050 Franklin Avenue, Garden City, New York 11530.

WITNESSETH:

It is hereby mutually covenanted and agreed by and between the parties hereto that this Lease is made upon the terms, covenants and conditions hereinafter set forth.

ARTICLE 1.

DEFINITIONS

1.01. The terms defined in this Article 1 shall, for all purposes of this Lease, have the following meanings or shall be otherwise defined in the Sections referenced below:

Term	Definition/Section Reference
Affiliate	(i) (a) Any Person (hereinafter defined) that has, directly or indirectly, an ownership interest in Tenant or (b) any Person in which Tenant or an Affiliate of Tenant by virtue of clause (a) of this definition, has an ownership interest, and (ii) any individual who is a member of the immediate family (whether by birth or marriage) of an individual who is an Affiliate, which includes for purposes of this definition a spouse; a brother or sister of the whole or half blood of such individual or his spouse; a lineal descendant or ancestor (including an individual related by or through legal adoption) of any of the foregoing or a trust for the benefit of any of the foregoing.
Aggregate Rent	Defined in Schedule 1.
Alternative Method	Defined in Section 26.05(a).
Annual Percentage Rent Statement	Defined in Section 3.07(c).
Apartment Corporation	Defined in the Cooperative Plan (hereinafter defined).
Approved Remedies	Defined in Section 26.04(a).

Term	Definition/Section Reference
Architect	The Design Architect or Schuman, Lichtenstein, Claman, Efron and/or any other architect approved by Landlord, which approval shall not be unreasonably withheld.
Base Rent	Defined in Section 3.01(a).
Base Rent Floor	An amount per annum, determined as of the first day of each of the Second, Third and Fourth Periods, equal to the greater of (x) six percent (6%) of the fair market value of the Land, determined as provided in Sections 3.01(c) and 3.06, considered as unencumbered by this Lease and the Master Lease and as unimproved except for Landlord's Civic Facilities and other site improvements made by Landlord or (y) the Base Rent payable in the Lease Year immediately prior to the period for which such Base Rent Floor was determined.
Building	The building, including footings and foundations, Equipment (hereinafter defined) and other improvements and appurtenances of every kind and description now or hereafter erected, constructed, or placed upon the Land (hereinafter defined) including, without limitation, Capital Improvements (hereinafter defined), and any and all alterations and replacements thereof, additions thereto and substitutions therefor.
Building Systems	Defined in Section 11.14(e).
Business Days	Any day which is not a Saturday, Sunday or a day observed as a holiday by either the State of New York or the federal government
Capital Improvement	Defined in Section 13.01.
Certificate of Occupancy	A certificate of occupancy issued by the Department of Buildings of New York City pursuant to Section 645 of the New York City Charter or other similar certificate issued by a department or agency of New York City.
Civic Facilities	Defined in Section 26.01(a).
Civic Facilities Budget	Defined in Section 26.05(b).
Civic Facilities Payment	Defined in Section 26.05(a).
Commencement Date	The date of this Lease.

Term	Definition/Section Reference
Commencement of Construction	The date upon which on-site construction of the Building shall commence, including any excavation or pile driving but not including test borings, test pilings, surveys and similar pre-construction activities.
Completion of the Building	The issuance of a temporary or permanent Certificate or Certificates of Occupancy for all residential spaee in the Building and (i) if Tenant's estate in the Premises shall have been submitted to a cooperative form of ownership (x) satisfaction by Tenant of the provisions of Section 10.01(d)(i), (y) the assignment by Tenant of its interest in this Lease to the Apartment Corporation and (z) consummation of the sale by Tenant (or any holder of unsold shares) of such number of the Cooperative Apartments (hereinafter defined) to bona fide purchasers pursuant to purchase or subscription agreements theretofore delivered to Landlord as shall be required to declare the Cooperative Plan effective pursuant to all applicable Requirements or (ii) if Tenant's estate in the Premises shall have been submitted to a condominium form of ownership, the declaration of the effectiveness of the Condominium Plan pursuant to all applicable Requirements.
Compliance Reports	Defined in Section 40.01(e).
Construction Agreements	Agreements for any Restoration (hereinafter defined), Capital Improvement. rehabilitation, alteration, repair or demolition performed pursuant to this Lease.
Construction Commencement Date	The earlier to occur of (i) the date upon which Commencement of Construction occurs and (ii) the date which is sixty (60) days after the Commencement Date.
Construction Documents	Defined in Section 11.02(d).
Consumer Price Index	The Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the United States Department of Labor, New York-Northern New Jersey-Long Island-NY-NJ-CT area, All Items (1982-84=100), or any successor index thereto, appropriately adjusted. If the Consumer Price Index ceases to be published, and there is no successor thereto, such other index as Landlord and Tenant agree upon, as appropriately adjusted, shall be substituted for the Consumer Price Index.
Contractor	Defined in Section 40.02.

Term	Definition/Section Reference
Cooperative Apartment	Each apartment in the Building offered pursuant to the Cooperative Plan.
Cooperative Plan	The plan to submit Tenant's leasehold estate in the Premises to cooperative ownership, together with all amendments, modifications and supplements thereto.
Corrected PILOT	Defined in Section 3.02(b).
C.P.A.	Defined in Section 3.08(b).
Default	Any condition or event which constitutes or, after notice or lapse of time, or both, would constitute an Event of Default (hereinafter defined).
Deficiency	Defined in Section 24.04(c).
Depository	A savings bank, a savings and loan association or a commercial bank or trust company which would qualify as an Institutional Lender (hereinafter defined), designated by Tenant, to serve as Depository pursuant to this Lease, provided all funds held by such Depository pursuant to this Lease shall be held in an interest bearing account or instrument held in New York City. In the event Tenant shall have failed to designate a Depository within ten (10) days after request of Landlord, Depository shall be the Institutional Lender holding the Mortgage having the highest priority, but if there shall be no such Institutional Lender, Landlord shall have the right to designate such Depository.
Design Architect	Cesar Pelli & Associates Inc.
Design/Construction Period Letter of Credit	Defined in Section 11.12.
Design Development Plans	Defined in Section 11.02(c).
Design Guidelines	The Design Guidelines for the North Residential Neighborhood dated 1994, as modified to date, the Design Guidelines for Parcel 18A dated 2000, and the Environmental Guidelines as each may hereafter be amended, modified or supplemented in accordance with the provisions of Section 42.19.
Due Date	With respect to an Imposition (hereinafter defined), the last date on which such Imposition can be paid without any fine, penalty, interest

Term	Definition/Section Reference
	or cost being added thereto or imposed by law for the non-payment thereof.
Environmental Consultant	Green October LLC.
Environmental Guidelines	The Hugh L. Carey Battery Park City Authority Residential Environmental Guidelines dated January 26, 2000 and revised April 7, 2000 as the same may hereafter be further amended, modified or supplemented.
Environmental Statutes	All federal, state and local laws, rules and regulations, whether now existing or hereafter enacted or promulgated, regulating, relating to or imposing liability or standards of conduct concerning any hazardous, toxic or dangerous waste, substance or material or the protection of the environment, including, without limitation: (1) Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9601 et seq. (known as CERCLA or Superfund) as amended by the Superfund Amendments and Reauthorization Act of 1986 (known as SARA); (2) Solid Waste Disposal Act, 42 U.S.C. § 6901 et seq. (known as SWDA) as amended by Resource Conservation and Recovery Act (known as RCRA); (3) National Environmental Policy Act, 42 U.S.C. § 4321 et seq. (known as NEPA); (4) Toxic Substances Control Act, 15 U.S.C., § 2601 et seq. (known as TSCA); (5) Safe Drinking Water Act, 42 U.S.C. § 300(f) et seq. (known as Public Health Service Act, PHSA); (6) Refuse Act, 33 U.S.C. § 407 et seq.; (7) Clean Water Act, 33 U.S.C. § 1251 et seq. (known as Federal Water Pollution Control Act, FWPCA); (8) Clean Air Act, 42 U.S.C. § 7401 et seq. (known as CAA); (9) The Emergency Planning and Community Right-to-Know Act of 1986, 42 U.S.C. § 1101 et seq. (known as EPCRTKA); (10) the Occupational Safety and Health Act, 29 U.S.C. § 651 et seq. (known as OSHA); and (11) the New York Environmental Conservation Law, § 1-0101 et seq. (known as ECL).
Equipment	All fixtures incorporated in the Premises, including, without limitation (i) all machinery, dynamos, boilers, heating and lighting equipment, pumps, tanks, motors, air conditioning compressors, pipes, conduits, fittings, ventilating and communications apparatus, elevators, escalators, incinerators, garbage compactors, antennas, computers, sensors and (ii) laundry equipment and refrigerators, stoves, dishwashers and other major kitchen appliances, except in either case to the extent any of the foregoing shall be owned by Subtenants, Tenant-Stockholders (hereinafter defined), Unit Owners

Term	Definition/Section Reference
	(hereinafter defined), concessionaires or contractors engaged in maintaining the same. "Equipment" shall not mean any fixture or utilities owned by any utility company.
ERS	Defined in Section 26.01(a).
Event of Default	Defined in Section 24.01.
Expiration Date	Defined in Article 2.
First Appraisal Date	April 4, 2026 (the twenty-fifth (25th) anniversary of the Commencement Date).
First Period	Defined in Section 3.01(a).
Fiscal Year	Tenant's fiscal year, commencing on January 1 and ending on December 31.
Fourth Period	Defined in Section 3.01(a).
Governmental Authority (Authorities)	The United States of America, the State of New York, New York City and any agency, department, commission, board, bureau, instrumentality or political subdivision of any of the foregoing, now existing or hereafter created, having jurisdiction over the Premises or any portion thereof.
Gross Non-Residential Revenue	For the applicable period, all revenues received by Tenant or an Affiliate of Tenant from, in connection with, or arising out of the use and occupancy of space in the Building which is being used for any non-residential purpose, including, without limitation, base rent, fixed rent, percentage rent, additional rent and all other income, sums and charges, whether payable to Tenant or any Affiliate of Tenant under a Sublease or otherwise. Notwithstanding the foregoing, Gross Non-Residential Revenue shall not include (i) any amounts included above but ultimately credited or refunded by Tenant or an Affiliate to Any Person, (ii) any sums received by Tenant or an Affiliate in payment for construction work beyond the building standard then performed by Tenant for non-residential subtenants generally or services beyond the building standard then provided by Tenant for non-residential subtenants generally, up to the fair market value of such work or services, (iii) sums paid to Tenant or an Affiliate for movie and television filming rights or the right to provide the Building with garbage collection or cable television services, a fiber optic network, roof antennae, telephone services, utility services, and food and beverage cart services, and (iv) transfers of funds between or among Tenant and Affiliates of

Term	Definition/Section Reference
	Tenant.
Gross Sales Price	In respect of the sale of any Unit (as hereinafter defined) or Cooperative Apartment, as the case may be, all amounts received as consideration for the transfer of such Unit or Cooperative Apartment, including (a) all cash or cash equivalent proceeds, (b) the outstanding principal amount of any debt, and any interest accrued thereon, assumed by the purchaser in such sale or to which such sale is made subject, (c) the fair market value of any property received by or on behalf of Tenant as consideration, (d) the amount of any installments of the purchase price for such Unit or Cooperative Apartment payable subsequent to the closing of such sale, whether pursuant to a purchase money promissory note or otherwise and (e) any other consideration.
Guaranty of Completion	The Guaranty of Completion in the form annexed hereto as Exhibit E hereto.
Impositions	Defined in Section 4.01.
Improvement Approvals	Defined in Section 13.01.
Indebtedness	Defined in the Master Lease.
Indemnitees	Defined in Section 19.01.
Initial Occupancy Date	Defined in Section 26.05(a).
Institutional Lender	A savings bank, a savings and loan association, a commercial bank or trust company (whether acting individually or in a fiduciary capacity), an insurance or annuity company organized and existing under the laws of the United States or any state thereof, a real estate investment trust, a Fraternal Benefit Society, religious, educational or eleemosynary institution, a governmental agency, body or entity, an employee, benefit, pension or retirement plan, trust or fund, a commercial credit corporation, an investment bank, a commercial bank or trust company acting as trustee or fiduciary of various pension funds or other tax-exempt funds, an investment company or business development company (as defined in the Investment Company Act of 1940, as amended), a small business investment company licensed under the Small Business Investment Act of 1958, as amended, any broker or dealer registered under the Security Exchange Act of 1934, as amended, or any investment advisor registered under the Investment Advisor Act of 1940, as amended, any government agency, or a corporation or other entity which is

Term	Definition/Section Reference
	owned wholly by any other Institutional Lender or a subtrustee of any such commercial bank or trust company acting as such trustee, or any combination of the foregoing; provided, that each of the above entities, or any combination of such entities, shall qualify as an Institutional Lender within the provisions of this Section only if each such entity shall (a) be subject to (i) the jurisdiction of the courts of the State of New York in any actions and (ii) the supervision of (A) the Comptroller of the Currency or the Department of Labor of the United States or the Federal Home Loan Bank Board or the Insurance Department or the Banking Department or the Comptroller of the State of New York, or the Board of Regents of the University of the State of New York, or the Comptroller of New York City or any successor to any of the foregoing agencies or officials, or (B) any agency or official exercising comparable functions on behalf of any other state within the United States, or (C) in the case of a commercial credit corporation, the laws and regulations of the state of its incorporation, or (D) any federal, state or municipal agency or public benefit corporation or public authority advancing or insuring mortgage loans or making payments which, in any manner, assist in the financing, development, operation and/or maintenance of improvements, and (b) each such entity, or combination of such entities, shall have individual or combined assets, as the case may be, of not less that Five Hundred Million ($500,000,000) Dollars.
Involuntary Rate	The Prime Rate (hereinafter defined) plus two percent (2%) per annum, but in no event, in excess of the maximum permissible interest rate then in effect in the State of New York.
Issuer	The issuer of a Letter of Credit (hereinafter defined).
Land	The land described in Exhibit A hereto, together with the vault space described in Section 11.02(i).
Landlord	On the date as of which this Lease is made, shall mean Battery Park City Authority, but thereafter "Landlord" shall mean only the landlord at the time in question under this Lease.
Landlord's Civic Facilities	Defined in Section 26.01(c).
Landlord's Project Manager	Defined in Section 11.02(f).
Lease	This Agreement of Lease and all amendments, modifications and

Term	Definition/Section Reference
	supplements thereof.
Lease Year	The period beginning on the Commencement Date and ending on the last day of the month in which the first anniversary of the Commencement Date occurs, and each succeeding twelve-month period or portion thereof during the Term to, but not including, the First Appraisal Date, and, following the First Appraisal Date, the twelve month period beginning on such Date and each succeeding twelve-month period or portion thereof during the Term (hereinafter defined).
Letter of Credit	Defined in Section 43.01(a).
Maintenance Obligations	Defined in Section 26.03.
Master Development Plan	The 1979 Master Plan for Battery Park City Authority, prepared by Alexander Cooper Associates, dated October, 1979, as amended by the Second Amendment to Restated Amended Lease dated June 15, 1983 and recorded on June 20, 1983 in the Office of the City Register, New York County in Reel 696 at Page 432, as the same may be hereafter amended, modified or supplemented in accordance with the provisions of Section 42.19.
Master Landlord	On the date as of which this Lease is made, shall mean Battery Park City Authority, but thereafter, "Master Landlord" shall mean only the lessor at the time in question under the Master Lease (hereinafter defined).
Master Lease	The Restated Amended Agreement of Lease, made as of June 10, 1980, between BPC Development Corporation, as landlord, and Battery Park City Authority, as tenant, a Memorandum of which was recorded on June 11, 1980 in the Office of the City Register, New York County in Reel 527 at page 163, as amended by First Amendment to Restated Amended Lease dated as of June 15, 1983 and recorded on June 20, 1983 in said Register's Office in Reel 696 at page 424, Second Amendment to Restated Amended Lease dated June 15, 1983 and recorded on June 20, 1983 in said Register's Office in Reel 696 at page 432, Third Amendment to Restated Amended Lease dated as of August 15, 1986 and recorded on October 22, 1986 in said Register's Office in Reel 1133 at page 569, and Fourth Lease Amendment to Restated Amended Lease dated as of May 25, 1990 and recorded on May 30, 1990 in said Register's Office in Reel 1697 at page 307, as the same may be hereafter amended, modified or supplemented.

Term	Definition/Section Reference
Median Parks	Defined in Section 26.01(a).
Minimum Pilot	Defined in Schedule 1.
Mortgage	Any mortgage which constitutes a lien on Tenant's interest in this Lease and the leasehold estate created hereby, provided such mortgage is held, (i) prior to Substantial Completion of the Building, by an Institutional Lender, and from and after Substantial Completion of the Building, by any Institutional Lender or any Person to whom an Institutional Lender shall have assigned such mortgage, other than (a) an Affiliate (unless such Affiliate is an Institutional Lender), or (b) a Person described in Section 10.01(c) of this Lease, or (ii) by a Person formerly constituting Tenant, or such Person's assignee, if such mortgage is made to such Person in connection with an assignment by Tenant of its interest in this Lease (other than an assignment by Tenant of its interest in this Lease to an Affiliate). The term "Mortgage" shall not include a Unit Mortgage.
Mortgagee	The holder of a Mortgage. The term "Mortgagee" shall not include a Unit Mortgagee.
Murray Street Triangle	Defined in Section 26.01(a).
New York City	The City of New York, a municipal corporation of the State of New York.
Non-Disturbance and Attornment Agreement	Defined in Section 10.09.
North Neighborhood Esplanade	Defined in Section 26.01(a).
North Neighborhood Esplanade Budget	Defined in Section 26.05(b).
North Neighborhood Residential Parks	Defined in Section 26.01(a).
North Neighborhood Residential Parks Budget	Defined in Section 26.05(b).
North Residential Neighborhood	That portion of the Project Area (hereinafter defined) identified in the Design Guidelines as the North Residential Neighborhood.
Open Space	Defined in Section 26.01(a).
Operating Costs	Defined in Section 26.05(a).

Term	Definition/Section Reference
Parks Budget	Defined in Section 26.05(b).
Payment Period	Defined in Section 26.05(b).
Payments in Lieu of Taxes and PILOT	Defined in Section 3.02.
Percentage Rent	Defined in Section 3.07(a).
Percentage Rent Commencement Date	Defined in Section 3.07(a).
Person	An individual, corporation, limited liability company, partnership, joint venture, estate, trust, unincorporated association, any Federal, State, County or municipal government or any bureau, department or agency thereof.
Premises	The Land and Building.
Pre-Schematics	Defined in Section 11.02(a).
Prime Rate	The prime or base rate announced as such from time to time by Citibank, N.A., or its successors, at its principal office. Any interest payable under this Lease with reference to the Prime Rate shall be adjusted on a daily basis, based upon the Prime Rate in effect at the time in question, and shall be calculated on the basis of a 360-day year with twelve months of 30 days each.
Prior Tenants	Defined in Section 26.05(a).
Project Area	The premises demised pursuant to the Master Lease.
Proposal	Defined in Section 11.02(b).
Qualifying Sublease	Defined in Section 10.09.
Quarterly Percentage Rent Statement	Defined in Section 3.07(b).
Reappraisal Date	The first (1st) day of each of the Third Period and the Fourth Period (April 4, 2041 and April 4, 2056, respectively).
Recourse Claims	Any of the following: (i) liability for fraud, misrepresentation, breach of obligation to act in trust or as trustee, or conversion, including without limitation Tenant's misapplication of security deposits, insurance proceeds or condemnation awards that may come into Tenant's control, (ii) claims for the payment of Rental accruing after an Event of Default and before any termination of this Lease by

Term	Definition/Section Reference
	reason of actual use or occupancy of any portion of the Building by Tenant (as distinguished from its Subtenants) prior to recovery of possession by Landlord; and (iii) any liability of Tenant arising under Article 19 of this Lease with respect to claims made by third parties only, to the extent the same would have been insured against pursuant to Article 7 but for Tenant's default.
Rent Insurance	Defined in Section 7.01(a)(iv).
Rental	Defined in Section 3.04.
Replacement Letter of Credit	Defined in Section 43.01(h).
Requirements	Defined in Section 14.01.
Residential Esplanade	Defined in Section 26.05(b).
Residential Esplanade Budget	Defined in Section 26.05(b).
Residential Parks	Defined in Section 26.05(b).
Residential TCO	A temporary Certificate of Occupancy duly issued by the New York City Department of Buildings for residential space in the Building.
Restoration	Defined in Section 8.01.
Restoration Funds	Defined in Section 8.02(a).
Restore	Defined in Section 8.01.
Rockefeller Park or Governor Nelson A. Rockefeller Park	Defined in Section 26.01(a).
Scheduled Completion Date	Defined in Section 11.04.
Schematics	Defined in Section 11.02(b).
Second Period	Defined in Section 3.01(a).
Self-Help	Defined in Section 26.04(b).
Settlement Agreement	The Settlement Agreement, dated as of June 6, 1980, between New York City and the Urban Development Corporation, as supplemented by Letter, dated June 9, 1980, from Richard A. Kahan to Edward I. Koch, and amended by Amendment to Settlement

Term	Definition/Section Reference
	Agreement dated as of August 15, 1986 between New York City and Landlord, Agreement for Certain Payments dated as of June 28, 1989 between New York City and landlord, Agreement and Consent dated as of December 30, 1989 between New York City and Landlord, Amendment and Agreement and Consent Pursuant to Settlement Agreement dated as of May 18, 1990 between New York City and Landlord, Amendment and Agreement and Consent Pursuant to Settlement Agreement and Consent dated as of October 15, 1993 between New York City and Landlord, Amendment and Agreement and Consent Pursuant to Settlement Agreement dated as of April 10, 1995 between New York City and Landlord, 1996 Agreement and Consent Pursuant to Settlement Agreement dated as of October 1, 1996, and as the same may be hereafter amended, modified or supplemented in accordance with the provisions of Section 42.19.
Subcontractor Default Insurance	Defined in Section 11.03(g).
Subleases	Defined in Section 10.04.
Substantial Completion of the Building or Substantially Complete(d)	Defined in Section 11.04.
Subtenants	Defined in Section 10.04.
Tax Year	Each tax fiscal year of New York City.
Taxes	The real property taxes assessed and levied against the Premises or any part thereof pursuant to the provisions of Title 11, Chapter 2 of the Administrative Code of The City of New York, as the same may now or hereafter be amended, or any statute or ordinance in lieu thereof in whole or in part and which would otherwise be payable if the Premises or any part thereof or the owner thereof were not exempt therefrom.
Tenant	River Terrace Associates, LLC or any successor to its interest hereunder which shall in accordance with the terms of this Lease assign or transfer its interest hereunder or any portion thereof, the term "Tenant" shall mean only any such assignee or transferee.
Tenant's Civic Facilities	Defined in Section 26.01(b).
Tenant-Stockholder	Any Person acquiring shares in the Apartment Corporation and the

Term	Definition/Section Reference
	interest of lessee under the proprietary lease appurtenant to such shares.
Term	The term of this Lease as set forth in Article 2 hereof.
Third Period	Defined in Section 3.01(a).
Title Matters	Only those matters affecting title to the Land set forth in Exhibit B hereto.
Transfer	Defined in Section 10.01(a).
Unapproved System	Defined in Section 11.14(b).
Unavoidable Delays	(i) With respect to Tenant or its obligations hereunder, delays incurred by Tenant due to strikes, lockouts, work stoppages due to labor jurisdictional disputes, acts of God, inability to obtain labor or materials due to governmental restrictions (other than any governmental restrictions which Tenant is bound to observe pursuant to the terms of this Lease), enemy action, civil commotion, fire, unavoidable casualty or other similar causes beyond the control of Tenant (but not including Tenant's insolvency or financial condition), construction activities of Landlord or Master Landlord, Landlord's failure to complete Landlord's Civic Facilities in accordance with Section 26.02, a work stoppage or slow-down requested by Landlord in order not to unreasonably interfere with the work of other developers within the Project Area, which for purposes hereof shall include the construction activities of Landlord under this Lease, and (ii) with respect to Landlord or its obligations hereunder, delays incurred by Landlord due to strikes, lockouts, work stoppages due to labor jurisdictional disputes, acts of God, inability to obtain labor or materials due to governmental restrictions (other than any governmental restrictions which Landlord is bound to observe pursuant to the terms of this Lease), enemy action, civil commotion, fire, unavoidable casualty or other similar causes beyond the control of Landlord (but not including Landlord's insolvency or financial condition); in each case provided such party shall have notified the other party not later than fourteen (14) days after such party knows or should have known of the occurrence of same and the occurrence shall be one of the effects of which a prudent Person in the position of the party asserting such delay could not have reasonably prevented.
Vesey Street Area	Defined in Section 26.01(a).

1.02. The following additional terms shall have the respective meanings ascribed to them on Exhibit F annexed hereto and made a part hereof: Administrative Fee, Bylaws, Common Charges, Common Elements, Condominium Act, Condominium Board, Condominium Conditions, Condominium Covenants, Condominium Date, Condominium Default, Condominium Depository, Condominium Documents, Condominium Management Agreement, Condominium Plan, Construction Completion Escrow Agreement, Declarant, Declaration, Default Costs, Default Notice, Defaulting Unit Owner, Deficiency Amounts, Department of Law, Indebtedness, Initial Unit Transfer, Landlord Default Costs, Landlord's Condominium Costs, Legal Proceedings, Managing Agent, Maximum Fund Requirement, Proportionate Rent, Purchase Option, Qualified Purchase Agreement, Qualified Unit Purchaser, Sale, Security Fund, Security Fund Amount, UCC, Unit, Unit Deed, Unit Mortgage, Unit Mortgagee, Unit Mortgagee Subordination and Recognition Agreement, Unit Owner, Unit Owner Action, Unit Obligations and Unit Owner Default.

ARTICLE 2.

PREMISES AND TERM OF LEASE

Landlord does hereby demise and sublease to Tenant, and Tenant does hereby hire and take from Landlord, the Premises, together with all easements, appurtenances and other rights and privileges now or hereafter belonging or appertaining to the Premises, subject only to the Title Matters.

TO HAVE AND TO HOLD unto Tenant, its successors and assigns, for a term of years (the "Term") commencing on the Commencement Date and expiring on the 17th day of June, 2069 or on such earlier date upon which this Lease is terminated as hereinafter provided (the "Expiration Date").

ARTICLE 3.

RENT

3.01. Base Rent.

(a) For the period beginning on the Commencement Date and continuing thereafter throughout the Term, Tenant shall pay to Landlord, without notice or demand, the annual sums referred to below (collectively, the "Base Rent"):

(i) For each of the first twenty-five (25) Lease Years (or portion thereof) listed on Schedule 1 hereto (the "First Period"), an amount (not less than zero) equal to the amount which is the difference between (x) the Aggregate Rent listed on Schedule 1 for such Lease Year less (y) PILOT payable hereunder for such Lease Year, it

being understood that, provided PILOT does not exceed the Aggregate Rent, the sum of Base Rent plus PILOT for the first twenty-five (25) Lease Years shall be the Aggregate Rent amount shown on said Schedule 1. Because Tax Years and Lease Years do not coincide, the parties acknowledge that Base Rent may be adjusted within any given Lease Year to reflect an adjustment in PILOT.

(ii) For each Lease Year commencing on the First Appraisal Date and continuing for a period of fifteen (15) Lease Years thereafter (the "Second Period"), an amount per annum equal to the Base Rent Floor determined as of the First Appraisal Date, as escalated in accordance with the next succeeding sentence. Base Rent for the Second Period shall escalate on April 4, 2031 and April 4, 2036 by the greater of (x) fifteen percent (15%) of the Base Rent set for the prior five (5) Lease Years or (y) the percentage of increase, if any, of the Consumer Price Index as determined for the month in which the applicable escalation date occurs over the Consumer Price Index for the last month of the prior five (5) Lease Year period (i.e., March, 2026 and March, 2031, respectively).

(iii) For each Lease Year commencing on April 4, 2041 and continuing for a period of fifteen (15) Lease Years thereafter (the "Third Period"), an amount per annum equal to the Base Rent Floor determined as of the first day of the Third Period, as escalated in accordance with the next succeeding sentence. Base Rent for the Third Period shall escalate on April 4, 2046 and April 4, 2051 by the greater of (x) fifteen percent (15%) of the Base Rent set for the prior five (5) Lease Years or (y) the percentage of increase, if any, of the Consumer Price Index as determined for the month in which the applicable escalation date occurs over the Consumer Price Index for the last month of the prior five (5) Lease Year period (i.e., March, 2041 and March, 2046 respectively).

(iv) For each Lease Year commencing on April 4, 2056 and continuing thereafter until the Expiration Date (the "Fourth Period"), an amount per annum equal to the Base Rent Floor determined as of the first day of the Fourth Period, as escalated in accordance with the next succeeding sentence. Base Rent for the Fourth Period shall escalate on April 4, 2061 and April 4, 2066 by the greater of (x) fifteen percent (15%) of the Base Rent set for the prior five (5) Lease Years or (y) the percentage of increase, if any, of the Consumer Price Index as determined for the month in which the applicable escalation date occurs over the Consumer Price Index for the last month of the prior five (5) Lease Year period (i.e., March, 2056 and March, 2061 respectively).

(b) The Base Rent shall be payable in equal monthly installments in advance commencing on the Commencement Date and on the first day of each month thereafter during the Term. The Base Rent shall be payable in currency which at the time of payment is legal tender for public and private debts in the United States of America, and shall be payable at the office of Landlord set forth above or at such other place as Landlord shall direct by notice to Tenant. The Base Rent due for any Lease Year containing less than twelve (12) months, and any

installment of the Base Rent due for any period of less than a full month, shall be appropriately apportioned.

(c) For the purposes of calculating Base Rent for the Second Period, Third Period and Fourth Period, the fair market value of the Land shall be determined as of the First Appraisal Date and each successive Reappraisal Date, as the case may be. Such determination of fair market value shall be made by appraisal in the manner provided in Section 3.06 hereof, unless at least twelve months prior to the First Appraisal Date or any Reappraisal Date, Landlord and Tenant shall have agreed upon such fair market value.

3.02. Payments in Lieu of Taxes.

(a) For each Tax Year or portion thereof within the Term, Tenant shall pay to Landlord, without notice or demand, an annual sum (each such sum being hereinafter referred to as a "Payment in Lieu of Taxes" or "PILOT") equal to the greater of (x) actual Taxes for such Tax Year or (y) the Minimum PILOT set forth on Schedule 1 annexed hereto, payable in equal semi-annual installments during such Tax Year, in advance on the first day of each January and July. PILOT due for any period of less than six months shall be appropriately apportioned. PILOT for the semi-annual period in which the first day of the Second Period occurs shall be paid on the first day of the Second Period.

(b) Within ten (10) days after the date on which the City Council of New York City (or any successor governmental agency) shall fix the tax rate applicable to real property comparable to the Premises and situated in the Borough of Manhattan for any Tax Year from and after the commencement of the Second Period, Tenant shall advise Landlord of its calculation of the PILOT for the forthcoming Tax Year, pursuant to Section 3.02(c) hereof. In the event that the City Council (or any successor governmental agency) shall not have fixed the tax rate for any Tax Year on or before the fifteenth day of the final month of the immediately preceding Tax Year and, therefore, Tenant shall be unable to calculate the PILOT for such Tax Year prior to the commencement of such Tax Year, Tenant shall pay semi-annually, as estimated PILOT, an amount equal to the amount required to be paid under this Article on account of PILOT for the second half of the preceding Tax Year. Within ten (10) days after the date on which the City Council shall fix the tax rate, (x) Tenant shall pay to Landlord the amount ("Corrected PILOT"), if any, by which PILOT properly payable for the portion of such Tax Year in respect of which Tenant previously paid estimated PILOT exceeds the amount of such estimated PILOT; and (y) if such date occurs during the First Period, Base Rent payable for the Lease Year or Lease Years in which such Tax Year shall occur shall be reduced by a total sum equal to the amount of such Corrected PILOT, but not below zero. In the event that the amount of such estimated PILOT shall exceed the amount of PILOT properly payable for the portion of the Tax Year in respect of which Tenant previously paid such estimated PILOT, (x) if such excess occurs during the Second, Third or Fourth Periods, Tenant may credit such excess against (and deduct such excess from) future semi-annual payments of PILOT during such Tax Year, and to the extent if any, that the amount of Tenant's credit exceeds the next semi-annual installment of PILOT or if the semi-annual payments of PILOT for such Tax Year have been fully paid,

Tenant may credit and deduct the amount of the excess from the semi-annual payments of PILOT payable with respect to the next Tax Year(s) and (y) if such excess occurs during the First Period, there shall be no such credit, but the excess PILOT for such Tax Year shall, for all accounting purposes, be retroactively adjusted such that such excess paid PILOT shall be treated as additional Base Rent paid during the applicable Tax Year, and not as PILOT; provided however, if the actual PILOT payable for any Tax Year during the First Period exceeds the Aggregate Rent shown on Schedule 1 annexed hereto, then the amount of the excess shall not be treated as additional Base Rent and the amount of the excess shall be credited against and deducted from the next semi-annual payments of PILOT. Within sixty (60) days after the date on which Tenant shall have advised Landlord of its calculation of Corrected PILOT for a given Tax Year, Landlord shall advise Tenant as to whether Landlord agrees with Tenant's calculation. If Landlord shall advise Tenant that Landlord agrees with Tenant's calculation or if Landlord shall fail to advise Tenant of its determination within such sixty (60) day period, Tenant's calculation shall be the basis for PILOT for that Tax Year provided that the tax rate and any other such calculation does not change. If Landlord shall advise Tenant that it disagrees with Tenant's calculation, Tenant shall revise its calculation in accordance with Landlord's calculation, and Landlord's calculation shall be the basis for PILOT for that Tax Year, unless within ten (10) days after Landlord's advice to Tenant, Tenant shall notify Landlord of its disagreement with Landlord's calculation in which event Tenant shall pay PILOT in accordance with Landlord's calculation pending resolution of the dispute.

(c) Tenant shall continue to pay the full amount of PILOT required under this Section 3.02, notwithstanding that Tenant may have instituted tax assessment reduction or other actions or proceedings pursuant to Section 4.06 hereof to reduce the assessed valuation of the Premises or any portion thereof. If any such tax reduction or other action or proceeding applicable to any Tax Year within the Second, Third or Fourth Periods shall result in a final determination in Tenant's favor, (i) Tenant shall be entitled to a credit against future PILOT to the extent, if any, that the PILOT previously paid for the Tax Year for which such final determination was made exceeds the PILOT as so determined; (ii) if such final determination is made for the then current Tax Year, future payments of PILOT for said Tax Year shall be based on the PILOT as so determined. If, at the time Tenant is entitled to receive such a credit, the City of New York is paying interest on refunds of Taxes, Tenant's credit shall include interest at the rate and for the applicable period then being paid by the City of New York. In no event, however, shall Tenant be entitled to any refund of any such excess from Landlord. If any such tax reduction or other action or proceeding applicable to any Tax Year within the First Period shall result in a final determination in Tenant's favor, there shall be no such credit, but the excess PILOT for such Tax Year shall, for all accounting purposes, be retroactively adjusted such that the amount of said excess PILOT shall be treated as additional Base Rent paid during the applicable Tax Year, and not as PILOT; provided however, if the amount of the PILOT as finally determined upon conclusion of the tax reduction action or proceeding exceeds the Aggregate rent shown on Schedule 1 annexed hereto, then the amount of the excess shall not be treated as additional Base Rent and the amount of the excess shall be credited against and deducted from the next semi-annual payments of PILOT.

3.03. Civic Facilities Payment. Tenant shall pay to Landlord the Civic Facilities Payment in accordance with the provisions of Section 26.05.

3.04. Rental Generally. All amounts required to be paid by Tenant pursuant to this Lease, including, without limitation, Base Rent, Percentage Rent, PILOT, Impositions and Civic Facilities Payments, (collectively, "Rental"), shall constitute rent under this Lease and shall be payable in the same manner as Base Rent; provided, however, that in the event Tenant shall submit its leasehold interest in the Premises to a condominium form of ownership, then, in accordance with Section 3.07(d) hereof, all of Tenant's obligations with respect to Percentage Rent shall be the direct obligations of the Unit Owners of the respective Commercial Units. Rental shall be absolutely net to Landlord without any abatement, deduction, counterclaim, set-off or offset whatsoever except as specifically set forth in this Lease, so that this Lease shall yield, net, to Landlord, Rental in each year during the Term and that Tenant shall pay all costs, expenses and charges of every kind and nature relating to the Premises (except Taxes, if any and the cost of constructing and maintaining Landlord's Civic Facilities) which may arise or become due or payable during or after (but attributable to a period falling within) the Term.

3.05. Intentionally Omitted.

3.06. Fair Market Value and Assessed Value.

(a) Each determination of fair market value of the Land referred to in Section 3.01(a)(ii)-(vi) shall be made in accordance with the procedures set forth in Article XVII of the Master Lease. Landlord shall and shall cause Master Landlord to permit Tenant and Tenant's representatives (including its Mortgagee or Mortgagees, if any) and witnesses, at Tenant's cost and expense, to participate in such procedures. Landlord, as tenant under the Master Lease, shall appoint as its appraiser under the Master Lease an appraiser designated by Tenant provided that the appraiser so designated is qualified to act as such pursuant to the terms of the Master Lease, and Tenant shall pay the fees and expenses payable by Landlord as such tenant in respect of the Premises pursuant to Section 17.02 of the Master Lease.

(b) In the event that New York City shall, for any reason, fail to determine the assessed value of the Premises for any Tax Year during the Term, such assessed value shall be determined in accordance with the procedures set forth in Article XVII of the Master Lease, provided that, in making such determination, the appraisers shall take into consideration the equalization rates then applicable to comparable properties situated in the Borough of Manhattan, as well as any limitations on increases in assessed value for such comparable properties prescribed by applicable law. Tenant shall have the same right to participate in such procedures, and to appoint an appraiser, as set forth in Section 3.06(a).

3.07. Percentage Rent.

(a) For the period commencing on the date Tenant shall first collect any Gross Non-Residential Revenue (such date being hereinafter called the "Percentage Rent

Commencement Date") and ending on December 31 of the calendar year in which the Percentage Rent Commencement Date occurs, and for each calendar year or partial calendar year thereafter during the Term, Tenant shall pay to Landlord, in the manner set forth below, an amount equal to three percent (3%) of the Gross Non-Residential Revenue during each such calendar year, or portion thereof ("Percentage Rent"). Percentage Rent shall be computed quarterly.

(b) Tenant shall deliver to Landlord as soon as practicable after the end of each calendar quarter, but in no event later than thirty (30) days thereafter, a statement (the "Quarterly Percentage Rent Statement"), showing in reasonable detail Gross Non-Residential Revenue from the prior quarter. Based upon the Quarterly Percentage Rent Statement submitted by Tenant to Landlord, Tenant shall pay to Landlord five percent (5%) of the Gross Non-Residential Revenue. Such partial payment of Percentage Rent shall be made by Tenant simultaneously with the submission to Landlord of the Quarterly Percentage Rent Statement.

(c) Tenant shall deliver to Landlord as soon as practicable after the end of each calendar year, but in no event later than one hundred twenty (120) days thereafter, a separate statement (the "Annual Percentage Rent Statement") for such year showing Gross Non-Residential Revenue, together with the Percentage Rent due for such year. If the Annual Percentage Rent Statement shall show that the sums paid by Tenant as Percentage Rent for the calendar year for which such Annual Percentage Rent Statement is given were less than the Percentage Rent payable by Tenant for such year, then Tenant shall pay to Landlord, together with the delivery to Landlord of the Annual Percentage Rent Statement, the amount of such deficiency, and if the Annual Percentage Rent Statement shall show that the sums paid by Tenant as Percentage Rent for such calendar year exceeded the Percentage Rent payable by Tenant for such year, Landlord shall permit Tenant to offset the amount of such excess, without interest, against subsequent payments of Percentage Rent.

(d) In the event that Tenant's leasehold estate in the Premises shall be submitted to a condominium form of ownership, the references in this Section 3.07 (other than this subparagraph (d)) to "Tenant" shall be deemed to mean the unit owner of the commercial unit of such condominium; it being the agreement of Landlord and Tenant that such unit owner shall pay Percentage Rent directly to Landlord and that Landlord may pursue any rights granted to Landlord hereunder directly against such unit owner.

3.08. Records for Percentage Rent. In connection with the payment by Tenant of Percentage Rent, the following provisions shall apply:

(a) Tenant shall at all times keep and maintain at an office located in New York City or Nassau County, New York, books and records prepared on the basis required under Section 3.08(b), showing in reasonable detail the amount of Gross Non-Residential Revenue. Unless consented to by Landlord, such books and records relating to any calendar year shall not be destroyed or disposed of for a period of four (4) years after the end of such year. Landlord or its representatives shall have the right on reasonable notice during regular business hours to examine, audit and/or photocopy all such books and records. For the purposes of this

Section 3.08(a), reasonable notice shall mean notice given not less than ten (10) Business Days prior to the examination date designated in Landlord's notice. If an audit by Landlord with respect to any year is not commenced within the aforesaid four (4) year period, the computation of the Percentage Rent paid by Tenant for such year shall not thereafter be subject to Landlord's audit and shall conclusively be deemed correct.

(b) Each Annual Percentage Rent Statement and Quarterly Percentage Rent Statement required under this Lease shall be (i) prepared on a cash basis consistently applied and (ii) verified by the chief financial officer or managing partner of Tenant or the Affiliate which is the managing agent for the Premises, or if the managing partner of Tenant or such Affiliate is not an individual, by the chief financial officer of such managing partner or such Affiliate, as being true and correct to the best of his knowledge. If the amount of space in the Building utilized for non-residential purposes exceeds 10,000 square feet, then each Annual Percentage Rent Statement shall be certified by an independent public accounting firm (the "C.P.A.") which is (x) an accounting firm having at least eight (8) partners, or (y) a firm approved by Landlord, which approval shall not be unreasonably withheld. Such certification shall include, without limitation, a statement by the C.P.A. that an examination of Tenant's books and records has been conducted by the C.P.A. in accordance with generally accepted auditing standards consistently applied and that the Annual Percentage Rent Statement has been prepared on a cash basis in accordance with accounting principles consistently applied.

(c) If Landlord shall elect to conduct an audit of Tenant's books and records and such audit discloses an underpayment of Percentage Rent subject to Section 3.08(e), Tenant shall pay to Landlord within thirty (30) days after demand the amount of such deficiency, plus interest thereon at the Involuntary Rate from the date upon which such sum was due to the date of actual payment. In addition, if such deficiency shall be in excess of three and one-half percent (3.5%) of the amount alleged by Tenant to be payable, Tenant shall pay to Landlord within thirty (30) days after demand all reasonable costs incurred by Landlord in connection with such audit.

(d) If Tenant or an Affiliate of Tenant shall themselves use or occupy any non-residential portion of the Building, there shall be imputed as income the fair market rental value of the portion of the Building so occupied by Tenant or such Affiliate, as the case may be, provided, however, that if Tenant or an Affiliate shall use or occupy any nonresidential portion of the Building for the purpose of maintaining an office to manage the Building and/or other buildings owned or operated by Tenant within the Project Area, income shall only be imputed to the portion used or occupied in excess of 1,200 square feet. Such income shall be deemed to be, and construed as, Gross Non-Residential Revenue for all purposes of this Lease. Fair market rental value as used in this Lease shall mean the rental which would be paid under a sublease (commencing at the same time as Tenant's or such Affiliate's use or occupancy) with a non-related Person leasing a similar amount of space in the same Building, for the same term, for a similar purpose and in a similar location in the Building, and shall include, inter alia, all fixed, percentage and escalation rents which prudent owners of like buildings in the Borough of Manhattan would have included under such sublease as of the date the rental under the sublease is deemed to have commenced in accordance with this Section 3.08(d).

(e) If at any time and for any reason there shall be a dispute as to the determination of Gross Non-Residential Revenue or fair market rental value, such dispute shall be determined by arbitration pursuant to Article 36 hereof. Pending resolution of the dispute, Tenant's determination of Gross Non-Residential Revenue shall prevail and Tenant shall pay Percentage Rent based upon such determination. Without limitation of the foregoing, any deficiency, interest and expenses which may be payable by Tenant to Landlord pursuant to Section 3.08(c) shall not be payable if disputed by Tenant unless and until determined by such arbitration. If such arbitration determines an underpayment by Tenant, Tenant shall pay the amount of such underpayment, plus interest thereon at the Involuntary Rate, within ten (10) days after demand.

ARTICLE 4.

IMPOSITIONS

4.01. Payment of Impositions. Tenant shall pay, as hereinafter provided, all of the following items (collectively, "Impositions") imposed by any Governmental Authority (other than a Governmental Authority acting solely in its capacity as a party in the chain of title (i.e., Master Landlord or Landlord) and not as a Governmental Authority) which at any time during the Term are, or, if the Premises or any part thereof or the owner thereof were not exempt therefrom, would have been (1) assessed, levied, confirmed, imposed upon or would have become due and payable out of or in respect of, or would have been charged with respect to, the Premises or any document to which Tenant is a party creating or transferring an interest or estate in the Premises, or the use and occupancy thereof by Tenant and (2) encumbrances or liens, except for liens and encumbrances arising in connection with any act or work performed by or on behalf of Landlord or created by any instrument to which Landlord is a party other than work performed by Tenant pursuant to Section 11.02(l) hereof, on (i) the Premises, or (ii) the sidewalks or streets in front of or adjoining the Premises, or (iii) any vault (other than a vault in respect of which a utility company is obligated to pay any charge specified above or which is exempt from any such charge by reason of use thereof by any such utility company), passageway or space in, over or under such sidewalk or street, or (iv) any other appurtenances of the Premises, or (v) any personal property (except personal property which is not owned by or leased to Tenant), Equipment or other facility used in the operation thereof, or (vi) the Rental (or any portion thereof) payable by Tenant hereunder: (a) real property assessments (not including Taxes), (b) personal property taxes, (c) occupancy and rent taxes, (d) water, water meter and sewer rents, rates and charges, (e) excises, (f) levies, (g) license and permit fees, (h) service charges with respect to police protection, fire protection, street and highway construction, maintenance and lighting, sanitation and water supply, if any, (i) fines, penalties and other similar or like governmental charges applicable to the foregoing and any interest or costs with respect thereto and (j) except for Taxes, any and all other governmental levies, fees, rents, assessments or taxes and charges, general and special, ordinary and extraordinary, foreseen and unforeseen, of any kind and nature whatsoever, including, without limitation, any tax (including transfer taxes) attributable to the execution, delivery or recording of this Lease, and any interest or costs with respect thereto, each such Imposition, or installment thereof, during the Term to be

paid not later than the Due Date thereof. However, if, by law, any Imposition may at the option of the taxpayer be paid in installments (whether or not interest shall accrue on the unpaid balance of such Imposition), Tenant may exercise the option to pay the same in such installments and shall be responsible for the payment of such installments only, together with applicable interest, if any, provided that all such installment payments together with applicable interest, if any, relating to periods prior to the date definitely fixed in Article 2 hereof for the expiration of the Term shall be made prior to the Expiration Date. Tenant shall promptly notify Landlord if Tenant shall have elected to pay any such Imposition in installments.

4.02. Receipts. Tenant, from time to time, within fifteen (15) days following the request of Landlord, shall furnish to Landlord official receipts of the appropriate imposing authority, or other evidence reasonably satisfactory to Landlord, evidencing the payment of Impositions.

4.03. Taxes. If the Premises shall at any time become subject to Taxes, Landlord shall pay the Taxes on or before the due date thereof. In no event shall Tenant be obligated to pay Taxes. Landlord shall have the right to contest the imposition of Taxes, and pending such contest, if permitted by applicable law, Landlord shall not be required to pay the Taxes being so contested, unless failure to pay same shall result in the imminent loss or forfeiture of the Premises or the termination of Tenant's interest under this Lease to Landlord or to a Mortgagee or Tenant would by reason thereof be subject to any civil or criminal penalty or liability. If Landlord shall exercise its right to contest the imposition of Taxes, Landlord shall promptly notify Tenant of such contest, and, at Tenant's request, shall deliver to Tenant copies of all applications, protest and other documents submitted by Landlord to any Governmental Authority. Landlord shall not, without Tenant's consent, enter into a settlement of any such contest if such settlement would increase the amount of PILOT payable by Tenant under this Lease. If Landlord shall have failed to pay the Taxes as required hereunder and shall not have timely commenced a proceeding to contest same, or shall have timely commenced a proceeding to contest the Taxes but failure to pay the Taxes during the pendency of such proceeding will result in the imminent loss or forfeiture of the Premises to Landlord or to a Mortgagee or the termination of Tenant's interest under this Lease or Tenant would by reason thereof be subject to any civil or criminal penalty or liability, then Tenant may pay such unpaid Taxes together with any interest or penalties thereon and deduct such payment from the next installment of PILOT (and, to the extent, if any, that such payment shall exceed the next installment of PILOT, from the next installment(s) of Base Rent) together with interest thereon at the Involuntary Rate.

Nothing herein contained shall require Tenant to pay municipal, state or federal income, gross receipts, inheritance, estate, succession, profit or capital gains taxes of Landlord, or any corporate franchise tax imposed upon Landlord or any transfer or gains tax imposed on Landlord or any other taxes of the same or similar import now or hereafter enacted or imposed upon Landlord.

4.04. Partial Periods. Any Imposition relating to a period a part of which is included within the period of time commencing on or after the Commencement Date and a part of which

is included in a period of time before the Commencement Date or after the date definitely fixed in Article 2 hereof for the expiration of the Term (whether or not such Imposition shall be assessed, levied, confirmed, imposed upon or in respect of or become a lien upon the Premises, or shall become payable, during the Term) shall be apportioned between Landlord and Tenant as of the Commencement Date or such date definitely fixed for the expiration of the Term, as the case may be, so that Tenant shall pay only that portion of such Imposition that would have been payable on a per diem basis, based upon the fiscal year of the Imposition, for the period of time commencing on or after the Commencement Date or occurring before such date definitely fixed in Article 2 for the expiration of the Term, and Landlord shall pay the remainder thereof. Other than in respect of Impositions relating, in part, to a period of time before the Commencement Date, no such apportionment of Impositions shall be made if this Lease is terminated prior to the Expiration Date as the result of an Event of Default.

4.05. Imposition Contests. Tenant shall have the right to contest the amount or validity, in whole or in part, of any Imposition by appropriate proceedings diligently conducted in good faith, in which event, notwithstanding the provisions of Section 4.01 hereof, payment of such Imposition shall be postponed if, and only as long as: (i) neither the Premises nor any part thereof, or interest therein or any income therefrom (except to the extent covered by security deposited in accordance with this Section 4.05) or any other assets of or funds appropriated to Landlord would by reason of such postponement or deferment, be, in the reasonable judgment of Landlord, in imminent danger of being forfeited or lost or subject to any lien, encumbrance or charge, and neither Landlord nor Tenant would by reason thereof be subject to any civil or criminal liability; and (ii) if the amount of the contested Imposition is at least $250,000 (such amount to be adjusted on the fifth anniversary of the Commencement Date and on each fifth (5th) anniversary of the date on which an adjustment is made by adding to $250,000 an amount equal to the product of (x) $250,000 and (y) the percent of increase, if any, in the Consumer Price Index for the month in which the applicable anniversary date occurs over the Consumer Price Index for the month in which the Commencement Date occurs), Tenant shall have deposited with Depository, cash or other security reasonably satisfactory to Landlord in the amount so contested and unpaid, together with all interest and penalties in connection therewith and all charges that may or might be assessed against or become a charge on the Premises or any part thereof in such proceedings.

Upon the termination of such proceedings, it shall be the obligation of Tenant to pay the amount of such Imposition or part thereof as finally determined in such proceedings, the payment of which may have been deferred during the prosecution of such proceedings, together with any costs, fees (including attorneys' fees and disbursements), interest, penalties or other liabilities in connection therewith, and upon such payment, Depository shall return, with interest, if any, any amount deposited with it as aforesaid, provided, however, that Depository at Tenant's request or upon Tenant's failure to do so in a timely manner, at Landlord's request, shall disburse said moneys on deposit with it directly to the Governmental Authority to whom such Imposition is payable and any remaining monies, with interest, if any, shall be returned promptly to Tenant. If, at any time during the continuance of such proceedings, Landlord shall, in its reasonable opinion, deem insufficient the amount deposited as aforesaid, Tenant, within fifteen (15) days after

demand, shall make an additional deposit of such additional sums or other acceptable security as Landlord may request, and upon failure of Tenant to do so, the amount theretofore deposited may be applied at the request of Landlord to the payment, removal and discharge of such Imposition and the interest and penalties in connection therewith and any costs, fees (including attorneys' fees and disbursements) or other liability accruing in any such proceedings, and the balance, if any, with any interest earned thereon, shall be returned to Tenant or the deficiency, if any, shall be paid by Tenant to Landlord within ten (10) days after demand.

4.06. Assessment Reductions. Tenant shall have the right to seek a reduction in the valuation of the Premises assessed for Taxes and to prosecute any action or proceeding in connection therewith, provided that no such action or proceeding shall postpone Tenant's obligation to pay any Imposition except in accordance with the provisions of Section 4.05 hereof. Except to the extent provided in Sections 3.02 and 4.03 hereof, no such action or proceeding shall affect Tenant's obligation to pay any installment of PILOT.

4.07. Landlord Involvement. Landlord shall not be required to join in any proceedings referred to in Section 4.05 or 4.06 hereof unless the provisions of any law, rule or regulation at the time in effect shall require that such proceedings be brought by or in the name of Landlord, in which event, Landlord shall join and cooperate in such proceedings or permit the same to be brought in its name but shall not be liable for the payment of any costs or expenses in connection with any such proceedings and Tenant shall reimburse Landlord for any and all costs or expenses which Landlord may reasonably sustain or incur in connection with any such proceedings, including reasonable attorneys' fees and disbursements. If the provisions of such law, rule or regulation at the time in effect shall require that such proceedings be brought by or in the name of Master Landlord, Landlord shall cause Master Landlord to join and cooperate in such proceedings or permit the same to be brought in the name of Master Landlord, provided Master Landlord shall not be liable for the payment of any costs or expenses in connection with any such proceedings and if Landlord and Master Landlord shall be different Persons, Tenant shall reimburse Master Landlord for any and all costs and expenses which Master Landlord may reasonably sustain or incur in connection with any such proceedings, including reasonable attorneys' fees and disbursements. In the event Tenant shall institute a proceeding referred to in Section 4.05 or 4.06 hereof and no law, rule or regulation in effect at the time requires that such proceeding be brought by and/or in the name of Landlord, Landlord, nevertheless, shall, at Tenant's cost and subject to the reimbursement provisions hereinabove set forth, cooperate with Tenant in such proceeding and shall cause Master Landlord to so cooperate.

4.08. Evidence of Non-Payment. Any certificate, advice or bill of the appropriate official designated by law to make or issue the same or to receive payment of any Imposition, asserting non-payment of such Imposition, shall be prima facie evidence that such Imposition is due and unpaid at the time of the making or issuance of such certificate, advice or bill, at the time or date stated therein.

ARTICLE 5.

DEPOSITS FOR IMPOSITIONS

5.01. Escrow of Impositions.

(a) In order to assure the payment of all Impositions, Tenant, upon the demand of Landlord at any time after the occurrence of an Event of Default hereunder that arises from Tenant's failure to comply with the provisions of Article 4, shall deposit with Depository on the first day of each month during the Term, an amount equal to one-twelfth (1/12th) of the annual Impositions then in effect.

(b) If at any time the monies so deposited by Tenant shall be insufficient to pay the next installment of Impositions then due, Tenant shall after demand therefor by Landlord deposit the amount of the insufficiency with Depository to enable Depository to pay the next installment of Impositions at least thirty (30) days prior to the Due Date thereof.

(c) Depository shall hold the deposited monies in a special account for the purpose of paying the charges for which such amounts have been deposited as they become due, and Depository shall apply the deposited monies for such purpose not later than the Due Date for such charges.

(d) If at any time the amount of any Imposition is increased or Landlord receives information from the entity or entities imposing such Imposition that an Imposition will be increased and the monthly deposits then being made by Tenant under this Section 5.01 would be insufficient to pay such Imposition thirty (30) days prior to the Due Date thereof, then upon notice from Landlord to Tenant of such fact, the monthly deposits shall thereupon be increased and Tenant shall deposit immediately with Depository sufficient monies for the payment of the increased Imposition. Thereafter, the monthly payments shall be adjusted so that Depository shall receive from Tenant sufficient monies to pay each Imposition at least thirty (30) days prior to the Due Date of such Imposition.

(e) For the purpose of determining whether Depository has on hand sufficient monies to pay any particular Imposition at least thirty (30) days prior to the Due Date thereof, deposits for each category of Imposition shall be treated separately. Depository shall not be obligated to use monies deposited for the payment of an Imposition not yet due and payable for the payment of an Imposition that is due and payable.

(f) Notwithstanding the foregoing, (i) deposited monies may be held by Depository in a single bank account, and (ii) Depository shall, at Landlord's option and direction and if Tenant shall fail to make any payment or perform any obligation required under this Lease, use any monies deposited pursuant to Article 4 or 5 for the payment of any Rental.

(g) If this Lease shall be terminated by reason of any Event of Default or if dispossession occurs pursuant to Section 24.03(b), all deposited monies under this Article 5 then held by Depository shall be paid to and applied by Landlord in payment of any and all sums due under this Lease and Tenant shall promptly pay the resulting deficiency.

(h) Any interest paid on monies deposited pursuant to this Article 5 shall be applied pursuant to the foregoing provisions against amounts thereafter becoming due and payable by Tenant.

(i) Anything in this Article 5 to the contrary notwithstanding, if the Event of Default which gave rise to Landlord having demanded that Tenant make deposits under this Section 5.01 shall have been cured by Tenant and for a period of six (6) consecutive months following such cure no Event of Default shall have occurred that arises from Tenant's failure to comply with the provisions of Article 4 of this Lease, then, at any time after the expiration of such six (6) month period, upon the demand of Tenant, provided that no subsequent uncured Event of Default shall have occurred under Article 4 of this Lease, all monies deposited under this Article 5 then held by Depository, with the interest, if any, accrued thereon, shall be returned to Tenant and Tenant shall not be required to make further deposits under this Article 5 unless and until there shall occur a subsequent Event of Default and Landlord shall make demand upon Tenant to make deposits for Impositions.

(j) In the event that a Mortgagee (provided such Mortgagee be an Institutional Lender) shall require Tenant to deposit funds to insure payment of Impositions, any amount so deposited by Tenant with such Mortgagee shall be credited against the amount, if any, which Tenant would otherwise be required to deposit under this Article 5.

5.02. Transfer of Premises. If Landlord ceases to have any interest in the Premises, Landlord shall transfer to the Person who acquires such interest in the Premises, all of Landlord's rights with respect to the deposits made pursuant to Section 5.01. Upon such transfer and notice thereof to Tenant, the transferor shall be released from all liability with respect thereto, such transferee shall be deemed to have assumed from and after the date of such transfer all of Landlord's obligations with respect to such deposits and Tenant shall look solely to the transferee with respect thereto. The provisions hereof shall apply to each successive transfer of the deposits.

5.03. No Landlord Liability. Landlord shall have no liability to Tenant arising out of, or related to, any acts or omissions of Depository.

ARTICLE 6.

LATE CHARGES

In the event that any payment of Rental shall not be received on or before the tenth (10th) day after the due date thereof (or if no such date is set forth in this Lease, then such due date for purposes of this Article 6 shall be deemed to be the date upon which demand therefor is made), then, in addition to any reasonable costs and expenses incurred by Landlord in connection therewith (including, without limitation, reasonable attorneys' fees and disbursements) interest on the sums so overdue equal to the Involuntary Rate, for the period from the due date to the date of actual payment, shall become due and payable to Landlord as Rental to be paid under this Lease. Said interest shall be payable by Tenant within ten (10) days after demand. No failure by Landlord to insist upon the strict performance by Tenant of its obligations to pay said interest shall constitute a waiver by Landlord of its right to enforce the provisions of this Article 6 in any instance thereafter occurring. The provisions of this Article 6 shall not be construed in any way to extend the grace periods or notice periods provided for in Article 24.

ARTICLE 7.

INSURANCE

7.01. Insurance Requirements.

(a) Tenant shall, at all times after Substantial Completion of the Building and thereafter throughout the Term:

(i) keep or cause to be kept the Building insured under an "All Risk of Physical Loss" form of policy, including, without limitation, coverage for loss or damage by water, flood, subsidence and earthquake (excluding, at Tenant's option, from such coverage normal settling only) and, when and to the extent obtainable from the United States government or any agency thereof, war risks; such insurance to be written on an "Agreed Amount" basis, with full replacement cost, with the replacement value of the Building to be determined from time to time, but not less frequently than required by the insurer and in any event at least once every three (3) years, provided, however, in the event Tenant's leasehold estate in the Premises shall be submitted to condominium ownership, such determination shall be made on an annual basis, it being agreed that no omission on the part of Landlord to request any such determination shall relieve Tenant of its obligation to determine the replacement value thereof (in the absence of such valuation, the FM (Factory Mutual) or IRI (Industrial Risk Insurers) Indices will be applied);

(ii) provide and keep in force commercial general liability insurance against liability for bodily injury, death and property damage, it being agreed that such

insurance shall (A) be in an amount as may from time to time is reasonably required by Landlord upon not less than thirty (30) days' prior written notice, but not less then Twenty-Five Million Dollars ($25,000,000) combined single limit inclusive of primary, umbrella and following form excess policies for liability for bodily injury, death and property damage, (B) include the Premises and all streets, alleys and sidewalks adjoining or appurtenant to the Premises, (C) provide blanket automatic contractual insurance covering the indemnification provisions assumed by Tenant hereunder, including bodily injury to employees or others assumed by Tenant under contract, which insurance shall cover all costs, expenses and/or liability (including, without limitation, attorneys' fees and disbursements) arising out of or based upon any and all claims, accidents, injuries and damages mentioned in Article 19 and required to be insured against hereunder, and (D) include the following protections:

(1) Broad form liability endorsement, including (a) blanket contractual liability, (b) personal injury and advertising injury liability, (c) premises medical payments, (d) host liquor liability, (e) fire legal liability on real property, (f) broad form property damage liability, including completed operations, (g) incidental medical malpractice, (h) non-owned watercraft liability, (i) limited world-wide coverage, (j) additional interests insured, (k) extended bodily injury coverage, and (l) automatic coverage on newly-acquired organizations;

(2) Products and completed operations;

(3) Independent contractors;

(4) Blanket automatic contractual liability to include bodily injury to employees of others assumed by Tenant; and

(5) Water damage legal liability shall not be excluded;

(iii) provide and keep in force workers' compensation insurance providing statutory New York State benefits for all persons employed by Tenant at or in connection with the Premises and employer's liability insurance in an amount not less than that required by New York State law;

(iv) provide and keep in force on an "Agreed Amount" basis rent insurance on an "All Risk of Physical Loss" basis in an amount equal to not less than one (1) year's current Base Rent, Percentage Rent, PILOT and Civic Facilities Payment ("Rent Insurance");

(v) if a sprinkler system shall be located in any portion of the Building, provide and keep in force sprinkler leakage insurance in amounts approved by Landlord, which approval shall not be unreasonably withheld (the foregoing to be

required only if same is excluded from the insurance required to be provided and kept in force pursuant to Section 7.01(a)(i));

(vi) provide and keep in force boiler and machinery insurance in an amount as may from time to time be reasonably determined by Landlord but not less than Ten Million Dollars ($10,000,000) per accident on a combined basis covering direct property loss and loss of income and covering all steam, mechanical and electrical equipment, including without limitation, all boilers, unfired pressure vessels, air conditioning equipment, elevators, piping and wiring;

(vii) provide and keep in force automobile liability insurance for all owned, non-owned, leased, rented and/or hired vehicles insuring against liability for bodily injury and death and for property damage in an amount as may from time to time be reasonably determined by Landlord but not less than Five Million Dollars ($5,000,000) combined single limit; and

(viii) provide and keep in force such other insurance in such amounts as may from time to time be reasonably required by Landlord against such other insurable hazards as at the time are commonly insured against by prudent owners of like buildings and improvements in the Borough of Manhattan.

(b) All insurance provided by Tenant as required by Section 7.01(a) (except the insurance under Section 7.01(a)(iii)) shall name Tenant as named insured and Landlord and Master Landlord as additional insureds to the extent, where applicable, of their respective insurable interests in the Premises and shall be primary with respect to any other coverage which Landlord and Master Landlord may obtain. (Landlord and Master Landlord's coverage shall be in excess of any coverage provided in favor of Landlord or Master Landlord by Tenant.)

(c) Notwithstanding anything to the contrary set forth in this Section 7.01, whenever Tenant shall be required to carry insurance under this Section 7.01, Tenant shall not be required to carry insurance in any greater amounts or against any additional hazards than at the time are commonly carried by prudent owners of like buildings and improvements, in the Borough of Manhattan, provided that if Tenant shall seek to obtain types and amounts of coverage that are different from or less than the types or amounts specifically required hereunder, Tenant shall demonstrate that such coverage is not available at commercially reasonable premiums from insurers permitted under this Lease, or that existing coverage is no longer reasonably required. Any dispute as to the amounts of additional insurance to be carried, or the additional kinds of hazards to be insured against, shall be resolved by arbitration pursuant to Article 36.

7.02. Payment of Insurance Proceeds.

(a) The loss under all policies required by any provision of this Lease insuring against damage to the Building by fire or other casualty shall be payable to Depository, except

that amounts of One Million Dollars ($1,000,000) or less shall be payable in trust directly to Tenant for application to the cost of Restoration in accordance with Article 8 hereof. Such amount shall be adjusted on the fifth (5th) anniversary of the Commencement Date and on each fifth (5th) anniversary of the date on which an adjustment is made pursuant to this Section 7.02(a) by adding to $1,000,000 an amount equal to the product of (x) $1,000,000 and (y) the percent of increase, if any, in the Consumer Price Index for the month in which the applicable anniversary date occurs over the Consumer Price Index for the month in which the Commencement Date occurs. Any dispute as to the calculation of such adjustment shall be determined by arbitration pursuant to Article 36. Rent Insurance shall be carried in favor of Landlord and Tenant, but the proceeds thereof to the extent required by Landlord pursuant to Section 7.01(a)(iv) shall be paid to Depository and shall be applied to the Rental payable by Tenant under this Lease until completion of such Restoration by Tenant. All insurance required by any provision of this Lease shall be in such form and shall be issued by such responsible companies authorized to do business in the State of New York as are reasonably acceptable to Landlord. Any insurance company so authorized and rated by Best's Insurance Reports (or any successor publication) as AIX or better (or the then equivalent of such rating) shall be acceptable to Landlord. All policies referred to in this Lease shall be procured, or caused to be procured, by Tenant (or if Tenant's leasehold estate in the Premises shall have been subjected to a condominium form of ownership, by the Condominium Board on behalf of the Unit Owners in accordance with the Condominium Act), at no expense to Landlord, and for periods of not less than one (1) year. Subject to Section 7.04 hereof, certificates of insurance with respect to such policies and, if requested by Landlord, copies of such policies shall be delivered to Landlord promptly upon receipt from the insurance company or companies, together with proof reasonably satisfactory to Landlord that the then current installment of the premiums thereon has been paid, provided, that Landlord shall not, by reason of custody of such policies, be deemed to have knowledge of the contents thereof. Certificates of insurance with respect to new or renewal policies replacing any policies expiring during the Term and, if requested by Landlord, copies of such policies, shall be delivered as aforesaid at least ten (10) days before the date of expiration, together with proof that the then current installment of the premiums thereon have been paid. Premiums on policies shall not be financed in any manner whereby the lender, on default or otherwise, shall have the right or privilege of surrendering or canceling the policies or reducing the amount of loss payable thereunder, provided, however, that premiums may be paid in installments.

(b) Tenant and Landlord shall cooperate in connection with the collection of any insurance moneys that may be due in the event of loss and Tenant and Landlord shall execute and deliver such proofs of loss and other instruments as may be required for the purpose of obtaining the recovery of any such insurance moneys. If Landlord shall reasonably determine that in order to protect its interests it requires the assistance of independent consultants then Tenant shall promptly reimburse Landlord solely out of the proceeds of the moneys collected for any and all reasonable costs or expenses which Landlord may sustain or incur in connection therewith, including, without limitation, reasonable attorneys' fees and disbursements.

(c) Tenant shall not carry separate insurance concurrent in form or contributing in the event of loss with that required by this Lease to be furnished by Tenant, unless Landlord and Master Landlord are included therein as named insureds and each Mortgagee as an additional insured with loss payable as provided in this Lease. Tenant promptly shall notify Landlord of the carrying of any such separate insurance and shall cause certificates of insurance with respect thereto, and, if requested by Landlord, copies of such policies to be delivered as required in this Lease.

(d) All property insurance policies as required by this Lease shall provide in substance that all adjustments for claims with the insurers in excess of One Million Dollars ($1,000,000) (as such amount shall be increased as provided in Section 7.02(a)) shall be made with Landlord, Tenant and any Mortgagee named as additional insured. Any adjustments for claims with the insurers involving sums of less than One Million Dollars ($1,000,000) (as such amount shall be increased as provided in Section 7.02(a)) shall be made with Tenant. Any dispute between Landlord and Tenant respecting any such adjustment shall be subject to arbitration in accordance with Article 36 of this Lease.

(e) All Rent Insurance shall provide in substance that all adjustments for claims with the insurers in excess of the amount of such insurance required by Landlord shall be made with Landlord and Tenant. Any dispute between Landlord and Tenant respecting any such adjustment shall be subject to arbitration in accordance with Article 36 of this Lease.

(f) Tenant shall not violate or permit to be violated any of the conditions or provisions of any insurance policy required hereunder, and Tenant shall so perform and satisfy or cause to be performed and satisfied the requirements of the companies writing such policies so that at all times companies of good standing, reasonably acceptable to Landlord in accordance with the provisions of Section 7.01(a), shall be willing to write and continue such insurance.

(g) Each policy of insurance required to be obtained by Tenant as herein provided shall contain to the extent obtainable and whether or not an additional premium shall be payable in connection therewith (i) a provision that no act or omission or negligence of Tenant or any other named insured or violation of warranties, declarations or conditions by Tenant or any other named insured shall affect or limit the obligation of the insurance company to pay the amount of any loss sustained, (ii) an agreement by the insurer that such policy shall not be canceled or modified without at least thirty (30) days' prior written notice to Landlord and each Mortgagee, (iii) an agreement that the coverage afforded by the insurance policy shall not be affected by the performance of any work in or about the Building or the occupation or use of the Premises by Tenant or any Subtenant for purposes more hazardous than those permitted by the terms of such policy, (iv) a waiver by the insurer of any claim for insurance premiums against Landlord or any named insured other than Tenant, and (v) a waiver of subrogation by the insurers of any right to recover the amount of any loss resulting from the negligence of Tenant, Landlord, their agents, employees or licensees.

(h) All liability insurance required to be provided and kept in force by Tenant under this Lease shall be written on an "Occurrence" basis, provided, however, that if (i) a basis other than such "Occurrence" basis shall be generally adopted throughout the insurance industry and (ii) such other basis shall be accepted by most prudent owners of like buildings and improvements, then Tenant may provide and keep in force liability insurance written on such other basis.

7.03. Escrow of Insurance Premiums.

(a) Tenant, on the demand of Landlord after the occurrence of an Event of Default hereunder that arises from Tenant's failure to comply with the provisions of this Article 7, shall deposit with Depository on the first day of each month during the Term, an amount equal to one-twelfth (1/12th) of the annual insurance premiums for the insurance required to be carried by Tenant hereunder, as estimated by Landlord, unless such insurance premiums are deposited with a Mortgagee (provided such Mortgagee be an Institutional Lender). If at any time the insurance premiums shall be increased or Landlord receives information that the insurance premiums will be increased, and the monthly deposits being paid by Tenant under this Section 7.03(a) would be insufficient to pay such insurance premiums thirty (30) days prior to the due date, the monthly deposits shall thereupon be increased and Tenant shall, within thirty (30) days prior to the due date thereof, deposit immediately with Depository sufficient monies for the payment of the increased insurance premiums. Thereafter, the monthly deposits shall be adjusted so that Depository shall receive from Tenant sufficient monies to pay the insurance premiums at least thirty (30) days before the insurance premiums become due and payable.

(b) Anything in Section 7.03(a) to the contrary notwithstanding, if the Event of Default which gave rise to Landlord having demanded that Tenant make deposits under Section 7.03(a) shall have been cured by Tenant and for a period of six (6) consecutive months following such cure no Event of Default shall have occurred that arises from Tenant's failure to comply with the provisions of this Article 7, then, at any time after the expiration of such six (6) month period, upon the demand of Tenant, provided that no Event of Default shall have occurred under this Article 7 subsequent to the expiration of such six (6) month period, all monies deposited under Section 7.03(a) then held by Depository, together with the interest, if any, accrued thereon, shall be returned to Tenant and Tenant shall not be required to make further deposits under Section 7.03(a) unless and until there shall occur a subsequent Event of Default that arises from Tenant's failure to comply with the provisions of this Article 7 and Landlord shall make demand upon Tenant to make deposits under Section 7.03(a).

7.04. Umbrella Insurance. Notwithstanding anything to the contrary herein set forth, the insurance required by this Lease, at the option of Tenant, may be effected by blanket or umbrella policies issued to Tenant covering the Premises and other properties owned or leased by Tenant and/or its Affiliates, provided that the policies otherwise comply with the provisions of this Lease and specifically allocate to the Premises the coverages required hereby, without possibility of reduction or coinsurance by reason of, or damage to, any other premises named therein, and if the insurance required by this Lease shall be effected by any such blanket or

umbrella policies, Tenant shall furnish to Landlord and to each Mortgagee certificates of insurance with respect to such policies, with schedules thereto attached showing the amount of insurance afforded by such policies applicable to the Premises but not to other properties and, if requested by Landlord, copies of such policies and such schedules.

ARTICLE 8.

USE OF INSURANCE PROCEEDS

8.01. Use of Insurance Proceeds. If all or any part of the Building shall be destroyed or damaged in whole or in part by fire or other casualty (including any casualty for which insurance was not obtained or obtainable) of any kind or nature, ordinary or extraordinary, foreseen or unforeseen, Tenant shall give to Landlord notice thereof within seventy-two (72) hours after such casualty occurs, except that no notice shall be required if the estimated cost of repairs, alterations, restorations, replacements and rebuilding (collectively, "Restoration") shall be less than $150,000 (as such amount shall be increased as provided in Section 7.02(a)), and Tenant shall, whether or not such damage or destruction shall have been insured, and whether or not insurance proceeds, if any, shall be sufficient for the purpose of such Restoration, with reasonable diligence (subject to Unavoidable Delays) repair, alter, restore, replace and rebuild (collectively, "Restore") the same, at least to the extent of the value and as nearly as possible to the condition, quality and class of the Building existing immediately prior to such occurrence, with such changes or alterations as Tenant shall elect to make, subject to Landlord's review and approval solely for conformity with the Master Development Plan, the Design Guidelines, and, in the event such Restoration is commenced within ten (10) years after the date the Building has been Substantially Completed, the Construction Documents. Landlord in no event shall be obligated to Restore the Building or any portion thereof or to pay any of the costs or expenses thereof. If Tenant shall fail or neglect to Restore with reasonable diligence (subject to Unavoidable Delays) the Building or the portion thereof so damaged or destroyed, or having so commenced such Restoration, shall fail to complete the same with reasonable diligence (subject to Unavoidable Delays) in accordance with the terms of this Lease, or if prior to the completion of any such Restoration by Tenant, this Lease shall expire or be terminated for any reason, Landlord, upon notice to Tenant, may, but shall not be required to, complete such Restoration at Tenant's expense. Each such Restoration shall be done in accordance with the provisions of this Lease. In any case where this Lease shall expire or be terminated prior to the completion of Restoration, Tenant shall account to Landlord for all amounts spent in connection with any Restoration which was undertaken and shall pay over to Landlord, within ten (10) days after demand, the remainder, if any, of the Restoration Funds previously received by it in respect of work required, in Landlord's reasonable judgment, to complete the Restoration. Tenant's obligations under this Section 8.01 shall survive the expiration or termination of this Lease.

8.02. Payment of Insurance Proceeds.

(a) Subject to the provisions of Sections 8.03, 8.04 and, if applicable, 8.05, Depository shall pay over to Tenant from time to time, upon the following terms, any monies which may be received by Depository from insurance provided by Tenant (other than Rent Insurance) or cash or the proceeds of any security deposited with Depository pursuant to Section 8.05 (collectively, the "Restoration Funds"); provided, however, that Depository, before paying such moneys over to Tenant, shall be entitled to reimburse itself and Landlord therefrom to the extent, if any, of the necessary, reasonable and proper expenses (including, without limitation, reasonable attorneys' fees) paid or incurred by Depository and Landlord in the collection of such monies. Depository shall pay to Tenant, as hereinafter provided, the Restoration Funds, for the purpose of the Restoration.

(b) Within thirty (30) days after the occurrence of any casualty, Tenant shall furnish Landlord with an estimate of the cost of such Restoration, prepared by a licensed professional engineer or registered architect selected by Tenant and approved by Landlord, which approval shall not be unreasonably withheld. Landlord may engage a licensed professional engineer or registered architect to prepare its own estimate of the cost of such Restoration. If there is any dispute as to the estimated cost of the Restoration, such dispute shall be resolved by arbitration in accordance with the provisions of Article 36.

(c) Subject to the provisions of Sections 8.03, 8.04 and, if applicable, 8.05, the Restoration Funds shall be paid to Tenant in installments as the Restoration progresses, less retainage equal to ten percent (10%) of such installment until completion of fifty percent (50%) of the Restoration and five percent (5%) of each installment thereafter until completion of the Restoration, upon application to be submitted by Tenant to Depository and, for information only, to Landlord showing the cost of labor and materials purchased and delivered to the Premises for incorporation in the Restoration, or incorporated therein since the last previous application, and due and payable or paid by Tenant. If any vendor's, mechanic's, laborer's, or materialman's lien is filed against the Premises or any part thereof, or if any public improvement lien relating to the Restoration of the Premises is created or permitted to be created by Tenant and is filed against Landlord, or any assets of, or funds appropriated to, Landlord, Tenant shall not be entitled to receive any further installment until such lien is satisfied or discharged (by bonding or otherwise). Notwithstanding the foregoing, the existence of any such lien shall not preclude Tenant from receiving any installment of Restoration Funds, provided (i) such lien will be discharged with funds from such installment or (ii) if Depository shall be holding funds for the Restoration, (x) Depository certifies that it is retaining, in addition to amounts required to be retained hereunder, an amount equal to the funds required to satisfy or discharge such lien and (y) failure to pay or discharge such lien will not result in the imminent loss or forfeiture of the Premises or the termination of Tenant's interest under this Lease and will not subject Tenant or Landlord to any civil or criminal penalty or liability.

(d) Upon completion of and payment for the Restoration by Tenant, the balance of the Restoration Fund shall be paid over to Tenant.

(e) Notwithstanding the foregoing, if Landlord makes the Restoration at Tenant's expense, as provided in Section 8.01, then Depository shall pay over the Restoration Funds to Landlord, upon request, to the extent not previously paid to Tenant pursuant to this Section 8.02, and Tenant shall pay to Landlord, within twenty (20) days after demand, any sums in excess of the portion of the Restoration Funds received by Landlord necessary to complete the Restoration. Upon completion of the Restoration, Landlord shall deliver to Tenant a certificate, in reasonable detail, setting forth the expenditures made by Landlord for such Restoration and shall pay to Tenant any sums in excess of expenses and costs paid by Landlord in connection with the Restoration.

8.03. Conditions to Payment. The following shall be conditions precedent to each payment made to Tenant as provided in Section 8.02 above:

(a) There shall be submitted to Depository and Landlord the certificate of the aforesaid engineer or architect approved by Landlord pursuant to Section 8.02(b) or any other architect approved by Landlord, which approval shall not be unreasonably withheld, stating that (i) the sum then requested to be withdrawn either has been paid by Tenant or is due and payable to contractors, subcontractors, materialmen, engineers, architects or other Persons (whose names and addresses shall be stated) who have rendered or furnished services or materials for the work and giving a brief description of such services and materials and the principal subdivisions or categories thereof and the several amounts so paid or due to each of said Persons in respect thereof, and stating in reasonable detail the progress of the work up to the date of said certificate, (ii) no part of such expenditures has been or is being made the basis, in any previous or then pending requisition, for the withdrawal of the Restoration Funds or has been made out of the Restoration Funds previously received by Tenant, (iii) the sum then requested does not exceed the value of the services and materials described in the certificate, and (iv) the balance of the Restoration Funds held by Depository will be sufficient upon completion of the Restoration to pay for the same in full, and stating in reasonable detail an estimate of the cost of such completion; there shall be furnished to Landlord an official search, or a certificate of a title insurance company reasonably satisfactory to Landlord, or other evidence reasonably satisfactory to Landlord, showing that there has not been filed any vendor's, mechanic's, laborer's or materialman's statutory or other similar lien affecting the Premises or any part thereof, or any public improvement lien with respect to the Premises or the Restoration created or permitted to be created by Tenant affecting Landlord, or the assets of, or funds appropriated to, Landlord, which had not been discharged of record (by bonding or otherwise) except such as will be (i) discharged upon payment of the requisite amount out of the sum then requested to be withdrawn or (ii) if Depository shall be holding funds for the Restoration, (x) Depository certifies that it is retaining, in addition to amounts required to be retained hereunder, an amount equal to the funds required to satisfy or discharge such lien and (y) failure to pay or discharge such lien will not result in the imminent loss or forfeiture of the Premises or the termination of Tenant's interest under this Lease and will not subject Tenant or Landlord to any civil or criminal penalty or liability; and

(b) at the time of making such payment, no Default in the payment of Rental, no Default as to which Landlord has actual knowledge and no other Default as to which notice has been given, shall have occurred and be continuing under this Lease.

8.04. Additional Restoration Requirements.

(a) If any loss, damage or destruction occurs, the cost of Restoration of which equals or exceeds One Million Dollars ($1,000,000) in the aggregate, determined as provided in Section 8.02(b) (as such amount shall be increased as provided in Section 7.02(a)), Tenant shall furnish to Landlord the following:

(i) at least five (5) Business Days prior to commencement of such Restoration, complete plans and specifications for the Restoration, prepared by a licensed professional engineer or registered architect selected by Tenant and approved by Landlord, which approval shall not be unreasonably withheld, together with the approval thereof and any required permits issued by any Governmental Authority with respect to the Restoration and such plans and specifications, and, at the request of Landlord, any other drawings, information or samples to which Landlord is entitled under Article 11, all of the foregoing to be subject to Landlord's review and approval solely for substantial conformity with the Master Development Plan, the Design Guidelines, and, if such Restoration is commenced within ten (10) years from the date the Building shall have been Substantially Completed, the Construction Documents; all such plans and specifications and other materials for the Restoration shall become the sole and absolute property of Landlord if for any reason this Lease shall be terminated;

(ii) at least ten (10) Business Days prior to commencement of such Restoration, (x) a contract or construction management agreement reasonably satisfactory to Landlord in form assignable to Landlord (subject to any prior assignment to any Mortgagee), made with a reputable and responsible contractor or construction manager approved by Landlord, which approval shall not be unreasonably withheld, providing for the completion of the Restoration in accordance with said plans and specifications, free and clear of all liens, encumbrances, security agreements, interests and financing statements relating thereto, and (y) payment and performance bonds in forms and by sureties reasonably satisfactory to Landlord, naming the contractor as obligor and Landlord, Tenant and Mortgagee, if applicable, as obligees, each in a penal sum equal to the amount of the general construction contract for such Restoration (or, if there shall be no general contractor, Landlord may require payment and performance bonds from such subcontractors, if any, as may be designated by Landlord, each in a penal sum equal to the amount of such subcontract) or, in lieu thereof, such other security as shall be reasonably satisfactory to Landlord;

(iii) at least ten (10) Business Days prior to commencement of such Restoration, an assignment to Landlord (subject to any prior assignment to any Mortgagee) of the contract so furnished and the bonds, if any, provided thereunder, such

assignment to be duly executed and acknowledged by Tenant and by its terms to be effective only upon any termination of this Lease or upon Landlord's re-entry upon the Premises following an Event of Default prior to the complete performance of such contract, such assignment also to include the benefit of all payments made on account of said contract including payments made prior to the effective date of such assignment; and

(iv) At least ten (10) Business Days prior to commencement of such Restoration, insurance policies issued by responsible insurers, bearing notations evidencing the payment of premiums or accompanied by other evidence reasonably satisfactory to Landlord of such payments, for the insurance required by Section 11.03.

(b) Notwithstanding that the cost of Restoration is less than One Million Dollars ($1,000,000) (as such amount shall be increased as provided in Section 7.02(a)), such cost to be determined as provided in Section 8.02(b), to the extent that any portion of the Restoration involves work on the exterior of the Building or a change in the height, bulk or setback of the Building from the height, bulk or setback existing immediately prior to the damage or destruction, or in any other manner affects compliance with the Master Development Plan or the Design Guidelines, then Tenant shall furnish to Landlord at least twenty (20) Business Days prior to commencement of the Restoration a complete set of plans and specifications for the Restoration, involving such work or such change, prepared by a licensed professional engineer or registered architect approved by Landlord, which approval shall not be unreasonably withheld, and, at Landlord's request, such other items designated in Section 8.04(a)(i), all of the foregoing to be subject to Landlord's review and approval solely as provided therein.

(c) In the event Tenant shall desire to modify the plans and specifications which Landlord theretofore has approved pursuant to Section 8.04(a)(i) or 8.04(b) with respect to, or which will in any way affect, any aspect of the exterior of the Building or the height, bulk or setback of the Building or which will affect compliance with the Master Development Plan or the Design Guidelines, Tenant shall submit the proposed modifications to Landlord. Tenant shall not be required to submit to Landlord proposed modifications of the plans and specifications which affect the interior of the Building. Landlord shall review the proposed changes (other than changes to the interior of the Building) in accordance with the time limits set forth in the penultimate sentence of this Section 8.04(c) solely to determine whether or not they (i) conform to the Master Development Plan and the Design Guidelines and (ii) provide for design, finishes and materials which are comparable in quality to those provided for in the approved plans and specifications, and shall approve such proposed changes if they do so conform and so provide. If Landlord determines that the proposed changes are not satisfactory in light of the above criteria, it shall so advise Tenant, specifying in what respect the plans and specifications, as so modified, do not conform to the Master Development Plan or the Design Guidelines or do not provide for design, finishes and materials which are comparable in quality to those provided for in the approved plans and specifications. Within twenty (20) Business Days, or such longer period as Landlord in its reasonable judgment shall approve, after Landlord shall have so notified Tenant, Tenant shall revise the plans and specifications so as to meet Landlord's objections and shall

deliver same to Landlord for review. Each review by Landlord shall be carried out within fifteen (15) Business Days of the date of delivery of the plans and specifications, as so revised (or one or more portions thereof), by Tenant, and if Landlord shall not have notified Tenant of its determination within such fifteen (15) Business Day period, it shall be deemed to have determined that the proposed changes are satisfactory. Landlord shall not review portions of the approved plans and specifications which Landlord has previously determined to be satisfactory, provided same have not been changed by Tenant.

(d) If the cost of any Restoration, determined as provided in Section 8.02(b), exceeds both (i) One Million Dollars ($1,000,000) (as such amount shall be increased as provided in Section 7.02(a)) and (ii) the net insurance proceeds, then, prior to the commencement of such Restoration, Tenant shall deposit with Depository, as security for completion of the Restoration, a bond, cash or other security reasonably satisfactory to Landlord in the amount of such excess.

8.05. No Termination or Abatement. This Lease shall not terminate or be forfeited or be affected in any manner, and there shall be no reduction or abatement of the Rental payable hereunder, by reason of damage to or total, substantial or partial destruction of any of the Building or any part thereof or by reason of the untenantability of the same or any part thereof, for or due to any reason or cause whatsoever, and Tenant, notwithstanding any law or statute present or future, waives any and all rights to quit or surrender the Premises or any part thereof. Tenant expressly agrees that its obligations hereunder, including, without limitation, the payment of Rental, shall continue as though the Building had not been damaged or destroyed and without abatement, suspension, diminution or reduction of any kind. It is the intention of Landlord and Tenant that the foregoing is an "express agreement to the contrary" as provided in Section 227 of the Real Property Law of the State of New York.

8.06. Delivery of Plans. If, for any completed Restoration, Tenant has not theretofore delivered same to Landlord, Tenant shall deliver to Landlord, within one hundred twenty (120) days of the completion after such Restoration, a complete set of "as built" plans thereof together with a statement in writing from a registered architect or licensed professional engineer that such plans are complete and correct.

8.07. Condominium Obligations. If Tenant's leasehold interest in the Premises is submitted to the condominium form of ownership, all of Tenant's obligations under this Article 8 shall be the obligation of the Condominium Board.

ARTICLE 9.

CONDEMNATION

9.01. Generally.

(a) If the whole or substantially all of the Premises shall be taken (excluding a taking of the fee interest in the Premises, or any leasehold interest superior to that of the Tenant's, if after such taking, Tenant's rights under this Lease are not affected) for any public or quasi-public purpose by any lawful power or authority by the exercise of the right of condemnation or eminent domain or by agreement among Landlord, Tenant and those authorized to exercise such right, this Lease and the Term shall terminate and expire on the date of such taking and the Rental payable by Tenant hereunder shall be equitably apportioned as of the date of such taking.

(b) The term "substantially all of the Premises" shall mean such portion of the Premises as when so taken would leave remaining a balance of the Premises which, due either to the area so taken or the location of the part so taken in relation to the part not so taken, would not under economic conditions, applicable zoning laws, building regulations then existing or prevailing or the Master Development Plan, and after performance by Tenant of all covenants, agreements, terms and provisions contained herein or by law required to be observed or performed by Tenant, (i) if the Premises shall then be used for rental purposes, permit the Restoration of the Building so as to constitute a complete, rentable building capable of producing a fair and reasonable net annual income proportional to the number of square feet not so taken or (ii) if Tenant's estate in the Premises shall have been previously submitted to either a cooperative or condominium form of ownership, permit the Restoration of the Building so as to constitute an economically viable cooperative or condominium, as the case may be. If the Premises shall be used for rental purposes, the average net annual income produced by the Building during (i) the period commencing on the date that is ninety (90) days after the date of Completion of the Building and ending on the last anniversary of that date which preceded the taking, or (ii) the five (5) year period immediately preceding such taking, whichever is shorter, shall be deemed to constitute a fair and reasonable net annual income for the purpose of determining what is a fair and reasonable net annual income. If there be any dispute as to whether or not "substantially all of the Premises" has been taken, such dispute shall be resolved by arbitration in accordance with the provisions of Article 36.

(c) If the whole or substantially all of the Premises shall be taken or condemned as provided in Section 9.01(a), the award, awards or damages in respect thereof shall be apportioned as follows: (i) there shall first be paid to Landlord so much of the award which is for or attributable to the value of (A) the Land so taken, considered as encumbered by this Lease and the Master Lease and as unimproved, and (B) Landlord's Civic Facilities and other site improvements made by Landlord taken in any proceeding with respect to such taking; (ii) there shall next be paid to the Mortgagee which holds a first lien on Tenant's interest in this Lease, or to Unit Mortgagees, if applicable, so much of the balance of such award as shall equal the unpaid

principal indebtedness secured by such Mortgage or such Unit Mortgages with interest thereon at the rate specified therein to the date of payment; (iii) for a period of forty (40) years from the Scheduled Completion Date, to each additional Mortgagee, so much of the balance of such award as shall equal the unpaid principal indebtedness secured by such Mortgage with interest thereon at the rate specified thereon to the date of payment; (iv) there shall next be paid to Landlord so much of the award which is for or attributable to the value of Landlord's reversionary interest in that part of the Building taken in such proceeding (it being agreed between Landlord and Tenant that, notwithstanding anything herein contained to the contrary, for a period of forty (40) years from the Scheduled Completion Date, the value of Landlord's reversionary interest in the Building shall be deemed to be zero); and (v) subject to rights of any Mortgagees or Unit Mortgagees, if applicable, Tenant shall receive the balance, if any, of the award. If there be any dispute as to which portion of the award is attributable to the Land and Landlord's Civic Facilities and which portion is attributable to the Building, or as to the value of Landlord's reversionary interest in the Building, such dispute shall be resolved by arbitration in accordance with the provisions of Article 36.

(d) Each of the parties shall execute any and all documents that may be reasonably required in order to facilitate collection by them of such awards.

9.02. Date of Taking. For purposes of this Article 9, the "date of taking" shall be deemed to be the earlier of (i) the date on which actual possession of the whole or substantially all of the Premises, or a part thereof, as the case may be, is acquired by any lawful power or authority pursuant to the provisions of the applicable federal or New York State law or (ii) the date on which title to the Premises or the aforesaid portion thereof shall have vested in any lawful power or authority pursuant to the provisions of the applicable federal or New York State law.

9.03. Less than Substantial Taking. If less than substantially all of the Premises shall be so taken, this Lease and the Term shall continue as to the portion of the Premises remaining without abatement of the Base Rent or diminution of any of Tenant's obligations hereunder. Tenant, whether or not the award or awards, if any, shall be sufficient for the purpose shall (subject to Unavoidable Delays) proceed diligently to Restore any remaining part of the Building not so taken so that the latter shall be a complete, operable, self-contained architectural unit in good condition and repair in conformity with the Master Development Plan and the Design Guidelines and, to the extent reasonably practicable, in the event such Restoration is commenced within ten (10) years from the date the Building is Substantially Completed, the Construction Documents. In the event of any taking pursuant to this Section 9.03, the entire award for or attributable to the Premises taken, considered as unimproved and encumbered by this Lease and the Master Lease and the fair market value of Landlord's Civic Facilities in any proceeding with respect to such taking, shall be first paid to Landlord, and the balance of the award, if any, shall be paid to Depository, except that if such balance shall be less than One Million Dollars ($1,000,000) (as such amount shall be increased as provided in Section 7.02(a)), such balance shall be payable, in trust, to Tenant (provided that if the Master Lease requires payment in trust to Landlord or a Mortgagee, such balance shall be paid as provided therein) for application to the

cost of Restoration of the part of the Building not so taken. Subject to the provisions and limitations in this Article 9, Depository shall make available to Tenant as much of that portion of the award actually received and held by Depository, if any, less all necessary and proper expenses paid or incurred by Depository, the Mortgagee most senior in lien and Landlord in the condemnation proceedings, as may be necessary to pay the cost of Restoration of the part of the Building remaining. Such Restoration shall be done in accordance with and subject to the provisions of Article 8. Payments to Tenant as aforesaid shall be disbursed in the manner and subject to the conditions set forth in Article 8. Any balance of the award held by Depository and any cash and the proceeds of any security deposited with Depository pursuant to Section 9.04 remaining after completion of the Restoration shall be paid to Tenant. Each of the parties shall execute any and all documents that may be reasonably required in order to facilitate collection by them of such awards.

9.04. Deposits with Depository. With respect to any Restoration required by the terms of Section 9.03, the cost of which, as determined in the manner set forth in Section 8.02(b), exceeds both (i) One Million Dollars ($1,000,000) (as such amount shall be increased as provided in Section 7.02(a)) and (ii) the balance of the condemnation award after payment of the expenses set forth in Section 9.03, then, prior to the commencement of such Restoration, Tenant shall deposit with Depository a bond, cash or other security reasonably satisfactory to Landlord in the amount of such excess, to be held and applied by Depository in accordance with the provisions of Section 9.03, as security for the completion of the Restoration.

9.05. Temporary Takings. If the temporary use of the whole or any part of the Premises shall be taken for any public or quasi-public purpose by any lawful power or authority by the exercise of the right of condemnation or eminent domain or by agreement between Tenant and those authorized to exercise such right, Tenant shall give prompt notice thereof to Landlord and the Term shall not be reduced or affected in any way and Tenant shall continue to pay in full the Rental payable by Tenant hereunder without reduction or abatement, and Tenant shall be entitled to receive for itself any award or payments for such use, provided, however, that:

(i) If the taking is for a period not extending beyond the Term and if such award or payment is made less frequently than in monthly installments, the same shall be paid to and held by Depository as a fund which Depository shall apply from time to time to the payment of Rental, except that, if such taking results in changes or alterations in the Building which would necessitate an expenditure to Restore the Building to its former condition, then, a portion of such award or payment considered by Landlord, in its reasonable opinion, as appropriate to cover the expenses of the Restoration shall be retained by Depository, without application as aforesaid, and applied and paid over toward the Restoration of the Building to its former condition, substantially in the same manner and subject to the same conditions as provided in Section 9.03; and any portion of such award or payment which shall not be required pursuant to this Section 9.05 to be applied to the Restoration of the Building or to the payment of Rental until the end of the Term (or, if the taking is for a period terminating prior to the end of the Term, until the end of such period), shall be paid to Tenant; or

(ii) If the taking is for a period extending beyond the Term, such award or payment shall be equitably apportioned between Landlord and Tenant as of the Expiration Date, and Landlord's and Tenant's share thereof, if paid less frequently than in monthly installments, shall be paid to Depository and applied in accordance with the provisions of this Section 9.05, provided, however, that the amount of any award or payment allowed or retained for the Restoration of the Building and not previously applied for such purpose shall remain the property of Landlord if this Lease shall expire prior to such Restoration.

9.06. Other Governmental Action. In case of any governmental action, not resulting in the taking or condemnation of any portion of the Premises but creating a right to compensation therefor, such as the changing of the grade of any street upon which the Premises abut, this Lease shall continue in full force and effect without reduction or abatement of Rental and the award shall be paid to Landlord to the extent of the amount, if any, necessary to restore any portion of Landlord's Civic Facilities to their former condition and any balance remaining shall be paid to Tenant.

9.07. Conveyance in Lieu of Condemnation. In the event of a negotiated sale of all or a portion of the Premises in lieu of condemnation, the proceeds shall be distributed as provided in cases of condemnation.

9.08. Participation. Landlord, Tenant and any Mortgagee shall be entitled to file a claim and otherwise participate in any condemnation or similar proceeding and all hearings, trials and appeals in respect thereof.

9.09. Separate Claims. Notwithstanding anything to the contrary contained in this Article 9, in the event of any permanent or temporary taking of all or any part of the Premises, Tenant and its Subtenants shall have the exclusive right to assert claims for any trade fixtures and personal property so taken which were the property of Tenant or its Subtenants (but not including any Equipment) and for relocation expenses of Tenant or its Subtenants, and all awards and damages in respect thereof shall belong to Tenant and its Subtenants, and Landlord hereby waives any and all claims to any part thereof; provided, however, that if there shall be no separate award or allocation for such trade fixtures or personal property, then such claims of Tenant and its Subtenants, or awards and damages, shall be subject and subordinate to Landlord's claims under this Article 9.

9.10. Landlord Condemnations. Landlord represents that under current law it has no power to condemn all or any part of the Premises.

ARTICLE 10.

ASSIGNMENT, SUBLETTING, MORTGAGES, ETC.

10.01. Transfers.

(a) Except as otherwise specifically provided in this Section 10.01, prior to Substantial Completion of the Building, neither this Lease nor any interest of Tenant in this Lease shall be sold, assigned, or otherwise transferred, whether by operation of law or otherwise, (including, without limitation, an assignment to the Apartment Corporation in connection with a Cooperative Plan and an assignment or partial assignment in connection with Tenant's submission of its leasehold estate in the Premises to a condominium form of ownership) nor shall any of the issued or outstanding capital stock of any corporation which, directly or indirectly, is Tenant be (voluntarily or involuntarily) sold, assigned, transferred, pledged or encumbered, whether by operation of law or otherwise, nor shall any voting trust or similar agreement be entered into with respect to such stock, nor any reclassification or modification of the terms of such stock take place, nor shall there be any merger or consolidation of such corporation into or with another corporation nor shall additional stock (or any warrants, options or debt securities convertible, directly or indirectly, into such stock) in any such corporation be issued if the issuance of such additional stock (or such other securities, when exercised or converted into stock) will result in a change of the controlling stock ownership of such corporation as held by the shareholders thereof as of the Commencement Date, nor shall any general partner's interest in a partnership which is Tenant be (voluntarily or involuntarily) sold, assigned or transferred (each of the foregoing transactions with respect to stock or other securities of a corporation or a general partner's interest in a partnership being herein referred to as a "Transfer"), nor shall Tenant sublet the Premises as an entirety or substantially as an entirety, without the consent of Landlord in each case and the delivery to Landlord of the documents and information specified in Section 10.01(d) hereof. Notwithstanding the foregoing, Landlord agrees that prior to Substantial Completion of the Building Landlord shall not withhold its consent with respect to an assignment by Tenant of all or any portion of Tenant's interest in this Lease or to a Transfer, provided that (i) one or more of Anthony A. Albanese, Vincent M. Albanese, Russell C. Albanese or Christopher V. Albanese shall (directly or indirectly) maintain (x) control and (y) a five percent (5%) or more ownership interest of the assignee, in the case of an assignment, or of Tenant, in the case of a Transfer, (ii) the letter of credit referred to in Section 11.12 shall remain in full force and effect and shall in all respects be unaffected by such assignment or Transfer, (ii) no Default in the payment of Rental (whether or not notice of such Default has been delivered to Tenant) and no other Default as to which notice shall have been given shall have occurred and be continuing under this Lease, (iv) the assignment or Transfer does not violate the terms of Section 10.01(c) hereof and (v) Tenant complies with the applicable provisions of Section 10.01(d) hereof. For purposes of this Section 10.01, the term "control" when used with respect to any specified Person means the power to direct the day to day management and policies of such Person, directly or indirectly, whether through the ownership of voting securities or other beneficial interests, by contract or otherwise; and the terms "controlling" and "controlled" have the meanings correlative to the foregoing.

(b) From and after Substantial Completion of the Building, Landlord's consent shall not be required prior to any Transfer, assignment of Tenant's interest in this Lease or subletting of the Premises as an entirety or substantially as an entirety, provided (i) no Default in the payment of Rental (whether or not notice of such Default has been delivered to Tenant) and no other Default as to which notice shall have been given shall have occurred and then be continuing under this Lease, unless such Default is cured simultaneously with such Transfer, assignment or subletting, and (ii) Tenant shall have complied with the provisions of this Article 10. This Section 10.01(b), Section 10.01(c) (except as otherwise provided therein) and Section 10.01(d) shall not apply to an assignment or partial assignments in connection with a Cooperative Plan or Condominium Plan, which shall be governed by the provisions of Sections 10.01(f) and (g), respectively.

(c) Except as otherwise specifically provided herein, in no event, whether before or after Substantial Completion of the Building, shall Tenant make a Transfer, assign this Lease or any portion of its interest hereunder or sublet the Premises as an entirety or substantially as an entirety to any Person, in which, an ownership interest, in the aggregate, of five percent (5%) or greater is then held, directly or indirectly, by any individual (i) who has ever been convicted of a felony, (ii) against whom any action or proceeding is pending to enforce rights of the State of New York or any agency, department, public authority or public benefit corporation thereof arising out of a mortgage obligation to the State of New York or to any such agency, department, public authority or public benefit corporation, or (iii) with respect to whom any notice of substantial monetary default which remains uncured has been given by the State of New York or any agency, department, public authority or any public benefit corporation thereof arising out of a mortgage obligation to the State of New York or to any such agency, department, public authority or public benefit corporation. The provisions of this Section 10.01(c) shall apply to any Person (x) purchasing from Tenant or any other Person more than fifteen percent (15%) of the Cooperative Apartments or Units or (y) subletting from Tenant or any other Person more than fifteen percent (15%) of the residential apartments, but shall not otherwise apply to any Tenant-Stockholder or Unit Owner.

(d) In each instance wherein Tenant desires to effect, and as a condition to the effectiveness thereof, an assignment, a sublease of the Premises as an entirety or substantially as an entirety, or a Transfer, Tenant shall, not less than twenty (20) days prior to the effective date of such transaction, notify Landlord of the proposed transaction and submit to Landlord the documents and information set forth in Section 10.01(d)(i)(C). Not less than five (5) Business Days prior to the proposed transaction, Tenant shall submit to Landlord the following documents and information set forth in Section 10.01(d)(i)(A) and (B), (ii), and (iii), as applicable, and, if applicable, Section 10.01(d)(iv) (which documents may be unexecuted but shall, in all other respects, be in substantially final form):

(i) in the case of an assignment, (A) a copy of the proposed instrument(s) of assignment, containing, inter alia, the name, address and telephone number of the assignee, (B) a copy of the proposed instrument(s) of assumption of

Tenant's obligations under this Lease by said assignee, and (C) an affidavit of the assignee or an authorized officer or general partner thereof, setting forth (x) in the case of a partnership, the names and addresses of all general partners thereof and all other partners of the assignee having a five percent (5%) or greater ownership interest in the assignee, (y) in the case of a corporation (other than a corporation whose common stock is traded over the New York Stock Exchange or the American Stock Exchange or that is registered under, and files periodic reports under, the Securities Exchange Act of 1934) the names and addresses of all persons having five percent (5%) or greater record ownership of stock in, and all directors and officers of, the assignee;

(ii) in the case of a subletting of the Premises as an entirety or substantially as an entirety, (A) a copy of the proposed sublease, containing, inter alia, the name, address, and telephone number of the subtenant, and (B) an affidavit of the subtenant or an authorized officer or general partner thereof, setting forth the same information with respect to the partners, shareholders, officers and directors of the subtenant as is required with respect to assignees under Section 10.01(d)(i);

(iii) in the case of a Transfer, (A) a copy of each proposed document by which such Transfer is to be accomplished, and (B) an affidavit of an authorized officer or general partner of Tenant, setting forth the same information with respect to the partners, shareholders, officers and directors of Tenant as is required with respect to assignees under Section 10.01(d)(i); and

(iv) in all such cases in which Tenant proposes to effect the transaction prior to Substantial Completion of the Building, such other documents and information as Landlord may reasonably request to permit the evaluation of such assignment, sublease or Transfer.

(e) Landlord shall within twenty (20) days after receipt of all requisite information and documentation set forth in Section 10.01(d)(i)(C), and within five (5) Business Days after receipt of all information and documentation required under Section 10.01(d)(i)(A) and (B), (ii), and (iii), as applicable, and, if applicable, Section 10.01(d)(iv), notify Tenant whether it grants its consent if such consent is required hereunder, and in those instances wherein the consent of Landlord is not so required or is granted, whether the form and substance of each such document and the information submitted establishes compliance with the provisions of Section 10.01(c) and Section 10.01(d) specifying, in the event that Landlord denies its consent to such transaction or determines that any such documentation or any such information does not establish such compliance, the reason for such denial or determination. If Landlord shall not have notified Tenant of such denial or determination within such period, it shall be deemed to have consented to the proposed transaction if such consent is required and to have determined that the documents and the information submitted establish compliance with the provisions of Section 10.01(c) and Section 10.01(d). Even if Landlord has consented to the proposed transaction if such consent is required and/or has determined that the documents and information establish compliance with the provisions of Section 10.01(c) and Section 10.01(d), such consent

and/or determination shall be conditioned upon the delivery to Landlord of executed documents substantially the same as those previously delivered to Landlord for review.

(f) From and after Substantial Completion of the Building, Landlord's consent shall not be required prior to any assignment by Tenant of its interest in this Lease to the Apartment Corporation pursuant to a Cooperative Plan, provided no Default in the payment of Rental (whether or not notice of such Default has been delivered to Tenant) and no other Default as to which notice shall have been given shall have occurred and be continuing hereunder, and Tenant shall have delivered to Landlord (w) a true and correct copy of such Cooperative Plan and any amendments, modifications and supplements thereto, (x) a true and correct copy of the letter of acceptance of the Cooperative Plan issued by the New York State Department of Law, (y) a true and correct copy of the letter accepting the amendment declaring the Cooperative Plan effective issued by the New York State Department of Law and (z) such other documents in connection therewith as may be reasonably requested by Landlord.

(g) Tenant shall not assign, at any time during the Term, its interest in this Lease, in whole or in part, pursuant to any plan to submit Tenant's leasehold estate in the Premises to condominium ownership pursuant to Article 9-B of the Real Property Law of the State of New York or any statute in lieu thereof, except pursuant to the provisions of Article 41 and Exhibit F of this Lease.

(h) Subject to compliance by a Mortgagee with the provisions of Sections 10.10 and 10.11 hereof, the foregoing requirement of consent by Landlord shall not apply to the acquisition of the Premises by such Mortgagee, through the foreclosure of its Mortgage or through a deed or instrument of transfer delivered in lieu of such foreclosure, so long as such Mortgagee shall, in the instrument transferring to such Mortgagee the interest of Tenant hereunder, assume and agree to perform all of the terms, covenants and conditions of this Lease thereafter to be observed or performed by Tenant. Each reference in this Section 10.01(h) to "Mortgagee" shall be deemed to include a subsidiary (direct or indirect) of such Mortgagee or its parent, provided such Mortgagee has delivered to Landlord a written notice advising that such a subsidiary should be so deemed and certifying (i) prior to Substantial Completion that such subsidiary is an Institutional Lender and is controlled (direct or indirect) by such Mortgagee or its direct parent, (ii) that such subsidiary is not a Person described in Section 10.01(c), and (iii) that such subsidiary is authorized to act in the place and stead of such Mortgagee.

10.02. Compliance with this Article. No assignment of this Lease, subletting of the Premises as an entirety or substantially as an entirety or Transfer shall have any validity except upon compliance with the provisions of this Article 10.

10.03. Consents Limited. Any consent by Landlord under Section 10.01 above shall apply only to the specific transaction thereby authorized and shall not relieve Tenant from any requirement hereunder of obtaining the consent of Landlord to any further sale or assignment of this Lease or Transfer or subletting of the Premises as an entirety or substantially as an entirety.

10.04. Subleases. Tenant may, without Landlord's consent, but subject to the provisions of the last sentence of Section 10.01(c) and this Section 10.04, enter into agreements for the rental of residential and non-residential space in the Building, or the occupancy of such space pursuant to licenses or concessions for periods shorter than or equal to the remainder of the Term at the time of such agreements (all of such agreements being herein referred to collectively as "Subleases", and the occupants pursuant to Subleases as "Subtenants"). Each residential Sublease shall obligate the Subtenant pursuant thereto to occupy and use the premises included therein for residential purposes only. No Sublease shall permit the use or occupancy of the Premises included therein for purposes inconsistent with the Requirements, the Master Lease, the Certificate of Occupancy and the Master Development Plan.

10.05. Certain Breaches. The fact that a violation or breach of any of the terms, provisions or conditions of this Lease or of the Master Lease results from or is caused by an act or omission by any Subtenant, Tenant-Stockholder, Unit Owner or subtenant of a Subtenant, Tenant-Stockholder or Unit Owner or any other occupant of the Building shall not relieve Tenant of Tenant's obligation to cure the same. Tenant shall take any and all reasonable steps necessary to prevent any such violation or breach.

10.06. Collection of Sublease Rent. Landlord, after an Event of Default by Tenant, may, subject to the rights of any Mortgagee (provided such Mortgagee is an Institutional Lender), collect subrent and all other sums due under Subleases, and apply the net amount collected to Rental, but no such collection shall be, or be deemed to be, a waiver of any agreement, term, covenant or condition of this Lease or the acceptance by Landlord of any Subtenant as tenant hereunder, or a release of Tenant from performance by Tenant of its obligations under this Lease.

10.07. Assignment of Subleases. To secure the prompt and full payment by Tenant of the Rental and the faithful performance by Tenant of all the other terms and conditions herein contained on its part to be kept and performed, Tenant hereby assigns, transfers and sets over unto Landlord, subject to any assignment of Subleases and/or rents made in connection with any Mortgage (provided the Mortgagee thereunder is an Institutional Lender), all of Tenant's right, title and interest in and to all Subleases and hereby confers upon Landlord, its agents and representatives, a right of entry in, and sufficient possession of, the Premises to permit and insure the collection by Landlord of the rentals and other sums payable under the Subleases. The exercise of the right of entry and qualified possession by Landlord shall not constitute an eviction of Tenant from the Premises or any portion thereof and should said right of entry and possession be denied Landlord, its agent or representative, Landlord, in the exercise of said right, may use all requisite force to gain and enjoy the same without responsibility or liability to Tenant, its servants, employees, guests or invitees, or any Person whomsoever; provided, however, that such assignment shall become operative and effective only if (a) and as long as an Event of Default shall occur and remain uncured, or (b) this Lease and the Term shall be canceled or terminated pursuant to the terms, covenants and conditions hereof, or (c) there occurs repossession under a dispossess warrant or other re-entry or repossession by Landlord under the provisions hereof or applicable law, and then only as to such of the Subleases that Landlord has agreed to take over and assume.

10.08. Sublease Schedule. At any time and from time to time, but not more than once in any six (6) month period within ten (10) days after Landlord's demand, Tenant promptly shall deliver to Landlord a schedule of all Subleases, setting forth the names of all Subtenants. Upon the reasonable request of Landlord, and at reasonable times, Tenant shall permit Landlord and its agents and representatives to inspect all Subleases and, at Landlord's expense, to make copies thereof; provided, however, that Landlord, to the extent permitted by law, shall use its best efforts not to disclose the information contained therein to the public.

10.09. Sublease Subordination. All Subleases shall provide that (a) they are subject to this Lease and to the Master Lease, (b) the Subtenants will not pay rent or other sums under the Subleases for more than one (1) month in advance (excluding security and other deposits required under such Sublease), and (c) at Landlord's option, on the termination of this Lease pursuant to Article 24, the Subtenants will attorn to, or enter into a direct sublease on identical terms with, Landlord. With respect to any non-residential Sublease (i) made to an unrelated third party at a rental not less than the prevailing market rental, (ii) which is in accordance with all of the requirements of this Lease and (iii) which confers no greater rights upon such Subtenant than are conferred upon Tenant under this Lease nor, except with respect to provision of basic services customarily provided to commercial tenants in such circumstances, imposes more onerous obligations upon Landlord, as successor landlord under the Sublease, than are imposed on Landlord in this Lease ("Qualifying Sublease"), at the request of Tenant, Landlord and such Subtenant shall execute an agreement (the "Non-disturbance and Attornment Agreement") wherein Landlord agrees to recognize such Subtenant as the direct tenant of Landlord under its Sublease upon the termination of this Lease pursuant to Article 24, provided that at the time of such termination no default exists under such Subtenant's Sublease which at such time would permit the landlord thereunder to terminate the Sublease or to exercise any remedy for dispossession provided for therein, and such Subtenant agrees to attorn to Landlord and to recognize Landlord as such Subtenant's landlord under its Sublease. The Non-disturbance and Attornment Agreement shall provide that neither Landlord, nor anyone claiming by, through or under Landlord, shall be:

(1) liable for any act or omission of any prior landlord (including, without limitation, the then defaulting landlord), subject to any offsets or defenses that such Subtenant may have against any prior landlord (including, without limitation, the then defaulting landlord),

(2) except with respect to a semi-annual prepayment of real estate tax or PILOT, bound by any payment that such Subtenant might have paid to any prior landlord (including, without limitation, the then defaulting landlord), or any other Person of (x) rent, common area charges, or any other charge payable under such Subtenant's sublease for more than the current month or (y) any security deposit which shall not have been delivered to Landlord,

(3) bound by any covenant to undertake or complete any construction of the Building or any portion thereof demised by the Sublease,

(4) bound by any obligation to make any payment to such Subtenant, or

(5) bound by any amendment to any such Sublease or modification thereof which reduces the basic rent, additional rent, supplemental rent or other charges payable under the Sublease (except to the extent equitably reflecting a reduction in the space covered by the Sublease), or shortens or lengthens the term thereof, or otherwise increases the obligations of landlord thereunder, made without the written determination of Landlord that such Sublease, as amended or modified by any such amendment or modification, is a Qualifying Sublease.

Within fifteen (15) days after Tenant submits to Landlord a copy of a Sublease (which may be unexecuted but which shall, in all other respects be in final form), Landlord shall notify Tenant whether same is a Qualifying Sublease. If Landlord shall determine that such Sublease is a Qualifying Sublease, then, promptly after notice to Tenant of such determination, Landlord and such Subtenant each shall duly execute, acknowledge and deliver to one another one or more counterparts of the Non-disturbance and Attornment Agreement. If Landlord shall determine that same is not a Qualifying Sublease, Landlord shall together with its notice to Tenant specify the reason for such determination. If any Qualifying Sublease is amended or modified to reduce the basic rent, additional rent, supplemental rent or other charges payable under such Qualifying Sublease (except to the extent equitably reflecting a reduction in the space covered by such Qualifying Sublease), or shortens or lengthens the term thereof, or otherwise increases the obligations of Landlord or the rights of the Subtenant thereunder, such Qualifying Sublease, together with such amendments or modifications thereof, shall be resubmitted to Landlord in accordance with the provisions of this paragraph and Landlord shall within twenty (20) days thereafter, notify Tenant whether such Qualifying Sublease, as so amended or modified, remains a Qualifying Sublease. If Landlord shall determine that such Qualifying Sublease, as so amended or modified, remains a Qualifying Sublease, then, promptly after notice to Tenant of such determination, Landlord and the Subtenant of such Sublease each shall duly execute, acknowledge and deliver to one another one or more counterparts of an amendment to the Non-Disturbance and Attornment Agreement entered into between them to incorporate therein such amendment or modification to the Qualifying Sublease. If Landlord shall determine that such Qualifying Sublease, as so amended or modified, does not remain a Qualifying Sublease, Landlord shall together with its notice to Tenant specify the reason for such determination. If there be any dispute as to whether any Sublease is a Qualifying Sublease or as to whether any Qualifying Sublease, as amended or modified, remains a Qualifying Sublease, such dispute shall be resolved by arbitration in accordance with the provisions of Article 36.

10.10. Certain Mortgagee Rights.

(a) If Tenant shall mortgage Tenant's interest in this Lease to a Mortgagee, Tenant or such Mortgagee shall give Landlord prompt notice of such Mortgage and furnish Landlord with a complete and correct copy of each such Mortgage, certified as such by Tenant or such Mortgagee, together with the name and address of such Mortgagee. After receipt of the foregoing, Landlord shall give to such Mortgagee, at the address of such Mortgagee set forth in such notice or to such other address as Mortgagee may from time to time designate by notice given to Landlord in accordance with Article 25 hereof, and otherwise in the manner provided by Article 25, a copy of each notice of Default (and a copy of any notice appointing an arbitrator as provided in Article 36) at the same time as, and whenever, any such notice of Default (or notice appointing an arbitrator) shall thereafter be given by Landlord to Tenant, and no such notice of Default (or notice appointing an arbitrator) by Landlord shall be deemed to have been duly given to Tenant unless and until a copy thereof shall have been so given to each Mortgagee. Each Mortgagee (i) shall thereupon have a period of ten (10) days more than is given to Tenant in each instance in the case of a Default in the payment of Rental and thirty (30) days (subject to Unavoidable Delays) more than is given to Tenant in each instance in the case of any other Default, for remedying the Default, or causing the same to be remedied, or causing action to remedy a Default mentioned in Section 24.01(b) or (c) to be commenced, and (ii) shall, within such periods and otherwise as herein provided, have the right to remedy such Default, cause the same to be remedied or cause action to remedy a Default mentioned in Section 24.01(b) or (c) to be commenced. Landlord shall accept performance by a Mortgagee of any covenant, condition or agreement on Tenant's part to be performed hereunder with the same force and effect as though performed by Tenant.

(b) Notwithstanding the provisions of Sections 10.10(a) and 24.01 hereof, Landlord shall not give notice to Tenant of the expiration and termination of this Lease as provided in Section 24.03(a) hereof if within five (5) Business Days after the expiration of the time given to Tenant pursuant to the provisions of this Lease to remedy the event or condition which would otherwise constitute a Default hereunder, a Mortgagee shall have delivered to Landlord its written agreement to take the action described in clause (i) or (ii) hereinbelow and thereafter, in good faith, shall have commenced promptly either (i) to cure the Default and to prosecute the same to completion (subject to Unavoidable Delays), or (ii) if possession of the Premises is required in order to cure the Default, to institute foreclosure proceedings and obtain possession directly or through a receiver, and to prosecute such proceedings with diligence and continuity and, upon obtaining such possession, commence promptly to cure the Default and to prosecute the same to completion with diligence and continuity, provided that during the period in which such action is being taken (and any foreclosure proceedings are pending), all of the other obligations of Tenant under this Lease, to the extent they are reasonably susceptible to being performed by the Mortgagee, are being performed. However, at any time after the delivery of the aforementioned agreement, the Mortgagee may notify Landlord, in writing, that it has relinquished possession of the Premises or that it will not institute foreclosure proceedings or, if such proceedings have been commenced, that it has discontinued or will discontinue them, and in such event, the Mortgagee shall have no further liability under such agreement from and after the

date it delivers such notice to Landlord (except for any Rental accruing prior to the date it delivers such notice and any damages suffered by Landlord arising in whole or in part from a failure by such Mortgagee to discontinue such proceedings), and, thereupon, Landlord shall have the unrestricted right to terminate this Lease and to take any other action it deems appropriate by reason of any Default, and upon any such termination the provisions of Section 10.11 shall apply. Notwithstanding anything herein contained to the contrary, provided such Mortgagee shall have otherwise complied with the provisions of this Section 10.10, such Mortgagee shall have no obligation to cure any Defaults which are not susceptible to being cured by such Mortgagee. At the request of such Mortgagee, Landlord shall stipulate to those Defaults which Landlord agrees are not susceptible of cure.

(c) Except as expressly provided in Section 10.10(b), no Mortgagee shall become liable under the provisions of this Lease unless and until such time as it becomes, and then only for as long as it remains, the owner of the leasehold estate created hereby. In the event that a Mortgagee shall become the owner of such leasehold estate, such Mortgagee shall not be bound by any modification or amendment of this Lease made subsequent to the date of the Mortgage and delivery to Landlord of the notice provided in Section 10.10(a) hereof and prior to its acquisition of such interest unless the Mortgagee shall have consented in writing to such modification or amendment at the time it was made or at the time of such acquisition.

(d) A copy of any notice of termination given by Landlord to Tenant (other than a termination by reason of an Event of Default) shall be given by Landlord at the same time and in the same manner to any Mortgagee then entitled to receive copies of notices of Default under Section 10.10(a).

10.11. Lease with Mortgagee.

(a) In the case of termination of this Lease by reason of any Event of Default or otherwise, Landlord shall give prompt notice thereof to each Mortgagee whose name and address Landlord has received pursuant to notice made in compliance with the provisions of Section 10.10(a), at the address of such Mortgagee set forth in such notice, and otherwise in the manner provided by Article 25. Subject to the provisions of Section 10.11(d), Landlord, on written request of a Mortgagee made any time within thirty (30) days after the giving of such notice by Landlord, shall promptly execute and deliver a new lease of the Premises to the Mortgagee, or its designee or nominee, for the remainder of the Term upon all the covenants, conditions, limitations and agreements herein contained, provided that such Mortgagee (i) shall pay to Landlord, simultaneously with the delivery of such new lease, all unpaid Rental due under this Lease up to and including the, date of the commencement of the term of such new lease and all expenses, including, without limitation, reasonable attorneys' fees and disbursements and court costs, incurred by Landlord in connection with the Default by Tenant, the termination of this Lease and the preparation of the new lease, less amounts collected by Landlord from Subtenants and (ii) shall cure all Defaults existing under this Lease which are then susceptible to being cured by such Mortgagee. At the request of such Mortgagee, Landlord agrees to stipulate as to Defaults known to be not susceptible to cure.

(b) Any such new lease and the leasehold estate thereby created shall, subject to the same conditions as are contained in this Lease, continue to maintain the same priority as this Lease with regard to any mortgage, including any fee mortgage, on the Premises or any part thereof or any other lien, charge or encumbrance thereon. Concurrently with the execution and delivery of such new lease, Landlord shall assign to the tenant named therein all of its right, title and interest in and to moneys (including insurance and condemnation proceeds), if any, then held by or payable to Landlord or Depository which Tenant would have been entitled to receive but for termination of this Lease, and any sums then held by or payable to Depository shall be deemed to be held by or payable to it as Depository under the new lease.

(c) Upon the execution and delivery of a new lease under this Section 10.11, all Subleases which theretofore have been assigned to, or made by, Landlord shall be assigned and transferred, without recourse, by Landlord to the tenant named in such new lease. Between the date of termination of this Lease and the date of execution of the new lease, if a Mortgagee shall have requested such new lease as provided in Section 10.11(a), Landlord shall not cancel any Subleases or accept any cancellation, termination or surrender thereof (unless such termination shall be effected as a matter of law on the termination of this Lease) without the consent of the Mortgagee, except for a default as permitted in the Subleases or for the purpose of permitting Landlord to enter into Subleases with other subtenants who will occupy not less than the same amount of space demised by the canceled Subleases at a rental rate per square foot and for a term not less than the rental rate per square foot and the unexpired term, respectively, of the canceled Subleases.

(d) If there is more than one Mortgage, and more than one Mortgagee has exercised any of the rights afforded by this Section 10.11 within the time periods set forth herein, then unless otherwise provided in the Mortgage most senior in lien priority (or otherwise acknowledged in writing by the holder thereof), only that Mortgagee, to the exclusion of all other Mortgagees, whose Mortgage is most senior in lien priority shall be recognized by Landlord as having exercised such rights, for so long as such Mortgagee shall be exercising its rights under this Lease with respect thereto, and thereafter, successively, the Mortgagees whose Mortgages are next most senior in lien priority shall be recognized by Landlord, in order of seniority. If the parties shall not agree on which Mortgagee is prior in lien, such dispute shall be determined by a then current certificate of title obtained by Landlord or Tenant, at Tenant's sole expense, issued by a title insurance company licensed to do business in the State of New York chosen by Landlord, and such determination shall bind the parties. Notwithstanding the foregoing, a Mortgagee shall be entitled to the rights afforded by this Section 10.11 only if either Tenant or such Mortgagee shall have given Landlord notice of such Mortgage in compliance with the provisions of Section 10.10(a).

10.12. Condominium Application. The provisions of Sections 10.10 and 10.11 shall be of no further force and effect in the event Tenant shall have subjected Tenant's leasehold interest in the Premises to a condominium form of ownership.

ARTICLE 11.

CONSTRUCTION OF BUILDING

11.01. Generally. Tenant, using a reputable and responsible contractor or construction manager approved by Landlord, which approval shall not be unreasonably withheld, shall promptly commence (subject to Unavoidable Delays) on or before the Construction Commencement Date and (subject to Unavoidable Delays) diligently construct the Building in accordance with the Requirements, Master Development Plan, the Design Guidelines, the Construction Documents, and the applicable provisions of this Lease. Tenant shall as soon as practicable obtain from New York City and all other Governmental Authorities all permits, consents, certificates and approvals required to commence construction of the Building. At the request of Tenant, Landlord, at no cost or expense to it, shall within ten (10) days of Tenant's request, execute and deliver any documents or instruments reasonably required to obtain such permits, consents, certificates and approvals, provided such documents or instruments do not impose any liability or obligation on Landlord. Except as expressly set forth in the next succeeding sentence, Tenant shall not undertake Commencement of Construction unless and until (i) Tenant shall have obtained as aforesaid, and delivered to Landlord copies of all necessary permits, consents, certificates and approvals for such construction from all Governmental Authorities which are required to have been obtained prior to Commencement of Construction, (ii) Landlord shall have reviewed the Construction Documents in the manner provided herein and shall have determined that they conform to the Master Development Plan, the Design Guidelines, the Schematics and the Design Development Plans and Landlord has given notice thereof to Tenant, (iii) Tenant shall have delivered to Landlord the original policies of insurance or duplicate originals thereof, in accordance with Section 11.03(b), and (iv) either (x) a building loan Mortgage in an amount sufficient, in Landlord's judgment, to assure completion of construction of the Building shall have been made for the financing of such construction or (y) Landlord shall have approved a plan submitted by Tenant for financing the construction of the Building. Notwithstanding the foregoing, provided Tenant shall be in compliance with the remaining provisions of this Lease, Tenant shall have the right to undertake the Commencement of Construction and the following limited work prior to its compliance with subsection (iv) above: excavation, pile driving and pile caps and other components of the Building which do not extend more than two (2) feet above grade. Tenant shall obtain such other permits, consents, certificates and approvals as may be required from time to time to continue and complete the construction of the Building. At the request of either Landlord or Tenant, made at any time after Commencement of Construction, Landlord and Tenant shall execute a certification setting forth the Construction Commencement Date. In the event the parties shall be unable to agree on such date, such dispute shall be resolved by arbitration pursuant to Article 36.

11.02. Approval Process.

(a) Tenant has prior to the date hereof submitted preliminary scaled schematic drawings (the "Pre-Schematics") prepared by the Design Architect.

(b) As soon as practicable, but in no event later than the date which is twenty (20) days after Landlord's written approval of the Pre-Schematics, Tenant shall submit to Landlord scaled schematic drawings (the "Schematics") prepared by the Design Architect, which Schematics must be (i) consistent with (x) the Pre-Schematics and (y) the proposal submitted by Tenant to Landlord dated March 10, 2000, supplemented on April 7, 2000 (the "Proposal") including, without limitation, elements of the proposal which relate to the utilization of environmentally responsible building methods and systems and compliance with the Environmental Guidelines and (ii) in accordance with Landlord's submission requirements for schematics, such requirements being more particularly described in the Design Guidelines. If Landlord determines that the Schematics conform to the Master Development Plan and the Design Guidelines and are consistent with the Proposal and the Pre-Schematics, Landlord shall notify Tenant to that effect. If Landlord determines that the Schematics do not conform to the Master Development Plan, the Design Guidelines, the Proposal or the Pre-Schematics, Landlord shall so notify Tenant, specifying in reasonable detail those respects in which the Schematics do not so conform, and Tenant shall, subject to Section 11.14(a) with respect to consistency with the Proposal only, revise the Schematics to so conform and shall resubmit the same to Landlord for review within fifteen (15) Business Days of the date of notice from Landlord to Tenant that the Schematics do not so conform or such longer period as Landlord in its reasonable judgment may approve. Each review by Landlord shall be carried out within fifteen (15) Business Days of the date of submission of the Schematics or revised Schematics, as the case may be, by Tenant (and if Landlord shall not have notified Tenant of its determination within such fifteen (15) Business Day period, it shall be deemed to have determined that the Schematics do conform to the Master Development Plan, the Design Guidelines, the Pre-Schematics and the Proposal).

(c) As soon as practicable, but in no event later than the date that is sixty (60) days after Landlord shall have notified Tenant that the Schematics conform to the Master Development Plan, the Design Guidelines and the Proposal, Tenant shall submit to Landlord for its review, design development plans and outline specifications for the Building (the "Design Development Plans"), prepared by the Design Architect and in accordance with Landlord's submission requirements for the design development phase, such requirements being more particularly described in the Design Guidelines. Any changes in the Design Development Plans from the Schematics shall be identified in reasonable detail. If Landlord determines that the Design Development Plans conform to the Master Development Plan, the Design Guidelines the Schematics and the Proposal, Landlord shall notify Tenant to that effect. If Landlord determines that the Design Development Plans do not conform to the Master Development Plan, the Design Guidelines, the Schematics or the Proposal, Landlord shall so notify Tenant, specifying in reasonable detail those respects in which the Design Development Plans do not so conform, and Tenant shall, subject to Section 11.14(a) with respect to consistency with the Proposal only, revise the same to so conform and shall resubmit the Design Development Plans to Landlord for

review within fifteen (15) Business Days of the date of notice from Landlord to Tenant that the Design Development Plans do not so conform or such longer period as Landlord in its reasonable judgment may approve. Each review by Landlord shall be carried out within fifteen (15) Business Days of the date of submission of the Design Development Plans or revised Design Development Plans, as the case may be, by Tenant (and if Landlord shall not have notified Tenant of its determination within such fifteen (15) Business Day period, it shall be deemed to have determined that the Design Development Plans do conform to the Master Development Plan, the Design Guidelines, the Schematics and the Proposal).

(d) As soon as practicable, but in no event later than sixty (60) days after Landlord shall have notified Tenant that the Design Development Plans conform to the Master Development Plan, the Design Guidelines, the Schematics and the Proposal, Tenant shall submit to Landlord final contract plans and specifications for the Building prepared by the Architect and in accordance with Landlord's requirements for final contract plans and specifications, such requirements being more particularly described in the Design Guidelines. Any changes in such final contract plans and specifications from the Design Development Plans shall be identified in reasonable detail. The final contract plans and specifications shall be reviewed by Landlord to determine whether or not they conform to the Master Development Plan, the Design Guidelines the Design Development Plans and the Proposal. If Landlord determines that they do so conform, Landlord shall notify Tenant to that effect. If Landlord determines that the final contract plans and specifications do not conform to the Master Development Plan, the Design Guidelines, the Design Development Plans or the Proposal, Landlord shall so notify Tenant, specifying in reasonable detail those respects in which the final contract plans and specifications do not so conform, and Tenant shall, subject to Section 11.14(a) with respect to consistency with the Proposal only, revise the same to so conform and shall resubmit the final contract plans and specifications to Landlord for review within fifteen (15) Business Days of the date of notice from Landlord to Tenant that the final contract plans and specifications do not so conform or such longer period as Landlord in its reasonable judgment may approve. Each review by Landlord shall be carried out within fifteen (15) Business Days of the date of submission of the final contract plans and specifications or revised final contract plans and specifications, as the case may be, by Tenant (and if Landlord shall not have notified Tenant of its determination within such fifteen (15) Business Day period, it shall be deemed to have determined that the final contract plans and specifications do conform to the Master Development Plan, the Design Guidelines, the Design Development Plans and the Proposal). The contract plans and specifications that have been determined to conform to the Master Development Plan, the Design Guidelines and the Design Development Plans, as the same may be changed from time to time by Tenant, to the extent that changes required to be approved by Landlord are so approved by Landlord as hereinafter provided, are hereinafter referred to as the "Construction Documents".

(e) In the event that Tenant shall desire to modify the Construction Documents with respect to, or in a manner which will in any way affect, any aspect of the exterior of the Building or which will result in a change in the height, bulk or setback of the Building or which in any other manner affects compliance with the Master Development Plan or the Design Guidelines or the Proposal, Tenant shall submit the proposed modifications to

Landlord for approval prior to making or implementing any such modification. All modifications shall be identified in reasonable detail. Tenant shall not be required to submit to Landlord proposed modifications of the Construction Documents which affect solely the interior of the Building and do not affect the space described in Section 11.02(l). Landlord shall review the proposed changes to determine whether or not they (i) conform to the Master Development Plan and the Design Guidelines, and (ii) provide for design, finishes and materials with respect to the exterior of the Building which are comparable in quality to those provided for in the Construction Documents. If Landlord determines that they do so conform and provide, Landlord shall notify Tenant to that effect. If Landlord determines that the Construction Documents, as so revised, do not conform to the Master Development Plan, the Design Guidelines or the Proposal or provide for such design, finishes and materials, Landlord shall so notify Tenant, specifying in reasonable detail those respects in which they do not so conform or provide, and Tenant shall revise the same to meet Landlord's objections and shall resubmit them to Landlord for review within fifteen (15) Business Days of the date of notice from Landlord to Tenant that they do not so conform or provide or such longer period as Landlord in its reasonable judgment may approve. Each review by Landlord shall be carried out within fifteen (15) Business Days of the date of submission of the proposed changes or the Construction Documents, as so revised, by Tenant, as the case may be (and if Landlord shall not have notified Tenant of its determination within such fifteen (15) Business Day period, it shall be deemed to have determined that the proposed changes are satisfactory). Landlord shall not disapprove items in the Construction Documents that Landlord has previously specifically determined to be satisfactory, provided same have not been changed by Tenant.

(f) Notwithstanding the provisions of Section 11.02(e), if, after the Commencement of Construction, Tenant makes a good faith determination that any proposed modification which requires Landlord's approval under Section 11.02(e) is of a minor or insubstantial nature, Tenant may so advise the then existing Project Manager designated by Landlord ("Landlord's Project Manager") (delivering to him or her a written statement setting forth the proposed modification and the basis for Tenant's determination and simultaneously delivering copies of said statement to Landlord's President and Chief Executive Officer and Director, Planning and Design). Landlord's Project Manager shall, in writing, before the expiration of the fifth full Business Day after the receipt of said advice, either (i) notify Tenant of approval of said proposed modification or (ii) notify Tenant that Tenant is required to submit the proposed modification to Landlord as provided in Section 11.02(e). In the event Landlord's Project Manager acts in accordance with (ii) above, Landlord, after receipt from Tenant of the proposed modification, shall endeavor to expedite its review thereof and notification to Tenant of its determination. Nothing set forth in this Section 11.02(f) shall require Landlord to notify Tenant of Landlord's determination earlier than the expiration of the fifteen (15) Business Day period set forth in Section 11.02(e) with respect to such modification, provided, however, that if Landlord's Project Manager shall not have notified Tenant of either (i) or (ii) above within the five (5) Business Day period set forth above, Landlord shall be deemed to have approved the proposed modification.

(g) The Construction Documents shall comply with the Requirements, including but not limited to the Building Code of New York City. The responsibility to assure such compliance shall be Tenant's; Landlord's determination that the Construction Documents conform to the Master Development Plan and the Design Guidelines shall not be, nor shall it be construed to be or relied upon as, a determination that the Construction Documents comply with the Requirements. In the event that there shall be a conflict between the Requirements and the Master Development Plan or the Design Guidelines, the Requirements shall prevail.

(h) In addition to the documents referred to in Section 11.01 and this Section 11.02, Tenant shall, at least thirty (30) Business Days prior to ordering the same for incorporation into the Building, submit to Landlord samples of all materials to be used on the exterior of the Building, including windows, and the same shall be subject to Landlord's approval for conformity to the Design Guidelines, the Master Development Plan and the Construction Documents. If Landlord shall have failed to object to any of such materials within fifteen (15) Business Days after its receipt of such materials, it shall be deemed to have approved such materials. Landlord reserves the right at its sole cost and expense to maintain its field personnel at the Premises to observe Tenant's construction methods and techniques and Landlord shall be entitled at its sole cost and expense to have its field personnel or other designees attend Tenant's job and/or safety meetings. No such observation or attendance by Landlord's personnel or designees shall impose upon Landlord any responsibility for any failure by Tenant to observe applicable Requirements or safety practices in connection with such construction, or constitute an acceptance of any work which does not comply in all respects with the Requirements and the provisions of this Lease.

(i) The Design Guidelines presently allow a maximum Building "floor area," (as such term is defined in the Zoning Resolution of the City of New York) of 335,000 square feet, as computed in accordance with Section 12-10 of the Zoning Resolution and a maximum footprint of approximately 18,063 square feet. In order to accommodate mechanical and other construction elements as required by the Environmental Guidelines and to enlarge the below grade area of the Building to provide for vault space, Landlord has consented to (A) the erection of the foundation walls for the northerly portion of the Building to protrude beyond the boundary lines described on Exhibit A annexed hereto to certain area under River Terrace and Park Place West and under the park to be constructed by the Landlord on the easterly side of the Building substantially in accordance with the drawing annexed hereto as Exhibit A-1 and (B) subject to Landlord's approval of the Construction Documents pursuant to the terms of this Lease, a floor area in excess of 335,000 square feet (but in no event exceeding the floor area permitted under the Zoning Resolution). Within fifteen (15) days after Landlord's approval of the increased floor area, the parties shall enter into an amendment to this Lease which (x) sets forth the new maximum floor area and (y) adjusts the Aggregate Rent for Lease Years 1 through 25 pro rata based on the additional floor area of the Building over 335,000 square feet. Simultaneously with such amendment, Tenant shall (A) file any supplemental or amended transfer tax returns and pay any transfer taxes associated therewith and (B) pay to Landlord any shortfall in Aggregate Rent attributable to the period prior to the date of such amendment. Provided Landlord approves the

increased Building floor area, said increased Building floor area and any increased building footprint shall not be deemed violations of the Design Guidelines.

(j) Tenant shall not construct or permit to exist any Building on the Land unless the Building is in compliance with the Master Development Plan and, except as expressly set forth in Section 11.02(i) above, the Design Guidelines.

(k) Landlord acknowledges and agrees that in order to meet Tenant's construction schedule, Tenant may be required to "fast track" certain aspects of the final detailed plans and specifications and of the excavation and foundation stage of the construction process. Landlord agrees, within the limitations of sound construction practice, to cooperate with Tenant, as reasonably requested from time to time by Tenant, in "fast tracking" the construction of the Building. Such cooperation may include, and may only include (i) shortening the review periods provided for herein, (ii) reviewing certain aspects of the Design Development Plans and Construction Documents prior to completion and submission to Landlord of every aspect thereof, and (iii) permitting Tenant to begin excavation and foundation work prior to completion and approval by Landlord of the Construction Documents. Subject to Tenant's compliance with all of the terms of this Lease, Landlord hereby consents to Tenant's performance of the following limited work prior to Tenant's completion of the "mock-up" as required by the Design Guidelines and approval by Landlord of the final Construction Documents: excavation, pile driving and pile caps and other components of the Building which do not extend more than two (2) feet above grade.

(l) Tenant shall, at Tenant's expense, construct and make available to Landlord or, at Landlord's option, to Battery Park City Parks Conservancy, without rental or other charge, a minimum of one thousand four hundred (1,400) square feet of space in the Building in a location and of a configuration approved by Landlord, which approval shall not be unreasonably withheld, that shall have a gross area of one thousand four hundred (1,400) square feet and which space shall have a street-level entrance on Murray Street or as otherwise approved by Landlord. Tenant shall provide electrical and water service to such premises, and Landlord shall make separate arrangements (including the installation of any necessary electric and water meters) with the applicable utility company to separately meter and pay for the electrical and water use by the occupant of said space. Such premises shall not be used in a manner that will unreasonably interfere with Tenant's use of the Premises for the purposes set forth in this Lease. Tenant acknowledges and agrees that the space described herein may be used as a public restroom facility as described in Section 7(d) of the Design Guidelines. Upon Landlord's request, Tenant agrees to design and construct or cause the design and construction of such tenant improvements as Landlord may request in such space, subject to Tenant and Landlord agreeing in writing to the actual cost thereof, and to Landlord's agreement to reimburse Tenant for such actual cost within thirty (30) days of receipt by Landlord of invoices from Tenant from time to time as the construction progresses, but not more often than monthly. Landlord, or its designee, shall be solely responsible for all costs and expenses in connection with the use, operation and maintenance of the space and for the performance of all alterations, changes, improvements, repairs and replacements to the space.

11.03. Insurance.

(a) Not later than two (2) Business Days prior to the Commencement of Construction until Substantial Completion of the Building, Tenant shall provide, or cause to be provided, and thereafter shall keep or cause to be kept in full force and effect with respect to the Premises, the following insurance coverage of the types and in the minimum limits set forth below:

(i) general liability insurance, naming contractor or construction manager as named insured and, as additional insureds, Tenant, Landlord, Master Landlord and each Mortgagee under a standard mortgagee clause, such insurance to insure against liability for bodily injury and death and for property damage in an amount not less than Twenty-Five Million Dollars ($25,000,000) combined single limit, such insurance to include operations-premises liability, contractor's protective liability on the operations of all subcontractors, completed operations (to be kept in force for not less than three (3) years after Substantial Completion of the Building), broad form contractual liability (designating the indemnity provisions of the Construction Agreements and this Lease), a broad form comprehensive general liability endorsement providing blanket automatic contractual coverage including bodily injury to employees or others assumed by the insured under contract and, if the contractor is undertaking foundation, excavation or demolition work, an endorsement that such operations are covered and that the "XCU Exclusions" have been deleted;

(ii) automobile liability insurance for all owned, non-owned, leased, rented and/or hired vehicles insuring against liability for bodily injury and death and for property damage in an amount not less than Five Million Dollars ($5,000,000) combined single limit, with such coverage to be listed in the underlying schedule of any umbrella or following form excess policy for a total limit of Twenty-Five Million Dollars ($25,000,000), such insurance to name Tenant (contractor if carried by contractor) as named insured and, as additional insureds, Landlord, Master Landlord, any general contractor or construction manager engaged by Tenant (Tenant if contractor carries such insurance) and each Mortgagee under a standard mortgage clause;

(iii) workers' compensation insurance providing statutory New York State benefits for all persons employed in connection with the construction at the Premises and employer's liability insurance in an amount not less than that required by New York State law, with coverage to be listed in the underlying schedule of any umbrella or following form excess policy; and

(iv) special form builder's risk insurance written on a one hundred percent (100%) of completed value (non-reporting) basis with limits as provided in Section 7.01(a)(i), naming, to the extent of their respective insurable interests in the Premises, Tenant as named insured, and, as additional insureds, Landlord, Master

Landlord, any contractor or construction manager engaged by Tenant and each Mortgagee under a standard mortgagee clause. In addition, such insurance (A) shall contain an acknowledgment by the insurance company that its rights of subrogation have been waived with respect to Landlord and Master Landlord and an endorsement stating that "permission is granted to complete and occupy", (B) if any storage location situated off the Premises is used, shall include coverage for the full insurable value of all materials and equipment on or about any such storage location intended for use with respect to the Premises, and (C) if materials, equipment, machinery or supplies to be used in connection with construction are shipped to the job site from places in the contiguous United States, the District of Columbia or Canada, the all-risk builders risk insurance will provide transit coverage.

(b) In the event the proceeds received pursuant to the insurance coverage required under Section 11.03(a)(iv) hereof shall exceed One Million Dollars ($1,000,000) (as such amount shall be increased as provided in Section 7.02(a)), such proceeds shall be paid to Depository and disbursed in accordance with the provisions of Sections 8.02 and 8.03 hereof. In the event such proceeds shall be One Million Dollars ($1,000,000) (as such amount shall be increased as provided in Section 7.02(a)) or less, such proceeds shall be payable, in trust, to Tenant for application to the cost of completion of construction of the Building.

(c) No construction shall be commenced until Tenant shall have delivered to Landlord the certificates of the policies of insurance as required by this Section 11.03.

(d) To the extent applicable, Tenant shall comply with the provisions of Section 7.02 hereof with respect to the policies required by this Section 11.03.

(e) To the extent that the insurance coverages required pursuant to this Section 11.03 duplicate those required by Article 7 hereof, Tenant shall not be required to maintain such coverages in duplicate, but in each instance the more extensive coverage shall be maintained.

(f) Tenant shall, prior to Commencement of Construction, obtain or cause to be obtained, and furnish to Landlord with respect to each contractor and subcontractor having a contract (or multiple contracts) providing for payments of $1,000,000.00 or more in the aggregate, either:

(i) a payment and performance bond in a form and by a surety reasonably satisfactory to Landlord naming such contractor or subcontractor as obligor and Landlord, Tenant and each Mortgagee as co-obligees, each in a penal sum equal to the amount of such contractor's or subcontractor's contract; or

(ii) both (a) a Guaranty of Completion in the form of Exhibit E hereto executed by such surety or sureties as may be reasonably acceptable to Landlord and (ii) a letter from a surety company reasonably acceptable to Landlord attesting to the

"bondability" of such contractor and its contract (s) or subcontract(s), as the case may be, or other evidence of bondability as is reasonably satisfactory to Landlord, which letter shall be reasonably acceptable to Landlord in form and substance (and Landlord agrees that any such surety company or letter approved by Tenant's Mortgagee shall be deemed to be acceptable to Landlord). Landlord acknowledges that, in order for Tenant to comply with the Affirmative Action Program, a copy of which is annexed hereto as Exhibit C, Tenant may have to waive the requirement for a bond, guaranty or other security, in which event, Tenant shall be authorized to grant said waiver and evidence of bondability shall not be required. Such waiver shall not constitute a default hereunder.

(g) Notwithstanding the provisions of Section 11.03(f), Tenant shall not be required to obtain (or cause to be obtained) the items described in clause (i) or (ii) of Section 11.03(f) with respect to each subcontractor having a contract (or multiple contracts) providing for payments of $1,000,000 or more in the aggregate, if Tenant causes the contractor or construction manager to obtain, and furnish to Landlord, a so-called "Subguard" insurance policy providing protection against the default of subcontractors and suppliers (hereinafter, "Subcontractor Default Insurance") who are engaged by the contractor to perform any portion of the work to construct the Building or to provide any materials, equipment or machinery in connection with the performance of such work. The Subcontractor Default Insurance shall: (i) remain in effect until Substantial Completion of the Building and (ii) provide for an aggregate policy limit of $100,000,000, a qualifying loss limit of $50,000,000, a qualifying loss indirect cost sublimit of $5,000,000, a deductible for each qualifying loss of $0 and a co-payment percentage for each qualifying loss in excess of the deductible of 0%. A certificate evidencing the existence of the policy providing Subcontractor Default Insurance, shall be delivered to Landlord prior to Commencement of Construction and not less than fifteen (15) days prior to the expiration date of such policy, a certificate of insurance evidencing the renewal of such policy or a replacement policy and the payment of the premium therefor complying with the provisions of this Section 11.03(g), shall be delivered to Landlord.

11.04. Timing. Construction of the Building shall be (a) commenced on or prior to the Construction Commencement Date and prosecuted by Tenant with all reasonable diligence and without interruption, in each case however subject to Unavoidable Delays, and (b) Substantially Completed by Tenant in a good and workerlike manner in accordance with the approved Construction Documents, the Master Development Plan and the Design Guidelines, no later than three years after the Construction Commencement Date, as such date may be extended for Unavoidable Delays (the "Scheduled Completion Date"). Upon Substantial Completion of the Building, Tenant shall furnish Landlord with (i) true copies of the Residential TCO for all the residential space in the Building and, if available and except as otherwise provided to the contrary in this Section 11.04, temporary Certificate(s) of Occupancy for the non-residential space in the Building, and (ii) a survey prepared and sealed by a registered surveyor showing the Building and all easements and other matters of record relating to the Premises, certified by such surveyor to Tenant, Landlord, each Mortgagee, and to any title company which shall have insured or committed to insure the Premises, and bearing the certification of such surveyor that the Building is within the property lines of the Land and do not encroach upon any easement or

violate any restriction of record. "Substantial Completion of the Building" or "Substantially Completed" shall mean (i) substantial completion of all construction work on the residential space in the Building, and, substantial completion of all construction work on the exterior portions of the non-residential space in the Building, (ii) the delivery to Landlord of true copies of the Residential TCO for all the residential space in the Building and a certificate of the Architect to Landlord that Tenant has completed sufficient work on the exterior portions of the non-residential space in the Building such that Tenant would be entitled to obtain a temporary certificate of occupancy for the non-residential space in the Building if interior work had been completed to the same standards, and (iii) the delivery to Landlord of a statement in writing from the Architect that the construction has been performed substantially in accordance with the approved Construction Documents, the Master Development Plan, and the Design Guidelines. Notwithstanding anything herein contained to the contrary, if Tenant shall have failed to deliver the Residential TCO for all the residential space in the Building on or before the Scheduled Completion Date as a result of the failure of the Department of Buildings of New York City, or successor body of similar function, to issue the same, such failure shall not constitute a Default or Event of Default hereunder provided the Architect certifies in writing to Landlord that Tenant has completed all work necessary to obtain such Residential TCO. In any event, Tenant shall deliver a true copy of such Residential TCO and temporary Certificate(s) of Occupancy for the non-residential space in the Building, to Landlord promptly upon their issuance. Within one hundred twenty (120) days after Substantial Completion, Tenant shall provide Landlord with a complete set of "as built" plans for the Building prepared by the Architect and accompanied by a written statement by the Architect that the "as-built" plans are complete and correct. Within six (6) months after the date of Substantial Completion of the Building, Tenant shall furnish Landlord with permanent Certificate(s) of Occupancy for all space in the Building duly issued by the New York City Department of Buildings, provided, however, Tenant's failure to obtain such permanent Certificate(s) of Occupancy within such six (6) month period shall not be a Default or Event of Default hereunder if Tenant shall be diligently and in good faith attempting to obtain same (which attempt (i) shall include, but not be limited to, the reasonable expenditure of monies, but (ii) shall not obligate Tenant to complete construction of any interior portion of the non-residential space in the Building until such portion has been made subject to one or more Subleases). In any event, Tenant shall promptly furnish Landlord with such permanent Certificate(s) of Occupancy after same has been duly issued.

11.05. Job Materials.

(a) The materials to be incorporated in the Building at any time during the Term shall, upon purchase of same and at all times thereafter, constitute the property of Landlord, and upon construction of the Building or the incorporation of such materials therein, title thereto shall vest in Landlord, provided, however, that (i) Landlord shall not be liable in any manner for payment or otherwise to any contractor, subcontractor, laborer or supplier of materials or other Person in connection with the purchase of any such materials, (ii) Landlord shall have no obligation to pay any compensation to Tenant by reason of its acquisition of title to such materials and Building, (iii) Landlord shall have no obligation with respect to the storage or care of such materials or the Building, (iv) all materials to be incorporated in the Building shall,

immediately upon the purchase of same, be deemed to be leased to Tenant pursuant to this Lease and (v) provided no Default in the payment of Rental (whether or not notice of such Default has been delivered to Tenant) and no other Default as to which notice shall have been given shall have occurred and be continuing, any refunds, credits or other proceeds that may be obtained in respect of such materials shall be paid to Tenant within fifteen (15) Business Days following Landlord's receipt thereof.

(b) All Construction Agreements shall include the following provision: "[contractor] [subcontractor] [materialman] hereby agrees that immediately upon the purchase by [contractor] [subcontractor] [materialman] of any building materials to be incorporated in the Building (as said term is defined in the lease pursuant to which the owner acquired a leasehold interest in the property), or of any building materials to be incorporated in improvements made thereto, such materials shall become the sole property of Battery Park City Authority, a public benefit corporation, notwithstanding that such materials have not been incorporated in, or made a part of, such Building at the time of such purchase; provided, however, that Battery Park City Authority shall not be liable in any manner for payment or otherwise to [contractor] [subcontractor] [materialman] in connection with the purchase of any such materials and Battery Park City Authority shall have no obligation to pay any compensation to [contractor] [subcontractor] [materialman] by reason of such materials becoming the sole property of Battery Park City Authority."

(c) By reason of the ownership of the Building by Landlord, certain sales and compensating use taxes will not be incurred in connection with the construction of the Building. Tenant shall pay to Landlord, as payments in lieu of such sales and compensating use taxes, One Million Five Hundred Seven Thousand Five Hundred Dollars and No Cents ($1,507,500.00), payable in eight (8) equal quarterly payments, each in the amount of One Hundred Eighty Eight Thousand Four Hundred Thirty Seven Dollars and Fifty Cents ($188,437.50), the first such payment to be made on the first day of the month following the date on which the Commencement of Construction shall occur (unless Commencement of Construction shall occur on the first day of a month in which case such payment shall be made on such date) and the succeeding payments to be made on the first day of each third month thereafter until paid in full. Notwithstanding Section 11.01(h), if the floor area of the Building indicated in the final Construction Documents exceeds 335,000 square feet, the amount due from Tenant pursuant to this Section 11.05(c) shall increase by $4.50 for each such excess square foot and if the floor area of the Building indicated in the final Construction Documents is less than 335,000 square feet, the amount due from Tenant pursuant to this Section 11.05(c) shall be reduced by the product obtained by multiplying $4.50 by the difference between 335,000 square feet and the square foot floor area of the Building indicated in the final Construction Documents. In the event Tenant is compelled by any Governmental Authority to pay any such sales or compensating use tax in respect of materials incorporated (or to be incorporated) in the Building, then, provided that Tenant has paid all installments of the payments in lieu of such taxes referred to above which have theretofore become due and payable, Tenant shall receive a credit against the next installment(s) of Base Rent in an amount equal to the amount of such taxes (including interest and penalties) which Tenant has been compelled to pay, provided that (i) each Construction

Agreement contains the provision set forth in Section 11.05(b), (ii) Tenant has notified Landlord prior to payment of such taxes and promptly upon receipt of notice of claim that a claim has been made therefor, and (iii) if permitted by applicable law, Landlord has the opportunity to contest the imposition of same provided that neither Tenant's interest in the Premises nor any income derived by Tenant therefrom would, by reason of such contest, be forfeited or lost, or subject to any lien, encumbrance or charge, and Tenant would not by reason thereof be subject to any civil or criminal liability. At Tenant's request, Landlord shall cooperate and assist Tenant's efforts to establish to any Governmental Authority that by reason by Landlord's ownership of the Building, no sales or compensating use tax is payable in connection with the materials incorporated or to be incorporated into the Building. If Tenant is required to institute any proceedings against any Governmental Authority to obtain a refund of any sales or compensating use tax paid by Tenant in connection with the materials incorporated into the Building, Landlord shall join in the proceedings provided that the provisions of any law, rule or regulation at the time in effect shall require that such proceedings be brought in the name of Landlord. Tenant shall reimburse Landlord for any and all costs and expenses that Landlord may reasonably incur in connection with providing such cooperation and assistance or in connection with such proceedings, including reasonable attorneys fees and disbursements.

11.06. Signage. Tenant may furnish and install, for so long as permitted by the Design Guidelines, a project sign, designed, of a size and with such text as shall be reasonably satisfactory to, Landlord, at a location on the Premises reasonably satisfactory to Landlord and Tenant. Tenant also shall extend to Landlord and any of its designee(s) the privilege of being featured participants in ground-breaking and opening ceremonies to be held at such time and in such manner as Landlord and Tenant shall agree.

11.07. Fill. Tenant shall remove from the Project Area all fill excavated from the Land and shall dispose of such fill in accordance with all applicable Requirements.

11.08. Coordination. Tenant acknowledges that it is aware that construction activities of other developers and of Landlord are in progress or contemplated within the Project Area. Tenant shall coordinate its construction activities at the Premises with other construction activities taking place in the Project Area, and those incident to the construction of Landlord's Civic Facilities and civic facilities in other portions of the Project Area. The staging area for construction shall be limited to the sidewalks immediately adjacent to the Land and the ten (10) foot wide area of the roadbeds of River Terrace and Murray Streets immediately adjacent to the Land. In no event shall Landlord or Master Landlord be liable for any delays in Tenant's construction of the Building attributable to other construction activity in the Project Area; provided, however, that delay caused by construction activities of Landlord or Master Landlord shall be construed to be Unavoidable Delay. In addition, Tenant shall (i) cause any and all work which Tenant is required to or does perform on, under or adjacent to any portion of any street situated in whole or in part in the Project Area to be performed in accordance with all applicable Requirements and in a manner which does not wrongfully obstruct or hinder ingress to or egress from any portion of the Project Area, (ii) not cause, permit or suffer the storage of construction materials or the placement of vehicles not then being operated in connection with construction

activities on any portion of any such street, except as may be permitted by applicable Requirements, (iii) undertake its construction activities in accordance with normal New York City construction rules and (iv) promptly repair or, if required by Landlord, replace any portion of Landlord's Civic Facilities damaged by the act or omission of Tenant or any agent, contractor or employee of Tenant, any such repair or replacement, as the case may be, to be performed by using materials identical to those used by Landlord, or, if Tenant, despite its best efforts, is unable to procure such materials, using materials in quality and appearance similar to those used by Landlord and approved by Landlord. In the event Tenant shall have failed to promptly repair or replace such portion of Landlord's Civic Facilities as hereinabove provided after notice by Landlord and subject to Unavoidable Delay, Landlord shall have the right to do so at Tenant's expense and Tenant shall, within ten (10) days after demand, reimburse Landlord for such costs and expenses incurred by Landlord. In the event Tenant shall fail to promptly comply with the provisions of subparagraph (ii) of this Section 11.08, Landlord shall have the right after notice to Tenant to remove such construction materials or vehicles at Tenant's expense and Tenant shall, within ten (10) days after demand, reimburse Landlord for such costs and expenses incurred by Landlord. Landlord shall have the right, but shall not be obligated, to erect a perimeter fence enclosing the Premises and any other of the parcels within the North Residential Neighborhood, provided such fence shall permit construction access to the Premises. In the event Landlord erects such a fence, Tenant shall not interfere with same and, if the fence shall be damaged by the act or omission of Tenant or any agent, contractor or employee of Tenant, Tenant shall promptly repair or, if required by Landlord, replace the damaged portion in the manner provided in the immediately preceding clause (iv)(A). At the request of Landlord, Tenant shall promptly enclose the Land with an 8-foot high chain-mesh or wooden fence so as to separate the Premises from the remainder of the Project Area. During construction, Tenant shall maintain Tenant's fence in good condition and shall have the right to temporarily remove and relocate the fence as may be required to permit construction access to the Premises provided the fence shall at all times remain within the boundaries of the Land. Upon Substantial Completion of the Building, Tenant shall remove Tenant's fence and, if constructed, Landlord shall remove its fence from around the Premises. Subject to applicable Requirements, Tenant shall have the right to remove Tenant's fence at an earlier date and, if such fence is constructed, Landlord, at the request of Tenant, shall remove its fence from around the Premises, if Tenant has commenced its program to lease space in the Building or sell Cooperative Apartments or Units.

11.09. Labor.

(a) Tenant shall cause its contractors and all other workers at the Premises connected with Tenant's construction to work harmoniously with each other, and with the other contractors and workers in the Project Area, and Tenant shall not engage in, permit or suffer, any conduct which may disrupt such harmonious relationship. Tenant shall use its best efforts to cause its contractors to minimize any interference with the use, occupancy and enjoyment of the Project Area by other occupants thereof.

(b) Tenant shall install fencing as required and as determined and directed by Landlord to protect existing trees.

11.10. Construction Activities. Tenant shall construct the Building in a manner which does not interfere with, delay or impede the activities of Landlord, its contractors, and other contractors and developers within the Project Area. If, in Landlord's reasonable judgment, Tenant shall fail to comply with its obligations under this Section 11.10, Landlord may, in addition to any other remedies it may have hereunder, order Tenant (and Tenant's contractors and other Persons connected with Tenant's construction within the Project Area) to cease those activities which Landlord believes interfere with, delay or impede Landlord or such other contractors or developers and Tenant shall promptly cease such activities. No delay or other loss or hindrance of Tenant arising from any such order by Landlord or from the actions or omissions of any other such contractor or developer shall form the basis for any claim by Tenant against Landlord or excuse Tenant from the full and timely performance of its obligations under this Lease except as otherwise expressly set forth in this Lease. Landlord shall construct or cause the Landlord's Civic Facilities to be constructed in a manner which does not unreasonably interfere with, delay or impede the activities of Tenant, its contractors or other contractors or subcontractors in connection with the construction of the Building and Landlord shall promptly cease or cause to cease, those activities which unreasonably interfere with, delay or impede Tenant, its contractors or other contractors or subcontractors in connection with the construction of the Building.

11.11. Wages. All persons employed by Tenant with respect to construction of the Building shall be paid, without subsequent deduction or rebate unless expressly authorized by law, not less than the minimum hourly rate required by law.

11.12. Design/Construction Period Letter of Credit.

(a) Tenant shall secure its obligations under this Lease, including, without limitation, Tenant's obligation for the payment of Rental, by depositing with Landlord by the date established in accordance with the Pre-Lease Escrow Agreement among Landlord, Tenant and Kaye, Scholer, Fierman, Hays & Handler, LLP, a clean irrevocable letter of credit (the "Design/Construction Period Letter of Credit") drawn in favor of Landlord, in form and content acceptable to Landlord, and having a term of not less than one (1) year, payable in United States dollars upon presentation of one or more sight drafts, issued by and drawn on a recognized commercial bank or trust company which is a member of the New York Clearing House Association or which is satisfactory to Landlord. The initial amount of the Design/Construction Period Letter of Credit shall be Three Million Three Hundred Fifty Thousand Dollars ($3,350,000.00). Except as hereinafter provided, the Design/Construction Period Letter of Credit shall be renewed or replaced without decrease in amount each and every year as provided herein. Each Replacement Letter of Credit shall be delivered to Landlord not less than thirty (30) days prior to the expiration of the Design/Construction Period Letter of Credit or then current Replacement Letter of Credit. The failure of Tenant to renew the Design/Construction Period Letter of Credit or any Replacement Letter of Credit in accordance with this Section 11.12 and Article 43 hereof shall entitle Landlord to present the Design/Construction Period Letter of Credit or Replacement Letter of Credit for payment, in which event Landlord shall hold the

payments in an interest bearing account and apply the proceeds thereof (together with any interest earned thereon) as provided in Section 11.12(b). If Landlord shall obtain the proceeds of the Letter of Credit, Tenant's failure to renew the Letter of Credit shall not constitute a Default under this Lease. Notwithstanding the foregoing, provided (i) Landlord shall not have presented the Design/Construction Period Letter of Credit or any Replacement Letter of Credit for payment (ii) no Default in the payment of Rental (whether or not notice of such Default has been delivered to Tenant) and no other Default as to which notice shall have been given shall have occurred and be continuing hereunder, then (a) at the expiration of one (1) year from the date of Commencement of Construction or at any time thereafter and prior to Substantial Completion, Tenant shall have the right to reduce the Design/Construction Period Letter of Credit to Two Million Two Hundred Thirty Three Thousand Dollars ($2,233,000.00), (b) at the expiration of two (2) years from the date of Commencement of Construction or at any time thereafter, and prior to Substantial Completion, Tenant shall have the right to reduce the Design/Construction Period Letter of Credit to One Million One Hundred Seventeen Thousand Dollars ($1,117,000.00), and (c) at or at any time after Substantial Completion, Tenant shall have the right to reduce the Design/Construction Period Letter of Credit to an amount equal to twice the amount certified by the Architect as the amount required to effect final Completion of the Building in accordance with the Construction Documents. In such event as referred to in clauses "a," "b" and "c" of this Section 11.12, Landlord shall provide Tenant with such authorization to so reduce the Design/Construction Period Letter of Credit as the issuer thereof may require.

(b) If prior to the final completion of the Building in accordance with the Construction Documents an Event of Default shall occur, whether or not this Lease is thereby terminated, Landlord is hereby authorized by Tenant to present the Design/Construction Period Letter of Credit or any Replacement Letter of Credit for payment. In the event this Lease is terminated in accordance with the provisions of Article 24 or Tenant is dispossessed by summary proceedings or otherwise as provided in Section 24.03(b), Landlord is hereby authorized by Tenant, to retain all of the proceeds thereof as liquidated damages. In the event this Lease is not terminated or Tenant is not dispossessed, Landlord is hereby authorized by Tenant to apply all or a portion of said proceeds to the payment of any sums then due or thereafter becoming due under this Lease and to the payment of any damages or costs to Landlord resulting from such Event of Default and to retain the balance thereof pending further application or payment to Tenant as hereinafter provided. Unless theretofore applied by Landlord, Landlord shall deliver to Tenant the Design Construction Period Letter of Credit or any Replacement Letter of Credit or proceeds thereof on the date of final completion of the Building in accordance with the Construction Documents, provided no Default in the payment of Rental (whether or not notice of such Default has been delivered to Tenant) and no other Default as to which notice shall have been given shall have occurred and be continuing hereunder.

11.13. Other Tenants. Landlord agrees that the leases to be entered into with other tenants of parcels within the North Residential Neighborhood shall require such tenants to comply with requirements substantially similar to those required of Tenant pursuant to Sections

11.02(j), 11.06, 11.07, 11.08, 11.09, 11.10 and 11.11. Landlord shall enforce compliance with such requirements on a non-discriminatory basis.

11.14. Environmental Guidelines. Tenant acknowledges that the incorporation of environmentally responsible building methods and systems into the Building pursuant to the Environmental Guidelines are important goals of Landlord, and are thus material obligations of Tenant under this Lease. Consequently, Tenant and Landlord hereby agree as follows with respect thereto:

(a) Except as expressly set forth in this clause (a), the Building shall be constructed and maintained in a manner consistent with the Proposal, including, without limitation, those elements of the Proposal addressing compliance with the Environmental Guidelines. Tenant shall have the right to deviate from the Proposal provided the following conditions have been satisfied: (a) any such deviation shall be in compliance with the Environmental Guidelines, (b) Tenant shall submit to Landlord an explanation in reasonable detail explaining the reason for the proposed deviation from the Proposal, including the advantages and disadvantages of adopting the modification; and (c) Landlord shall have consented to such deviation from the Proposal, which consent may be withheld in Landlord's sole, but good faith, discretion.

(b) If any building system required to be constructed in accordance with the Environmental Guidelines (including without limitation the "gray water" recycling system), violates existing Requirements (an "Unapproved System"), then in such event:

(i) such Unapproved System shall, to the extent not expressly prohibited by the Requirements, be constructed in the building and appropriately capped or stubbed for future use, and such existing alternate building system which is then not in violation of the Requirements shall be constructed for present use;

(ii) Tenant shall promptly petition all appropriate Governmental Authorities and use best efforts to cause such Governmental Authorities to approve the Unapproved System for use in the Building or to otherwise seek an amendment of the Requirements in order to cause the Unapproved System to be approved for construction on a general basis; and

(iii) Within six (6) months after approval by the appropriate Governmental Authorities of the Unapproved System, Tenant shall perform any work required to be performed in order to cause the Unapproved System to be fully operational in the Building.

(c) Prior to the tenth (10th) day of each calendar month prior to the Completion of the Building , and after Completion of the Building upon Landlord's request from time to time, Tenant shall deliver to Landlord a progress report in form reasonably approved by Landlord, certified by the Environmental Consultant, which shall describe in reasonable detail what measures Tenant is taking (x) in order to comply with each of the Environmental

Guidelines, including, without limitation, Article 3 thereof (Conserving Material and Resources) and (y) in furtherance of Section 11.14(b) above, if applicable.

(d) On a bi-weekly basis prior to the Completion of the Building, and after Completion of the Building upon Landlord's request from time to time, Tenant, Tenant's Architect, the Environmental Consultant, Tenant's general contractor and Landlord shall meet at the offices of Landlord in order to discuss Tenant's compliance with the Environmental Guidelines, construction relating thereto and the progress of any actions taken or required to be taken under Section 11.14(b) above, if applicable. If Tenant uses reasonable efforts to cause Tenant's Architect, the Environmental Consultant and Tenant's general contractor to attend the meetings referred to in this Section 11.14(d) (such reasonable efforts to include without limitation, keeping effective retention agreements in place with such parties) and one or more of said parties does not attend or refuses to attend for any reason other than Tenant's willful default under any agreement between Tenant and the non-attending party in connection with the Premises, then the failure of any one or more of said parties to attend any said meeting shall not constitute a Default under this Lease.

(e) Because the compliance with the Environmental Guidelines represents the employment of innovative building practices which are appreciably ahead of current standards and practice, Tenant acknowledges that the information learned from the design, construction, equipping, maintenance and operation of the Building ("Building Systems") will be of great benefit to the building industry and the general public. Consequently, Tenant agrees that:

(i) within 10 days after Landlord's request therefor it will provide Landlord with any and all information relating to the Building Systems in a useable and understandable format, including, without limitation, the information required to be collected pursuant to Article 4 of the Environmental Guidelines;

(ii) any such information provided by Tenant or otherwise relating to the Building Systems, may be used and/or disseminated by Landlord in connection with promotional or educational materials, in connection with the development of present and future building sites and in any other manner reasonably intended to provide information concerning environmentally responsible and sustainable construction practices; and

(iii) at Landlord's request, made at least twenty (20) days prior to the date that Tenant's cooperation and/or participation is required, Tenant will cooperate and/or participate with Landlord in any demonstrations, promotional and/or educational materials, presentations or similar materials or events relating to the Building Systems.

(f) Tenant shall make all of its contractors and subcontractors aware of the Environmental Guidelines and the provisions of this Section 11.14 and shall be fully responsible for causing compliance therewith by all parties working on or in connection with the Building.

ARTICLE 12.

REPAIRS

12.01. Repairs Generally. Except as otherwise specified in Article 26, Tenant or, if Tenant's leasehold estate in the Premises is submitted to the condominium form of ownership in accordance with this Lease, the Condominium Board, shall, at its sole cost and expense, put and keep in good condition and repair the Premises, including, without limitation, the Building, roofs, foundations and appurtenances thereto, all sidewalks, vaults (other than vaults which are under the control of, or are maintained or repaired by, a utility company), sidewalk hoists, water, sewer and gas connections, pipes and mains which are located on or service the Premises (unless the City of New York or a public utility company is obligated to maintain or repair same) and all Equipment, and shall put, keep and maintain the Building in good and safe order and condition, and make all repairs therein and thereon, interior and exterior, structural and nonstructural, ordinary and extraordinary, foreseen and unforeseen, necessary or appropriate to keep the same in good and safe order and condition, and whether or not necessitated by wear, tear, obsolescence or defects, latent or otherwise, provided, however, that Tenant's or the Condominium Board's obligations with respect to Restoration resulting from a casualty or condemnation shall be as provided in Articles 8 and 9 hereof. Tenant shall, during the Term, comply with the maintenance and operational requirements set forth in the Environmental Guidelines. Tenant shall not commit or suffer, and shall use all reasonable precaution to prevent, waste, damage or injury to the Premises. When used in this Section 12.01, the term "repairs" shall include all necessary replacements, alterations and additions. All repairs made by Tenant or the Condominium Board shall be at least equal in quality and class to the original work and shall be made in compliance with (a) all Requirements of Governmental Authorities (including, but not limited to, Local Law No. 5, 1973, as amended, and Local Law 58, 1988, as amended), (b) the New York Board of Fire Underwriters or any successor thereto, (c) the Building Code of New York City, as then in force, (d) the Master Development Plan and (e) the Design Guidelines.

12.02. Sidewalks, Grounds, Etc. Except as otherwise specified in Article 26, Tenant, at its sole cost and expense, shall keep or cause to be kept clean and free from dirt, snow, ice, rubbish, obstructions and encumbrances, the sidewalks, grounds, chutes and sidewalk hoists comprising, in front of, or adjacent to, the Premises and any parking facilities and plazas on the Land.

12.03. No Landlord Services. Except as otherwise specifically provided in Section 11.02(1) and Article 26 hereof, Landlord shall not be required to furnish any services, utilities or facilities whatsoever to the Premises, nor shall Landlord have any duty or obligation to make any alteration, change, improvement, replacement, Restoration or repair to, nor to demolish, any Building. Tenant assumes the full and sole responsibility for the condition, operation, repair, alteration, improvement, replacement, maintenance and management of the Premises (except for the area referred to in Section 11.02(l)). Tenant shall not clean nor require, permit, suffer nor allow any window in the Building to be cleaned from the outside in violation

of Section 202 of the Labor Law or of the rules of any state, county or municipal department board or body having jurisdiction.

ARTICLE 13.

CHANGES, ALTERATIONS AND ADDITIONS

13.01. Capital Improvements Generally. From and after Substantial Completion of the Building, Tenant shall not demolish, replace or materially alter the Building, or any part thereof (except as provided to the contrary with respect to Equipment in Article 15), or make any addition thereto, whether voluntarily or in connection with repairs required by this Lease (each, a "Capital Improvement" and, collectively, "Capital Improvements"), unless Tenant shall comply with the following requirements and, if applicable, with the additional requirements set forth in Section 13.02:

(i) No Capital Improvement shall be undertaken until Tenant shall have procured from all Governmental Authorities and paid for all permits, consents, certificates and approvals for the proposed Capital Improvement which are required to be obtained prior to the commencement of the proposed Capital Improvement (collectively, "Improvement Approvals"). At the request of Tenant, Landlord, at no cost or expense to it, shall within fifteen (15) days of Tenant's request, execute and deliver any documents or instruments reasonably required to obtain such Improvement Approvals, provided such documents or instruments do not impose any cost, expense, liability or obligation (contingent or otherwise) on Landlord. True copies of all such Improvement Approvals shall be delivered by Tenant to Landlord prior to commencement of the proposed Capital Improvement.

(ii) Each Capital Improvement, when completed, shall be of such a character as not to reduce the value of the Premises below its value immediately before construction of such Capital Improvement.

(iii) All Capital Improvements shall be made with reasonable diligence and continuity (subject to Unavoidable Delays) and in a good and workerlike manner and in compliance with (i) all Improvement Approvals, (ii) the Master Development Plan, the Design Guidelines and, if required pursuant to Section 13.02(a) or (b), the plans and specifications for such Capital Improvement as approved by Landlord, (iii) the orders, rules, regulations and requirements of any Board of Fire Underwriters or any similar body having jurisdiction, and (iv) all other Requirements.

(iv) No construction of any Capital Improvements shall be commenced until Tenant shall have delivered to Landlord certificates of insurance with respect to insurance policies and, if Landlord requests, copies of such policies, issued by responsible insurers authorized to do business in the State of New York which meet the requirements set forth in Article 7 hereof, bearing notations evidencing the payment of premiums or installments thereof then due or accompanied by other evidence reasonably

satisfactory to Landlord of such Payments, for the insurance required by Section 11.03, unless Landlord shall reasonably determine that the Capital Improvement does not warrant the insurance required by Section 11.03, in which case Landlord shall in its discretion specify such lesser types and levels of insurance appropriate to such Capital Improvement. If, under the provisions of any casualty, liability or other insurance policy or policies then covering the Premises or any part thereof, any consent to such Capital Improvement by the insurance company or companies issuing such policy or policies shall be required to continue and keep such policy or policies in full force and effect, Tenant, prior to the commencement of construction of such Capital Improvement, shall obtain such consents and pay any additional premiums or charges therefor that may be imposed by said insurance company or companies.

13.02. Certain Capital Improvement Requirements.

(a) If the estimated cost of any proposed Capital Improvement shall exceed Five Hundred Thousand Dollars ($500,000) (as such amount shall be increased as provided in Section 7.02(a)), either individually or in the aggregate with other Capital Improvements which are a related portion of a program or project of Capital Improvements constructed in any twelve (12) month period during the Term, Tenant shall:

(i) if Landlord shall reasonably determine that the services of an architect or engineer are required in order for it to adequately review the plans and specification or inspect the work, pay to Landlord, within ten (10) days after demand, the reasonable fees and expenses of any architect or engineer selected by Landlord to review the plans and specifications describing the proposed Capital Improvement and inspect the work on behalf of Landlord; and

(ii) furnish to Landlord the following:

(x) at least twenty (20) Business Days prior to commencement of the proposed Capital Improvement, complete plans and specifications for the Capital Improvement, prepared by a licensed professional engineer or a registered architect approved by Landlord, which approval shall not be unreasonably withheld, and, at the request of Landlord, any other drawings, information or samples to which Landlord is entitled under Article 11, all of the foregoing to be subject to Landlord's review and approval solely for conformity with the Master Development Plan, the Design Guidelines and, in the event such Capital Improvement is commenced within ten (10) years from the date the Building shall have been Substantially Completed, the Construction Documents;

(y) at least ten (10) Business Days prior to commencement of the proposed Capital Improvement, (1) a contract or construction management agreement reasonably satisfactory to Landlord in form assignable to Landlord (subject to any prior assignment to any Mortgagee), made with a reputable and

responsible contractor or construction manager approved by Landlord, which approval shall not be unreasonably withheld (provided, however, that Landlord shall approve any contractor and/or construction manager that is wholly owned or controlled (directly or indirectly) by one or more of Vincent M. Albanese, Anthony A. Albanese, Russell C. Albanese and/or Christopher V. Albanese), providing for the completion of the Capital Improvement in accordance with the schedule included in the plans and specifications, subject to Unavoidable Delays, free and clear of all liens, encumbrances, security agreements, interests and financing statements, and (2) payment and performance bonds or other security, in each case satisfying the requirements of Section 8.04(a)(ii) hereof; and

(z) at least ten (10) Business Days prior to commencement of the proposed Capital Improvement, an assignment to Landlord (subject to any prior assignment to any Mortgagee) of the contract so furnished and the bonds or other security provided thereunder, such assignment to be duly executed and acknowledged by Tenant and by its terms to be effective only upon any termination of this Lease or upon Landlord's re-entry upon the Premises or following any Event of Default prior to the complete performance of such contract, such assignment also to include the benefit of all payments made on account of such contract, including payments made prior to the effective date of such assignment.

(b) Notwithstanding that the cost of any Capital Improvement is less than Five Hundred Thousand Dollars ($500,000) (as such amount shall be increased as provided in Section 7.02(a)), such cost to be determined as provided in Section 8.02(b), to the extent that any portion of the Capital Improvement involves structural work or work involving the exterior of the Building or a change in the height, bulk or setback of the Building from the height, bulk or setback existing immediately prior to the Capital Improvement or in any other manner affects compliance with the Master Development Plan or the Design Guidelines, then Tenant shall furnish to Landlord at least twenty (20) Business Days prior to commencement of the Capital Improvement, complete plans and specifications for the Capital Improvement, prepared by a licensed professional engineer or registered architect approved by Landlord, which approval shall not be unreasonably withheld, and, at Landlord's request, such other items designated in Section 13.02(a)(ii)(x) hereof, all of the foregoing to be subject to Landlord's review and approval as provided therein. In addition, if Landlord shall reasonably determine that the services of an independent architect or engineer are required in order for it to adequately review the plans and specifications describing the proposed Capital Improvement or inspect the work on behalf of Landlord, Tenant shall pay to Landlord the reasonable fees and expenses of such independent architect or engineer selected by Landlord.

(c) Landlord shall notify Tenant in writing of Landlord's determination with respect to any request for approval required under this Section 13.02 within fifteen (15) Business Days of the later of (i) Landlord's receipt of such request from Tenant or (ii) Landlord's receipt of the plans and specifications and the drawings, information or samples which Landlord shall

have requested in accordance with Section 13.02(a)(ii)(x). Landlord shall specify in reasonable detail the reasons for any disapproval. Landlord's failure to so notify Tenant within said time period shall be deemed to constitute approval of the proposed Capital Improvement by Landlord. Tenant shall not commence any Capital Improvement with respect to which approval is required under this Section 13.02 until Landlord shall have given, or shall be deemed to have given, such approval required under this Section 13.02.

(d) In the event that Tenant shall desire to modify the plans and specifications which Landlord theretofore has approved pursuant to Section 13.02(a)(ii)(x) or 13.02(b) with respect to, or which will in any way affect, any aspect of the exterior of the Building or the height, bulk or setback thereof or which will affect compliance with the Design Guidelines or the Master Development Plan, Tenant shall submit the proposed modifications to Landlord. Tenant shall not be required to submit to Landlord the proposed modifications of the plans and specifications which affect solely the interior of the Building. Landlord shall review the proposed changes to determine whether or not they (i) conform to the Master Development Plan and the Design Guidelines and (ii) provide for design, finishes and materials which are comparable in quality to those provided for in the approved plans and specifications and shall approve such proposed changes if they do so conform and so provide. If Landlord determines that the proposed changes are not satisfactory in light of the above criteria, it shall so advise Tenant, specifying in reasonable detail in what respect the plans and specifications, as so modified, do not conform to the Master Development Plan or the Design Guidelines or do not provide for design, finishes and materials which are comparable in quality to those provided for in the approved plans and specifications. Within fifteen (15) Business Days after Landlord shall have so advised Tenant or such longer period as Landlord in its reasonable judgment may approve, Tenant shall revise the plans and specifications so as to meet Landlord's objections and shall deliver same to Landlord for review or shall notify Landlord of its decision not to proceed with the Capital Improvement. Each review by Landlord shall be carried out within fifteen (15) Business Days of the date of submission of the proposed changes or delivery of the plans and specifications, as so revised (or one or more portions thereof), as the case may be, by Tenant, and if Landlord shall not have notified Tenant of its determination within such period, it shall be deemed to have determined that the proposed changes are satisfactory. Landlord shall not review portions of the approved plans and specifications which Landlord has previously determined to be satisfactory, provided same have not been changed by Tenant.

13.03. Architect; Surveys, Etc. All Capital Improvements shall be carried out under the supervision of an architect selected by Tenant and approved by Landlord, which approval shall not be unreasonably withheld. Promptly following the completion of any Capital Improvement Tenant shall furnish to Landlord a complete set of "as-built" plans for such Capital Improvement and, where applicable, a survey meeting the requirements of Section 11.04 hereof, together with a permanent Certificate of Occupancy therefor issued by the New York City Department of Building, to the extent a modification thereof was required.

13.04. Title to Improvements. Title to all additions, alterations, improvements and replacements made to the Building, including, without limitation, the Capital Improvements,

shall forthwith vest in Landlord as provided in Section 11.05, without any obligation by Landlord to pay any compensation therefor to Tenant.

ARTICLE 14.

REQUIREMENTS OF PUBLIC AUTHORITIES AND OF INSURANCE UNDERWRITERS AND POLICIES; COMPLIANCE WITH MASTER LEASE

14.01. Compliance with Requirements. Subject to the provisions of Section 26.03 Tenant promptly shall comply with any and all applicable present and future laws, rules, orders, ordinances, regulations, statutes, requirements, permits, consents, certificates, approvals, codes and executive orders, including without limitation, Environmental Statutes, (collectively, "Requirements") without regard to the nature or cost of the work required to be done, extraordinary, as well as ordinary, of all Governmental Authorities now existing or hereafter created, and of any and all of their departments and bureaus, of any applicable Fire Rating Bureau or other body exercising similar functions, affecting the Premises or any street, avenue or sidewalk comprising a part or in front thereof or any vault in or under the same, or requiring the removal of any encroachment, or affecting the construction, maintenance, use, operation, management or occupancy of the Premises, whether or not the same involve or require any structural changes or additions in or to the Premises, without regard to whether or not such changes or additions are required on account of any particular use to which the Premises, or any part thereof, may be put, and without regard to the fact that Tenant is not the fee owner of the Premises. Notwithstanding the foregoing, Tenant shall not be required to comply with Requirements of Master Landlord or Landlord except (i) as otherwise expressly provided in this Lease or (ii) Requirements of New York City acting solely in its capacity as a Governmental Authority. Tenant also shall comply with any and all provisions and requirements of any casualty, liability or other insurance policy required to be carried by Tenant under the provisions of this Lease. If compliance with the Lease, the Master Development Plan and/or the Design Guidelines would violate the Requirements, and if such violation is the only means of achieving such compliance, then the Requirements shall control and if Tenant complies with the Requirements its actions shall not effect a Default hereunder.

14.02. Requirements Contests. Tenant shall have the right to contest the validity of any Requirements or the application thereof. During such contest, compliance with any such contested Requirements may be deferred by Tenant upon condition that, if Tenant is not an Institutional Lender, before instituting any such proceeding, Tenant shall furnish to Landlord or deposit with a Mortgagee that is an Institutional Lender a bond, cash or other security reasonably satisfactory to Landlord, securing compliance with the contested Requirements and payment of all interest, penalties, fines, fees and expenses in connection therewith. Any such proceeding instituted by Tenant shall be commenced as soon as is reasonably possible after the issuance of any such contested matters, or after notice (actual or constructive) to Tenant of the applicability of such matters to the Premises and shall be prosecuted to final adjudication with reasonable

dispatch. Notwithstanding the foregoing, Tenant promptly shall comply with any such Requirements and compliance shall not be deferred if such non-compliance shall result in the imminent loss or forfeiture of the Premises, or any part thereof or if Landlord shall be in danger of being subject to civil or criminal liability or penalty by reason of non-compliance therewith.

14.03. Compliance with Master Lease. Tenant shall not cause or create or permit to exist or occur any condition or event relating to the Premises which would, with or without notice or passage of time, result in an event of default under the Master Lease. Tenant shall perform all of Landlord's obligations as tenant under the Master Lease relating to the maintenance and operation of the Premises unless, in accordance with the terms of this Lease, Landlord is specifically obligated to perform any such obligation.

ARTICLE 15.

EQUIPMENT

15.01. Ownership of Equipment. All Equipment shall be and shall remain the property of Landlord. Tenant shall not have the right, power or authority to, and shall not, remove any Equipment from the Premises without the consent of Landlord, which consent shall not be unreasonably withheld, provided, however, such consent shall not be required in connection with repairs, cleaning, maintenance or other servicing, or if (subject to Unavoidable Delays) the same is promptly replaced by Equipment which is at least equal in utility and value to the Equipment being removed. Notwithstanding the foregoing, Tenant shall not be required to replace any Equipment which performed a function which has become obsolete or otherwise is no longer necessary or desirable in connection with the use or operation of the Premises, unless such failure to replace would reduce the value of the Premises or would result in a reduced level of maintenance of the Premises, in which case Tenant shall be required to install such Equipment as may be necessary to prevent such reduction in the value of the Premises or in the level of maintenance.

15.02. Maintenance of Equipment. Tenant shall keep all Equipment in good order and repair and shall replace the same when necessary with items at least equal in utility and value to the Equipment being replaced.

ARTICLE 16.

DISCHARGE OF LIENS; BONDS

16.01. No Encumbrances. Subject to the provisions of Section 16.02 hereof, except as otherwise expressly provided in this Lease, Tenant shall not create or (to the extent reasonably within Tenant's control) permit to be created any lien, encumbrance or charge upon the Premises or any part thereof, or the Project Area or any part thereof, the income therefrom or any assets of, or funds appropriated to, Landlord, and Tenant shall not suffer any other matter or thing whereby the estate, right and interest of Landlord in the Premises or any part thereof might be impaired.

16.02. Discharge of Encumbrances. If any mechanic's, laborer's or materialman's lien (other than a lien arising out of any work performed by Landlord or Master Landlord) at any time shall be filed in violation of the obligations of Tenant pursuant to Section 16.01 against the Premises or any part thereof or the Project Area or any part thereof, or, if any public improvement lien created or permitted to be created by Tenant shall be filed against any assets of, or funds appropriated to, Landlord, Tenant, within forty-five (45) days after notice of the filing thereof shall cause the same to be discharged of record by payment, deposit, bond, order of a court of competent jurisdiction or otherwise. If Tenant shall fail to cause such lien to be discharged of record within the period aforesaid, and if such lien shall continue for an additional twenty (20) days after notice by Landlord to Tenant, then, in addition to any other right or remedy, Landlord may, but shall not be obligated to, discharge the same either by paying the amount claimed to be due or by procuring the discharge of such lien by deposit or by bonding proceedings, and in any such event, Landlord shall be entitled, if Landlord so elects, to compel the prosecution of an action for the foreclosure of such lien by the lienor and to pay the amount of the judgment in favor of the lienor with interest, costs and allowances. Any amount so paid by Landlord, including all reasonable costs and expenses incurred by Landlord in connection therewith including, without limitation, reasonable attorneys' fees and disbursements, together with interest thereon at the Involuntary Rate, from the respective dates of Landlord's making the payment of any such amount or any such costs and expenses, shall constitute Rental and shall be paid by Tenant to Landlord within ten (10) days after demand. Notwithstanding the foregoing provisions of this Section 16.02, Tenant shall not be required to discharge any such lien if Tenant is in good faith contesting the same and has furnished a cash deposit or a security bond or other such security reasonably satisfactory to Landlord or to any Mortgagee that is an Institutional Lender in an amount sufficient to pay such lien with interest and penalties.

16.03. No Landlord Consent to Performance of Services. Nothing in this Lease contained shall be deemed or construed in any way as constituting the consent or request of Landlord, express or implied, by inference or otherwise, to any contractor, subcontractor, laborer or materialman for the performance of any labor or the furnishing of any materials for any specific improvement, alteration to or repair of the Premises or any part thereof, nor as giving Tenant any right, power or authority to contract for or permit the rendering of any services or the furnishing of materials that would give rise to the filing of any lien against Landlord's interest in the Premises or any part thereof, the Project Area or any part thereof, or any assets of, or funds appropriated to, Landlord. Notice is hereby given, and Tenant shall cause all Construction Agreements to provide, in substance that Landlord shall not be liable for any work performed or to be performed at the Premises for Tenant, any Subtenant and, if applicable, any Tenant-Stockholder or Unit Owner or for any materials furnished or to be furnished at the Premises for any of the foregoing, and that no mechanic's or other lien for such work or materials shall attach to or affect the estate or interest of Landlord in and to the Premises or any part thereof, the Project Area or any part thereof, or any assets of, or funds appropriated to, Landlord.

16.04. No Liens. Tenant shall have no power to do any act or make any contract which may create or be the foundation for any lien, mortgage or other encumbrance upon the estate or assets of, or funds appropriated to, Landlord or upon any interest of Landlord in the Premises.

ARTICLE 17.

REPRESENTATIONS; POSSESSION

17.01. Acceptance of Condition. Tenant acknowledges that Tenant is fully familiar with the Land, the Project Area, the physical condition thereof (including, without limitation, the fact that the Land includes substantial portions of landfill which may present special difficulties in the design, construction and maintenance of the Building and Tenant's Civic Facilities), the Title Matters, the Master Lease, the Master Development Plan, the Settlement Agreement and the Design Guidelines. Tenant accepts the Land in its existing condition and state of repair, and, except as otherwise expressly set forth in this Lease, no representations, statements, or warranties, express or implied, have been made by or on behalf of Landlord in respect of the Land, the Project Area, the status of title thereof, the physical condition thereof, including, without limitation, the landfill portions thereof, the zoning or other laws, regulations, rules and orders applicable thereto, Taxes, or the use that may be made of the Land, that Tenant has relied on no such representations, statements or warranties not contained in this Lease, and that Landlord shall in no event whatsoever be liable for any latent or patent defects in the Land.

17.02. Certain Landlord Representations. Notwithstanding anything herein contained to the contrary, Landlord represents that (i) the Master Lease, the Design Guidelines, the Master Development Plan and the Settlement Agreement have not been amended, modified or supplemented, except as specifically set forth in the definitions contained in Article 1 and are in full force and effect and (ii) Landlord is the tenant under the Master Lease and, to Landlord's knowledge, there is no Event of Default under and as defined in the Master Lease.

17.03. Delivery of the Premises. Landlord shall deliver possession of the Land on the Commencement Date vacant and free of occupants and tenancies, subject only to the Title Matters.

17.04. Composition of Tenant. Tenant represents, as of the date hereof, that the sole members of Tenant are Albanese BPC, LLC and Northwestern Mutual Life Insurance Company and that the sole members of Albanese BPC, LLC are Anthony A. Albanese, Vincent M. Albanese, Russell C. Albanese and Christopher V. Albanese.

ARTICLE 18.

LANDLORD NOT LIABLE FOR INJURY OR DAMAGE, ETC.

18.01. No Liability Generally. Landlord shall not in any event whatsoever be liable for any injury or damage to Tenant or to any other Person happening on, in or about the Premises and its appurtenances, nor for any injury or damage to the Premises or to any property belonging to Tenant or to any other Person which may be caused by any fire or breakage, or by the use, misuse or abuse of any of the Building (including, but not limited to, any of the common areas within the Building, Equipment, elevators, hatches, openings, installations, stairways, hallways, or other common facilities), or the streets or sidewalk area within the Premises or which may arise from any other cause whatsoever except to the extent any of the foregoing shall have resulted from the negligence or wrongful act of Landlord, its officers, agents, employees, contractors, servants or licensees; nor shall Landlord in any event be liable for the acts or failure to act of any other tenant of any premises within the Project Area other than the Premises, or of any agent, representative, employee, contractor or servant of such other tenant.

18.02. No Liability Regarding Utilities or Services. Landlord shall not be liable to Tenant or to any other Person for any failure of water supply, gas or electric current, nor for any injury or damage to any property of Tenant or of any other Person or to the Premises caused by or resulting from gasoline, oil, steam, gas, electricity, or hurricane, tornado, flood, wind or similar storms or disturbances, or water, rain or snow which may leak or flow from the street, sewer, gas mains or subsurface area or from any part of the Premises, or leakage of gasoline or oil from pipes, appliances, sewer or plumbing works therein, or from any other place, nor for interference with light or other incorporeal hereditament by anybody, or caused by any public or quasi-public work, except to the extent any of the foregoing shall have resulted from the negligence or wrongful act of Landlord, its officers, agents, employees, contractors, servants or licensees.

18.03. No Liability Regarding Soil Subsidence. In addition to the provisions of Sections 18.01 and 18.02, in no event shall Landlord be liable to Tenant or to any other Person for any injury or damage to any property of Tenant or of any other Person or to the Premises, arising out of any sinking, shifting, movement, subsidence, failure in load-bearing capacity of, or other matter or difficulty related to, the soil, or other surface or subsurface materials, on the Premises or in the Project Area, except to the extent any of the foregoing shall result from the negligence or wrongful act of Landlord or its agents, servants, contractors or employees, it being agreed that Tenant shall assume and bear all risk of loss with respect thereto.

ARTICLE 19.

INDEMNIFICATION OF LANDLORD AND OTHERS

19.01. Tenant Indemnity Generally. Tenant shall not do, or knowingly permit any Subtenant, Unit Owner, Tenant-Stockholder or sublessee of a Unit or Cooperative Apartment or any employee, agent or contractor of Tenant or of any Subtenant, Unit Owner, Tenant-Stockholder or sublessee of a Unit or Cooperative Apartment to do any act or thing upon the Premises or elsewhere in the Project Area which may reasonably be likely to subject Landlord to any liability or responsibility for injury or damage to persons or property, or to any liability by reason of any violation of any Requirement, and shall use its best efforts to exercise such control over the Premises so as to fully protect Landlord against any such liability. Tenant, to the fullest extent permitted by law, shall indemnify and save Landlord, any former Landlord and the State of New York and their agents, directors, officers and employees (collectively, the "Indemnitees"), harmless from and against any and all liabilities, suits, obligations, fines, damages, penalties, claims, costs, charges and expenses, including, without limitation, reasonable engineers', architects' and attorneys' fees and disbursements, which may be imposed upon or incurred by or asserted against any of the Indemnitees by reason of any of the following occurring during the Term, except to the extent that the same shall have been caused in whole or in part by the negligence or wrongful act of any of the Indemnitees:

(i) construction of the Building or any other work or thing done in or on the Premises or any part thereof;

(ii) any use, non-use, possession, occupation, alteration, repair, condition, operation, maintenance or management of the Premises or any part thereof, (except with respect to the space described in Section 11.02(1) hereof provided however the foregoing limitation shall not apply to any liability to the extent arising from Tenant's construction of said space or Tenant's failure to properly construct said space), or of any street, alley, sidewalk, curb, vault, passageway or space comprising a part of the Premises or adjacent thereto, provided such indemnity with regard to streets, alleys, sidewalks, curbs, vaults, passageways and other space is limited to an alteration, repair, condition, or maintenance of any street, alley, sidewalk, curb, vault, passageway or other space done or performed by Tenant or any agent, contractor, servant or employee of Tenant or which Tenant is obligated to do or perform;

(iii) any negligent or tortious act or failure to act (or act which is alleged to be negligent or tortious) within the Project Area on the part of Tenant or any agent, contractor, servant or employee of Tenant;

(iv) any accident, injury (including death at any time resulting therefrom) or damage to any Person or property occurring in or on the Premises or any part thereof or in, or about any sidewalk or vault, unless such sidewalk or vault is solely within the control of a utility company;

(v) any failure on the part of Tenant to perform or comply with any of the covenants, agreements, terms or conditions contained in this Lease on its part to be performed or complied with;

(vi) any lien or claim which may have arisen out of any act of Tenant or any agent, contractor, servant or employee of Tenant against or on the Premises or any other portion of the Project Area, or any lien or claim created or permitted to be created by Tenant in respect of the Premises against any assets of, or funds appropriated to any of the Indemnitees under the laws of the State of New York or of any other Governmental Authority or any liability which may be asserted against any of the Indemnitees with respect thereto;

(vii) any failure on the part of Tenant to keep, observe and perform any of the terms, covenants, agreements, provisions, conditions or limitations contained in the Construction Agreements, Subleases, or other contracts and agreements affecting the Premises, on Tenant's part to be kept, observed or performed;

(viii) any tax attributable to the execution, delivery or recording of this Lease;

(ix) any contest by Tenant permitted pursuant to the provisions of this Lease, including, without limitation, Articles 4, 14 and 28 hereof; or

(x) any action taken by any Person (other than Landlord or Battery Park City Parks Conservancy Corporation) pursuant to any Environmental Statute or under common law, pertaining to hazardous or toxic waste or other substances found in, on or under, affixed to or emanating from the Premises (except to the extent such waste or other substances are present as of the date hereof), or in any manner arising out of or related to the presence, use, generation, storage, disposal or transport of any hazardous materials or environmental contaminants found in, on or under, affixed to or emanating from the Premises (except to the extent such substances are present as of the date hereof).

19.02. The obligations of Tenant under this Article 19 shall not be affected in any way by the absence in any case of covering insurance or by the failure or refusal of any insurance carrier to perform any obligation on its part under insurance policies affecting the Premises.

19.03. Indemnification Procedure. If any claim, action or proceeding is made or brought against any of the Indemnitees by reason of any event for which Tenant has agreed to indemnify the Indemnitees in Section 19.01, then, upon demand by Landlord, Tenant shall resist or defend such claim, action or proceeding (in such Indemnitee's name, if necessary) by the attorneys for Tenant's insurance carrier (if such claim, action or proceeding is covered by insurance maintained by Tenant) or (in all other instances) by such attorneys as Tenant shall select and Landlord shall approve, which approval shall not be unreasonably withheld. In such event, Tenant shall control all decisions in respect of the litigation and settlement of such claims.

Notwithstanding the foregoing, Landlord may engage its own attorneys to defend it or to assist in its defense. Provided such claim, action or proceeding is not covered by insurance maintained by Tenant and the attorneys engaged by Landlord are experienced in matters of the type in question, Tenant shall pay the reasonable fees and disbursements of such attorneys. In the event such claim, action or proceeding is covered by insurance and Tenant's insurer refuses to pay all or any portion of the fees and disbursements of any attorneys separately retained by Landlord, Landlord shall pay such fees and disbursements or such portion as shall not be paid by Tenant's insurer. The indemnification obligations imposed upon Tenant under Section 19.01 shall not apply to any settlement separately agreed to by Landlord without Tenant's consent, nor if Landlord retains its own attorneys and such retention will impair or diminish Tenant's insurance coverage and Landlord has been so advised in writing by Tenant's insurer.

19.04. Survival. The provisions of this Article 19 shall survive the Expiration Date with respect to actions or the failure to take any actions or any other matter arising prior to the Expiration Date.

ARTICLE 20.

RIGHT OF INSPECTION, ETC.

20.01. Landlord Inspections Generally. Tenant shall permit Landlord and its agents or representatives to enter the Premises at all reasonable times and upon reasonable notice (except in cases of emergency) for the purpose of (a) inspecting the same, (b) determining whether or not Tenant is in compliance with its obligations hereunder, (c) constructing, maintaining and inspecting any Civic Facilities, and (d) making any necessary maintenance or repairs to the Premises and performing any work therein that may be necessary by reason of Tenant's failure to make any such repairs or perform any such maintenance or work, provided that, except in any emergency, Landlord shall have given Tenant notice specifying such repairs, maintenance or work and Tenant shall have failed to make such repairs or to perform such maintenance or work within thirty (30) days after the giving of such notice (subject to Unavoidable Delays), or if such repairs, maintenance or such work cannot reasonably be completed during such thirty (30) day period, to have commenced and be diligently pursuing the same (subject to Unavoidable Delays).

20.02. No Landlord Duty to Perform Work. Nothing in this Article 20 or elsewhere in this Lease shall imply any duty upon the part of Landlord to do any work required to be performed by Tenant hereunder and performance of any such work by Landlord shall not constitute a waiver of Tenant's default in failing to perform the same. Landlord, during the progress of any such work, may keep and store at the Premises all necessary materials, tools, supplies and equipment. Landlord shall not be liable for inconvenience, annoyance, disturbance, loss of business or other damage of Tenant, any Subtenant or other occupant of the Building by reason of making such repairs or the performance of any such work, or on account of bringing materials, tools, supplies and equipment into the Premises during the course thereof, provided Landlord shall use reasonable efforts to minimize damage, inconvenience, annoyance,

disturbance and/or disruption to Tenant, any Subtenant or other occupant of the Building resulting from Landlord's exercise of its rights under this Article 20, and the obligations of Tenant under this Lease shall not be affected thereby. To the extent that Landlord undertakes such work or repairs, such work or repairs shall be commenced and completed in a good and workerlike manner, and with reasonable diligence, subject to Unavoidable Delays, and in such a manner as not to unreasonably interfere with the conduct of business in or use of such space.

ARTICLE 21.

LANDLORD'S RIGHT TO PERFORM TENANT'S COVENANTS

21.01. Landlord's Right to Perform. If Tenant at any time shall be in Default, after notice thereof and after applicable grace periods, if any, provided under this Lease for Tenant or a Mortgagee, respectively, to cure or commence to cure same, Landlord, without waiving or releasing Tenant from any obligation of Tenant contained in this Lease, may (but shall be under no obligation to) perform such obligation on Tenant's behalf.

21.02. Cost of Landlord's Performance. All reasonable sums paid by Landlord and all reasonable costs and expenses, including, without limitation, reasonable attorneys' fees and disbursements, incurred by Landlord in connection with its performance of any obligation pursuant to Section 21.01, together with interest thereon at the Involuntary Rate from the respective dates of Landlord's making of each such payment until the date of actual repayment to Landlord, shall be paid by Tenant to Landlord within ten (10) days after Landlord shall have submitted to Tenant a statement, in reasonable detail, substantiating the amount demanded by Landlord. Any payment or performance by Landlord pursuant to Section 21.01 shall not be nor be deemed to be a waiver or release of the breach or Default of Tenant with respect thereto or of the right of Landlord to terminate this Lease, institute summary proceedings or take such other action as may be permissible hereunder or otherwise provided at law or in equity if an Event of Default by Tenant shall have occurred. Landlord shall not be limited in the proof of any damages which Landlord may claim against Tenant arising out of or by reason of Tenant's failure to provide and keep insurance in force as aforesaid to the amount of the insurance premium or premiums not paid, but Landlord also shall be entitled to recover, as damages for such breach, the uninsured amount of any loss and damage and the reasonable costs and expenses of suit, including, without limitation, reasonable attorneys' fees and disbursements, suffered or incurred by reason of damage to or destruction of the Premises.

ARTICLE 22.

NO ABATEMENT OF RENTAL

Except as may be otherwise expressly provided herein, there shall be no abatement, offset, diminution or reduction of Rental payable by Tenant hereunder or of the other obligations of Tenant hereunder under any circumstances.

ARTICLE 23.

PERMITTED USE; NO UNLAWFUL OCCUPANCY

23.01. Compliance. Subject to the provisions of law and this Lease, Tenant shall occupy the Premises in accordance with the Certificate or Certificates of Occupancy for the Premises, the Master Development Plan and the Design Guidelines, and for no other use or purposes.

23.02. Non-Permitted Uses. Tenant shall not use or occupy, nor permit or suffer the Premises or any part thereof to be used or occupied for any unlawful, illegal or extra hazardous business, use or purpose, or in such manner as to constitute a nuisance of any kind (public or private) or that Landlord, in its reasonable judgment, deems offensive by reason of odors, fumes, dust, smoke, noise or other pollution, or for any purpose or in any way in violation of the Certificates of Occupancy, the Design Guidelines, or of any Requirements, or which may make void or voidable any insurance then in force on the Premises or, without Landlord's consent, not to be unreasonably withheld, for any use which requires a variance, waiver or special permit under the Zoning Resolution of New York City as then in effect. Tenant shall take, immediately upon the discovery of any such unpermitted, unlawful, illegal or extra hazardous use, all necessary actions, legal and equitable, to compel the discontinuance of such use. If for any reason Tenant shall fail to take such actions, and such failure shall continue for thirty (30) days after notice from Landlord to Tenant specifying such failure, Landlord is hereby irrevocably authorized (but not obligated) to take all such actions in Tenant's name and on Tenant's behalf. All reasonable sums paid by Landlord and all reasonable costs and expenses incurred by Landlord acting pursuant to the immediately preceding sentence (including, but not limited to, reasonable attorneys' fees and disbursements), together with interest thereon at the Involuntary Rate from the respective dates of Landlord's making of each such payment until the date of receipt of repayment by Landlord, shall be paid by Tenant to Landlord within ten (10) days after demand and shall constitute Rental under this Lease.

23.03. No Impairment of Title; Adverse Possession. Tenant shall not knowingly suffer or permit the Premises or any portion thereof to be used by the public in such manner as might reasonably tend to impair title to the Premises or any portion thereof, or in such manner as might reasonably make possible a claim or claims of adverse usage or adverse possession by the public, as such, or of implied dedication of the Premises or any portion thereof.

23.04. Tenant's Performance. Tenant shall take all such actions as Landlord is required to take in connection with the use and occupancy of the Premises under the terms of the Master Lease, and Tenant shall not (to the extent reasonably within Tenant's control) permit any action or condition in respect of the Premises which constitutes or would, with notice or lapse of time or both, constitute an event of default under the Master Lease. Landlord shall perform all obligations of tenant under the Master Lease other than those which are the obligation of Tenant under this Lease.

ARTICLE 24.

EVENTS OF DEFAULT; CONDITIONAL LIMITATIONS, REMEDIES, ETC.

24.01. Events of Default Generally. Each of the following events shall be an "Event of Default" hereunder:

(a) if Tenant shall fail to pay any item of Rental, or any part thereof, when the same shall become due and payable and such failure shall continue for ten (10) days after notice from Landlord to Tenant;

(b) if (i) Commencement of Construction shall not have occurred on or before the Construction Commencement Date (subject to Unavoidable Delays) and such failure shall continue for thirty (30) days after notice from Landlord to Tenant (subject to Unavoidable Delays), or (ii) Substantial Completion of the Building shall not have occurred within thirty-six (36) months from the Construction Commencement Date (subject to Unavoidable Delays) and such failure shall continue for ten (10) days after notice from Landlord to Tenant (subject to Unavoidable Delays);

(c) if Tenant shall fail to observe or perform one or more of the other terms, conditions, covenants or agreements contained in this Lease, including, without limitation, any of Tenant's obligations under the provisions of Article 11 of this Lease (other than the obligations referred to in the preceding Section 24.01(b)), and such failure shall continue for a period of thirty (30) days after notice thereof by Landlord to Tenant specifying such failure (unless such failure requires work to be performed, acts to be done, or conditions to be removed which cannot by their nature or because of Unavoidable Delays reasonably be performed, done or removed, as the case may be, within such thirty (30) day period, in which case no Event of Default shall be deemed to exist as long as Tenant shall have commenced curing the same within such thirty (30) day period and shall, subject to Unavoidable Delays, diligently, continuously and in good faith prosecute the same to completion);

(d) to the extent permitted by law, if Tenant shall admit, in writing, that it is unable to pay its debts as such become due;

(e) to the extent permitted by law, if Tenant shall make an assignment for the benefit of creditors;

(f) to the extent permitted by law, if Tenant shall file a voluntary petition under Title 11 of the United States Code or if such petition is filed against it, and an order for relief is entered, or if Tenant shall file any petition or answer seeking, consenting to or acquiescing in any reorganization, arrangement, composition, other present or future applicable federal, state or other statute or law, or shall seek or consent to or acquiesce in or suffer the appointment of any trustee, receiver, custodian, assignee, sequestrator, liquidator or other similar official of Tenant, or of all or any substantial part of its properties or of the Premises or any interest therein of Tenant, or if Tenant shall take any corporate action in furtherance of any action described in Section 24.01(d), (e) or (f) hereof;

(g) to the extent permitted by law, if within ninety (90) days after the commencement of any proceeding against Tenant seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the present or any future federal bankruptcy code or any other present or future applicable federal, state or other statute or law, such proceeding shall not have been dismissed, or if, within ninety (90) days after the appointment, without the consent or acquiescence of Tenant, of any trustee, receiver, custodian, assignee, sequestrator, liquidator or other similar official of Tenant or of all or any substantial part of its properties or of the Premises or any interest therein of Tenant if such appointment shall not have been vacated or stayed on appeal or otherwise, or if, within thirty (30) days after the expiration of any such stay, such appointment shall not have been vacated;

(h) if Tenant shall abandon the Premises;

(i) if this Lease or the estate of Tenant hereunder shall be assigned, subleased, transferred, mortgaged or encumbered, or there shall be a Transfer, without Landlord's approval to the extent required hereunder or without compliance with the provisions of this Lease applicable thereto and such transaction shall not be made to comply or voided ab initio within thirty (30) days after notice thereof from Landlord to Tenant;

(j) if a levy under execution or attachment shall be made against the Premises and such execution or attachment shall not be vacated or removed by court order, bonding or otherwise within a period of thirty (30) days;

(k) if Tenant is a corporation or a limited liability company, if Tenant shall at any time fail to maintain its corporate existence or limited liability company existence in good standing, or to pay any corporate franchise or similar tax when and as the same shall become due and payable and such failure shall continue for thirty (30) days after notice thereof from Landlord or any governmental agency to Tenant;

(l) if Tenant shall breach one or more of the terms, conditions, covenants or agreements contained in Section 43.01(c);

(m) if Tenant shall fail to deliver any Letter of Credit in accordance with the applicable provisions of this Lease;

(n) if any guarantor under the Guaranty of Completion delivered pursuant to Section 11.03(f) shall default thereunder and such default shall continue for ten (10) days after notice from Landlord; or

(o) if Tenant shall fail to withdraw the Declaration (x) within sixty (60) days from the recording of the Declaration if the Initial Unit Transfer shall not have occurred within such sixty (60) day period and such failure shall continue for thirty (30) days after notice thereof from Landlord to Tenant or (y) (1) within 30 days after notice from Landlord to Tenant that the Declaration is filed in violation of the provisions of Exhibit F with respect to any such violation which Landlord is actually aware (without investigation), or (2) with respect to all other violations (other than those in the foregoing clause (y)(1)), within 30 days of the filing of the Declaration if the Declaration is filed in violation of the provisions of Exhibit F.

24.02. Acceleration of Rental. If an Event of Default shall occur, Landlord may elect to declare due and payable a sum equal to the amount by which the Rental reserved in this Lease for the period which otherwise would have constituted the unexpired portion of the Term exceeds the fair and reasonable rental value of the Premises for the same period, both discounted to present worth at the rate of eight percent (8%) per annum, which sum shall be due and payable ten (10) days after notice by Landlord to Tenant of such election. However, the aforesaid remedy shall not be applicable to a Mortgagee which elects to cure the Default of Tenant pursuant to Section 10.10 or receives a new lease pursuant to Section 10.11. Landlord may also elect to proceed by appropriate judicial proceedings, either at law or in equity, to enforce performance or observance by Tenant of the applicable provisions of this Lease and/or to recover damages for breach thereof.

24.03. Termination and Surrender.

(a) If (i) any Event of Default described in Section 24.01(d), (e), (f) or (g) hereof shall occur, or (ii) any Event of Default described in Section 24.01(b), (c), (h), (i), (j), (k), (l), (m) or (n) shall occur and Landlord, at any time thereafter, at its option, gives notice to Tenant stating that this Lease and the Term shall expire and terminate on the date specified in such notice, which date shall be not less than ten (10) days after the giving of such notice, and if, on the date specified in such notice, Tenant shall have failed to cure the Default which was the basis for the Event of Default, or (iii) an Event of Default described in Section 24.01(a) shall occur and Landlord, at any time thereafter, at its option, gives notice to Tenant stating that this Lease and the Term shall expire and terminate on the date specified in such notice, which date shall be not less than five (5) days after the giving of such notice, then this Lease and the Term and all rights of Tenant under this Lease shall expire and terminate as of the date on which the Event of Default described in clause (i) above occurred or the date specified in the notice given pursuant to clause (ii) or (iii) above, as the case may be, were the date herein definitely fixed for the expiration of the Term and Tenant immediately shall quit and surrender the Premises;

provided, however, that if Landlord shall have given Tenant three or more notices stating that this Lease shall expire and terminate and Tenant shall have cured the Defaults that gave rise to those notices, then for a period of three years from the date of the last notice given, Tenant shall not have a right to cure a Default of substantially the same nature as the prior three Defaults, after notice of such Default has been delivered, it being understood that the foregoing provisions are not intended to impair the Mortgagee cure rights set forth in Section 10.10(a) hereof. Anything contained herein to the contrary notwithstanding, if such termination shall be stayed by order of any court having jurisdiction over any proceeding described in Section 24.01(f) or (g) hereof, or by federal or state statute, then, following the expiration of any such stay, or if the trustee appointed in any such proceeding, Tenant or Tenant as debtor-in-possession shall fail to assume Tenant's obligations under this Lease within the period prescribed therefor by law or within one hundred twenty (120) days after entry of the order for relief or as may be allowed by the court, or if said trustee, Tenant or Tenant as debtor-in-possession shall fail to provide adequate protection of Landlord's right, title and interest in and to the Premises or adequate assurance of the complete and continuous future performance of Tenant's obligations under this Lease as provided in Section 24.15 hereof, Landlord, to the extent permitted by law or by leave of the court having jurisdiction over such proceeding, shall have the right, at its election, to terminate this Lease on ten (10) days notice to Tenant, Tenant as debtor-in-possession or said trustee and upon the expiration of said ten (10) day period this Lease shall cease and expire as aforesaid and Tenant, Tenant as debtor-in-possession and/or trustee shall immediately quit and surrender the Premises as aforesaid.

(b) If this Lease shall be terminated as provided in Section 24.03(a), Landlord, without notice, may re-enter and repossess the Premises using such force for that purpose as may be necessary without being liable to indictment, prosecution or damages therefor and may dispossess Tenant by summary proceedings or otherwise.

24.04. Damages. If this Lease shall be terminated as provided in Section 24.03(a) or Tenant shall be dispossessed by summary proceedings or otherwise as provided in Section 24.03(b) hereof:

(a) Tenant shall pay to Landlord all Rental payable by Tenant under this Lease to the date upon which this Lease and the Term shall have expired and come to an end or to the date of re-entry upon the Premises by Landlord, as the case may be;

(b) Landlord may complete all construction required to be performed by Tenant hereunder and may repair and alter the Premises in such manner as Landlord may deem necessary or advisable (and may apply to the foregoing all funds, if any, then held by Depository pursuant to Article 7, 8, or 9 or by Landlord under the letter of credit referred to in Section 11.12) without relieving Tenant of any liability under this Lease or otherwise affecting any such liability, and/or let or relet the Premises or any parts thereof for the whole or any part of the remainder of the Term or for a longer period, in Landlord's name or as agent of Tenant, and out of any rent and other sums collected or received as a result of such reletting Landlord shall: (i) first, pay to itself the reasonable cost and expense of terminating this Lease, re-entering,

retaking, repossessing, completing construction and repairing or altering the Premises, or any part thereof, and the cost and expense of removing all persons and property therefrom, including in such costs brokerage commissions, legal expenses and reasonable attorneys' fees and disbursements, (ii) second, pay to itself the reasonable cost and expense sustained in securing any new tenants and other occupants, including in such costs brokerage commissions, legal expenses and reasonable attorneys' fees and disbursements and other expenses of preparing the Premises for reletting, and, if Landlord shall maintain and operate the Premises, the reasonable cost and expense of operating and maintaining the Premises, and (iii) third, pay to itself any balance remaining on account of the liability of Tenant to Landlord. Landlord in no way shall be responsible or liable for any failure to relet the Premises or any part thereof, or for any failure to collect any rent due on any such reletting, and no such failure to relet or to collect rent shall operate to relieve Tenant of any liability under this Lease or to otherwise affect any such liability;

(c) if Landlord shall not have declared all Rental due and payable pursuant to Section 24.02 hereof, Tenant shall be liable for and shall pay to Landlord, as damages, any deficiency (referred to as "Deficiency") between the Rental reserved in this Lease for the period which otherwise would have constituted the unexpired portion of the Term and the net amount, if any, of rents collected under any reletting effected pursuant to the provisions of Section 24.04(b) for any part of such period (first deducting from the rents collected under any such reletting all of the payments to Landlord described in clauses (i) and (ii) of Section 24.04(b) hereof); any such Deficiency shall be paid in installments by Tenant on the days specified in this Lease for the payment of installments of Rental, and Landlord shall be entitled to recover from Tenant each Deficiency installment as the same shall arise, and no suit to collect the amount of the Deficiency for any installment period shall prejudice Landlord's right to collect the Deficiency for any subsequent installment period by a similar proceeding; and

(d) if Landlord shall not have declared all Rental due and payable pursuant to Section 24.02 hereof, and whether or not Landlord shall have collected any Deficiency installments as aforesaid, Landlord shall be entitled to recover from Tenant, and Tenant shall pay to Landlord, on demand, in lieu of any further Deficiencies, as and for liquidated and agreed final damages (it being agreed that it would be impracticable or extremely difficult to fix the actual damage), a sum equal to the amount by which the Rental reserved in this Lease for the period which otherwise would have constituted the unexpired portion of the Term exceeds the then fair and reasonable rental value of the Premises for the same period, both discounted to present worth at the rate of eight percent (8%) per annum less the aggregate amount of Deficiencies theretofore collected by Landlord pursuant to the provisions of Section 24.04(c) for the same period; it being agreed that before presentation of proof of such liquidated damages to any court, commission or tribunal, if the Premises, or any part thereof, shall have been relet by Landlord for the period which otherwise would have constituted the unexpired portion of the Term, or any part thereof, the amount of rent reserved upon such reletting shall be deemed, prima facie, to be the fair and reasonable rental value for the part or the whole of the Premises so relet during the term of the reletting.

24.05. Obligations Continue. No termination of this Lease pursuant to Section 24.03(a) or taking possession of or reletting the Premises, or any part thereof, pursuant to Sections 24.03(b) and 24.04(b), shall relieve Tenant of its liabilities and obligations hereunder, all of which shall survive such expiration, termination, repossession or reletting.

24.06. To the extent not prohibited by law, Tenant hereby waives and releases all rights now or hereafter conferred by statute or otherwise which would have the effect of limiting or modifying any of the provisions of this Article 24. Tenant shall execute, acknowledge and deliver any instruments which Landlord may reasonably request, whether before or after the occurrence of an Event of Default, evidencing such waiver or release.

24.07. Successive Suits. Suit or suits for the recovery of damages, or for a sum equal to any installment or installments of Rental payable hereunder or any Deficiencies or other sums payable by Tenant to Landlord pursuant to this Article 24, may be brought by Landlord from time to time at Landlord's election, and nothing herein contained shall be deemed to require Landlord to await the date whereon this Lease or the Term would have expired had there been no Event of Default by Tenant and termination of this Lease.

24.08. No Limitation on Damages. Nothing contained in this Article 24 shall limit or prejudice the right of Landlord to prove and obtain as liquidated damages in any bankruptcy, insolvency, receivership, reorganization or dissolution proceeding an amount equal to the maximum allowed by statute or rule of law governing such proceeding and in effect at the time when such damages are to be proved, whether or not such amount shall be greater than, equal to or less than the amount of the damages referred to in any of the preceding Sections of this Article 24.

24.09. No Reinstatement of Lease, Etc. No receipt of moneys by Landlord from Tenant after the termination of this Lease, or after the giving of any notice of the termination of this Lease, shall reinstate, continue or extend the Term or affect any notice theretofore given to Tenant, or operate as a waiver of the right of Landlord to enforce the payment of Rental payable by Tenant hereunder or thereafter falling due, or operate as a waiver of the right of Landlord to recover possession of the Premises by proper remedy, except as herein otherwise expressly provided, it being agreed that after the service of notice to terminate this Lease or the commencement of any suit or summary proceedings, or after a final order or judgment for the possession of the Premises, Landlord may demand, receive and collect any moneys due or thereafter falling due without in any manner affecting such notice, proceeding, order, suit or judgment, all such moneys collected being deemed payments on account of the use and occupancy of the Premises or, at the election of Landlord, on account of Tenant's liability hereunder.

24.10. Waiver of Certain Rights. Except as otherwise expressly provided herein or as prohibited by applicable law, Tenant hereby expressly waives the service of any notice of intention to re-enter provided for in any statute, or of the institution of legal proceedings to that end, and Tenant, for and on behalf of itself and all persons claiming through or under Tenant,

also waives any and all right of redemption provided by any law or statute now in force or hereafter enacted or otherwise, or right of re-entry or repossession or right to restore the operation of this Lease in case Tenant shall be dispossessed by a judgment or by warrant of any court or judge or in case of re-entry or repossession by Landlord or in case of any expiration or termination of this Lease, and Landlord and Tenant waive and shall waive trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto against the other on any matter whatsoever arising out of or in any way connected with this Lease, the relationship of Landlord and Tenant, Tenant's use or occupancy of the Premises, or any claim of injury or damage. The terms "enter", "re-enter" "entry" or "re-entry" as used in this Lease are not restricted to their technical legal meaning.

24.11. No Waivers. No failure by Landlord or any prior landlord to insist upon the strict performance of any covenant, agreement, term or condition of this Lease or to exercise any right or remedy consequent upon a breach thereof, and no acceptance of full or partial Rental during the continuance of any such breach, shall constitute a waiver of any such breach or of such covenant, agreement, term or condition. No covenant, agreement, term or condition of this Lease to be performed or complied with by Tenant, and no breach thereof, shall be waived, altered or modified except by a written instrument executed by Landlord. No waiver of any breach shall affect or alter this Lease, but each and every covenant, agreement, term and condition of this Lease shall continue in full force and effect with respect to any other than existing or subsequent breach thereof.

24.12. Equitable Remedies. In the event of any breach or threatened breach by Tenant of any of the covenants, agreements, terms or conditions contained in this Lease, Landlord shall be entitled to enjoin such breach or threatened breach and shall have the right to invoke any rights and remedies allowed at law or in equity or by statute or otherwise as though re-entry, summary proceedings, and other remedies were not provided for in this Lease. To the extent permitted by law Tenant waives any requirement for the posting of bonds or other security in any such action.

24.13. Cumulative Remedies. Each right and remedy of Landlord provided for in this Lease, shall be cumulative and shall be in addition to every other right or remedy provided for in this Lease or now or hereafter existing at law or in equity or by statute or otherwise, and the exercise or beginning of the exercise by Landlord of any one or more of the rights or remedies provided for in this Lease or now or hereafter existing at law or in equity or by statute or otherwise shall not preclude the simultaneous or later exercise by Landlord of any or all other rights or remedies provided for in this Lease or now or hereafter existing at law or in equity or by statute or otherwise.

24.14. Fees and Expenses. Tenant shall pay to Landlord all costs and expenses, including, without limitation, reasonable attorneys' fees and disbursements, incurred by Landlord in any action or proceeding to which Landlord may be made a party by reason of any act or omission of Tenant. Tenant also shall pay to Landlord all costs and expenses, including, without limitation, reasonable attorneys' fees and disbursements, incurred by Landlord in enforcing any of the covenants and provisions of this Lease and incurred in any action brought by Landlord

against Tenant on account of the provisions hereof, and all such costs, expenses, and reasonable attorneys' fees and disbursements may be included in and form a part of any judgment entered in any proceeding brought by Landlord against Tenant on or under this Lease. All of the sums paid by Landlord as aforesaid, with interest at the Involuntary Rate from the date of payment by Landlord to the date of payment by Tenant, shall be paid by Tenant to Landlord within fifteen (15) days after demand by Landlord.

24.15. Certain Bankruptcy Provisions. If an order for relief is entered or if a stay of proceeding or other acts becomes effective in favor of Tenant or Tenant's interest in this Lease in any proceeding which is commenced by or against Tenant under the present or any future federal Bankruptcy Code or any other present or future applicable federal, state or other statute or law, Landlord shall be entitled to invoke any and all rights and remedies available to it under such bankruptcy code, statute, law or this Lease, including, without limitation, such rights and remedies as may be necessary to adequately assure the complete and continuous future performance of Tenant's obligations under this Lease. Adequate protection of Landlord's right, title and interest in and to the Premises, and adequate assurance of the complete and continuous future performance of Tenant's obligations under this Lease, shall include, without limitation, the following requirements:

(a) that Tenant shall comply with all of its obligations under this Lease;

(b) that Tenant shall pay to Landlord, on the first day of each month occurring subsequent to the entry of such order, or on the effective date of such stay, a sum equal to the amount by which the Premises diminished in value during the immediately preceding monthly period, but, in no event, an amount which is less than the aggregate Rental payable for such monthly period;

(c) that Tenant shall continue to use the Premises in the manner required by this Lease;

(d) that Tenant shall hire, at its sole cost and expense, such security personnel as may be necessary to insure the adequate protection and security of the Premises;

(e) that Tenant shall pay to Landlord within thirty (30) days after entry of such order or the effective date of such stay, as partial adequate protection against future diminution in value of the Premises and adequate assurance of the complete and continuous future performance of Tenant's obligations under this Lease, a security deposit as may be required by law or ordered by the court;

(f) that Tenant has and will continue to have unencumbered assets after the payment of all secured obligations and administrative expenses to assure Landlord that sufficient funds will be available to fulfill the obligations of Tenant under this Lease;

(g) that Landlord be granted a security interest acceptable to Landlord in property of Tenant, other than property of any of Tenant's officers, directors, shareholders, employees, members or partners, to secure the performance of Tenant's obligations under this Lease;

(h) that if Tenant's trustee, Tenant or Tenant as debtor-in-possession assumes this Lease and proposes to assign the same (pursuant to Title 11 U.S.C. Section 365, as the same may be amended) to any Person who shall have made a bona fide offer to accept an assignment of this Lease on terms acceptable to the trustee, Tenant or Tenant as debtor-in-possession, then notice of such proposed assignment, setting forth (i) the name and address of such Person, (ii) all of the terms and conditions of such offer, and (iii) the adequate assurance to be provided Landlord to assure such Person's future performance under the Lease, including, without limitation, the assurances referred to in Title 11 U.S.C. Section 365(b)(3) (as the same may be amended), shall be given to Landlord by the trustee, Tenant or Tenant as debtor-in-possession no later than twenty (20) days after receipt by the trustee, Tenant or Tenant as debtor-in-possession of such offer, but in any event no later than ten (10) days prior to the date that the trustee, Tenant or Tenant as debtor-in-possession shall make application to a court of competent jurisdiction for authority and approval to enter into such assignment and assumption, and Landlord shall thereupon have the prior right and option, to be exercised by notice to the trustee, Tenant or Tenant as debtor-in-possession, given at any time prior to the effective date of such proposed assignment, to accept an assignment of this Lease upon the same terms and conditions and for the same consideration, if any, as the bona fide offer made by such Person, less any brokerage commissions which may be payable out of the consideration to be paid by such Person for the assignment of this Lease.

24.16. No Modifications. Nothing contained in this Article 24 shall be deemed to modify the provisions or Section 10.10, 10.11 or 10.12 hereof.

24.17. Certain Condominium Provisions. Notwithstanding anything to the contrary contained in this Article 24, from and after the Condominium Date, Landlord and Tenant agree that (i) Landlord shall not have the right to terminate this Lease pursuant to Section 24.03(a) or to repossess the Premises or dispossess Tenant pursuant to Section 24.03(b), except as expressly permitted pursuant to the terms of Exhibit F, (ii) Landlord shall not have the right to accelerate any Rental pursuant to Section 24.02, and (iii) Landlord shall not have the right to exercise any comparable right or remedy at law or in equity or otherwise that would result in the termination of this Lease or the dispossession of Unit Owners hereunder (except in the circumstances provided in Exhibit F) or the acceleration of any Rental payable.

ARTICLE 25.

NOTICES

25.01. Notices Generally. Whenever it is provided in this Lease that a notice, demand, request, consent, approval or other communication shall or may be given to or served upon either of the parties by the other, or by Landlord upon any Mortgagee, and whenever either of the parties shall desire to give or serve upon the other any notice, demand, request, consent, approval, or other communication with respect hereto or the Premises, each such notice, demand, request, consent, approval, or other communication shall be in writing and, any law or statute to the contrary notwithstanding, shall be effective for any purpose if given or served as follows:

(a) if by Landlord, by hand delivering, or sending by Federal Express or other reputable overnight national courier service, or by mailing the same to Tenant by registered or certified mail, postage prepaid, return receipt requested, addressed to Tenant at c/o Albanese Organizations, Inc., 1050 Franklin Avenue, Garden City, New York 11530, Attn: Christopher V. Albanese, with a copy sent simultaneously and in the same manner to Albanese & Albanese LLP, 1050 Franklin Avenue, Garden City, New York 11530, Attn: Vincent M. Albanese, Esq., or to such other address(es) and attorneys as Tenant may from time to time designate by notice given to Landlord as aforesaid and, in the case of any notice required to be given to any Mortgagee pursuant to this Lease, to each such Mortgagee at the address of such Mortgagee set forth in the notice mentioned in the first sentence of Section 10.10(a) hereof; and

(b) if by Tenant, by hand delivering or sending by Federal Express or other reputable overnight national courier service, or by mailing the same to Landlord by registered or certified mail, postage prepaid, return receipt requested, addressed to Landlord at One World Financial Center, New York, New York 10281, Attn: President, or to such other address as Landlord may from time to time designate by notice given to Tenant as aforesaid (with a copy, given in the manner provided above, addressed to the attention of Landlord's General Counsel, at the address set forth above or at such other address as Landlord may from time to time designate by notice to Tenant as aforesaid).

(c) if by Landlord to a Mortgagee, at the address of said Mortgagee set forth in the notice referred to in Section 10.10 hereof and in the manner described in Section 10.10 hereof.

25.02. Every notice, demand, request, consent, approval, or other communication hereunder shall be deemed to have been given or served when hand delivered, or if sent by Federal Express or other reputable overnight national courier service, when received or when delivery is refused, or if mailed, three (3) Business Days after the date that the same shall have been deposited in the United States mails, postage prepaid, in the manner aforesaid (except that a notice designating the name or address of a person to whom any notice or other communication, or copy thereof, shall be sent shall be deemed to have been given when same is received).

25.03. Master Lease Notices. Within two (2) Business Days of Landlord's receipt thereof, Landlord shall deliver to Tenant a copy of any notice received from the Master Landlord under the Master Lease which affects Tenant's rights or obligations under this Lease.

ARTICLE 26.

CONSTRUCTION AND MAINTENANCE OF THE CIVIC FACILITIES

26.01. Civic Facilities Generally.

(a) The term "Civic Facilities" shall mean the following improvements located in the North Residential Neighborhood of the Project Area, all of which will be available to Tenant and subtenants of Tenant for their use and enjoyment in the same manner, and on the same terms and conditions, as are applicable to subtenants of other sites in the Project Area and to the general public:

(i) Electrical, gas and telephone mains;

(ii) Water mains;

(iii) Sanitary and storm sewers;

(iv) Fire hydrants and Emergency Response Service ("ERS") conduits and boxes;

(v) Street lighting (conduit, cable, poles, fixtures and connections);

(vi) Streets;

(vii) Curbs;

(viii) Temporary concrete sidewalks;

(ix) Permanent sidewalks, including planting strip, cobble strip and paving;

(x) Landscaped esplanade, including appurtenances located within the pierhead line of the Project Area ("North Neighborhood Esplanade");

(xi) Landscaped park ("Governor Nelson A. Rockefeller Park" or "Rockefeller Park");

(xii) Vesey Street turnaround area ("Vesey Street Area");

(xiii) Landscaped triangle on Murray Street ("Murray Street Triangle");

(xiv) Landscaped median strip on North End Avenue ("Median Parks");

(xv) A public open space between Sites 19A, 19B, 18A and 18B as described in the Design Guidelines (the "Open Space"); and

(xvi) Street trees.

Areas described in subparagraphs (xi)-(xv) above are referred to herein as "North Neighborhood Residential Parks".

(b) The term "Tenant's Civic Facilities" shall mean the following portions of the Civic Facilities as may be more particularly described, referenced or enumerated in such specifications as Landlord may supply or approve and as submitted by Tenant and approved by the City of New York as the Department of Transportation Buildings Pavement Plan:

(i) Permanent sidewalk on streets adjacent to the Premises, as described above, including replacement curbs as required and both permanent street lighting (conduit, boxes, cable, poles, fixtures and connections) and any construction period lighting which may be required;

(ii) Ten (10) street trees of species determined by Landlord, each with a four to four and one half inch caliper including cobble strip to be planted at the Premises pursuant to drawings and specifications as provided by Landlord;

(iii) Planting strip and walkway in the Open Space as set forth in the Design Guidelines; and

(iv) Planting bed along the west face of the Building as set forth in the Design Guidelines.

(c) The term "Landlord's Civic Facilities" shall mean all of the Civic Facilities which are not included within the definition of Tenant's Civic Facilities. Tenant acknowledges that all of Landlord's Civic Facilities except those described in subparagraphs (vi), (ix) and (xv) of Section 26.01(a) above have been completed by Landlord. Landlord will complete paving of adjacent roadbeds upon completion by Tenant of curbs and other street work described in subparagraphs (i) and (ii) of Section 26.01(b) above. Tenant shall repair or reimburse Landlord within thirty (30) days after demand for the cost of any repair necessitated by any damage caused by Tenant to the streets or street lighting as such facilities existed as of the Commencement Date.

26.02. Construction of Civic Facilities. Subject to Unavoidable Delays, Tenant shall commence and diligently complete on or before the Scheduled Completion Date, in accordance with the Construction Documents and the specifications supplied by Landlord, the construction or installation of Tenant's Civic Facilities, in a good and workerlike manner and in compliance with normal New York City construction rules and all applicable Requirements.

26.03. Maintenance of Civic Facilities. Landlord and Tenant each shall take good care of Landlord's Civic Facilities or Tenant's Civic Facilities, respectively, and shall take good care of, and each party shall keep and maintain the respective Civic Facilities for which it is so responsible in good and safe order and condition and free of accumulations of dirt, rubbish, snow and ice, and shall make all repairs (including structural repairs, restorations and replacements necessary to maintain the same in first-class condition (collectively, "Maintenance Obligations"), except that (i) if Tenant installs temporary concrete sidewalks adjacent to the Premises, then Tenant shall perform Maintenance Obligations in respect of same and (ii) provided that Tenant previously has caused the street trees referred to in Section 26.01(b)(ii) to be installed in accordance with the requirements of this Article 26 and maintained and replaced until the first anniversary of the proper installation of such trees, then from and after such the first anniversary, Landlord shall perform, without cost to Tenant, Maintenance Obligations with respect to said street trees. The obligation of Landlord to perform Maintenance Obligations is expressly conditioned upon Tenant's compliance with Tenant's obligations under Section 26.05. The parties contemplate that, after the completion of construction pursuant to Section 26.03, Maintenance Obligations for the portion of the Civic Facilities described in Section 26.01(a)(i) shall be performed by the appropriate utility companies and for those portions of the Civic Facilities described in Sections 26.01(a)(ii)-(vii) shall be performed by New York City. Notwithstanding the initial sentence of this Section 26.03, Maintenance Obligations on the part of Landlord in respect of any portion of the Civic Facilities described in Sections 26.01(a)(i)-(vii) shall terminate on the date that the appropriate utility company or New York City, as the case may be, shall commence performance of Maintenance Obligations in respect of same.

26.04. Tenant Self-Help.

(a) Tenant's sole remedies against Landlord for a failure by Landlord to perform its Maintenance Obligations in accordance with Section 26.03 shall be the right to engage in Self-Help and to receive the offset against Civic Facilities Payments provided for in Section 26.04(c) (collectively, the "Approved Remedies"), and no such failure shall entitle Tenant to any other right, remedy or damages against Landlord. Notwithstanding the provisions of Section 26.04(b), Tenant shall not be entitled to exercise any of the Approved Remedies at any time that a Default exists under this Lease. No delay, non-performance or part performance by Landlord under Section 26.03 shall release Tenant from any of its obligations under this Lease. The election by Tenant of any remedy specified in this Section 26.04(a) shall not preclude Tenant from pursuing any other available remedy specifically set forth herein.

(b) If (subject to Unavoidable Delays) Landlord fails to perform any of Landlord's Maintenance Obligations, Tenant (in its own name and not as agent of Landlord)

shall have the right (but shall not be obligated) to undertake Landlord's Maintenance Obligations, as the case may be ("Self-Help"), in accordance with the provisions of this Section 26.04(b). Prior to engaging in Self-Help, Tenant shall give Landlord notice specifying the nature of Landlord's failure and advising of Tenant's intention to engage in Self-Help. If Landlord shall not have remedied the failure complained of prior to the thirtieth (30th) day after such notice, Tenant shall be entitled to engage in Self-Help, provided that, if such failure shall be of a nature that the same cannot be completely remedied within said thirty (30) day period, Tenant shall not be entitled to engage in Self-Help if Landlord commences to remedy such failure within such period and thereafter diligently and continuously proceeds to remedy same. A copy of any notice given to Landlord pursuant to this Section 26.04(b) shall be sent to all other tenants of Landlord in the North Residential Neighborhood affected by Landlord's Civic Facilities of whose names and addresses Landlord shall have given Tenant notice, and, in the event Tenant engages in Self-Help, Tenant shall use its best efforts to cooperate with such other tenants and to coordinate any actions taken in furtherance thereof with the actions of any tenant(s) that may elect to engage in Self-Help under the applicable provision(s) of any other lease(s) entered into by Landlord with respect to the North Residential Neighborhood. In furtherance of Tenant's exercise of the right of Self-Help set forth in this Section 26.04(b), Landlord, upon reasonable notice, shall permit Tenant and its agents or representatives to inspect Landlord's Civic Facilities at all reasonable times for the purpose of determining whether or not Landlord is in compliance with Landlord's Maintenance Obligations. Landlord hereby grants Tenant a right to enter upon Landlord's Civic Facilities in order to perform Self-Help in accordance with this Section 26.04(b). Tenant shall not be liable for inconvenience, annoyance, disturbance, loss of business or other damage to Landlord by reason of Tenant's exercise of the right of Self-Help hereunder, provided Tenant shall use reasonable efforts to minimize such inconvenience, annoyance, disturbance, loss of business or other damage to Landlord caused by Tenant in the exercise of its right of Self-Help.

(c) In the event Tenant engages in Self-Help as provided in Section 26.04(b) with respect to Landlord's Maintenance Obligations, after submission to Landlord of a written statement of Tenant's expenses with supporting documentation, Tenant shall have the right to offset against the next installment(s) of Civic Facilities Payment an amount equal to the reasonable expenses thereby incurred and/or theretofore paid by Tenant together with interest thereon at the Involuntary Rate computed with respect to each payment made by Tenant under this Section 26.04(c) from the date of payment by Tenant until the date(s) Tenant effectuates the offset(s).

(d) In the event Landlord shall fail to perform Landlord's Maintenance Obligations, Landlord shall incur no penalty or liability and Tenant shall have no remedies or rights other than as expressly provided herein, it being agreed by the parties that Landlord's failure to perform Landlord's Maintenance Obligations shall not be deemed a failure by Landlord to perform a substantial obligation on Landlord's part to be performed under this Lease.

26.05. Payment of Certain Costs.

(a) As its allocable share of the cost of operating, maintaining, repairing, restoring, replacing and upgrading the North Neighborhood Residential Parks, the North Neighborhood Esplanade, the Vesey Street Area, the Murray Street Triangle, the Median Parks, any other parks or open spaces within or adjacent to the North Residential Neighborhood, the curbs referred to in Section 26.01(a)(vii) and the street trees referred to in Section 26.01(a)(xvi) and (b)(ii), including, at Landlord's election, the costs of creating and maintaining a reasonable reserve fund and of insuring the Civic Facilities or any part thereof (such costs being hereinafter referred to as "Operating Costs"), Tenant, for each Lease Year or portion thereof commencing on the date on which a temporary Certificate of Occupancy shall be issued for any dwelling unit in the Building (the "Initial Occupancy Date") and ending on the last day of the Term, shall pay to Landlord an annual sum (the "Civic Facilities Payment") determined as follows:

(i) for the period commencing on the Initial Occupancy Date and for each of the next two Lease Years, an amount equal to the sum of (1) the product obtained by multiplying the number of residential units in the Building by Three Hundred Dollars ($300.00) and (2) the product derived by multiplying $.30 by the gross square feet of non-residential floor area (other than lobbies, corridors and other space and areas used in common by, or for the common use of, the residential tenants or that serves exclusively the residential tenants or the residential units in the Building and other common areas and the space occupied by Landlord, but including any garage) in the Building;

(ii) for each of the next three Lease Years, an amount equal to the sum of (A) the product obtained by multiplying the number of residential units in the Building by Three Hundred and Fifty Dollars ($350.00) and (B) the product derived by multiplying $.35 by the gross square feet of non-residential floor area other than lobbies, corridors and other space and areas used in common by, or for the common use of, the residential tenants or that serves exclusively the residential tenants or the residential units in the Building and other common areas and the space occupied by Landlord, but including any garage) in the Building;

(iii) for the next succeeding Lease Year and for each Lease Year thereafter, with respect to the North Neighborhood Residential Parks, an amount equal to the product of (A) the North Neighborhood Residential Parks Budget (as defined below) less any portion thereof attributable to the Open Space, multiplied by (B) 0.0895 (said figure being computed by dividing the number of square feet of floor area in the Building, as permitted by the Design Guidelines, by the total number of square feet of floor area in all residential buildings, including the Building, in the North Residential Neighborhood permitted by the Zoning Resolution of the City of New York, as such number has heretofore been reduced by the Design Guidelines); and

(iv) for the period referred to in the preceding clause (iii), with respect to the North Neighborhood Esplanade, an amount equal to the product of (A) the North

Neighborhood Esplanade Budget multiplied by (B) 0.0895 (said figure being computed as set forth in the preceding clause (iii));

except that, in lieu of clauses (iii) and (iv) above, Landlord, at its sole option and at any time, may establish as an alternative method (the "Alternative Method") for determining such allocable share of the Operating Costs and the amount of the Civic Facilities Payment that Tenant would pay as its share an amount equal to the product of (x) the sum of the Parks Budget (as defined below) and the Residential Esplanade Budget (as defined below), less amounts payable toward such Budgets by other tenants of Landlord in the Project Area under leases which were originally entered into prior to January 1, 1988 ("Prior Tenants"), multiplied by (y) 0.0625 (said figure being computed by dividing the number of square feet of floor area in the Building, as permitted by the Design Guidelines, by the total number of square feet of floor area in all residential buildings, including the Building, in the Project Area permitted by the Zoning Resolution of the City of New York, as such number has heretofore been reduced by the Design Guidelines pertaining to such residential buildings, less the number of square feet of floor area in the residential buildings of such Prior Tenants).

Notwithstanding the provisions of the foregoing clause (iii), the amount of Tenant's Civic Facilities Payment for any Lease Year referred to therein shall not be greater than one hundred twenty-five percent (125%) of Tenant's Civic Facilities Payment for the prior Lease Year and the amount of capital costs included in Operating Costs for any year shall not exceed ten percent (10%) of the Operating Costs for such year.

(b) For each Lease Year commencing with the Lease Year referred to in Section 26.05(a)(iii) (each such Lease Year or portion thereof being hereinafter referred to as a "Payment Period"), Landlord shall submit to Tenant (i) an estimate of the Operating Costs for the North Neighborhood Residential Parks, including all curbs and street trees and reasonable reserves and insurance, if any, for such Payment Period (the "North Neighborhood Residential Parks Budget") and (ii) an estimate of the Operating Costs for the North Neighborhood Esplanade for such Payment Period (collectively, the "Civic Facilities Budget") and (iii) an estimate of the Operating Costs for the Residential Esplanade (the "Residential Esplanade Budget"). The North Neighborhood Residential Parks Budget shall be an amount computed by multiplying (A) the estimated Operating Costs of all parks (as such term is reasonably defined by Landlord) in or adjacent to the Project Area other than parks situated in the area described in the final sentence of this Section 26.05(b) ("Residential Parks") and all curbs and street trees installed in the Project Area except in the area described as aforesaid (the "Parks Budget") by (B) a fraction, the numerator of which shall be the number of square feet in the North Neighborhood Residential Parks and the denominator of which shall be the total number of square feet in all Residential Parks. The "North Neighborhood Esplanade Budget" shall be an amount computed by multiplying (A) the estimated Operating Costs of the entire Esplanade in the Project Area other than such portion of the Esplanade as extends along the North Cove from (i) the point where the northern line of Liberty Street as extended intersects the North Cove to (ii) the point where the extension of the western line of North End Avenue intersects the North Cove (the "Residential Esplanade") by (B) a fraction, the numerator of which is the number of

linear feet of the North Neighborhood Esplanade and the denominator of which is the total number of linear feet of the Residential Esplanade. Tenant shall pay to Landlord the Civic Facilities Payment due in respect of each such Payment Period in equal monthly installments payable in advance on the first day of each month that occurs within such Payment Period. As soon as shall be practicable after the end of such Payment Period, Landlord shall submit to Tenant a statement setting forth the Operating Costs incurred by Landlord during such Payment Period, together with supporting documentation. Within ten (10) days of the date any such statement and documentation are submitted to Tenant, Tenant shall pay the amount, if any, by which Tenant's allocable share of Operating Costs for the applicable Payment Period exceeds the Civic Facilities Payment made by Tenant during such Payment Period. In the event the Civic Facilities Payment made by Tenant during any Payment Period exceeds Tenant's allocable share of Operating Costs, Tenant shall have the right to offset against the next monthly installments of Civic Facilities Payment the amount of such excess. The area referred to in the second sentence of this Section 26.05(b) is bounded on the south by the northern line of Liberty Street extended west to the North Cove, on the west by proceeding from said line as extended along North Cove to the extension of the western line of North End Avenue and then along said western line as extended to the southern line of Vesey Street, on the north by proceeding along said southern line to the western line of Marginal Street, Wharf or Place, and on the east by the western line of Marginal Street, Wharf or Place between the southern line of Vesey Street and the northern line of Liberty Street, all as shown on survey L.B.-45-BZ by Benjamin D. Goldberg (Earl B. Lovell-S.P. Belcher, Inc.), prepared February 23, 1983, last amended May 27, 1983.

(c) Notwithstanding any other provision of this Article 26, in the event the Civic Facilities or any portion thereof shall be destroyed or damaged by fire or other casualty or shall have been taken by the exercise of the right of condemnation or eminent domain, if the reasonable cost of restoring or replacing any portion of Landlord's Civic Facilities (including, without limitation, construction costs, bidding costs, attorneys', architects', engineers' and other professional fees and disbursements, and supervisory fees and disbursements) shall exceed the aggregate of the monies available to Landlord therefor from the reserve fund created pursuant to Section 26.05(a) and the net proceeds, if any, of insurance or condemnation available to Landlord for such purpose, Tenant shall pay to Landlord an amount equal to the product obtained by multiplying 0.0895 (said figure being computed as set forth in Section 26.05(a)(iii)) by such excess. Landlord shall submit to Tenant a statement setting forth (i) the cost of such restoration or replacement (together with supporting documentation) and (ii) on an itemized basis, the monies available to pay such cost. Within thirty (30) days of the date any such statement and documentation are submitted to Tenant, Tenant shall make the payment provided for above. Notwithstanding the foregoing, in the event Tenant's estate in the Premises shall be submitted to either a cooperative or condominium form of ownership, such payment shall be made within forty-five (45) days of the date any such statement and documentation are submitted to Tenant. All monies payable to Landlord under this Section 26.05(c) shall constitute Rental under this Lease.

(d) Landlord shall have the right to transfer to a trust or other entity the responsibility of performing Landlord's Maintenance Obligations and the right to receive

installments of the Civic Facilities payment directly from Tenant, and if Landlord shall effect such a transfer, Tenant shall have the right to require such trust or other entity to perform the responsibilities and exercise the rights so transferred notwithstanding any transfer of Landlord's interest in the parcels, or in the leases of the parcels, within the North Residential Neighborhood. Upon such a transfer by Landlord and provided such trust or other entity, in writing, assumes and agrees to perform Landlord's Maintenance Obligations for the benefit of all tenants of parcels within the North Residential Neighborhood, from and after the date of such assumption, Landlord shall have no further liability with respect hereto. Prior to effecting such transfer, Landlord shall consult with Tenant with respect to the composition of such trust or other entity. Landlord shall give Tenant notice of the consummation of any such transfer. Notwithstanding such transfer, the Civic Facilities Payment shall, at all times, constitute Rental hereunder. Thereafter, for each Lease Year, such trust or other entity shall submit to Tenant the Parks-Esplanade Budget and other information required by Section 26.05(b) and shall give notice thereof to Tenant in the same manner as would otherwise be required of Landlord. Notwithstanding any transfer of Landlord's Maintenance Obligations, Tenant shall retain the rights provided in this Article 26 with respect to Self-Help and offsets against Civic Facilities Payments.

ARTICLE 27.

STREETS

Landlord represents and warrants that within the Project Area, Chambers Street, River Terrace, North End Avenue, Vesey Street, Warren Street (between North End Avenue and River Terrace) and Murray Street have been mapped as New York City public streets. Not later than the date which is the later to occur of (i) the date which is fourteen days after Tenant notifies Landlord that it is preparing to open its rental office and (ii) the date on which such rental office is actually opened Landlord shall have: (x) caused all streets in the North Residential Neighborhood to be open (subject to temporary street closings as may be normal for streets in New York City), except for Park Place West (which, subject to the approval of the City of New York, will be incorporated into the Open Space) and the portion of Murray Street which is west of North End Avenue; (y) erected "No Parking" signs along River Terrace, except that the signs in front of the Building shall be "No Standing" signs; and (z) removed all fences from any streets that are to be opened. The foregoing notwithstanding, pending dedication of the aforesaid streets and the acceptance thereof by the City of New York and except as hereinafter provided, Tenant, its members, employees, agents, representatives, construction managers, contractors (including subcontractors of all tiers) and Subtenants, Tenant-Stockholders, Unit Owners and all occupants of the Building, shall have an easement of ingress and egress over, across, along and through the streets referred to in this Article 27 to the nearest public highway, including reasonable accommodation for ingress and egress for construction equipment and delivery of materials and for access to the parking garage facility entrance on Murray Street. The aforesaid easement shall: (i) not include the portion of Murray Street that is west of North End Avenue; (ii) automatically terminate with respect to Park Place West upon the incorporation thereof into the Open Space;

and, (iii) be subject to temporary street closings as may be normal for streets in New York City or deemed necessary in the sole discretion of Landlord. Subsequent to the opening of such streets, Landlord shall use reasonable measures to cause the City of New York to enforce (in the ordinary course) the parking restrictions in the North Residential Neighborhood. Promptly after Tenant installs permanent curbing and sidewalks along the eastern side of River Terrace from Murray Street to Park Place West and on the northern side of Murray Street to the east edge of the walkway on the eastern side of the building, Landlord shall install a permanent road surface on such streets. Landlord consents to the encroachment onto River Terrace of the planting boxes to be installed along the west face of the Building in accordance with the provisions of Section 26.01(b)(iv) and the Design Guidelines.

ARTICLE 28.

STREET WIDENING

If at any time during the Term any proceedings are instituted or orders made by any Governmental Authority (other than Master Landlord or Landlord acting solely in its capacity as such and not as a Governmental Authority) for the widening or other enlargement of any street contiguous to the Premises requiring removal of any projection or encroachment on, under or above any such street, or any changes or alterations upon the Premises, or in the sidewalks, vaults (other than vaults which are under the control of, or are maintained or repaired by, a utility company), gutters, curbs or appurtenances, Tenant, with reasonable diligence (subject to unavoidable Delays) shall comply with such requirements, and on Tenant's failure to do so, Landlord may comply with the same in accordance with the provisions of Article 21. Tenant shall be permitted to contest in good faith any proceeding or order for street widening instituted or made by any Governmental Authority, provided that during the pendency of such contest Tenant deposits with Landlord or a Mortgagee that is an Institutional Lender security in amount and form reasonably satisfactory to Landlord for the performance of the work required in the event that Tenant's contest should fail. In no event shall Tenant permit Landlord to become liable for any civil or criminal liability or penalty as a result of Tenant's failure to comply with reasonable diligence (subject to Unavoidable Delays) with any of the foregoing orders. Any widening or other enlargement of any such street and the award or damages in respect thereto shall be deemed a partial condemnation and be subject to the provisions of Article 9.

ARTICLE 29.

SUBORDINATION; ATTORNMENT

29.01. No Subordination of Landlord's Interest. Landlord's interest in this Lease, as this Lease may be modified, amended or supplemented, shall not be subject or subordinate to (a) any mortgage now or hereafter placed upon Tenant's interest in this Lease (including, without limitation, any Unit Mortgage) or (b) any other liens or encumbrances hereafter affecting

Tenant's interest in this Lease (including, without limitation, a lien filed pursuant to Section 339-z and Section 339-aa of the Real Property Law).

29.02. Attornment. If by reason of (a) a default under the Master Lease, or (b) a termination of the Master Lease pursuant to the terms of the Settlement Agreement, such Master Lease and the leasehold estate of Landlord in the Premises demised hereby are terminated, Tenant will attorn to the then holder of the reversionary interest in the premises demised by this Lease and will recognize such holder as Tenant's Landlord under this Lease. Tenant shall execute and deliver, at any time and from time to time, upon the request of the Landlord or of the Master Landlord any further instrument which may be reasonably necessary or appropriate to evidence such attornment. Tenant waives the provision of any statute or rule of law now or hereafter in effect which may give or purport to give Tenant any right of election to terminate this Lease or to surrender possession of the Premises in the event any proceeding is brought by the Master Landlord to terminate the Master Lease, and agrees that this Lease shall not be affected in any way whatsoever by any such proceeding.

ARTICLE 30.

EXCAVATIONS AND SHORING

If any excavation shall be made or contemplated to be made for construction or other purposes upon property adjacent to the Premises, Tenant either:

(a) shall afford to Landlord or, at Landlord's option, to the person or persons causing or authorized to cause such excavation the right to enter upon the Premises in a reasonable manner for the purpose of doing such work as may be necessary, without cost or expense to Tenant, to preserve any of the walls or structures of the Building from injury or damage and to support the same by proper foundations, provided that (i) such work shall be done promptly, in a good and workerlike manner and subject to all applicable Requirements, (ii) Tenant shall have an opportunity to have its representatives present during all such work and (iii) Tenant shall be indemnified by Landlord in the event Landlord performs such excavation, or such other person performing such excavation, or if such other person does not, in Tenant's reasonable judgment, have adequate financial capacity to assure Tenant of such person's ability to comply with its indemnity obligations to Tenant, then Tenant shall be in indemnified by another Person reasonably satisfactory to Tenant, as the case may be, against any injury or damage to the Building or persons or property therein which may result from any such work, but shall not have any claim against Landlord for suspension, diminution, abatement, offset or reduction of Rental payable by Tenant hereunder; or

(b) shall do or cause to be done all such work, at Landlord's or such other person's expense, as may be necessary to preserve any of the walls or structures of the Building from injury or damage and to support the same by proper foundations, provided that Tenant shall not, by reason of any such excavation or work, have any claim against Landlord for damages or

for indemnity or for suspension, diminution, abatement, offset or reduction of Rental payable by Tenant hereunder.

ARTICLE 31.

CERTIFICATES BY LANDLORD AND TENANT

31.01. Tenant Certificate. At any time and from time to time upon not less than ten (10) days' notice by Landlord, Tenant shall execute, acknowledge and deliver to Landlord or any other party specified by Landlord a statement certifying that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same, as modified, is in full force and effect and stating the modifications) and the date to which each obligation constituting Rental has been paid, and stating whether or not to the best knowledge of Tenant, Landlord is in default in performance of any covenant, agreement or condition contained in this Lease, and, if so, specifying each such default of which Tenant may have knowledge.

31.02. Landlord Certificate. At any time and from time to time upon not less than ten (10) days' notice by Tenant, Landlord shall execute, acknowledge and deliver to Tenant or any other party specified by Tenant a statement (a) certifying that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same, as modified, is in full force and effect and stating the modifications) and the date to which each obligation constituting Rental has been paid, and stating whether or not to the best knowledge of Landlord, Tenant is in Default in the performance of any covenant, agreement or condition contained in this Lease, and, if so, specifying each such Default of which Landlord may have knowledge and/or (b) stating whether or not Landlord shall recognize a proposed lender (i) as an Institutional Lender and (ii) as a Mortgagee holding a lien first in priority. If Tenant's leasehold interest in the Premises shall be subjected to a condominium form of ownership, Landlord shall not be required to furnish such a certificate with respect to any Unit unless all rent then payable hereunder by the owner of such Unit has been paid and such Unit Owner is not otherwise in default of its obligations under this Lease or the agreement by which such Unit Owner's Unit was acquired.

31.03. Master Landlord Certificate. At the request of Tenant, Landlord shall request a certificate in respect of the Master Lease from Master Landlord, in accordance with Section 20.01 of the Master Lease. If Master Landlord shall fail to deliver such a certificate, then, in lieu thereof, Landlord shall execute, acknowledge and deliver to Tenant a statement certifying that Landlord has not executed and delivered to Master Landlord any instrument modifying the Master Lease (or if Landlord has executed such an instrument, stating the modifications) and that, to the best of Landlord's knowledge, the Master Lease is in full force and effect.

ARTICLE 32.

CONSENTS AND APPROVALS

32.01. Consents in Writing; Future Consents. Except as otherwise expressly set forth in this Lease, all consents and approvals which may be given under this Lease shall, as a condition of their effectiveness, be in writing. The granting of any consent or approval by a party to perform any act requiring consent or approval under the terms of this Lease or the failure on the part of a party to object to any such action taken without the required consent or approval, shall not be deemed a waiver by the party whose consent was required of its right to require such consent or approval for any further similar act.

32.02. Certain Deemed Approvals. If, pursuant to the terms of this Lease, any consent or approval by Landlord or Tenant is required, then unless expressly provided otherwise in this Lease, if the party who is to give its consent or approval shall not have notified the other party within fifteen (15) Business Days or such other period as is expressly specified in this Lease after receiving such other party's request for a consent or approval that such consent or approval is granted or denied, and if denied, the reasons therefor in reasonable detail, such consent or approval shall be deemed granted. If, pursuant to the terms of this Lease, any consent or approval by Landlord or Tenant is not to be unreasonably withheld or is subject to a specified standard, then in the event there shall be a final determination that the consent or approval was unreasonably withheld or that such specified standard has been met so that the consent or approval should have been granted, the consent or approval shall be deemed granted and such granting of the consent or approval shall be the only remedy to the party requesting or requiring the consent or approval.

32.03. Unreasonable Delays. If, pursuant to the terms of this Lease, any consent or approval by Landlord or Tenant is not to be unreasonably withheld, such consent or approval shall, in addition, not be unreasonably delayed.

32.04. No Fees. Except as specifically provided herein, no fees or charges of any kind or amount shall be required by either party hereto as a condition of the grant of any consent or approval which may be required under this Lease.

ARTICLE 33.

SURRENDER AT END OF TERM

33.01. Surrender Generally. On the last day of the Term or upon any earlier termination of this Lease, or upon a re-entry by Landlord upon the Premises pursuant to Article 24 hereof, Tenant shall, subject to Articles 8 and 9 hereof, well and truly surrender and deliver up to Landlord the Premises in good order, condition and repair, reasonable wear and tear excepted, free and clear of all lettings, occupancies, liens and encumbrances including, without limitation,

Unit Owners' rights under any Condominium Plan or otherwise with respect to their Units, other than those, if any, existing at the date hereof, or created by or consented to by Landlord or which lettings and occupancies by their express terms and conditions extend beyond the Expiration Date and which Landlord shall have consented and agreed, in writing, may extend beyond the Expiration Date, without any payment or allowance whatever by Landlord. Tenant hereby waives any notice now or hereafter required by law with respect to vacating the Premises on any such termination date.

33.02. Deliveries Upon Termination. On the last day of the Term or upon any earlier termination of the Lease, or upon a re-entry by Landlord upon the Premises pursuant to Article 24 hereof, Tenant shall deliver to Landlord Tenant's executed counterparts of all Subleases and any service and maintenance contracts then affecting the Premises, true and complete maintenance records for the Premises, all original licenses and permits then pertaining to the Premises, permanent or temporary Certificates of Occupancy then in effect for the Building, and all warranties and guarantees then in effect which Tenant has received in connection with any work or services performed or Equipment installed in the Building, together with a duly executed assignment, without recourse except as to Recourse Claims, thereof to Landlord, all financial reports, books and records required by Article 38 hereof and any and all other documents of every kind and nature whatsoever relating to the Premises.

33.03. Abandonment of Personal Property. Any personal property of Tenant or of any Subtenant, Tenant-Stockholder, Unit Owner or subtenant of a Tenant-Stockholder or Unit Owner which shall remain on the Premises for ten (10) days after the termination of this Lease and after the removal of Tenant or such Subtenant, Tenant Stockholder, Unit Owner or subtenant of a Tenant-Stockholder or Unit Owner from the Premises, may, at the option of Landlord, be deemed to have been abandoned by Tenant or such Subtenant, Tenant-Stockholder, Unit Owner or subtenant of a Tenant Stockholder or Unit Owner and either may be retained by Landlord as its property or be disposed of, without accountability, in such manner as Landlord may see fit. Landlord shall not be responsible for any loss or damage occurring to any such property owned by Tenant or any Subtenant, Tenant-Stockholder, Unit Owner or subtenant of a Tenant-Stockholder or Unit Owner.

33.04. Survival. The provisions of this Article 33 shall survive any termination of this Lease.

ARTICLE 34.

ENTIRE AGREEMENT

This Lease, together with the Exhibits hereto, contains all the promises, agreements, conditions, inducements and understandings between Landlord and Tenant relative to the Premises and there are no promises, agreements, conditions, understandings, inducements, warranties, or representations, oral or written, expressed or implied, between them other than as

herein or therein set forth and other than as may be expressly contained in any written agreement between the parties executed simultaneously herewith.

ARTICLE 35.

QUIET ENJOYMENT

Landlord only covenants that Tenant shall and may (subject, however, only to the exceptions, reservations, terms and conditions of this Lease) peaceably and quietly have, hold and enjoy the Premises for the term hereby granted without molestation or disturbance by or from Landlord or any Person claiming through Landlord and free of any encumbrance created or suffered by Landlord, except only those encumbrances, liens or defects of title, created or suffered by Tenant and the Title Matters.

ARTICLE 36.

ARBITRATION

In such cases where this Lease expressly provides for the settlement of a dispute or question by arbitration, and only in such cases, the party desiring arbitration shall appoint a disinterested person as arbitrator on its behalf and give notice thereof to the other party (and, if the party giving such notice is Landlord, a copy of such notice shall be given at the same time and in the same manner to any Mortgagee who is then entitled to receive copies of Notices of Default under Section 10.10(a)) who shall, within fifteen (15) days thereafter, appoint a second disinterested person as arbitrator on its behalf and give notice thereof to the first party. The two (2) arbitrators thus appointed shall together appoint a third disinterested person within fifteen (15) days after the appointment of the second arbitrator, and said three (3) arbitrators shall, as promptly as possible, determine the matter which is the subject of the arbitration and the decision of the majority of them shall be conclusive and binding on all parties and judgment upon the award may be entered in any court having jurisdiction. If a party who shall have the right pursuant to the foregoing to appoint an arbitrator fails or neglects to do so, then and in such event, the other party (or if the two (2) arbitrators appointed by the parties shall fail to appoint a third arbitrator when required hereunder, then either party) may apply to the American Arbitration Association (or any organization successor thereto), or in its absence, refusal, failure or inability to act, may apply for a court appointment of such arbitrator. The arbitration shall be conducted in the City and County of New York and, to the extent applicable and consistent with this Article 36, shall be in accordance with the Commercial Arbitration Rules then obtaining of the American Arbitration Association or any successor body of similar function. The expenses of arbitration shall be shared equally by Landlord and Tenant but each party shall be responsible for the fees and disbursements of its own attorneys and the expenses of its own proof. Landlord and Tenant shall sign all documents and to do all other things necessary to submit any such matter to arbitration and further shall, and hereby do, waive any and all rights they or either of

them may at any time have to revoke their agreement hereunder to submit to arbitration and to abide by the decision rendered thereunder. The arbitrators shall have no power to vary or modify any of the provisions of this Lease and their jurisdiction is limited accordingly. If the arbitration takes place pursuant to Article 11 hereof or concerns any Capital Improvement or Restoration, then each of the arbitrators shall be a licensed professional engineer or registered architect having at least ten (10) years' experience in the design of residential buildings, and, to the extent applicable and consistent with this Article 36, such arbitration shall be conducted in accordance with the Construction Arbitration Rules then obtaining of the American Arbitration Association or any successor body of similar function.

ARTICLE 37.

INVALIDITY OF CERTAIN PROVISIONS

If any term or provision of this Lease or the application thereof to any Person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

ARTICLE 38.

FINANCIAL REPORTS

38.01. Reporting Generally. Tenant, from and after the date upon which any portion of the Premises is subleased or occupied or rents or other charges are received by Tenant for the use or occupancy thereof, shall furnish to Landlord the following:

(a) if the Premises shall be used for rental purposes, as soon as practicable after the end of each fiscal year of Tenant, and in any event within one hundred and fifty (150) days thereafter, Tenant shall furnish to Landlord financial statements of operations of the Premises, for such year, setting forth in each case, in comparative form, the corresponding figures for the previous fiscal year, all in reasonable detail and accompanied by a report and opinion thereon of a Certified Public Accountant approved by Landlord, which approval shall not be unreasonably withheld, which report and opinion shall be prepared in accordance with generally accepted accounting principles consistently applied; and

(b) if Tenant's leasehold estate in the Premises shall have been submitted to either a cooperative or condominium form of ownership, as soon as practicable after the end of each fiscal year of such cooperative or condominium and, in any event, within one hundred and fifty (150) days after the end of such fiscal year, the annual financial report of the Apartment

Corporation or condominium which is submitted by the Apartment Corporation or Condominium Board to Tenant-Stockholders or Unit Owners, as the case may be.

38.02. Copies to Landlord. Upon Landlord's request, if at any time Tenant shall furnish to any Mortgagee operating statements or financial reports in addition to those required to be furnished by Tenant to Landlord pursuant to Section 38.01, Tenant promptly shall furnish to Landlord copies of all such additional operating statements and financial reports. Except to the extent necessary in Landlord's reasonable judgment for Landlord to obtain, extend or modify any financing relating to the Project, Landlord shall use its best efforts to avoid disclosure of any information set forth therein (but shall incur no liability to Tenant if Landlord reasonably believes it is complying with any provision of applicable law requiring such disclosure).

38.03. Records. Tenant shall keep and maintain at all times full and correct records and books of account of the operations of the Premises in accordance with such generally accepted accounting standards and otherwise in accordance with any applicable provisions of each Mortgage and accurately shall record and preserve for a period of six (6) years the record of its operations upon the Premises. Within twenty (20) days after request by Landlord, Tenant shall make said records and books of account available from time to time for inspection by Landlord and Landlord's designee during reasonable business hours at a location designated by Tenant in New York City. At any time at which Tenant shall make said records and books of account available for inspection, it may inform Landlord of its belief that the public disclosure of the information contained therein or any part thereof would cause substantial injury to the competitive position of Tenant's enterprise and request that to the extent permitted by law Landlord attempt to avoid such disclosure. In the event Tenant makes such request, Landlord shall use its best efforts to avoid such disclosure (but shall incur no liability to Tenant if Landlord reasonably believes it is complying with any provision of applicable law requiring such disclosure).

ARTICLE 39.

RECORDING OF MEMORANDUM

Either Landlord or Tenant may record a memorandum of this Lease or a memorandum of any amendment or modification of this Lease. Each shall, upon the request of the other, join in the execution of a memorandum of this Lease or a memorandum of any amendment or modification of this Lease in proper form for recordation together with any transfer tax returns or forms necessary for such recordation.

ARTICLE 40.

NO DISCRIMINATION

40.01. No Discrimination Generally.

(a) Tenant, in the sale, transfer or assignment of its interest under this Lease, or in its use, operation or occupancy of the Premises and employment and conditions of employment in connection therewith, or in the subletting of the Premises or any part thereof, or in connection with the erection, maintenance, repair, Restoration, alteration or replacement of, or addition to, the Building or Tenant's Civic Facilities (a) shall not discriminate, shall prohibit discrimination, and (to the extent reasonably under Tenant's control) shall not permit discrimination against any person by reason of race, creed, color, religion, national origin, ancestry, sex, age, disability or marital status, (b) shall comply with all applicable Federal, State and local laws, ordinances, rules and regulations from time to time in effect and the provisions of the Master Lease prohibiting such discrimination or pertaining to equal employment opportunities and (c) shall take affirmative action to ensure that employees and applicants for employment are Treated without regard to their race, creed, color, religion, national origin, ancestry, sex, age, disability or marital status. As used herein, the term "Treated" shall mean and include, without limitation, the following: recruited, whether by advertising or other means; compensated, whether in the form of rates of pay or other forms of compensation; selected for training, including apprenticeship; promoted; upgraded; downgraded; demoted; transferred; laid off; and terminated. Tenant will post in conspicuous places in the Building, available to employees of Tenant and applicants for employment, notices provided by Landlord setting forth the language of this non-discrimination provision.

(b) Tenant will, in all solicitations or advertisements for employees placed by or on behalf of Tenant, state that all qualified applicants will be considered for employment without regard to race, color, creed or national origin.

(c) Tenant will send each labor union or other representative of workers with which it has a collective bargaining agreement or other contract or understanding a notice advising such labor union or workers' representative of Tenant's agreement as contained in this Section and a copy thereof shall be sent to Landlord within three (3) days of notification to such union or representative.

(d) within twenty (20) days after request by Landlord, Tenant will furnish to Landlord all information required by Landlord pursuant to this Section and will permit access by Landlord to its books, records, and accounts for the purposes of investigation to ascertain compliance with this Section.

(e) Within twenty (20) days after request by Landlord, Tenant shall furnish such compliance reports ("Compliance Reports") as may from time to time be reasonably required by Landlord, such reports to contain information as to Tenants' practices, policies,

programs, employment policies and employment statistics. Such Compliance Reports shall, if Landlord so requests, contain the following additional information:

(i) information as to the practices, policies programs, employment policies and employment statistics of Tenant; and

(ii) if Tenant has a collective bargaining agreement or other contract or understanding with a labor union or an agency referring workers or providing or supervising apprenticeship or training for such workers, such information as to such labor union's or agency's practices and policies affecting compliance as Landlord may reasonably require, provided that to the extent such information is within the exclusive possession of a labor union or an agency referring workers or providing or supervising apprenticeship or training, and such labor union or agency shall refuse to furnish such information to Tenant, Tenant shall so certify to Landlord as part of its Compliance Report and shall set forth what efforts it has made to obtain such information.

(f) With respect to any construction of the Building or any Capital Improvement, all persons employed by Tenant will be paid, without subsequent deduction or rebate unless expressly authorized by law, not less than the minimum hourly rate required by law.

40.02. Construction Agreement Provisions. Tenant shall be bound by and shall include the following subparagraphs (a) through (e) of this Section 40.02 (or provisions substantially the same) in any written Construction Agreement, service or management agreement or agreement for the purchase of goods or services or any other agreements relating to the operation of the Premises, in each case only where the aggregate payments under such agreement exceed $15,000 (as such amount shall be increased as provided in Section 7.02(a)), in such manner that these provisions shall be binding upon the parties with whom such agreements are entered into (any party being bound by such provisions shall be referred to in this Section as "Contractor"):

(a) Contractor shall not discriminate against employees or applicants for employment because of race, creed, color, religion, national origin, ancestry, sex, age, disability or marital status, shall comply with all applicable Federal, State and local laws, ordinances, rules and regulations from time to time in effect and the provisions of the Master Lease prohibiting such discrimination or pertaining to equal employment opportunities and shall undertake programs of affirmative action to ensure that employees and applicants for employment are afforded equal employment opportunities without discrimination. Such action shall be taken with reference to, but not limited to, recruitment, employment, job assignment, promotion, upgrading, demotion, transfer, layoff or termination, rates of pay or other forms of compensation, and selection for training or retraining, including apprenticeship and on-the-job training.

(b) Contractor shall request each employment agency, labor union and authorized representative of workers with which it has a collective bargaining or other agreement or understanding, to furnish it with a written statement that such employment agency, labor

union or representative will not discriminate because of race, creed, color, religion, national origin, ancestry, sex, age, disability or marital status and that such agency, union or representative will cooperate in the implementation of Contractor's obligations hereunder.

(c) Contractor shall state in all solicitations or advertisements for employees placed by or on behalf of Contractor that all qualified applicants shall be afforded equal employment opportunities without discrimination because of race, creed, color, religion, national origin, ancestry, sex, age, disability or marital status.

(d) Contractor shall comply with all of the provisions of the Civil Rights Law of the State of New York and Sections 291-299 of the Executive Law of the State of New York, shall upon reasonable notice furnish all information and reports deemed reasonably necessary by Landlord and shall permit access to its relevant books, records and accounts for the purpose of monitoring compliance with the Civil Rights Law and such sections of the Executive Law.

(e) Contractor shall include in any written agreement with subcontractor providing for aggregate payments to such subcontractor in excess of $15,000 (as such amount shall be increased in accordance with Section 7.02(a)) the foregoing provisions of subparagraphs (a) through (d) (or provisions substantially the same) in such a manner that said provisions shall be binding upon the subcontractor and enforceable by Contractor, Tenant and Landlord. Contractor shall take such action as may be necessary to enforce the foregoing provisions. Contractor shall promptly notify Tenant and Landlord of any litigation commenced by or against it arising out of the application or enforcement of these provisions, and Tenant and Landlord may intervene in any such litigation.

40.03. Tenant has reviewed the Affirmative Action Program, a copy of which is annexed hereto as Exhibit C. Tenant shall, and shall use its commercially reasonable best efforts to cause each of its agents, contractors and subcontractors to, promptly and diligently carry out its obligations under such Program in accordance with the terms thereof. If Tenant fails to comply with its obligations under this Section 40.03 or under Exhibit C, Landlord's sole remedies shall be as provided in Exhibit C, provided that any amounts payable by Tenant to Landlord under Section 9 of Exhibit C shall constitute Rental hereunder.

40.04. Tenant has reviewed the Affirmative Fair Marketing Program, a copy of which is annexed hereto as Exhibit D, and Tenant shall, and shall use its commercially reasonable best efforts to cause each of its agents to, comply with all of the terms and provisions of such Program. If Tenant fails to comply with its obligations under this Section 40.04 or under Exhibit D, Landlord's sole remedies shall be as provided in Exhibit D.

ARTICLE 41.

CONVERSION TO CONDOMINIUM FORM OF OWNERSHIP

41.01. Generally.

(a) Upon or after Substantial Completion of the Building, Tenant's leasehold estate in the Premises under this Lease may be submitted to the condominium form of ownership pursuant to the Condominium Act and the terms and provisions of Exhibit F annexed hereto and made a part hereof.

(b) This Lease shall, after the Condominium Date, remain in full force and effect, provided that to the extent that after the Condominium Date any of the provisions of Exhibit F conflict with the other provisions of this Lease, the terms and provisions of Exhibit F shall prevail.

ARTICLE 42.

MISCELLANEOUS

42.01. Captions. The captions of this Lease are for convenience of reference only and in no way define, limit or describe the scope or intent of this Lease or in any way affect this Lease.

42.02. Table of Contents. The Table of Contents is for the purpose of convenience of reference only and is not to be deemed or construed in any way as part of this Lease or as supplemental thereto or amendatory thereof.

42.03. Certain References. The use herein of the neuter pronoun in any reference to Landlord or Tenant shall be deemed to include any individual Landlord or Tenant, and the use herein of the words "successors and assigns" or "successors or assigns" of Landlord or Tenant shall be deemed to include the heirs, legal representatives and assigns of any individual Landlord or Tenant.

42.04. Depository's Fees. Depository may pay to itself out of the monies held by Depository pursuant to this Lease its reasonable charges for services rendered hereunder. Tenant shall pay Depository any additional charges for such services.

42.05. Tenant Signatures; Joint and Several Liability. If more than one entity is named as or becomes Tenant hereunder, Landlord may require the signatures of all such entities in connection with any notice to be given or action to be taken by Tenant hereunder except to the extent that any such entity shall designate another such entity as its attorney-in-fact to act on its behalf, which designation shall be effective until receipt by Landlord of notice of its revocation. Each entity named as Tenant shall be fully liable for all of Tenant's obligations hereunder. Any

notice by Landlord to any entity named as Tenant shall be sufficient and shall have the same force and effect as though given to all parties named as Tenant. If all such parties designate in writing one entity to receive copies of all notices, Landlord agrees to send copies of all notices to that entity.

42.06. Landlord's Limit of Liability. The liability of Landlord or of any Person who has at any time acted as Landlord hereunder for damages or otherwise shall be limited to Landlord's interest in the Premises, including, without limitation, the rents and profits therefrom, the proceeds of any insurance policies covering or relating to the Premises, any awards payable in connection with any condemnation of the Premises or any part thereof, and any other rights, privileges, licenses, franchises, claims, causes of action or other interests, sums or receivables appurtenant to the Premises. Neither Landlord nor any such Person nor any of the members, directors, officers, employees, agents or servants of either shall have any liability (personal or otherwise) hereunder beyond Landlord's interest in the Premises, including, without limitation, the rents and profits therefrom, the proceeds of any insurance policies covering or relating to the Premises, any awards payable in connection with any condemnation of the Premises or any part thereof, and any other rights, privileges, licenses, franchises, claims, causes of action or other interests, sums or receivables appurtenant to the Premises, and no other property or assets of Landlord or any such Person or any of the members, directors, officers, employees, agents or servants of either shall be subject to levy, execution or other enforcement procedure for the satisfaction of Tenant's remedies hereunder.

42.07. Tenant's Limit of Liability. Except as to Recourse Claims, the liability of Tenant or of any Person who has at any time acted as Tenant hereunder for damages or otherwise shall be limited to Tenant's interest in the Premises, including without limitation, the rents and profits therefrom, the proceeds of any insurance policies covering or relating to the Premises, any awards payable in connection with any condemnation of the Premises or any part thereof, and any other rights, privileges, licenses, franchises, claims, causes of action or other interests, sums or receivables appurtenant to the Premises. Neither Tenant nor any such Person nor any of the members, directors, officers, employees, agents or servants of either shall have any liability (personal or otherwise) hereunder beyond Tenant's interest in the Premises, and no other property or assets of Tenant or any such Person or any of the members, directors, officers, employees, agents or servants of either shall be subject to levy, execution or other enforcement procedure for the satisfaction of Landlord's remedies hereunder.

42.08. No Merger. Except as otherwise expressly provided in this Lease, no merger of this Lease or the leasehold estate created hereby with the fee estate in the Premises or any part thereof shall be deemed to have occurred by reason of the same Person acquiring or holding, directly or indirectly, this Lease or the leasehold estate created hereby or any interest in this Lease or in such leasehold estate as well as the fee estate in the Premises, unless such merger shall have been effectuated by an affirmative act of such Person which shall have been memorialized in writing and placed of public record.

42.09. Sanitation. Tenant shall store all refuse from the Premises off the streets in an enclosed area on the Premises, and in a manner reasonably satisfactory to Landlord and in accordance with the requirements of municipal and/or private sanitation services serving the Premises.

42.10. Brokers. Each of the parties represents to the other that it has not dealt with any broker, finder or like entity in connection with this lease transaction. If any claim is made by any other Person who shall claim to have acted or dealt with Tenant or Landlord in connection with this transaction, Tenant or Landlord as the case may be, will pay the brokerage commission, fee or other compensation to which such Person is entitled, shall indemnify and hold harmless the other party hereto against any claim asserted by such Person for any such brokerage commission, fee or other compensation and shall reimburse such other party for any costs or expenses including, without limitation, reasonable attorneys' fees and disbursements, incurred by such other party in defending itself against claims made against it for any such brokerage commission, fee or other compensation.

42.11. Written Instruments. This Lease may not be changed, modified, or terminated orally, but only by a written instrument of change, modification or termination executed by the party against whom enforcement of any change, modification, or termination is sought.

42.12. Choice of Law. This Lease shall be governed by and construed in accordance with the laws of the State of New York.

42.13. Binding Effect. The agreements, terms, covenants and conditions herein shall be binding upon, and shall inure to the benefit of, Landlord and Tenant and their respective successors and (except as otherwise provided herein) assigns.

42.14. Section References. All references in this Lease to "Articles", "Sections", "subsections", "paragraphs" or "subparagraphs" shall refer to the designated Article(s), Section(s), subsection(s), paragraph(s) or subparagraph(s), as the case may be, of this Lease.

42.15. Rights to Plans. All of Tenant's right, title and interest in all plans and drawings required to be furnished by Tenant to Landlord under this Lease, including, without limitation, the Schematics, the Design Development Plans and the Construction Documents, and in any and all other plans, drawings, specifications or models prepared in connection with construction at the Premises, any Restoration or Capital Improvement, shall become the sole and absolute property of Landlord upon the Expiration Date or any earlier termination of this Lease. Tenant shall deliver all such documents to Landlord promptly upon the Expiration Date or any earlier termination of this Lease. Tenant's obligation under this Section 42.15 shall survive the Expiration Date.

42.16. Licensed Professionals. All references in this Lease to "licensed professional engineer", "licensed surveyor" or "registered architect" shall mean a professional engineer, surveyor or architect who is licensed or registered, as the case may be, by the State of New York.

42.17. Transfers of Landlord's Interest. If Battery Park City Authority or any successor to its interest hereunder ceases to have any interest in the Premises as lessee under the Master Lease or there is at any time or from time to time any sale or sales or disposition or dispositions or transfer or transfers of Landlord's interest in the Premises as lessee under the Master Lease, the seller or transferor shall be and hereby is entirely freed and relieved of all agreements, covenants and obligations of Landlord hereunder to be performed on or after the date of such sale or transfer relative to the interest sold or transferred, and it shall be deemed and construed without further agreement between the parties or their successors in interest or between the parties and the Person who acquires or owns the lessee's interest in the Premises under the Master Lease, including, without limitation, the purchaser or transferee in any such sale, disposition or transfer, and any fee owner of the Premises upon termination of the Master Lease, that, subject to the provisions of Section 42.06, such Person has assumed and agreed to carry out any and all agreements, covenants and obligations of Landlord hereunder accruing from and after the date of such acquisition, sale or transfer.

42.18. Transfer of Tenant's Interest. If the Tenant named herein or any successor to its interest hereunder ceases to have any interest in the Premises under this Lease or there is at any time or from time to time any valid sale or sales or disposition or dispositions or transfer or transfers of the Tenant's or any successor's entire interest in the Premises in accordance with the provisions of Article 10, the Tenant named herein or any such successor, as the case may be, shall be and hereby is entirely freed and relieved of all agreements, covenants and obligations of Tenant hereunder to be performed on or after the date of such sale or transfer, and it shall be deemed and construed without further agreement between the parties or their successors in interest or between the parties and the Person who acquires or owns the Tenant's interest in the Premises under this Lease, including, without limitation, the purchaser or transferee in any such sale, disposition or transfer, that, such Person has assumed and agreed to carry out any and all agreements, covenants and obligations of Tenant hereunder to be performed from and after the date of such acquisition, sale or transfer.

42.19. Certain Amendments. Tenant shall not be bound by any amendment, modification or supplement to the Master Lease, Master Development Plan, Settlement Agreement or Design Guidelines entered into by Landlord or caused to be entered into by Landlord after September 12, 2000, which (a) increases or materially adversely alters Tenant's obligations under this Lease, (b) decreases or materially adversely alters Tenant's rights under this Lease or Tenant's rights to construct, operate, maintain or restore the Building under this Lease, (c) limits the permitted uses of the Premises hereunder or the Civic Facilities, (d) limits Tenant's rights under this Lease to dispose of or assign its interest in the Premises hereunder or (e) decreases or alters the rights of a Mortgagee under this Lease, unless in any such event the same is consented to in writing by Tenant (or, in the case of (e), by the Mortgagee most senior in lien or such Mortgagee) or is made subject and subordinate to this Lease and such rights of such Mortgagee.

42.20. No Partnership. Nothing herein is intended nor shall be deemed to create a joint venture or partnership between Landlord and Tenant, nor to make Landlord in any way responsible for the debts or losses of Tenant.

42.21. Tenant's Tax Benefits. To the extent permitted by law, Tenant shall have the right to all depreciation deductions, investment tax credits and other similar tax benefits attributable to any construction, demolition and Restoration performed by Tenant or attributable to the ownership of the Building, and in this regard it is agreed that during the Term, Tenant shall enjoy all the benefits and bear all the burdens of ownership of the Building, notwithstanding that Landlord shall hold legal title to the Building. Landlord, from time to time, shall execute and deliver such instruments as Tenant shall reasonably request in order to effect the provisions of this Section 42.21, and Tenant shall pay Landlord's reasonable costs and expenses thereof. Landlord makes no representations as to the availability of any such deductions, credits or tax benefits.

42.22. Battery Park City. Tenant shall have the right to use the name Battery Park City in any advertising and promotional materials in connection with the leasing of rental units or the sale of Cooperative Apartments or Units in the Building.

42.23. Tenant Financing. Prior to the execution of any Mortgage which is a first lien on Tenant's leasehold estate, Landlord agrees to make such reasonable changes as may be requested by a prospective Mortgagee with respect to such Mortgagee's rights under this Lease (a) to perform Tenant's obligations and/or exercise Tenant's rights under this Lease, (b) to receive notice of and cure Defaults under this Lease, (c) to obtain a new lease of the Premises in the event this Lease is terminated by Landlord, or (d) to participate in any arbitration, insurance adjustment and condemnation proceeding.

42.24. BPCA Cornerstone. Tenant agrees that the cornerstone of the Building shall be in the size stipulated and etched in accordance with the specifications required by Landlord. Tenant further agrees, upon receipt of such Landlord specifications, to incorporate such cornerstone into the schematics or the Design Development Plans, as appropriate.

42.25. Signature Counterparts. This Lease may be executed in counterparts, each of which shall deemed an original but all of which taken together shall constitute one and the same instrument.

ARTICLE 43.

LETTERS OF CREDIT

43.01. (a) Letter of Credit. In accordance with the provisions of Section 11.12 hereof, Tenant has delivered to Landlord the Design/Construction Period Letter of Credit and (the Design/Construction Period Letter of Credit and any other letter of credit now or hereafter

required to be delivered by Tenant pursuant to the terms of this Lease being hereinafter called the "Letter of Credit", which term shall also refer to any Replacement Letter of Credit, as hereinafter defined).

(b) Presentment of Sight Draft(s) Under Letter of Credit. If Tenant (i) fails to perform any of Tenant's obligations under this Section 43.01 in strict compliance with the requirements of this Section 43.01 or (ii) violates any prohibition contained in this Section 43.01, then Landlord shall have the right (in addition to all other rights and remedies provided in this Lease and without Landlord's exercise of such right being deemed a waiver or a cure of Tenant's failure to perform), without notice to Tenant, to present for immediate payment sight draft(s) in any amount Landlord elects up to the full amount then available under such Letter of Credit and to apply the proceeds thereof in the manner provided in this Lease for the application of the proceeds of such Letter of Credit. Any proceeds not so applied shall be held by Landlord or invested and reinvested in United States government securities maturing in no more than ninety (90) days or in federally insured money market accounts. Any interest earned thereon shall constitute proceeds of such Letter of Credit and shall be applied in the same manner as the proceeds of such Letter of Credit are applied. Landlord's obligations with respect to the presentment of any Letter of Credit, the return of any Letter of Credit or any proceeds thereof shall be governed by the applicable provisions of this Lease.

(c) Purpose of Letter of Credit. Tenant acknowledges that the purpose of each Letter of Credit is to provide sure and certain security for Landlord and that Landlord has accepted each Letter of Credit for that purpose, in place of a cash deposit in the same amount, with the understanding that each Letter of Credit is to be the functional equivalent of a cash deposit. To further assure that each Letter of Credit achieves its intended purpose, the parties agree as set forth below. Tenant acknowledges that the waivers in this Section 43.01(c) constitute a material portion of the inducement to Landlord to accept each Letter of Credit under the terms and conditions of this Section 43.01, and that Landlord has agreed to accept each Letter of Credit in reliance on Tenant's waivers in this Section 43.01. Any breach by Tenant of the provisions of this Section 43.01(c) shall constitute an Event of Default hereunder.

(d) Waiver of Certain Relief. Tenant unconditionally and irrevocably waives (and as an independent covenant hereunder, covenants not to assert) any right to claim or obtain any of the following relief in connection with each Letter of Credit:

(i) A temporary restraining order, temporary injunction, permanent injunction, or other order that would prevent, restrain or restrict the presentment of sight drafts drawn under any Letter of Credit or the Issuer's honoring or payment of sight draft(s); or

(ii) Any attachment, garnishment, or levy in any manner upon either the proceeds of any Letter of Credit or the obligations of the Issuer (either before or after the presentment to the Issuer of sight drafts drawn under such Letter of Credit) based on any theory whatever.

(e) Remedy for Improper Drafts. Tenant's sole remedy in connection with the improper presentment or payment of sight drafts drawn under any Letter of Credit shall be the right to obtain from Landlord a refund of the amount of any sight draft(s) that were improperly presented or the proceeds of which were misapplied, together with interest at the Involuntary Rate and reasonable attorneys' fees, provided that at the time of such refund, Tenant reinstates such Letter of Credit or provides a replacement Letter of Credit if and as then required under the applicable provisions of this Lease. Tenant acknowledges that the presentment of sight drafts drawn under any Letter of Credit, or the Issuer's payment of sight drafts drawn under such Letter of Credit, could not under any circumstances cause Tenant injury that could not be remedied by an award of money damages, and that the recovery of money damages would be an adequate remedy therefor. In the event Tenant shall be entitled to a refund as aforesaid and Landlord shall fail to make such payment within ten (10) days after demand, Tenant shall have the right to deduct the amount thereof together with interest thereon at the Involuntary Rate from the next installment(s) of Base Rent, Percentage Rent and Civic Facilities Payment.

(f) Notices to Issuer. Tenant shall not request or instruct the Issuer of any Letter of Credit to refrain from paying sight draft(s) drawn under such Letter of Credit.

(g) Assignment. If either Landlord or Tenant desires to assign its rights and obligations under this Lease in compliance with the provisions of this Lease, then the parties to this Lease shall, at the assignor's request, cooperate so that concurrently with the effectiveness of such assignment, Tenant shall deliver to Landlord a Replacement Letter of Credit as described in Section 43.01(h) or an appropriate amendment to such Letter of Credit, in either case identifying as Applicant and Beneficiary the appropriate parties after the assignment becomes effective. The assignor shall pay the Issuer's fees for issuing such Replacement Letter of Credit or amendment.

(h) Replacement of Letter of Credit. Tenant shall replace any Letter of Credit with a replacement letter of credit (the "Replacement Letter of Credit") (i) at least thirty (30) days prior to the expiry date of a Letter of Credit which is expiring or (ii) within ten (10) days after the date on which the Issuer delivers any notice purporting to terminate or to decline to renew such Letter of Credit, or expressing any intention to do either of the foregoing. Simultaneously with the delivery by Tenant to Landlord of a Replacement Letter of Credit complying with the provisions of this Lease, Landlord shall deliver in accordance with Tenant's reasonable instructions such Letter of Credit being replaced, provided that at such time no sight draft(s) under such Letter of Credit are outstanding and unpaid. Except as otherwise specifically provided in this Lease, any Replacement Letter of Credit shall be upon the same terms and conditions as the Letter of Credit replaced, but in any event:

(i) Amount. The amount of each Replacement Letter of Credit shall equal or exceed the amount of such Letter of Credit at the time of replacement, except if a lesser amount is permitted under this Lease at the time of replacement.

(j) Dates. The date of the Replacement Letter of Credit shall be its date of issuance. The expiry date of the Replacement Letter of Credit, as referred to in the opening paragraph of such Replacement Letter of Credit, shall be exactly one year later than the expiry date of the Letter of Credit being replaced except in the case of the last Lease Year in which case the expiry date shall be the date of expiration of this Lease.

(k) Issuer. Each Replacement Letter of Credit shall be issued or confirmed, within the meaning of New York Uniform Commercial Code Section 5-103(1)(f), in its entire amount, by a bank reasonably satisfactory to Landlord or that is ā member of the New York Clearing House Association and has assets in excess of $7,500,000,000 and a net worth in excess of $300,000,000. The office for presentment of sight drafts specified in the Replacement Letter of Credit shall be located at a specified street address within the Borough of Manhattan, City of New York.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease as of the day and year first above written.

BATTERY PARK CITY AUTHORITY
d/b/a HUGH L. CAREY BATTERY PARK CITY AUTHORITY

By: _____
Name: Timothy S. Carey
Title: President and CEO

RIVER TERRACE ASSOCIATES, LLC

By: ALBANESE BPC, LLC, a member

By: _____
Name: RUSSELL C. ALBANESE
Title: Manager

By: THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY, a member

By: Northwestern Investment Management Company, LLC, a Delaware limited liability company, its wholly-owned affiliate and authorized representative

By: _____
Name: Donald L. O'Dell
Title: Managing Director

APPROVED AS TO FORM LAW DEPT.

SCHEDULE 1

Base Rent; Minimum PILOT

Lease Year	Base Rent Per Annum (Aggregate Rent less PILOT See Section 3.01(a)(i))	Minimum PILOT Per Annum	Aggregate Rent
1	$0	$1,039,604	$1,039,604
2	$0	$1,060,396	$1,060,396
3	$787,250	$1,675,000	$2,462,250
4	$805,457	$1,708,500	$2,513,957
5	$824,080	$1,742,670	$2,566,750
6	$843,129	$1,777,523	$2,620,652
7	$862,612	$1,813,074	$2,675,686
8	$882,540	$1,849,335	$2,731,875
9	$902,923	$1,886,322	$2,789,245
10	$923,771	$1,924,049	$2,847,820
11	$945,093	$1,962,530	$2,907,623
12	$966,903	$2,001,780	$2,968,683
13	$989,210	$2,041,816	$3,031,026
14	$1,012,025	$2,082,652	$3,094,677
15	$1,035,360	$2,124,305	$3,159,665
16	$1,059,227	$2,166,791	$3,226,018
17	$1,083,638	$2,210,127	$3,293,765
18	$1,108,604	$2,254,330	$3,362,934
19	$1,134,139	$2,299,416	$3,433,555
20	$1,160,255	$2,345,405	$3,505,660
21	$1,186,941	$2,392,313	$3,579,254
22	$1,214,241	$2,440,159	$3,654,399
23	$1,242,168	$2,488,962	$3,731,130
24	$1,270,738	$2,538,741	$3,809,479
25	$1,299,965	$2,589,516	$3,889,481

EXHIBIT A

DESCRIPTION OF THE LAND

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, bounded and described as follows:

BEGINNING at the intersection of the easterly line of River Terrace and the southerly line of Park Place West;

THENCE along the southerly line of Park Place West south 88 degrees 07 minutes 10 seconds east, a distance of 71.54 feet to a point;

THENCE passing through Parcel 18 the following 9 courses and distances:

1. South 18 degrees 26 minutes 00 seconds east a distance of 41.88 feet to a point;
2. South 88 degrees 04 minutes 17 seconds east a distance of 2.49 feet to a point;
3. South 18 degrees 26 minutes 00 seconds east a distance of 36.01 feet to a point;
4. South 88 degrees 04 minutes 17 seconds east a distance of 2.49 feet to a point;
5. South 18 degrees 26 minutes 00 seconds east a distance of 44.34 feet to a point;
6. South 51 degrees 12 minutes 17 seconds west a distance of 3.20 feet to a point;
7. South 18 degrees 26 minutes 00 seconds east a distance of 6.74 feet to a point;
8. South 88 degrees 07 minutes 10 seconds east a distance of 34.53 feet to a point;
9. South 01 degrees 55 minutes 43 seconds west a distance of 72.90 feet to the northerly line of Murray Street;

THENCE along said line of Murray Street north 88 degrees 07 minutes 10 seconds west a distance of 76.56 feet to the aforementioned easterly line of River Terrace;

THENCE northwesterly along said easterly line of River Terrace being the arc of a curve bearing to the right having a radius of 720.00 feet, an arc length of 211.26 feet (said arc subtends an angle of 16 degrees 48 minutes 40 seconds) to the point or place of BEGINNING.

EXHIBIT A-1

DESCRIPTION OF THE VAULT SPACE

EXHIBIT A-1

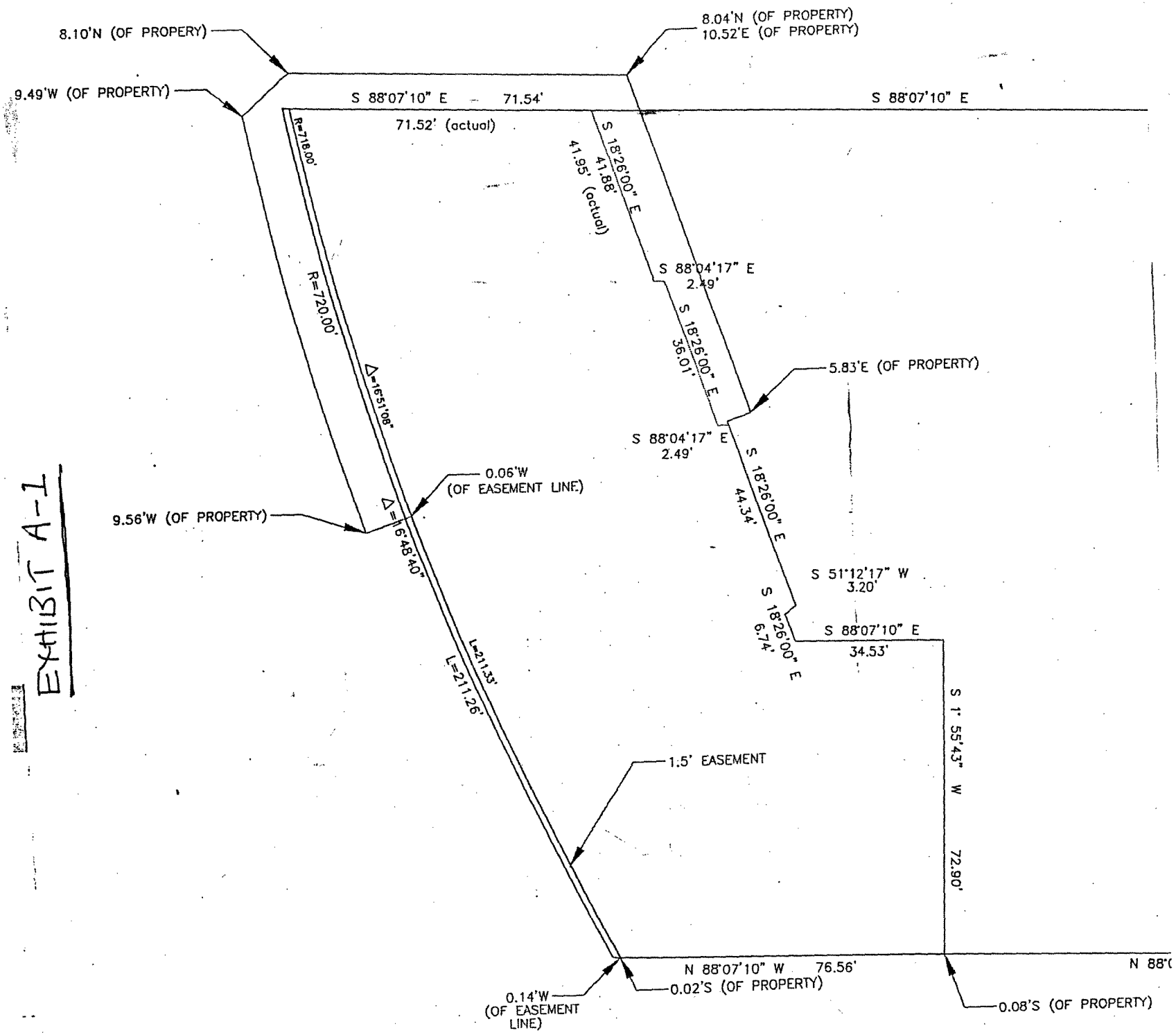

8.10'N (OF PROPERY)
8.04'N (OF PROPERTY)
10.52'E (OF PROPERTY)
9.49'W (OF PROPERTY)
S 88°07'10" E 71.54'
71.52' (actual)
S 88°07'10" E
R=718.00'
R=720.00'
Δ=16°51'08"
Δ=16°48'40"
S 18°26'00" E
41.88'
41.95' (actual)
S 88°04'17" E
2.49'
S 18°26'00" E
36.01'
5.83'E (OF PROPERTY)
S 88°04'17" E
2.49'
S 18°26'00" E
44.34'
0.06'W
(OF EASEMENT LINE)
9.56'W (OF PROPERTY)
S 51°12'17" W
3.20'
S 18°26'00" E
6.74'
S 88°07'10" E
34.53'
S 1° 55'43" W
72.90'
L=211.33'
L=211.26'
1.5' EASEMENT
N 88°07'10" W 76.56'
N 88°(
0.14'W
(OF EASEMENT
LINE)
0.02'S (OF PROPERTY)
0.08'S (OF PROPERTY)

EXHIBIT B

TITLE MATTERS

1. The Settlement Agreement as in effect on the date hereof.

2. The Master Lease as in effect on the date hereof.

3. Memorandum of Understanding, dated as of November 8, 1979, among the Governor of the State of New York, the Mayor of the City of New York and the President and Chief Executive Officer of New York State Urban Development Corporation and Battery Park City Authority, as supplemented by letter dated November 8, 1979, from the President and Chief Executive Officer of New York State Urban Development Corporation and Battery Park City Authority to the Mayor of the City of New York and as supplemented by 1986 Supplemental Memorandum of Understanding dated as of August 15, 1986 among the Governor of the State of New York, the Mayor the City of New York and Battery Park City Authority, and as amended by the Amendment to Memorandum of Understanding dated as of January 9, 1995 among the Governor of the State of New York, the Mayor of the City of New York and Battery Park City Authority.

4. The Purchase Option granted by New York State Urban Development Corporation, Battery Park City Authority, the BPC Development Corporation to the City of New York, dated June 6, 1980 and recorded June 11, 1980 in Reel 527 at page 153 in the Office of the City Register, New York County, as amended by Amendment to Option to Purchase dated August 15, 1986 and recorded October 22, 1986 in Reel 1133 at page 582 and Second Amendment to Option to Purchase dated May 18, 1990 between BPCA and the City of New York and recorded on May 30, 1990 in Reel 1697, page 294 in said Register's Office.

5. Declaration of Zoning Lot and Ownership Statement made by Landlord and recorded in the Office of the Register of the City of New York, New York County.

6. Such state of facts as an accurate survey of the Premises would disclose as long as such facts do not render title unmarketable.

7. Declaration of Covenants and Restrictions made by Battery Park City Authority dated March 15, 1984, and recorded March 21, 1984, in Reel 776 at page 360, in the Office of the City Register, New York County.

8. Rights of the Federal Government to enter upon and take possession of lands, now or formerly lying below the high water mark of the Hudson River.

9. The City Map of the City of New York as modified by a Map Showing a Change in the City Map, dated January 15, 1987, corrected September 10, 1993 and certified by the

Secretary to the City Planning Commission on November 5, 1995 and as the City Map may be otherwise modified.

10. Mapping Agreement between the City of New York and BPCA made as of October 3, 1991.

11. Zoning and other laws, ordinances, governmental regulations, orders and requirements pertaining to the Premises.

EXHIBIT C

BATTERY PARK CITY
AFFIRMATIVE ACTION PROGRAM

This Affirmative Action Program has been adopted by Battery Park City Authority ("BPCA"), pursuant to the provisions of Section 1974-d of the Public Authorities Law as modified by Section 317 of the Executive Law,[1] in order to assist Tenant, its contractors, subcontractors and suppliers (collectively, "Contractors") and all other persons participating in the development, construction, operation and maintenance of that portion of the Battery Park City North Residential Neighborhood Development identified in the Lease to which this program is attached (the "Project") in complying with their respective obligations to give minority and women-owned business enterprises and minority group members and women opportunity for meaningful participation on contracts entered into in connection with the Project, and to permit BPCA to carry out its statutory obligations in connection with the construction, management and operation of real estate development projects at Battery Park City.

1. Definitions. As used in this Program, the following terms shall have the following respective meanings:

Approved MBE Contract: each Contract between Tenant or its Contractors and a Certified MBE which has been entered into in accordance with this Program.

Approved WBE Contract: each Contract between Tenant or its Contractors and a Certified WBE which has been entered into in accordance with this Program.

Certified Business: A business certified as a minority or women-owned business enterprise by the Division, or such other New York State agency or department authorized to make such certification.

Construction of the Project: All work occurring on the Battery Park City site in connection with the development, design, construction and initial occupancy of the Project.

Contract: as defined in Section 2.

Contract Value: The sum of the MBE Contract Value and the WBE Contract Value.

Director: The Director or the Executive Director of the Division.

Directory: The directory of certified businesses prepared by the Director, for use in the implementation of this Program

Division: The Division of Minority and Women's Business Development of the New York State Department of Economic Development.

Executive Law: The New York State Executive Law.

Lease: The Agreement of Lease, of even date herewith, between BPCA and Tenant, as amended and supplemented from time to time.

MBE or WBE Contract Value: The total contract price of all work let to MBEs or WBEs by Tenant or its Contractors pursuant to Approved MBE or Approved WBE Contracts, less the total contract price of all work let to MBEs or WBEs by other MBEs and/or WBEs, provided that (a) where an MBE or WBE subcontracts (other than through supply contracts) more than 50 percent (50%) of its work, the contract price of the work let to such MBE or WBE shall be deemed to equal the excess, if any, of the work let to such MBE or WBE over the contract price of the work subcontracted by such MBE or WBE, (b) where materials are purchased from an MBE or WBE which acts merely as a conduit for a supplier or distributor of goods manufactured or produced by a non-MBE or non-WBE, the price paid by the MBE or WBE to the supplier, distributor, manufacturer or producer shall be deducted from such total contract price and (c) where a contractor or subcontractor is a joint venture including one or more MBEs or WBEs as joint venture partners, such joint venture shall be treated as an MBE or WBE only to the extent of the percentage of the MBEs or WBEs interest in the joint venture. In any event, MBE/WBE Contract Value shall include only monies actually paid to MBEs or WBEs by Tenant or its Contractors.

Minority or Women's Workforce Participation: The percentage of person-hours of training (subject to the provisions of Section 3(c) below) and employment of Minority Group Members or women workers (including supervisory personnel) in the total workforce used by Tenant and its Contractors in the Construction of the Project.

Minority Group Member: A United States citizen or permanent resident alien who is and can demonstrate membership in one of the following groups:

(1) Black persons having origins in any of the Black African racial groups;
(2) Hispanic persons of Mexican, Puerto Rican, Dominican, Cuban, Central or South American descent of either Indian or Hispanic origin, regardless of race;
(3) Native American or Alaskan native persons having origins in any of the original peoples of North America; or
(4) Asian and Pacific Islander persons having origins in any of the Far East countries, South East Asia, the Indian subcontinent or the Pacific Islands.

Minority-Owned Business Enterprise or MBE: A business enterprise, including a sole proprietorship, partnership, limited liability company, or corporation that is:

(1) at least 51 percent owned by one or more Minority Group Members;
(2) an enterprise in which such minority ownership is real, substantial and continuing;

(3) an enterprise in which such minority ownership has and exercises the authority to control and operate, independently, the day-to-day business decisions of the enterprise; and

(4) an enterprise authorized to do business in this State and is independently owned and operated.

Public Authorities Law: The New York State Public Authorities Law.

Subcontract: an agreement providing for a total expenditure in excess of $25,000 for the construction, demolition, replacement, major repair, renovation, planning or design of real property and improvements thereon between a contractor and any individual or business enterprise, including a sole proprietorship, partnership, limited liability company, corporation, or not-for-profit corporation, in which a portion of a contractor's obligation is undertaken or assumed, but shall not include any construction, demolition, replacement, major repair, renovation, planning or design or real property or improvements thereon for the beneficial use of the contractor.

Total Development Costs: all monies expended by, or on behalf of, Tenant in connection with the development, design, construction and initial occupancy of the Project, including the total contract price of all Contracts awarded by Tenant (a) for the furnishing of labor, materials and services for inclusion in the Project, plus the cost of all general conditions work applicable to the Project and not included in such Contracts, and (b) for non-construction services, including architectural, engineering, accounting, legal and technical consultant services, rendered in connection with the development, design, construction and initial occupancy of the Project. Total Development Costs shall include but not be limited to costs for: demolition and excavation, general contractor's or construction management fees (except for such fees payable to Tenant or an affiliate of Tenant), interim management, site work and landscaping, installation and hook-ups to utilities and infrastructure, leasehold improvements in preparation for initial occupancy of the Project by tenants, leasing commissions and other lease-up expenses, pre-opening and marketing expenses and public and other civic improvements to be completed by Tenant pursuant to the Lease, except costs pursuant to contracts let to contractors with less than three employees. Total Development Costs shall not include monies expended by, or on behalf of, Tenant for the following: letter of credit fees, title insurance fees and charges, appraisal costs, developer's overhead and fees, fees paid to Tenant or an affiliate of Tenant, mortgage interest, debt service, mortgage brokerage commissions, commitment and other mortgage fees and charges, mortgage recording taxes and other government fees and taxes, costs of administering this Program, insurance premiums and Rental and all other sums and charges paid to or on behalf of BPCA pursuant to the Lease or otherwise with respect to the Project.

Women-owned Business Enterprise or WBE: A business enterprise, including a sole proprietorship, partnership, limited liability company or corporation that is:

(1) at least 51 percent owned by one or more United States citizens or permanent resident aliens who are women;

(2) an enterprise in which the ownership interest of such women is real, substantial and continuing;

(3) an enterprise in which such women ownership has and exercises the authority to control and operate, independently, the day-to-day business decisions of the enterprise; and

(4) an enterprise authorized to do business in this State and which is independently owned and operated.

2. Compliance with Lease and Contract Obligations.

(a) Tenant shall (i) comply with all of its non-discrimination and affirmative action obligations as set forth in the Lease, and (ii) use its commercially reasonable best efforts to cause each of its Contractors to comply with all of such Contractor's non-discrimination and affirmative action obligations as set forth in the Lease and construction contract or other instrument (collectively, "Contract") pursuant to which such Contractor furnishes materials or services for the Project.

(b) Compliance by Contractor, or by Tenant when it enters into a contract, with the affirmative action and non-discrimination obligations relating to opportunities for participation on contracts by MBEs and WBEs, as set forth in this Exhibit D, or in the Lease, or Contract, shall, as required by Section 317 of the Executive Law, be determined in accordance with the provisions of Section 313, subsections 5,6,7, & 8 and Section 316 of the Executive Law, as same may be amended from time to time[2] and rules or regulations promulgated therefor with the same force and effect as if the Contract were a "State Contract" as defined in Section 310 of the Executive Law.

(c) In its Contracts with Contractors (except those for which exemptions or waivers apply pursuant to the terms of this Agreement or with three or fewer employees), Tenant agrees that it will require (i) that each Contractor, as a condition of the Contract, be bound by the above referenced Executive Law provisions, and (ii) that Contractor's compliance or non-compliance with its MBE and WBE affirmative action and non-discrimination obligations, as set forth in the Contract will be determined by BPCA, and that solely for the purpose of compliance with the said provisions of the Executive Law, BPCA shall be deemed to be the "Contracting Agency" as that term is used in such provisions of the Executive Law.

3. Minority and Women Workforce Participation.

(a) Tenant shall, and shall use its commercially reasonable best efforts to cause its Contractors (except those for which exemptions or waivers apply pursuant to the terms of this Program or with three or fewer employees), to promote the employment of Minority Group Members and women as workers in the Construction of the Project, provided that such obligation shall be deemed to have been fulfilled when (i) the Minority Workforce Participation equals 30% of the total person-hours of training and employment used in the construction of the Project, and (ii) the Women Workforce Participation equals five percent (5%) of the total person-hours of

training and employment used in the Construction of the Project. Tenant and BPCA have, after reviewing the work to be included in the Project and the qualifications and availability of Minority and women workers for participation in such work, determined that the percentages set forth above are reasonable and attainable. In further fulfillment of its obligations hereunder, Tenant shall also comply with the procedures set forth in Section 4 hereof.

(b) In order to assist Tenant in carrying out the provisions of Section 3(a) above, Tenant shall, and shall use its commercially reasonable best efforts to cause its Contractors to, participate in on-the-job training program or programs approved by the NYS Department of Labor, or such other or successor programs as shall be approved by the New York State Labor Law, as amended.

(c) In order for the non-working training hours of apprentices and trainees to be counted in meeting the percentages set forth in Section 3(a) above, such apprentices and trainees must be employed by the Tenant or Contractor during the training period, and the Tenant or Contractor must have made a commitment to employ the apprentices and trainees at the completion of their training, subject to the availability of employment opportunities.

(d) Tenant shall, and shall use its commercially reasonable best efforts to cause its Contractors employing more than three employees to, submit to BPCA daily reports on the composition of the workforce on the Project, monthly payroll reports, a monthly summary payroll report on a form approved by BPCA, broken down by person-hours and by ethnic and gender makeup and such other or more frequent reports regarding workforce composition as BPCA shall require. Monthly payroll and summary reports are to be submitted by the 10th day of the month following the period covered by such report.

(e) Tenant shall, and shall use its commercially reasonable best efforts to cause its Contractors to, review at least semiannually, Tenant's non-discrimination obligations and obligations hereunder with all employees having any responsibility for hiring, assignment, layoff, termination or other employment decisions.

4. Minority and Women Workforce Procedures. Tenant shall, and shall use its commercially reasonable best efforts to cause its Contractors to, provide and maintain a working environment free of harassment, intimidation and coercion. Tenant shall ensure that all foremen, superintendents and other on-site supervisory personnel are aware of and carry out Tenant's non-discrimination obligations and its obligation to maintain such a working environment. In addition, Tenant shall, and shall cause its Contractors to, observe the following procedures throughout the Construction Period:

(a) Tenant shall, and shall use its commercially reasonable best efforts to cause its Contractors to, make a search for Minorities and women for employment in the Construction of the Project.

(b) Tenant shall, and shall use its commercially reasonable best efforts to cause its Contractors to, encourage Minority and women employees to recruit other Minorities and women for employment on the Project.

(c) Tenant shall, and shall use its commercially reasonable best efforts to cause its Contractors to, fulfill its/their Minority and women workforce participation obligations under Section 3(a) above in a substantially uniform manner throughout the Construction Period.

(d) Tenant shall not, and shall use its commercially reasonable best efforts to cause its Contractors not to, transfer Minority and women employees from employer to employer or project to project for the purpose of meeting Tenant's and Contractors' obligations hereunder.

(e) Tenant shall meet with BPCA and such other persons as BPCA may invite, on a periodic basis as required by BPCA, to discuss issues relating to Minority and Women Workforce Participation. At such meetings Tenant shall report on the names of its Contractors then engaged in construction on the Project or which within 60 days are scheduled to be engaged in construction on the Project, on the nature of the work and anticipated construction schedule of such Contractors, on the anticipated hiring needs of such Contractors, on the names of the responsible foremen for each of the construction trades directly employed by such Contractors, and such other information reasonably requested by BPCA that will promote the employment of Minorities and women. Tenant shall use its commercially reasonable best efforts to obtain the above information from its Contractors and shall, upon BPCA's request, use its commercially reasonable best efforts to cause its Contractors to attend said meetings and provide the above information.

(f) Tenant shall monitor all of its Contractors to ensure that the foregoing obligations are complied with by each Contractor.

(g) Tenant shall, and shall use its commercially reasonable best efforts to cause its Contractors to, consult with BPCA regarding fulfillment of its obligations hereunder prior to solicitation for any contractors, subcontractors, or consultant.

(h) In fulfillment of the obligations set forth in this Section 4, Tenant shall furnish BPCA, at its request, documentary evidence of its efforts.

5. Determination of MBE and WBE Eligibility. A business enterprise which is a Certified MBE or a Certified WBE is an eligible MBE or WBE and shall remain an eligible MBE or WBE for so long as such business continues to be a Certified MBE or Certified WBE. Certification as an MBE or WBE shall be the sole and conclusive determination of eligibility for the purposes of this Program. BPCA will rely on a determination with respect to MBE or WBE certification of, or failure to certify, a business enterprise as an eligible MBE or WBE made by the Division or its successor or other designated New York State certifying agency, office or authority pursuant Article 15A of the New York State Executive Law, or any guidelines or regulations issued thereunder, or any other or successor applicable law, or regulations or executive order.

6. MBE and WBE Participation. Tenant shall, and when contemplated by the applicable Contract bid package, shall use its commercially reasonable best efforts to cause its Contractors to, provide meaningful participation in Contracts for the Project to MBEs and WBEs, provided that such obligation shall be deemed to have been fulfilled when the aggregate Contract Value of Approved MBE Contracts and Approved WBE Contracts shall equal thirty percent (30%) of Total Development Costs. In determining the aggregate Contract Value of Approved MBE and WBE Contracts, an amount equal to the Contract Value of all contracts for which BPCA has issued waivers to Tenant or its Contractors pursuant to Section 313, subsections 5,6,7 & 8, and Section 316 of the Executive Law, shall be included as part of the aggregate Contract Value for the purpose of fulfillment of Tenant's and Contractors' obligation under this Program, including obligations under Section 6(a), below and all other provisions relating to Tenant's and Contractors' MBE and WBE obligations as may be set forth herein.

In order to fulfill its obligations hereunder:

(a) Tenant shall, during the Construction Period (which shall mean the period commencing at the Commencement Date of the Lease and terminating at Substantial Completion of the Building, as such terms are defined in the Lease), enter into, or cause its Contractors to enter into, Approved MBE Contracts and Approved WBE Contracts having an aggregate Contract Value of at least twenty-five percent (25%) of Total Development Costs; such aggregate Contract Value shall consist of an aggregate MBE Contract Value of at least twenty percent (20%) of Total Development Costs and an aggregate WBE Contract Value of at least five percent (5%) of Total Development Costs. After reviewing the work to be included in the Project, Tenant and BPCA have identified portions of such work for which, in their judgment, qualified MBEs and WBEs are expected to be available and have agreed upon such portions of the work and the estimated value thereof. During the Construction Period, in partial fulfillment of its obligations hereunder, Tenant presently expects to enter into, or cause its Contractors to enter into, Approved MBE Contracts and Approved WBE Contracts in accordance with the procedures set forth in Section 7 below.

(b) In further fulfillment of its obligations under this Section 6, Tenant shall, throughout the Construction Period, (i) conduct a thorough and diligent search for qualified MBEs and WBEs to carry out additional portions of the Project, (ii) review the qualifications of each MBE and WBE suggested to Tenant by BPCA, and (iii) enter into, or cause its Contractors to enter into, Approved MBE Contracts and Approved WBE Contracts with all qualified and available MBEs and WBEs, respectively, in accordance with and subject to the procedures set forth in Section 7 below.

7. MBE/WBE Participation Procedures. Tenant shall observe the following procedures throughout the Construction Period and until such time as Tenant has fulfilled its obligations under Section 6 above:

(a) Tenant shall advise BPCA promptly of Tenant's proposed design and construction schedule for the Project and afford BPCA's Affirmative Action Officer a reasonable opportunity to become familiar with the proposed scope, nature and scheduling of Tenant's major Contracts. As promptly as practicable, but in any event at least ten (10) but not more than ninety (90) days prior to issuing requests for proposals or invitations to bid for any Contracts, Tenant shall furnish BPCA with a projected schedule which shall include a detailed description (the "Contract Schedule") of such Contracts, broken down by trade. Tenant will update or amend the Contract Schedule as required to reflect any changes in Tenant's proposed Contracts and will promptly notify BPCA thereof. The Contract Schedule will set forth the anticipated times at which invitations to bid or requests for proposals are to be issued for work in each trade, the scope of such work, and the estimated contract value or range of values of such work or purchases. In formulating the Contract Schedule, Tenant will confer with BPCA to identify those portions of the work or purchases which can be divided into separate contract packages or which can be subcontracted, so as to maximize opportunities for participation in the work by MBEs and WBEs. To the extent practicable, Tenant shall prepare separate contract packages for such work which shall be bid and let separately by Tenant or which shall be subcontracted separately by Tenant's Contractors, and shall not be bid or let as part of any other work. Tenant shall, at least ten (10) but not more than ninety (90) days prior to the issuance of an invitation or request to bid for each individual contract, furnish BPCA with written notice thereof.

(b) BPCA will review the Contract Schedule as promptly as practicable, and will provide to Tenant a list of eligible MBEs and WBEs for all or portions of the work. Tenant shall then promptly notify BPCA in writing that all MBEs and WBEs on such list have been contacted and of any business enterprise not on such list which claims to be an MBE or WBE and has expressed an interest in bidding on the work. As promptly as practicable after receipt of Tenant's notice, BPCA will advise Tenant in writing whether the business enterprises which have expressed an interest in the work, but were not included on the list of MBEs and WBEs furnished to Tenant by BPCA, are eligible MBEs or WBEs, provided that BPCA shall have no obligation to advise Tenant whether any business enterprise is an eligible MBE or WBE until a State Certification Determination has been made with respect to such business enterprise.

(c) Concurrently, BPCA and Tenant will review the eligible MBEs and WBEs to determine the extent to which such MBEs and WBEs are qualified and available to perform all or portions of the work identified in the contract packages. In general, an MBE or WBE will be deemed to be qualified to perform work if its personnel have successfully performed work of a similar nature in the past and demonstrate the present ability, after giving effect to the assistance which Tenant will provide under Section 7(e) below, to organize, supervise and perform work of the kind and quality contemplated for the Project. In determining whether an MBE or WBE meets these standards, BPCA and Tenant shall consider, experience in the trade, technical competence, organizational and supervisory ability and general management capacity. An MBE or WBE shall not be considered unqualified to perform work on the Project (i) because such MBE or WBE (A) cannot obtain bonding or (B) cannot obtain commercial credit or cannot obtain such credit on normal terms or (ii) solely because such MBE or WBE (A) does not have the capacity to perform work of the nature and scope required without the assistance to be made

available by Tenant under Section 7(e) below or (B) has not previously performed work equal in scope or magnitude to such work. In the event that BPCA and Tenant cannot agree on whether an eligible MBE or WBE is qualified and available hereunder, BPCA's determination on those issues shall be final and conclusive for the purposes of this Program, unless Tenant shall, within ten (10) days after written notice of such determination is given by BPCA, request that the matter be determined by arbitration pursuant to Section 7(f) below.

(d) Tenant shall invite all MBEs and WBEs found qualified and available hereunder (including those MBEs and WBEs on the list provided by BPCA pursuant to Section 7(b) above) to submit proposals for work required to be performed under Tenant's contract packages (including both contracts and Subcontracts). At least three (3) days prior to any award of any Contract by Tenant, Tenant shall notify BPCA in writing of all responses or bids in connection with Tenant's requests for proposals or invitations to bid.

(e) Tenant will provide financial assistance to an MBE or WBE to which a contract or Subcontract is to be awarded and which is unable to obtain credit or financing on normal terms by (i) guaranteeing payment to suppliers, subject to obtaining an appropriate security interest in the materials paid for, (ii) making progress payments for work performed more frequently than the normal one-month cycle (but no more often than bi-weekly), and (iii) paying for reasonable mobilization costs in advance of the commencement of construction, subject to obtaining an appropriate security interest in any materials or equipment paid for with such advances and mobilization costs. Tenant shall also waive bonds where MBEs and WBEs are unable to obtain the same, shall make available to MBEs and WBEs technical assistance to conform to the method of construction of the Project, shall (except for trades whose work is subject to controlled inspections or safety laws or regulations) provide supervision consistent with the MBE's and WBE's experience and capacity and shall conduct periodic job meetings with each MBE and WBE at reasonable intervals to review the progress of such MBE's and WBE's job performance and suggest appropriate action to remedy any deficiency in such performance. Tenant shall offer to provide the foregoing assistance to MBEs and WBEs prior to their submission of bid proposals and, wherever practicable, at the time of Tenant's request for such proposals.

(f) Except as shall be otherwise provided for in Section 316 of the Executive Law, as to Contractors, in the event that Tenant shall demand arbitration as to the question of the qualifications or availability of any MBE or WBE pursuant to Section 7(c) above, the matter shall be determined in the County of New York by three arbitrators, one of whom shall be appointed by BPCA, one by Tenant and the third by agreement of the two arbitrators appointed by the parties (or failing such agreement, the third arbitrator shall be appointed by the American Arbitration Association), in accordance with the Commercial Arbitration Rules of the American Arbitration Association, provided that, anything to the contrary contained in such rules notwithstanding, (i) Tenant shall, together with such demand for arbitration, submit in writing to such arbitrators (when selected) and BPCA its reasons for its disagreement with BPCA's determination on such question, (ii) BPCA shall, within five (5) days after its receipt of such written statement from Tenant, submit to such arbitrators and Tenant the reasons for such challenged determination, and (iii) such arbitrators shall, after such hearing, if any, as they may

deem appropriate, render their decision within ten (10) days after receipt of such written statement from BPCA. Such decision shall be conclusive and final for all purposes of this Program, provided that, anything to the contrary contained herein notwithstanding, any decision that an eligible MBE or WBE is or is not available or qualified to perform work on a particular Contract shall not preclude a later determination by Tenant, BPCA or the arbitrators to the contrary in light of changed or different circumstances. Tenant and BPCA shall each bear its own costs and attorneys' fees in connection with such arbitration and shall share equally the costs of such arbitration (including the arbitrator's fees).

(g) Tenant shall maintain complete and accurate written records of (i) its efforts to identify and contract with MBEs and WBEs, (ii) the reasons, if applicable, for any determination by Tenant that an MBE or WBE is not qualified or available to perform work on the Project, (iii) the assistance offered or provided to MBEs and WBEs in accordance with Section 7(e) above, and (iv) the reasons, if applicable, why contracts or Subcontracts were not awarded to MBEs and WBEs found qualified hereunder. Tenant shall also maintain complete and accurate written records of all Contracts, including Approved MBE Contracts and Approved WBE Contracts, awarded on the Project, which records shall contain, without limitation, the dollar value of such awards and a description of the scope of the work awarded. Such records shall be furnished to BPCA at such times as BPCA may reasonably request.

(h) Prior to the issuance by Tenant of any letter of intent to a Contractor, Tenant shall provide to BPCA a written list of specific affirmative action measures which the Contractor has agreed to undertake in performing work on the Project, including a list of MBEs and WBEs to which Subcontracts are to be let.

(i) Tenant shall not enter into any Contract, nor permit its Contractors to enter into any Contract, unless Tenant has certified to BPCA in writing that such Contract has been awarded in accordance with the requirements of this Program and BPCA has approved, in writing, the award of such Contract. BPCA shall advise Tenant within five (5) business days of receipt of any such proposed Contract and Tenant's written certification whether or not BPCA has approved such Contract and shall, if such Contract has not been approved, advise Tenant of BPCA's reasons for disapproval. In the event that BPCA shall fail to advise Tenant within such five (5) business day period that a proposed Contract has been approved or disapproved hereunder, BPCA shall be deemed to have approved such Contract for purposes of this Section 7(i). After award of a Contract, Tenant shall not enter into, or permit its Contractors to enter into, any modification or amendment of such Contract which will materially reduce the scope of work to be performed by an MBE or WBE or materially diminish the Contract Price of any Contract (including Subcontracts) awarded to an MBE or WBE without the prior written consent of BPCA, which will not be unreasonably withheld, conditioned or delayed. Each Contract entered into by Tenant shall (i) contain such non-discrimination provisions as are required by the Lease, (ii) require the Contractor thereunder to comply with the applicable Minority and Women Workforce Requirements of Section 3, and the procedures set forth in Section 4, of this Program and (iii) require such Contractor to comply with the applicable provisions of Sections 6 and 7 of this Program with respect to any Contracts awarded by such

Contractor. Tenant shall promptly furnish BPCA with the name of each party to whom Tenant (or its Contractors) awards a Contract, together with, in the case of each Approved MBE Contract or Approved WBE Contract, a summary of the scope of services to be performed under such Contract and the Contract price thereof, as the same may be amended from time to time.

(j) Tenant shall, and shall cause its Contractors to, submit to BPCA within five (5) days after execution of any Approved MBE Contract or Approved WBE Contract or amendment thereto between Tenant or its Contractor and an MBE or WBE, a copy of such contract or amendment. Within thirty (30) days after substantial completion of work done pursuant to any such contract as amended, Tenant shall submit to BPCA sworn affidavits as described hereafter, for the purpose of determining Tenant's fulfillment of its obligations under Section 6 above. The affidavits required by this subsection shall consist of one affidavit of a duly authorized officer of Tenant or its Contractor, as the case may be, and one affidavit of a duly authorized officer of the MBE or WBE, as the case may be, attesting to the following information: (i) identifying the contract and describing the scope of services required thereunder; (ii) that the MBE or WBE is, or is believed to be by Tenant or its Contractor, a bona fide MBE or WBE as defined by the State of New York pursuant to Article 15A of the New York State Executive Law and any guidelines or regulations issued thereunder; (iii) that the MBE or WBE actually performed the services described pursuant to clause 7(j)(i) above; (iv) the total compensation paid or received for the performance of the services described pursuant to clause 7(j)(i) above and whether such amount represents all sums due and owing and if not, the reason for any unpaid sums due and owing; (v) that such officer's statements pursuant to clauses 7(j)(i), (ii), (iii), and (iv) above are made with full knowledge that they will be used and relied upon by one or more public servants in the performance of their official duties; and (vi) that such officer is familiar with the provisions of Article 210 of the Penal Law relating to false sworn statements made to public officials in their official capacity. In the event Tenant is unable to obtain an affidavit from a duly authorized officer of the MBE or WBE, then BPCA may in its reasonable discretion accept canceled checks, and/or other documentation in lieu of such affidavit.

(k) Tenant shall at the execution of this Agreement and from time to time thereafter designate an affirmative action officer, satisfactory to BPCA, to represent Tenant in all matters relating to this Program and advise BPCA in writing of such designee. BPCA hereby approves Jack Becker as Tenant's affirmative action officer.

(l) Tenant shall, within ninety (90) days after Substantial Completion of the Building, provide a statement to BPCA of Tenant's Total Development Costs, certified by Tenant and a Certified Public Accountant, listing in reasonable detail the components thereof. Within ninety (90) days after receipt of such statement, BPCA may cause a firm of independent Certified Public Accountants selected by BPCA to examine and audit the records, account books and other data of Tenant used as the basis for such certified statement, and be informed as to the same by a representative of Tenant, all of which Tenant shall make available to BPCA. If such audit shall establish that the Total Development Costs were understated, then the Total Development Costs shall be increased accordingly. The audit, if any, shall be conducted at the expense of BPCA unless it shall be established that Tenant understated the Total Development

Costs by more than three and one-half percent (3and ½%), in which case Tenant shall pay the reasonable cost of BPCA's audit. If any items of Total Development Costs are not yet determined at the time of Substantial Completion of the Buildings (for example, costs of tenant improvements not yet completed or paid for), Tenant may make one or more supplemental submissions of such additional Total Development Cost items, and such items shall be subject to audit by BPCA as provided in this Section 7(l).

8. Subsequent Construction and Project Management.

(a) After the Construction Period, in connection with all subsequent construction work on the Project, including interior improvements, alterations, capital improvements, structural repairs, Restoration (as defined in the Lease) and replacement of, or additions to, the Project undertaken by Tenant (including its successors and permitted assigns), whether on its own behalf or on behalf of its subtenants or other occupants (collectively, "Subsequent Work"), Tenant shall, and shall use its commercially reasonable best efforts to cause its Contractors to, provide meaningful participation to qualified and available MBEs and WBEs which submit competitive proposals for such work. Additionally, Tenant shall provide meaningful participation in all service and management agreements, agreements for the purchase of goods and services and other agreements relating to the operation of the Project (collectively, "Operating Agreements") to MBEs and WBEs. Tenant and BPCA hereby agree that the annual goal for MBE and WBE participation in Subsequent Work and Operating Agreements is fifteen percent (15%) of the total contract prices thereof, inclusive of the contract value of any contract for which a waiver has been obtained, in compliance with applicable provision of the Executive Law. In order to achieve the goal established under this Section 8(a), Tenant shall, and shall use its commercially reasonable best efforts to cause its Contractors to, (i) conduct a thorough and diligent search for qualified MBEs and WBEs, (ii) review the qualifications of each MBE and WBE suggested to Tenant by BPCA and (iii) afford an opportunity to submit proposals for all Subsequent Work and Operating Agreements to those MBEs and WBEs found qualified. Prior to the end of the Construction Period, Tenant shall meet with BPCA as reasonably required by BPCA to review the operation and status of this Program and develop a plan for meeting the MBE and WBE participation goals set forth above. Thereafter, Tenant shall meet with BPCA on a periodic basis as reasonably required by BPCA to review the operation and status of this Program and such plan and identify measures to be taken by Tenant to ensure that the MBE and WBE participation goals are met. In addition, BPCA may require Tenant to comply with procedures similar to those set forth in Section 7 above in the event that Tenant fails to meet the MBE and WBE participation goals. Tenant shall submit quarterly reports to BPCA setting forth the nature and scope of Subsequent Work carried out and Operating Agreements in effect during the preceding quarter, all efforts made by Tenant and its Contractors to employ qualified MBEs and WBEs to perform the Subsequent Work and participate in the Operating Agreements and all contracts let to MBEs and WBEs. The obligations under this Section 8(a) shall continue until BPCA finds that this Program is no longer necessary to give minority and women-owned business enterprises opportunity for meaningful participation on contracts in connection with the construction, operation and maintenance of the Project.

(b) In connection with Subsequent Work and the management and operation of the Project, Tenant (including its successors and permitted assigns) shall, and shall require such persons as it may employ or contract with to manage and operate the Project (collectively, the "Operator"), to:

(i) make good faith efforts to include Minority group members and women in such work in at least the proportion that Minorities and women are available for such work in the New York City workforce;

(ii) in the event of lay-offs, make good faith efforts to maintain the same proportion of Minority and women employees in Tenant's (or Operator's, as the case may be) workforce as existed immediately prior to commencement of such lay-offs; and

(iii) meet with BPCA on a periodic basis as reasonably required by BPCA to review Tenant's and Operator's compliance with this Section 8(b) and to determine specific opportunities where Minority and women workforce participation in Subsequent Work and management and operation of the Project might be encouraged.

9. On-the-Job Training. Tenant shall cause its construction manager for the Project to conduct an on-the-job training program for individuals seeking career opportunities in the construction business. The program shall seek to recruit qualifiable minority, women and local community residents for entry level management positions in the construction business. The program will have a duration of at least eighteen months, during which interns shall receive on-the-job training in the following disciplines: (1) monitoring trade contractors' mobilization and performance; (2) coordinating the Project field force; (3) scheduling contractors' daily workforces; and (4) coordinating materials and equipment.

10. Minority and Women Business Enterprise Workshops. Tenant shall cause its Construction manager for the Project, in cooperation with BPCA, to schedule a series of workshops in an attempt to maximize MBE and WBE participation in the construction of the Project. The primary objective of such workshops is to schedule pre-bid meetings and provide assistance to MBEs and WBEs interested in bidding in their respective trades and to stimulate potential joint ventures, subcontracts and supply and vendor opportunities. The workshops shall include the use of private and public sector business resources to provide construction-related and office assistance to MBEs and WBEs in the following categories: (1) contract procurement; (2) technical matters; (3)estimating; (4) payment requisition preparation; (5) personnel evaluation; (6) computer technology; and (6) new business opportunities.

11. Non-Compliance.

(a) Tenant recognizes and acknowledges that the purpose of this Program and of Tenant's and BPCA's undertakings hereunder is to fulfill BPCA's and Tenant's statutory obligations in connection with the construction, management and operation of the Project by affording Minority and women workers and MBEs and WBEs an opportunity to participate in the Construction of, and Contracts for, the Project, to the end that such Minority and women

workers and MBEs and WBEs can share in economic benefits and also can gain necessary training, experience and other benefits, including increased financial resources, which will facilitate their full participation in the construction industry and management and operation of projects hereafter. Tenant recognizes and acknowledges that its failure to achieve the goals set forth in Sections 3 and 6 above, or comply with the procedures set forth in Sections 4 and 7 above, with respect to the utilization of Minority and women workers and MBEs and WBEs in the Construction of, and Contracts for, the Project may result in damage to BPCA's affirmative action programs and policies, as well as to Minority and women workers and MBEs and WBEs who would be denied an opportunity to share in the economic benefits provided by the construction work and would be denied the training, experience and other benefits which participation in the Project would provide. Tenant further recognizes and acknowledges that such damage cannot be readily quantified, but that the amounts set forth below are reasonable in light of the magnitude of the harm which would result from non-compliance by it hereunder, other than to a de minimis extent, and that payments made for the purposes of the Minority Workers Training Fund and Women Workers Training Fund and the MBE Assistance Fund and WBE Assistance Fund, referred to in Section 11(e) below, are a reasonable means of compensating for that harm.

(b) In the case of Tenant's material default in achieving the goals set forth in Section 3 or 6 above, or in meeting the requirements set forth in Section 4 or 7 above, with respect to the utilization of Minority and women workers and MBEs and WBEs in the Construction of, and Contracts for, the Project during the Construction Period (other than defaults resulting directly from any order of judicial authorities having jurisdiction over the Project or this Program), Tenant shall pay to BPCA compensatory damages, in addition to any other remedies available to BPCA under this Program, in the following liquidated amounts:

(i) in the event that Tenant fails to employ, or use its commercially reasonable best efforts to cause its Contractors to employ, Minority and women workers equal to the percentage set forth in Section 3(a) above, the product of (A) the aggregate number of person-hours of training and employment of Minority and women workers which would have resulted from achievement of such percentage less the sum of the actual Minority Workforce Participation and Women Workforce Participation achieved in the construction of the Project by Tenant or its Contractors, multiplied by (B) twenty-five percent (25%) of the average hourly wage (including fringe benefits) paid to journey-level workers employed in the Construction of the Project;

(ii) in the event that, at any time during the Construction Period, Tenant fails to enter into, or use its commercially reasonable best efforts to cause its Contractors to enter into, an Approved MBE Contract or Approved WBE Contract for work on the Project with any eligible MBE or WBE found to be qualified and available to perform such work for at the lowest price bid by other qualified and available contractors, in accordance with and subject to the provisions of Sections 5, 6 and 7 above, twenty-five percent (25%) of the Contract price at which such MBE or WBE was willing to perform such work, but in no event less than $12,500 for each such Contract, provided that if such failure is either willful

or a result of a pattern of continuing violation of Tenant's obligations hereunder after notice by BPCA to Tenant that BPCA believes such a pattern exists, then such damages shall equal fifty percent (50%) of such Contract price, but in no event less than $25,000 for each such Contract;

(iii) in the event that Tenant fails to enter into, or use its commercially reasonable best efforts to its Contractors to enter into, Approved MBE Contracts and Approved WBE Contracts having an aggregate Contract Value at least equal to twenty-five percent (25%) of Total Development Costs as provided in Section 6(a) above ("Specified Amount"), twenty-five percent (25%) of the amount by which the Specified Amount exceeds the aggregate Contract Value of Approved MBE Contracts and Approved WBE Contracts actually entered into by Tenant and its Contractors, including the value of contracts for which waivers have been obtained in accordance with applicable Executive Law provisions, during the Construction Period, provided that if such failure is either willful or a result of a pattern of continuing violation of Tenant's obligations hereunder after notice by BPCA to Tenant that BPCA believes such a pattern exists, then such damages shall equal fifty percent (50%) of the amount by which the Specified Amount exceeds the aggregate Contract Value;

(iv) in the event that Tenant fails to enter into, or use its commercially reasonable best efforts to cause its Contractors to enter into, Approved MBE Contracts having an aggregate MBE Contract Value at least equal to twenty percent (20%) of Total Development Costs as provided in Section 6(a) above ("MBE Specified Amount"), twenty-five percent (25%) of the amount by which the MBE Specified Amount exceeds the aggregate MBE Contract Value of Approved MBE Contracts actually entered into by Tenant and its Contractors during the Construction Period, provided that if such failure is either willful or a result of a pattern of continuing violation of Tenant's obligations hereunder after notice by BPCA to Tenant that BPCA believes such a pattern exists, then such damages shall equal fifty percent (50%) of the amount by which the MBE Specified Amount exceeds the aggregate MBE Contract Value; and

(v) in the event that Tenant fails to enter into, or use its commercially reasonable best efforts to cause its Contractors to enter into, Approved WBE Contracts having an aggregate WBE Contract Value at least equal to five percent (5%) of Total Development Costs as provided in Section 6(a) above ("WBE Specified Amount"), twenty-five percent (25%) of the amount by which the WBE Specified Amount exceeds the aggregate WBE Contract Value of Approved WBE Contracts actually entered into by Tenant and its Contractors during the Construction Period, provided that if such failure is either willful or a result of a pattern of continuing violation of Tenant's obligations after notice by BPCA to Tenant that BPCA believes such a pattern exists, then such damages shall equal fifty percent (50%) of the amount by which the WBE Specified Amount exceeds the aggregate WBE Contract Value.

(c) Anything to the contrary contained herein notwithstanding, Tenant shall not be liable for damages under paragraph (b)(i) or (b)(ii) of this Section 9 if and to the extent that Tenant can demonstrate (i) that it has used diligent efforts to comply with each and every provision hereof including Section 4(h) above and (ii) that, notwithstanding such efforts, it was unable to employ qualified Minorities or women, as the case may be, in accordance with and subject to the requirements set forth in Sections 3 and 4 of this Program. In addition, Tenant shall not be liable for damages under paragraph (b)(ii), (b)(iii), (b)(iv) or (b)(v) of this Section 11 if and to the extent that Tenant can demonstrate (i) that, subject to de minimis exceptions, it has fully and diligently performed all of its obligations under this Program and used diligent efforts to comply with each and every provision hereof and (ii) that, notwithstanding such efforts, it was unable to contract with additional, qualified MBEs or WBEs, as the case may be, in accordance with and subject to the requirements set forth in Sections 5, 6 and 7 of this Program.

(d) Anything to the contrary contained herein notwithstanding, (i) the aggregate damages payable by Tenant pursuant to paragraph (b)(i) of this Section 11 shall in no event exceed five percent (5%) of Total Development Costs and (ii) the aggregate damages payable by Tenant pursuant to paragraphs (b)(ii) through (b)(v) of this Section 11 shall in no event exceed seven and one-half percent (7 and ½%) of Total Development Costs. Tenant shall, in any event, be entitled to credit against any sums payable under paragraphs (b)(iii), (b)(iv) and (b)(v) of this Section 11 all payments made by Tenant pursuant to paragraph (b)(ii) of this Section 11.

(e) Payments made by Tenant under paragraph (b)(i) of this Section 11 shall be deposited in a Minority Workers Training Fund and/or a Women Workers Training Fund. The monies in such Funds shall be used by BPCA to provide job training and other assistance to Minority and women workers, respectively, as BPCA shall determine to be useful in enabling such workers to overcome the effects of past discrimination and to participate more fully in the construction industry. Payments made by Tenant under paragraphs (b)(ii) through (b)(v) of this Section 11 shall be deposited in either an MBE Assistance Fund or WBE Assistance Fund, depending upon whether such payments resulted from a failure to meet requirements regarding MBEs or WBEs. The monies in such Funds shall be used by BPCA to provide such financial, technical and other assistance to MBEs and WBEs, respectively, as BPCA shall determine to be useful in enabling MBEs and WBEs to overcome the effects of past discrimination and to participate more fully in the construction industry.

(f) In the event Tenant fails to fulfill any of its obligations hereunder, BPCA may, in addition to assessing damages as provided in Section 11(b) above, (i) advise Tenant that, except for completion of the Project, Tenant shall be ineligible to participate in any work at Battery Park City and (ii) apply to any court of competent jurisdiction for such declaratory and equitable relief as may be available to BPCA to secure the performance by Tenant of its obligations hereunder.

12. Confidentiality. BPCA acknowledges that the information to be furnished by Tenant hereunder concerning Tenant's Contracts and bidding procedures constitutes information which, if disclosed, could impair present or imminent Contract awards, is maintained for the regulation of Tenant's commercial enterprise and could, if disclosed, cause substantial injury to

the competitive position of that enterprise. Accordingly, BPCA will, in accordance with and subject to applicable law, treat such information as confidential and use its best efforts to prevent the unauthorized disclosure thereof, except to the extent that (a) BPCA and Tenant shall agree is necessary in connection with the recruitment of qualified MBEs and WBEs to perform work on the Project, (b) BPCA may determine to use such information, without identifying such individual Contracts, as part of BPCA's overall assessment of the effectiveness of this Program in overcoming the effects of discrimination in the construction industry or (c) is otherwise necessary in connection with the enforcement of this Program in accordance with the provisions hereof.

13. No BPCA Liability. No act of, nor failure to act by, BPCA hereunder shall create or result in any liability on the part of BPCA or any of its members, officers, employees or agents to Tenant or to any other party, or give rise to any claim by Tenant or any other party against BPCA or any of its members, officers, employees or agents, whether for delay, for damages or for any other reason, unless BPCA is found by a court of competent jurisdiction to have acted arbitrarily or in bad faith in acting or failing to act hereunder.

14. Performance under Lease. No requirement of this Program, nor the assumption or performance by Tenant of any obligation hereunder, shall excuse Tenant from the performance of any of its obligations under the Lease, nor constitute a defense to any claim by BPCA under the Lease, whether for default, rental, damages or otherwise.

15. Persons Bound. Except as may be required elsewhere in this Program, this Program and the Schedules hereto, including any amendments thereto, shall be binding upon and inure to the benefit of Tenant and its respective legal representatives, successors and permitted assigns, including without limitation, any cooperative corporation, condominium association or similar entity for the Buildings. Tenant shall require its immediate successors or assigns to confirm and agree in writing to all terms and conditions of this Program.

16. Additional Requirements. In the event that legislation is enacted or an executive order is issued which authorizes or directs BPCA to carry out additional affirmative action requirements or programs with respect to Minority or women workers or business enterprises owned and operated by Minorities or women, BPCA reserves the right to take such measures as may be necessary or appropriate to implement such requirements or programs.

17. Notices and Addresses.

(a) Any notice or other communication given by BPCA or Tenant to the other relating to this program shall be in writing and sent by postage prepaid, registered or certified mail, return receipt requested, addressed to the other at the address first set forth in the Lease to which this Exhibit is attached, or delivered personally to the other at such address, and such notice or other communication shall be deemed given three (3) days after the date of mailing or when so delivered:

If to BPCA, such notices shall be sent to the attention of Vice President, Community Relations/Affirmative Action, with a copy to the General Counsel, and if to Tenant, such notices shall be sent to Tenant at c/o Albanese Organizations, Inc., 1050 Franklin Avenue, Garden City, New York 11530 to the attention of Jack Becker, with a copy sent simultaneously and in like manner to Albanese and Albanese, LLP, 1050 Franklin Avenue, Garden City, New York 11530, to the Attention of Vincent M. Albanese or to such other address(es) or attorneys as Tenant may from time to time designate by notice to Landlord given as provided herein and, in the case of any notice required to be given to any Mortgagee pursuant to the Lease, to each such Mortgagee at the address of such Mortgagee set forth in the notice mentioned in the first sentence of Section 10.10(a) of the Lease.

(b) Either BPCA or Tenant may at any time advise the other of a change in its address or designate a different person to whom notice shall be mailed by giving written notice to the other of such change or designation in the manner provided in this Section 15.

18. percent Separability and Invalidity. If any provision of this Program shall for any reason be held unenforceable or invalid, neither the enforceability nor the validity of any other provision of this Program shall be affected thereby. In the event that the Program is, in whole or in part, held to be unenforceable or invalid, then Tenant agrees to undertake a program of affirmative action, as directed by BPCA, which program shall not impose obligations on Tenant which are more onerous than those contained herein.

19. Approvals. All approvals and consents to be given by BPCA pursuant to this Program shall be in writing, and Tenant shall not be entitled to rely on any approval or consent which is not in writing.

20. Governing Law. This Program shall be construed and enforced in accordance with the laws of the State of New York.

ENDNOTES

1. Pursuant to Section 317 of the Executive Law, Section 1974d of the Public Authorities Law is to be construed as if subdivisions 5,6.7 & 8 of section 313 and section 316 of the Executive Law were fully set forth therein and are made applicable only to complaints of violations occurring on or after September 1,1988.

2. N.Y. State Executive Law:

   Section 313 .....

   5. Where it appears that a contractor cannot, after a good faith effort, comply with the minority and women-owned business enterprise participation requirements set forth in a particular state contract, a contractor may file a written application with the contracting agency requesting a partial or total waiver of such requirements setting forth the reasons for such contractor's inability to meet any or all of the participation requirements together with an explanation of the efforts undertaken by the contractor to obtain the required minority and women-owned business enterprise participation. In implementing the provisions of this section, the contracting agency shall consider the number and types of minority and women-owned business enterprises located in the region in which the state contract is to be performed, the total dollar value of the state contract, the scope of work to be performed and the project size and term. If, based on

such considerations, the contracting agency determines there is not a reasonable availability of contractors on the list of certified business to furnish services for the project, it shall issue a waiver of compliance to the contractor. In making such determination, the contracting agency shall first consider the availability of other business enterprises located in the region and shall thereafter consider the financial ability of minority and women-owned businesses located outsider the region in which the contract is to be performed to perform the state contract.

6. For purposes of determining a contractor's good faith effort to comply with the requirements of this section or to be entitled to a waiver therefrom the contracting agency shall consider:

   (a) whether the contractor has advertised in general circulation media, trade association publications, and minority-focus and women-focus media and, in such event, (i) whether or not certified minority or women-owned businesses which have been solicited by the contractor exhibited interest in submitting proposals for a particular project by attending a pre-bid conference; and (ii) whether certified businesses which have been solicited by the contractor have responded in a timely fashion to the contractor 's solicitations for timely competitive bid quotations prior to the contracting agency's bid date; and

   (b) whether there has been written notification to appropriate certified businesses that appear in the directory of certified businesses prepared pursuant to paragraph (f) of subdivision three of section three hundred eleven of this article; and

   (c) whether the contractor can reasonably structure the amount of work to be performed under subcontracts in order to increase the likelihood of participation by certified businesses.

7. In the event that a contracting agency fails or refuses to issue a waiver to a contractor as requested within twenty days after having made application therefor pursuant to subdivision five of this section or if the contracting agency denies such application, in whole or in part, the contractor may file a complaint with the director pursuant to section three hundred sixteen of this article setting forth the facts and circumstances giving rise to the contractor's complaint together with a demand for relief. The contractor shall serve a copy of such complaint upon the contracting agency by personal service or by certified mail, return receipt requested. The contracting agency shall be afforded an opportunity to respond to such complaint in writing.

8. If, after the review of a contractor's minority and women owned business utilization plan or review of a periodic compliance report and after such contractor has been afforded an opportunity to respond to a notice of deficiency issued by the contracting agency in connection therewith, it appears that a contractor is failing or refusing to comply with the minority and women-owned business participation requirements as set forth in the state contract and where no waiver from such requirements has been granted, the contracting agency may file a written complaint with the director pursuant to section three hundred sixteen of this article setting forth the facts and circumstances giving rise to the contracting agency's complaint together with a demand for relief. The contracting agency shall serve a copy of such complaint upon the contractor by personal service or by certified mail, return receipt requested. The contractor shall be afforded an opportunity to respond to such complaint in writing.

Section 316 Enforcement

Upon receipt by the director of a complaint by a contracting agency that a contractor has violated the provisions of a state contract which have been included to comply with the provisions of this article or of a contractor that a contracting agency has violated such provisions or has failed or refused to issue a waiver where one has been applied for pursuant to subdivision five of section three hundred thirteen of this article or has denied such application, the director shall attempt to resolve the matter giving rise to such complaint. If efforts to resolve such matter to the satisfaction of all parties are unsuccessful, the director shall refer the matter, within thirty days of

the receipt of the complaint, to the American Arbitration Association for proceeding thereon. Upon conclusion of the arbitration proceedings, the arbitrator shall submit to the director his or her award regarding the alleged violation of the contract and recommendations regarding the imposition of sanctions, fines or penalties. The director shall either: (a) adopt the recommendation of the arbitrator; or (b) determine that no sanctions, fines or penalties should be imposed; or (c) modify the recommendation of the arbitrator, provided that such modification shall not expand upon any sanction recommended or impose any new sanction, or increase the amount of any recommended fine or penalty. The director, within ten days of receipt of the arbitrator's award and recommendations, shall file a determination of such matter and shall cause a copy of such determination along with a copy of this article to be served upon the respondent by personal service or by certified mail return receipt requested. The award of the arbitrator shall be final and may only be vacated or modified as provided in article seventy-five of the civil practice law and rules upon an application made within the time provided by section seventy-five hundred eleven of the civil practice law and rules. The determination of the director as to the imposition of any fines, sanctions or penalties shall be reviewable pursuant to article seventy-eight of the civil practice law and rules.

EXHIBIT D

BATTERY PARK CITY
AFFIRMATIVE FAIR MARKETING PROGRAM FOR SITE 18A

This Affirmative Fair Marketing program has been adopted by Hugh L. Carey Battery Park City Authority ("BPCA") in order to assure that Tenant, its agents, successors and assigns, complies with its obligations to prevent discrimination on account of race, color, creed, sex or national origin in the rental, sale or other disposition of Tenant's residential and commercial units and related facilities (collectively, "Units") located on that portion of the Battery Park City Development designated as Site 18A and to permit BPCA to promote open, integrated housing and to afford individuals a range of housing or commercial facility choices regardless of race, color, creed, sex or national origin.

This Program is designed to implement BPCA's corporate policy of ensuring that all housing and commercial facilities at Battery Park City afford equal access to, and equal opportunity for, minority persons and families and single women and single parent households headed by women, and that occupancy reflects, to the maximum extent possible, the minority and gender demographic characteristics of the City of New York's population.

1. Definitions. As used in this Program, the following terms shall have the following respective meanings:

Building: As defined in the Lease.

Lease: The Agreement of Lease, of even date herewith, between BPCA and Tenant, as amended and supplemented from time to time.

Minority or Minorities:

(a) Black persons having origins in any of the Black African racial groups not of Hispanic origin;

(b) Hispanic persons of Mexican, Puerto Rican, Dominican, Cuban, Central or South American descent, of either Indian or Hispanic culture or origin, regardless of race;

(c) Asian or Pacific Island persons having origins in any of the original peoples of the Far East, Southeast Asia, the Indian subcontinent or the Pacific Islands, and

(d) American Indian or Alaskan native persons having origins in any of the original peoples of North America and maintaining identifiable tribal affiliations through memberships and participation in tribal associations or community identification.

2. Submission of Affirmative Fair Marketing Plan. Tenant shall submit to BPCA an affirmative fair marketing plan (the "Plan") at least one hundred twenty (120) days prior to undertaking any marketing activity. For the purposes of this Program "marketing activity" shall include any advertising and/or the solicitation of applications for the apartment units in the Building ("Units"). No marketing activity shall take place until BPCA shall have approved in writing the Plan. The Plan shall specify all actions which Tenant proposes to take to attract Minorities and women who might not otherwise apply for the Units in the Building. The Plan shall include, intra alia, provisions for: (a) publicizing the availability of the Units to Minorities in Minority media and other Minority outlets; (b) publicizing the availability of the Units to women in women-oriented media and other outlets; (c) maintaining a non-discriminatory hiring policy for marketing staff; (d) instructing all marketing staff and agents in writing and orally in the policies of non-discrimination for fair marketing; (e) displaying fair marketing posters approved by BPCA; (f) including in any printed materials used in the marketing of the Units an equal opportunity logo, slogan, or statement approved by BPCA; (g) prominently posting signs displaying the logo, slogans and statements referred to in (e) and (f) above at each of Tenant's sales or rental offices; and (h) listing all community groups and organizations and Minority and women's groups and organizations to be contacted by Tenant.

The Plan shall also include: (a) a description of the training to be given to Tenant's rental and/or sales staff; (b) evidence of non-discriminatory hiring and recruiting policies for staff engaged in the rental or sale of the Units; (c) a description of Tenant's selection and screening procedures for prospective renters or buyers; and (d) copies of Tenant's lease or sale agreements for the Units for prospective renters or buyers; and (d) copies of Tenant's lease or sale agreements for the Units.

In addition, the Plan shall include information concerning the number of Units available, a description of the commercial units and related facilities available, the type of commercial and other uses sought for such units and facilities, the rental or sale range of the Units, the financial eligibility and other selection criteria to be employed by Tenant in the rental or sale of the Units, the anticipated occupancy results for Minorities and for single women and single parent households headed by women, and Tenant's commitment to make such changes to the Plan as may be reasonably required by BPCA to achieve the purposes thereof. In the event BPCA requires Tenant to make changes to the Plan, such changes shall not cause Tenant to incur more than ten thousand dollars ($10,000) in additional expenditures in excess of the amount set forth in the Plan.

Tenant shall submit with the Plan an advertising and promotional budget for its outreach effort to Minorities and women, which budget shall also be subject to BPCA's prior written approval.

3. Pre-Marketing Conference. At lease ninety (90) days prior to undertaking any marketing activity, Tenant and BPCA shall meet to review the Plan and determine what modifications, if any, of the Plan should be made to achieve the purposes thereof.

4. Marketing of Commercial Units. Prior to undertaking any marketing activity with respect to any commercial units and related facilities, Tenant shall request BPCA to submit the names of minority and women-owned business enterprises which may be interested in renting or purchasing such units and facilities, if any. Upon receipt of such submission, Tenant shall contact the minority and women-owned business enterprises set forth in such submission regarding the rental or sale of the commercial units and related facilities.

5. Reporting Requirements. Following the commencement of marketing activities and until eighty percent (80%) of the Units are rented or sold, Tenant shall submit, on a monthly basis, to BPCA: (a) one copy or script of all advertising regarding the Units, including newspaper, radio and television advertising and a photograph or copy of all rental or sale signs at the Building and each rental or sale office of Tenant; (b) one copy of all brochures and other printed material used in connection with the rental or sale of the Units; (c) evidence of outreach efforts to community groups and organizations; (d) evidence of affirmative action outreach to Minorities and women with respect to the Units; (e) evidence of instructions to employees with respect to Tenant's rental or sales staff; (f) one copy of each application list and waiting list of prospective renters or buyers; (h) one copy of each sign-in list maintained at the Building and each rental or sales office of Tenant for prospective renters or buyers who are shown the Units; (i) any other information which documents Tenant's efforts to comply with the Plan; (j) a list of any Minority or women applicants who have been rejected and the basis for their rejection; and (k) any other documents, records and information relating to the marketing of the Units which BPCA may reasonably request (except that Tenant need not provide proprietary marketing studies and information utilized solely by Tenant in setting sale prices or rent levels for the Units.

Thereafter, whenever Tenant revises, amends, changes or corrects any document, record or information previously provided to BPCA, Tenant shall provide a copy of such revised, amended, changed or corrected version to BPCA.

6. Recordkeeping. Tenant shall maintain records which show the Minority group and gender characteristics of all applicants for, occupants of, the Units. The date of each application shall be recorded and applications shall be retained for a period of two years. On or before the fifteenth day of each month beginning with the commencement of marketing activities and until ninety-five percent (95%) of the Units are rented or sold, Tenant shall submit to BPCA a report, on the form annexed hereto as Schedule 1, summarizing the Minority group and gender characteristics of applicants and occupants, and an occupancy report on the Units. After eighty percent (80%) of the Units have been rented or sold, Tenant may, if it so chooses, provide such information with respect to new occupants only. The classification of applicants and occupants by the required characteristics shall be made in accordance with estimates of Tenant's staff, which will make such estimates on the basis of their observations of the personal appearance, surname, speech pattern and other identifying characteristics of the applicants and occupants. Such observations shall be subject to and shall respect the applicants' and occupants right of privacy. Tenant and its staff shall not be required to ask any applicant or occupant to identify his or her race, ethnicity or gender.

If the number of Minorities or women applying for the Units does not meet the expectations of BPCA and Tenant, they will consider jointly the implementation of other measures designed to attract Minority and women applicants and occupants.

7. Monitoring. At BPCA's request and expense, Tenant shall allow BPCA to place a representative at Tenant's rental or sales office of offices to monitor compliance with the Plan, provided that such BPCA representatives shall not interfere with Tenant's sales and marketing activities. BPCA shall determine, in its discretion, when and whether it wishes to commence, discontinue or renew monitoring Tenant's activities under the Plan.

8. Non-Compliance. In the event that Tenant fails to comply with the Plan or with any of its other obligations hereunder, BPCA be shall entitled to take the following remedial action or actions, as BPCA shall deem appropriate, as its exclusive remedies hereunder: (a) applying to any court of competent jurisdiction for such declaratory and equitable relief as may be available to BPCA to secure the specific performance by Tenant ineligible to participate in any other aspect of, or work on, Battery Park City or any other BPCA project (except for completion of the Building and the exercise of its rights under the Lease); (c) requiring Tenant to take remedial action such as holding some or all of the units off the market until Tenant is in compliance; (d) hiring a consultant to assist with outreach efforts to Minorities and women whose services shall be paid for by Tenant; and (e) pursuing any other remedies available to BPCA under the Lease (except for declaring Tenant in default thereunder).

9. Rent Levels and/or Sale Prices. Nothing herein contained is intended to restrict or limit Tenant in setting rent levels and/or sale prices for the Units.

10. No BPCA Liability. No act of, or failure to act by, BPCA hereunder shall create or result in any liability on the part of BPCA or any of its members, officers, employees or agents to Tenant or to any other party, or give rise to any claim by Tenant or any other party against BPCA or any of its members, officers, employees or agents, whether for delay, for damages or for any other reason. The provisions of this Program shall be enforceable by BPCA and Tenant only, and are not intended to confer any right of enforcement of cause of action upon any other person, entity or association.

11. Performance under Lease. No requirement of this Program, or the assumption or performance by Tenant of any obligation hereunder, shall excuse Tenant from the performance of any of its obligations under the Lease, or constitute a defense to any claim by BPCA under the Lease, whether for default, rental, damages or otherwise.

12. Notices and Addresses.

(a) Any notice or other Communication given by BPCA or Tenant to the other relating to this Program shall be in writing and sent by postage prepaid, registered or certified mail, return receipt requested, addressed to the other at its address set forth in the Lease, or

delivered personally to the other at such address, and such notice or other communication shall be deemed given three (3) days after the date of mailing or when so delivered.

(b) BPCA or Tenant may at any time advise the other of a change in its address or designate a different person to whom notice shall be mailed by giving written notice to the other party of such change or designation in the manner provided in this Section.

13. Separability. If any provision of this Program shall for any reasons be held unenforceable or invalid, neither the enforceability nor the validity of any other provision of this Program shall affected thereby.

14. Governing Law. This Program shall be construed and enforced in accordance with the laws of the State of New York.

Schedule 1 to Exhibit D

BATTERY PARK CITY AUTHORITY
MONTHLY RENTAL OR SALES REPORT

PERIOD ENDING: REPORT NO_____.

CHECK, IF APPLICABLE
[ ] Initial Report
[ ] Final Report

1. INTRODUCTION

Pursuant to each approved Plan for the rental or sale of housing or commercial units, this report shall be filed with BPCA on or before the fifteenth day of each month following monthly unit 95% of the units covered by the Plan are rented or sold.

2. PROJECT IDENTIFICATION

A. SITE: 18A

B. NUMBER OF UNITS: _____.

C. RENTAL OR SALE RANGE OF HOUSING UNITS

From: $_____ To: $_____

D. RENTAL/MANAGEMENT AGENCY

NAME: _____

ADDRESS: _____

3. ANTICIPATED HOUSING OCCUPANCY RESULTS FOR MINORITIES
(State in number of units the racial/ethnic mix anticipated as a result of the Plan):

[ ] White [ ] Black [ ] American Indian or Alaskan Native

[ ] Hispanic [ ] Asian or Pacific Islander

4. ANTICIPATED HOUSING OCCUPANCY RESULTS FOR WOMEN [State in number of units the mix of single women and single percent households headed by women anticipated as a result of the Plan)

[ ] Single Women [ ] Single Percent Household Headed by Women

5. HOUSING RENTAL OR SALES ACTIVITIES (Entries must be made for all items and columns Use "O" when necessary.) The approximations required throughout this report should be judged from personal appearance, surname, speech pattern and/or other identifying characteristics or information.

A. RENTAL OR SALES FOR REPORTING PERIOD

	RENTALS	SALES
WHITE.....		
BLACK.....		
AMERICAN INDIAN OR ALASKAN NATIVE.....		
HISPANIC.....		
ASIAN OR PACIFIC ISLANDERS.....		
TOTAL.....		
SINGLE WOMEN.....		
SINGLE PARENT HOUSEHOLDS HEADED BY WOMEN.....		
OTHER.....		
TOTAL.....		

B. TOTAL NUMBER OF HOUSING UNITS CURRENTLY OCCUPIED INCLUSIVE OF TOTALS INDICATED IN ITEM 5.A. ABOVE.

	RENTALS	SALES
WHITE.....		
BLACK.....		
AMERICAN INDIAN OR ALASKAN NATIVE.....		
HISPANIC.....		
ASIAN OR PACIFIC ISLANDERS.....		

TOTAL.....

SINGLE WOMEN.....
SINGLE PARENT HOUSEHOLDS
HEADED BY WOMEN.....
OTHER.....
TOTAL.....

C. ESTIMATED PERCENTAGE RACIAL/ETHNIC MIX OF VISITORS TO RENTAL OR SALES OFFICE FOR REPORTING PERIOD.

	RENTALS	SALES
WHITE.....		
BLACK.....		
AMERICAN INDIAN OR ALASKAN NATIVE.....		
HISPANIC.....		
ASIAN OR PACIFIC ISLANDERS.....		
TOTAL..... 100%		

D. ESTIMATED PERCENTAGE GENDER MIX OF VISITORS TO RENTAL OR SALES OFFICE FOR REPORTING PERIOD.

	RENTALS	SALES
WOMEN.....		
MEN.....		
WOMEN AND MEN TOGETHER....		
TOTAL..... 100%		

6. INDEMNIFICATION OF NEW HOUSING TENANTS OR OWNERS WHO ARE MINORITIES DURING REPORTING PERIOD (continue on a separate page if necessary).

NAMES	APARTMENT NUMBERS

7. IDENTIFICATION OF NEW HOUSING TENANTS OR OWNERS WHO ARE SINGLE WOMEN OR SINGLE PARENT HEADS OF HOUSEHOLDS DURING REPORTING PERIOD (continue on a separate page if necessary).

NAMES APARTMENT NUMBERS

8. COMMERCIAL UNITS (if any)

A. NUMBER OF UNITS: _____

B. RENTAL OR SALE RANGE OF UNITS

From: $____ To: $____

C. RENTAL OR SALE ACTIVITIES (Entries must be made for all items and columns. Use "O" when necessary).

1. RENTALS OR SALES FOR REPORTING PERIOD

	RENTALS	SALES
WHITE.....		
BLACK.....		
AMERICAN INDIAN OR ALASKAN NATIVE.....		
HISPANIC.....		
ASIAN OR PACIFIC ISLANDERS.....		
TOTAL.....		

2. TOTAL NUMBER OF UNITS CURRENTLY OCCUPIED INCLUSIVE OF TOTALS INDICATED IN ITEM C.1. ABOVE.

	RENTALS	SALES
WHITE.....		
BLACK.....		
AMERICAN INDIAN OR ALASKAN NATIVE.....		

HISPANIC.....
ASIAN OR PACIFIC
ISLANDERS.....
TOTAL.....

	RENTALS	SALES
SINGLE WOMEN.....		
SINGLE PARENT HOUSEHOLDS HEADED BY WOMEN.....		
OTHER.....		
TOTAL.....		

3. IDENTIFICATION OF NEW MINORITY TENANTS OR OWNERS DURING REPORTING PERIOD (continue on a separate page if necessary).

NAMES	UNIT NUMBERS

SIGNATURE OF PERSON SUBMITTING REPORT NAME (Type or Print)

_____ _____

TITLE AND COMPANY: _____ DATE: _____

ADDRESS: _____

_____

_____

EXHIBIT E

FORM OF GUARANTY OF COMPLETION

This GUARANTY OF COMPLETION made as of _____, 200__ by _____, _____, and _____ (collectively, the "Guarantors" and each, a "Guarantor"), each having an office at _____, for the benefit of BATTERY PARK CITY AUTHORITY d/b/a HUGH L. CAREY BATTERY PARK CITY AUTHORITY ("Landlord"), a body corporate and politic constituting a public benefit corporation of the State of New York, having an office at One World Financial Center, New York, New York.

W I T N E S S E T H:

WHEREAS, each of the Guarantors owns, directly or indirectly, a beneficial ownership interest in _____, a _____ _____ ("Tenant") and the Guarantors collectively own, directly or indirectly, _____% of the beneficial ownership interests in Tenant;

WHEREAS, Landlord and _____ ("Tenant"), contemporaneously with the execution hereof, are executing a certain Agreement of Lease (the "Lease") dated the date hereof between Landlord, as landlord, and Tenant, as tenant, of certain premises known as Site 18A, North Residential Neighborhood, Battery Park City, and as more particularly described in the Lease; and

WHEREAS, pursuant to Section 11.03(f) of the Lease, Guarantors are obligated to deliver this Guaranty.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and to induce Landlord to enter into the Lease, the Guarantors hereby agree as follows:

1. The Guarantors hereby jointly and severally guaranty to Landlord the complete and punctual payment and performance by Tenant of all of Tenant's obligations under Article 11 of the Lease, including, without limitation, Tenant's obligation to commence construction of the Building, to prosecute construction of the Building and to cause the Building to be Substantially Completed and fully paid for, in each case, as, when, in accordance with, and subject to the terms and conditions of, Article 11 of the Lease (hereinafter, collectively, the "Guarantied Obligations").

2. This Guaranty is an absolute, present, primary, continuing, irrevocable, unlimited and unconditional guaranty by each of the Guarantors of the Guarantied Obligations. Neither this Guaranty nor the obligations of the Guarantors hereunder are conditioned or contingent upon

any effort or attempt to seek performance or payment from Tenant, any Mortgagee, or any other Guarantor, or upon any other condition or contingency. Landlord is not and shall not be required, before exercising any right or remedy against any Guarantor, to first attempt to exercise any right or remedy against or seek any redress from Tenant, any Mortgagee, any other Guarantor, or any other person, firm or corporation, or to first take any action whatsoever under or with respect to the Lease or the Premises or any collateral for the Guaranteed Obligations.

3. If at any time a Default occurs and is continuing which Default, upon the giving of notice or passage of time, or both, would become an Event of Default under Section 24.01(b) of the Lease or under Section 24.01(c) of the Lease (but in the latter case, only to the extent such Default pertains to an obligation arising under Article 11 of the Lease), Landlord may at its option, without waiver of such Default, and without release of Tenant, exercise one or more of the following rights: (a) by written notice to one or more of the Guarantors, which notice shall describe the Default(s) of Tenant giving rise to issuance of the notice, require such Guarantor(s) to cure such Default within same grace period as is applicable to Tenant under Section 24.01 the Lease; and (b) if such Guarantor(s) shall fail to perform as required in (a) above, take action to commence or prosecute construction and/or Substantially Complete the Building and/or pay any costs thereof, and require any one or more of the Guarantors to reimburse Landlord for all costs and expenses incurred in so doing, including, without limitation, construction costs, bidding costs, reasonable attorneys', architects', engineers' and other professional fees and disbursements, and supervisory and inspection costs. In the event Landlord takes action to commence or prosecute construction and/or Substantially Complete the Building and/or pay any costs thereof as aforesaid, and requires the Guarantors to reimburse Landlord for the cost thereof, Landlord may, from time to time but not more frequently than monthly, present written statements to the Guarantors, setting forth in reasonable detail the costs incurred by Landlord since the submission of the previous statement, which statement shall be accompanied by documentation supporting the same. The Guarantors shall reimburse such costs within fifteen (15) days after receipt of each such statement; and if the Guarantors shall fail so to reimburse Landlord within such fifteen (15) day period, they shall also pay interest to Landlord on any unpaid amount at the Involuntary Rate from the date of receipt of such statement. Such interest shall be payable upon demand.

4. The obligations and liabilities of each Guarantor hereunder shall not be impaired, abated, deferred, diminished, modified or otherwise affected by: (a) any amendment or modification of or addition or supplement to the Lease; (b) any modification, compromise, settlement, adjustment, waiver or extension of the obligations or liabilities of Tenant under the Lease or of any other Guarantor under this Guaranty; (c) any waiver, consent, indulgence, forbearance, lack of diligence, action or inaction on the part of Landlord in enforcing the obligations of Tenant or any of the Guarantors or other parties in connection with the Lease or this Guaranty or in realizing on any collateral for any obligation of Tenant under the Lease; (d) any default by Tenant under the Lease or of any other Guarantor hereunder; (e) any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition, liquidation, rehabilitation or other proceeding for the relief, liquidation or rehabilitation of debtors (each of which is referred to herein as an "Insolvency Proceeding" regardless-of whether the insolvency

of the subject of such proceeding is a prerequisite to the commencement thereof) involving or affecting Tenant or any other Guarantor; (f) any limitation on or release, impairment, abatement, deferral, diminution, modification or discharge of the obligations or liabilities of Tenant or any other Guarantor in or as a result of an Insolvency Proceeding; (g) any stay or other provision of law or court order in an Insolvency Proceeding delaying, limiting or prohibiting performance or enforcement of any obligation of Tenant or any other Guarantor; (h) any claim, counterclaim, cause of action, offset, recoupment or other right or remedy which Tenant or any other Guarantor may at any time have against Landlord; (i) any assignment, conveyance, extinguishment, merger or other transfer, voluntary or involuntary (whether by operation of law or otherwise) of all or any part of the interest of Tenant in the Lease or the Premises, or any Transfer; (j) any amendment, modification or waiver of or with respect to the Construction Documents; and any action taken or omitted to be taken by or on behalf of Landlord in accordance with the Lease and in respect of the Premises, whether or not the Guarantors shall have notice or knowledge thereof. Anything to the contrary set forth in clauses (a) or (b) of the foregoing sentence notwithstanding, the Guarantied Obligations shall be modified, waived or extended to the extent, if any, that Tenant's obligations under Article 11 of the Lease have been so modified, waived or extended.

5. The obligations and liabilities of each Guarantor hereunder are independent of the obligations and liabilities of Tenant and all other Guarantors. Each Guarantor may be joined in any action, suit or proceeding in respect of the Guarantied Obligations or otherwise to enforce Landlord's rights hereunder commenced by Landlord against Tenant or another Guarantor, or may be sued in a separate action, suit or proceeding. Recovery may be had against the Guarantors or any of them in such an action, suit or proceeding without any requirement that Landlord previously or simultaneously assert, prosecute or exhaust any right, power or remedy against Tenant or any other Guarantor or any other party or with respect to the Lease or the Premises or any collateral for the Guaranteed Obligations. In any action, suit or proceeding commenced by Landlord against Tenant or one or more of the Guarantors, dismissal from such action, suit or proceeding with respect to, or judgment on any ground in favor of, any Guarantor, or any finding of unenforceability or invalidity of the Guarantied Obligations as against Tenant shall not impair, abate, defer, diminish, modify or otherwise affect the obligations and liabilities of any Guarantor, as set forth in this Guaranty, with respect to whom there has been no such dismissal, discontinuance, judgment or finding.

6. The Guarantors shall reimburse Landlord, from time to time within 15 days after written demand by Landlord, for all costs and expenses (including reasonable attorneys' fees) incurred by or on behalf of Landlord in enforcing the obligations and liabilities of the Guarantors or any of them hereunder. Any sums not paid when due under this Paragraph 6 shall bear interest at the Involuntary Rate from the date of demand by Landlord until paid.

7. Each Guarantor absolutely and unconditionally waives all notices and consents, except to the extent such notices and consents may be expressly required herein, which may otherwise be necessary, whether by statute, rule of law or other wise, to charge such Guarantor or to preserve Landlord's rights and remedies against such Guarantor hereunder, including but not limited to: (a) notice of any of the matters referred to in Paragraph 4 hereof; (b) presentment or

demand for payment or performance by Tenant or Guarantors; and (c) protest for nonpayment or nonperformance.

8. (a) No waiver by Landlord of any Default under Article 11 of the Lease or any Event of Default described in Section 24.01(b) or 24.01(c) of the Lease or of any default, breach or violation of any of the obligations of any Guarantor shall be considered a waiver of any other or subsequent Default or Event of Default under the Lease or any default hereunder, and no delay or omission by Landlord in enforcing the rights, exercising the powers, or pursuing the remedies granted in the Lease or herein shall be construed as a waiver of such rights, powers or remedies; no enforcement of any right, exercise of any power, or pursuit of any remedy by Landlord shall be held to exhaust such right, power or remedy, and every such right may be enforced, every such power may be exercised, and every such remedy may be pursued from time to time.

(b) None of the rights, powers and remedies of or for the benefit of Landlord provided in this Guaranty is exclusive of, and all are in addition to, any and all other rights, powers and remedies now or hereafter existing under this Guaranty and the Lease, at law or in equity. Landlord, in addition to the rights, powers and remedies expressly provided herein, shall be entitled to exercise all other such rights and powers and resort to all other such remedies as may now or hereafter exist under the Lease, at law or in equity for the enforcement of the obligations and liabilities of Tenant and the Guarantors. The resort by Landlord to any right, power or remedy provided in this Guaranty or the Lease at law or in equity, shall not prevent the concurrent or subsequent employment of any right, power or remedy provided in this Guaranty or the Lease, at law or in equity.

9. By accepting this Guaranty, Landlord agrees that if the Guarantors or any Guarantor shall fully and punctually perform the Guarantied Obligations in accordance with paragraph 3(a) hereof, then any Default of Tenant in respect of the Guarantied Obligations shall be deemed cured and Landlord shall not terminate the Lease by reason of such Default.

10. In any action or proceeding brought by Landlord against any Guarantor on this Guaranty, **EACH GUARANTOR SHALL AND DOES HEREBY WAIVE TRIAL BY JURY**, and each Guarantor agrees that the Supreme Court of the State of New York for the County of New York, or, if a basis for federal jurisdiction exists, the United States District Court for the Southern District of New York shall have jurisdiction of any such action or proceeding.

11. In the event Landlord takes action to complete construction of the Building and requires the Guarantors to reimburse Landlord for the costs thereof, as provided in paragraph 3(b) hereof, Landlord may, prior to Substantial Completion, commence one or more actions to recover its costs to the date of such recovery and may, subsequent to Substantial Completion, commence additional actions to recover the balance of its costs.

12. So long as this Guaranty is in effect, Guarantors shall comply with the following covenants:

(a) Guarantors shall maintain an aggregate minimum net worth of $10,000,000 and aggregate liquid assets having a market value in excess of $3,000,000. "Liquid Assets" shall mean cash, U.S. government securities and/or other freely and readily marketable securities of companies listed on a nationally recognized stock exchange.

(b) On January 1st and July 1st of each year, the Guarantors shall, individually or collectively, submit to Landlord a certificate stating that Guarantors are in compliance with the covenants set forth in paragraph 12(a), together with proof of such compliance reasonably satisfactory to Landlord.

(c) Within 180 days after the end of each calendar year, each Guarantor shall submit to Landlord a certified financial statement and contingent liability statement, in form and substance reasonably satisfactory to Landlord.

13. In the event any provision of this Guaranty shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof, but this Guaranty shall be construed as if such invalid, illegal or unenforceable provision had not been contained herein.

14. This Guaranty is effective upon the date hereof. Subject to the provisions of Paragraph 15 below, this Guaranty, and all of the Guarantors' obligations hereunder, shall terminate upon (a) the Substantial Completion of the Building (lien free and in accordance with all of the other requirements of Article 11 of the Lease) and the payment in full therefor, by Tenant, the Guarantors or any Guarantor, or any Mortgagee, and (b) if any construction is undertaken or paid for by Landlord, the full reimbursement of Landlord by the Guarantors or any Guarantor, as provided in paragraph 3(b) hereof; provided, however, that this Guaranty shall not terminate so long as any sums payable under Paragraph 6 hereof remain unpaid. By accepting this Guaranty, Landlord agrees that after the termination of this Guaranty, Landlord shall, within ten (10) Business Days of the request of any Guarantor, confirm once in writing to such Guarantor that this Guaranty, and all of the Guarantors' obligations hereunder have terminated, subject to the provisions of Paragraph 15 hereof.

15. The Guarantors agree that this Guaranty shall continue to be effective or shall be reinstated, as the case may be, if at any time any payment is made by Tenant or any Guarantor to Landlord and such payment is rescinded or must otherwise be returned by Landlord upon insolvency, bankruptcy, liquidation, reorganization, readjustment, composition, dissolution, receivership, conservatorship, winding up or other similar proceeding involving or affecting Tenant or any Guarantor, all as though such payment had not been made.

16. Unless otherwise specifically defined in this Guaranty, all initially capitalized terms used in this Guaranty shall have the respective meanings ascribed to them in the Lease.

17. All notices, demands and other communications which any party desires to give hereunder shall be given in the manner set forth in the Lease for the giving of notices, to the parties hereunder at their respective addresses set forth above, or to such other addresses as the parties may specify by like notice.

18. This Guaranty shall inure to the benefit of Landlord and its successors and assigns and shall be binding upon the successors, assigns, heirs, executors, administrators and personal representatives of the Guarantors.

19. This Guaranty is made in the State of New York and shall be governed, construed and interpreted as to validity, enforcement and in all other respects, in accordance with the internal laws of said State.

20. The Guarantors shall be jointly and severally liable for all obligations and liabilities of the Guarantors arising under this Guaranty.

IN WITNESS WHEREOF, the Guarantors have executed this Guaranty as of this __ day of _____, 200__.

[GUARANTORS:]

_____

_____

_____

Acknowledgments

STATE OF _____)
) ss.
COUNTY OF _____)

On the ___ day of _____ in the year 200__ before me, the undersigned, a Notary Public in and for said state, personally appeared _____, proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

_____
Signature of Notary Public

STATE OF _____)
) ss.
COUNTY OF _____)

On the ___ day of _____ in the year 200__ before me, the undersigned, a Notary Public in and for said state, personally appeared _____, proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

_____
Signature of Notary Public

STATE OF _____)
) ss.
COUNTY OF _____)

On the ___ day of _____ in the year 200__ before me, the undersigned, a Notary Public in and for said state, personally appeared _____, proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

_____
Signature of Notary Public

EXHIBIT F

PROVISIONS REGARDING THE CONVERSION TO CONDOMINIUM FORM OF OWNERSHIP

1. Definitions. As used in this Exhibit F and the Lease, each of the following terms has the meaning set forth below:

"Administrative Fee" has the meaning provided in Section 5(b).

"Bylaws" means the bylaws and rules and regulations annexed to or otherwise made part of the Declaration together with all amendments, modifications and supplements thereto that are permitted under the terms hereof.

"Common Charges" means the aggregate of amounts required under this Lease and the Bylaws to be paid by Unit Owners to the Condominium Board, or the Condominium Board and Landlord, including Proportionate Rent payable with respect to all Units. Common Charges may also include other amounts needed to pay the expenses of operating the Condominium but not required to be paid under this Lease, as determined by the Condominium Board or as provided in the Condominium Documents.

"Common Elements" has the meaning provided in the Declaration.

"Common Interest" has the meaning provided in the Declaration.

"Condominium Act" means Article 9-B of the Real Property Law of the State of New York, as amended from time to time, or any statute in lieu thereof.

"Condominium Board" means the board of managers of the Condominium. If there shall be more than one Condominium Board, each representing a different class of Unit Owners (for example, residential and commercial Unit Owners), the term Condominium Board shall mean, collectively, all of such Condominium Boards.

"Condominium Conditions" has the meaning provided in Section 3(b).

"Condominium Covenants" means the terms, covenants and conditions that are required to be performed by Tenant under this Lease (except as provided in Section 4(b)) from and after the Condominium Date, including any covenants to be performed by the Condominium Board. Condominium Covenants include the obligation of the Condominium Board to pay to Landlord amounts payable to Landlord under this Lease, including Rent.

"Condominium Date" means the date of the Initial Unit Transfer.

"Condominium Default" means, at any time after the Condominium Date, the failure of the Condominium Board, as Tenant hereunder, to comply with or observe or perform any of Condominium Covenants or any Event of Default described in Section 24.01(d), (e), (f), (g), (h), (i), (j), (k) and (l) of the Lease.

"Condominium Depository" has the meaning provided in Section 9(c).

"Condominium Documents" means the Condominium Plan, the Declaration, the Bylaws, the Unit Deed and the Unit Mortgagee Subordination and Recognition Agreement, as amended from time to time, in accordance with the terms hereof.

"Condominium Management Agreement" means an agreement between the Condominium Board and the Managing Agent, including any sub-management agreement between the Managing Agent and a sub-manager, in form and substance reasonably acceptable to Landlord, which provides, inter alia: (i) for the management and operation of the Units and the Condominium collectively, including the maintenance and repair of the Common Elements of the Condominium collectively, (ii) for the collection from the Unit Owners and custody (x) in trust on behalf of Landlord, of all Proportionate Rent, and (y) in trust on behalf of the Condominium Board, of all Common Charges payable by Unit Owners in respect of the operation, maintenance and repair of the Common Elements, and any other charges payable by Unit Owners under the Declaration and Bylaws, not including Proportionate Rent, (iii) for the payment by the Condominium Board of all fees and charges of the Managing Agent (including any thereof which may be payable in respect of Proportionate Rent), and (iv) for such other matters as the Condominium Board or Landlord reasonably requires consistent with the preceding portions of this definition of "Condominium Management Agreement."

"Condominium Plan" means the plan of Declarant to submit Declarant's leasehold estate in the Premises to condominium ownership, together with all amendments, modifications and supplements thereto made in accordance with the terms hereof.

"Construction Completion Escrow Agreement" has the meaning provided in Section 3(b)(ix).

"Declarant" means the named Tenant under this Lease or its permitted successors in interest and the declarant under the Declaration and the initial owner of the Condominium Units.

"Declaration" means the instrument by which Declarant submits Declarant's leasehold estate in the Premises to the Condominium Act, together with all amendments, modifications and supplements thereto that do not conflict with the terms hereof.

"Default Costs" means, with respect to any Unit, any costs and expenses incurred by the Condominium Board or by Landlord as the result of a Unit Owner Default by the Unit Owner of such Unit, including, without limitation, any tax obligations and any costs or expenses incurred in connection with any Legal Proceeding or in a subsequent disposition of a Unit acquired by the

Condominium Board or Landlord or incurred otherwise in connection with the collection of Proportionate Rent (including, without limitation, reasonable attorneys' fees and disbursements) together with interest thereon at the Involuntary Rate.

"Default Notice" has the meaning provided in Section 8(b).

"Defaulting Unit Owner" has the meaning provided in Section 8(a).

"Deficiency Amounts" has the meaning provided in Section 10(a).

"Department of Law" has the meaning provided in Section 2(b).

"Indebtedness" has the meaning provided in the Master Lease.

"Initial Unit Transfer" means the execution and delivery of the first Unit Deed by Declarant to a Qualified Unit Purchaser.

"Landlord Default Costs" means Default Costs incurred by Landlord.

"Landlord's Condominium Costs" has the meaning provided in Section 7(e).

"Legal Proceedings" means any suit to recover a money judgment for unpaid Common Charges (including Proportionate Rent), including without limitation, any foreclosure of a lien provided under the Condominium Act; if being understood that Legal Proceedings may be maintained without foreclosing or waiving such lien.

"Managing Agent" means the Person, engaged by the Condominium Board from time to time, with Landlord's prior approval, for the management, operation and maintenance of the Premises (and any sub-manager appointed by such Person) and the performance of such other duties as are described in the Condominium Management Agreement.

"Maximum Fund Requirement" means an amount equal to the product of twelve (12) multiplied by the aggregate amount of Base Rent, PILOT and the Civic Facilities Payment payable under this Lease in the month of July that follows the first taxable status date under the Tax Law after the later of (i) the date on which each of the Units is separately assessed for purposes of the Tax Law, and (ii) the date of issuance of the Certificate of Occupancy for all portions of the Building.

"Proportionate Rent" means, with respect to any Unit, the sum of (i) such Unit's Common Interest multiplied by the Base Rent, (ii) such Unit's Common Interest multiplied by the Civic Facilities Payment payable with respect to the Premises, (iii) the PILOT under this Lease attributable to such Unit, which is payable with respect to such Unit, (iv) Landlord Default Costs with respect to such Unit, and (v) Landlord's Condominium Costs to the extent required to be included in Proportionate Rent under Section 10.

"Purchase Option" means the Purchase Option granted by New York State Urban Development Corporation, Landlord, the BPC Development Corporation to the City of New York, dated June 6, 1980 and recorded in Reel 527 at page 153 in the Office of the City Register, New York County, as amended by Amendment to Option to Purchase dated August 15, 1986 and Second Amendment to Option to Purchase dated May 18, 1990 between Landlord and the City of New York and recorded on May 30, 1990 in Reel 1697, page 294 in said Register's Office.

"Qualified Purchase Agreement" means an agreement for the purchase of a Unit Owner's interest under a Unit Deed, signed by and binding on, any Person as purchaser thereunder substantially in the form set forth in the Condominium Plan providing for a purchase price determined in accordance with the terms of the Condominium Plan and under which agreement such Person made all down payments required thereunder.

"Qualified Unit Purchaser" means the purchaser under a Qualified Purchase Agreement.

"Sale" has the meaning provided in Section 5(a).

"Security Fund" has the meaning provided in Section 9(b).

"Security Fund Amount" means an amount equal to the product of twelve (12) multiplied by the aggregate amount of Base Rent, PILOT and the Civic Facilities Payment payable in the month in which the Condominium Date occurs.

"UCC" means the Uniform Commercial Code as the same may be in effect in the State of New York from time to time.

"Unit" means a portion of the Premises, together with a proportionate undivided interest in the Common Elements appurtenant to such portion of the Premises, all as described in the Condominium Documents.

"Unit Deed" means an instrument, in the form set forth in the Condominium Plan (or in such other form as may be approved by Landlord), pursuant to which the Unit Owner's leasehold condominium interest in a Unit (as described in the Condominium Documents) is granted and transferred by Declarant, or a Unit Owner of such Unit after Declarant's transfer thereof, to a purchaser thereof, such transfer being subject to the rights of Landlord under this Lease, including, without limitation such rights as exist in the event of a Unit Owner Default.

"Unit Mortgage" has the meaning provided in Section 6(a).

"Unit Mortgagee" has the meaning provided in Section 6(a).

"Unit Mortgagee Representative" has the meaning provided in Section 6(c).

"Unit Mortgage Subordination and Recognition Agreement" has the meaning provided in Section 6(a).

"Unit Owner" means the Unit Owner of a Unit..

"Unit Owner" means the owner or owners at any one time of the Unit Owner's interest in a Unit, as described in the Condominium Documents.

"Unit Owner Action" has the meaning provided in Section 7(b).

"Unit Obligations" has the meaning provided in Section 8(i).

"Unit Owner Default" has the meaning provided in Section 8(a).

2. Submission of Tenant's Leasehold Estate to Condominium Act.

(a) Subject to the satisfaction of the Condominium Conditions, Tenant shall have the right, upon or after Substantial Completion of the Building, at Tenant's election, to submit Tenant's leasehold estate in the Premises hereunder to the provisions of the Condominium Act, and otherwise in accordance with the Condominium Documents and the terms of this Lease. After such submission, no withdrawal of Tenant's leasehold interest from the provisions of the Condominium Act shall be permitted at any time for any reason without Landlord's prior consent, which consent Landlord may withhold in its sole discretion.

(b) (i) If Tenant desires to amend, modify or supplement, from time to time, the Condominium Documents, Tenant shall submit such proposed amendment, modification or supplement to Landlord for Landlord's review and determination in advance, that in Landlord's reasonable opinion, such amendment, modification or supplement conforms to the provisions of this Lease and does not differ from the Condominium Documents in any manner that is materially adverse to any rights, interests or obligations of Landlord under this Lease. If Landlord determines in its reasonable opinion that such proposed amendment, modification or supplement so conforms with no such material adverse difference, Landlord shall notify Tenant to that effect within thirty (30) days after Landlord's receipt of such proposed amendment, modification or supplement. If Landlord determines in its reasonable opinion that such proposed amendment, modification or supplement does not so conform or does differ in any manner that is materially adverse to any rights, interests or obligations of Landlord under this Lease, Landlord is required to so notify Tenant within such thirty (30) day period, specifying, in reasonable detail, those respects in which such proposed amendment, modification or supplement does not so conform or does differ in any manner that is materially adverse to any rights, interests or obligations of Landlord under this Lease and Tenant is required to revise such proposed amendment, modification or supplement and resubmit the same to Landlord for Landlord's review and determination in advance as described in this subsection (b). Each review by Landlord of any such revisions to such proposed amendment, modification or supplement must be carried out within fifteen (15) days after Landlord's receipt of such revised proposed

amendment, modification or supplement. If Landlord fails to notify Tenant of Landlord's determination within the periods set forth herein, Landlord shall be deemed to have determined that such proposed amendment, modification or supplement or such revised proposed amendment, modification or supplement, as the case may be, does so conform and does not differ in any manner that is materially adverse to any rights, interests or obligations of Landlord under this Lease.

(ii) Notwithstanding anything to the contrary set forth above, any amendment to the Condominium Plan which solely involves (w) a change in the sales price of a Unit, or (x) a change in the financial terms offered to prospective purchasers, other than a change in, or a change that affects, any payment required to be made to Landlord or the priority of any payment to be made under this Lease or (y) an additional disclosure required by the New York State Department of Law (the "Department of Law") and not concerning any provision of or obligation under this Lease, or (z) Tenant making changes, alterations or additions to the interior of any Units or combining two or more Units (provided that such changes or combinations are otherwise performed in accordance with this Lease) shall not be required to be submitted to Landlord in advance but within a reasonable time after such amendment is made, a copy thereof is required to be provided to Landlord for Landlord's information and records.

(c) Tenant, and not Landlord, is responsible for assuring that the Condominium Documents (and any amendments, modifications or supplements thereto) conform to the provisions of this Lease and comply with all applicable Requirements of Governmental Authorities, including, without limitation, the rules and regulations of the Department of Law. Neither Landlord's review of the Condominium Documents, nor Landlord's determination under this Lease at any time concerning the Condominium Documents (or any amendments, modifications or supplements thereto), shall relieve Tenant of Tenant's responsibility for assuring conformity thereof with the provisions of this Lease and is not, and is not to be construed to be or relied upon by Tenant, the Condominium Board, any Unit Owner, any Mortgagee, any Unit Mortgagee or any other Person as a determination that the Condominium Documents (or any amendments, modifications or supplements thereto) comply with any of the Requirements of Governmental Authorities, including without limitation, the rules and regulations of the Department of Law.

(d) Neither Landlord's review of the Condominium Documents, nor Landlord's determination under this Lease at any time concerning the Condominium Documents (or any amendments, modifications or supplements thereto) is, or is to be construed to be or relied upon by Tenant, the Condominium Board, any Unit Owner, any Mortgagee, any Unit Mortgagee or any other Person, as a determination that Landlord has approved the offering of Units pursuant to the Condominium Plan or has participated in such offering.

(e) Neither the recording by Tenant of the Declaration, nor Landlord's execution of the Declaration or any other actions, as provided in Section 3(a), is, or is to be construed to be, a consent by Landlord to, or an approval by Landlord of, the contents of the Declaration or other

Condominium Documents and shall not in any way cause Landlord to be deemed a "sponsor" of the Condominium Plan or the Declaration. The parties hereto acknowledge and agree that the terms, provisions and conditions of the Condominium Documents shall at all time be subject and subordinate to the terms, provisions and conditions of this Lease, and no approval (or deemed approval) or review of Landlord of the Condominium Documents (including the Initial Condominium Documents or any amendment, modification or supplement thereto) shall be considered as subordinating any provision of this Lease to the Condominium Documents or any amendment, modification or supplement thereto. In no event shall Landlord be required to perform any act under Section 3(a) or otherwise that has the effect of subordinating this Lease, or any provision hereof, to the rights of the Condominium Board or any other Board, any Unit Owner, any Mortgagee, any Unit Mortgagee or any other Person, and no recording of the Declaration nor any determination, review or other act by Landlord under or concerning this Lease will cause or be construed as any such subordination.

(f) The Condominium Documents shall, in addition to the other requirements of this Lease, at all times during the Term be required at a minimum to include provisions to the effect that unless otherwise approved by Landlord in writing: (i) the Condominium Board shall be the Tenant under this Lease from and after the Condominium Date, (ii) the Condominium Board and each of the other Boards and all Unit Owners are required to comply with all applicable provisions of this Lease, (iii) each Unit Owner is required to pay to the Condominium Board as part of Common Charges all applicable Proportionate Rent, Rent which is payable on a monthly or other periodic basis throughout the Term of this Lease (including, for example, Base Rent, PILOT, and/or Civic Facilities Payments), which, when so paid, if requested by Landlord, is required to be segregated from other amounts payable to the Condominium Board and held in trust for the benefit of and paid to Landlord in accordance with this Lease; (iv) the first monies paid by a Unit Owner to the Condominium Board as or on account of Common Charges at any time shall be treated as and applied to the payment of Proportionate Rent that is due and payable at such time by such Unit Owner; (v) the Condominium Board shall assess as Common Charges any Rent due under this Lease which is not referred to in clause (iii) above, and which has not been paid for 30 days, unless the payment thereof is provided for from other sources, and the lien of the Condominium Board for Common Charges shall extend to such Rent, including any Landlord Default Costs and any Landlord's Condominium Costs so assessed; (vi) the only units permitted under the Condominium Documents shall be the Units unless otherwise consented to by Landlord, which consent is permitted to be withheld by Landlord in its sole discretion; (vii) in the event of a Condominium Default, Landlord is permitted to replace the members of the Condominium Board that has failed to remedy same, and each member of the Condominium Board must sign, as a condition of serving on such Condominium Board, a resignation in the form of Annex 1 that will be assigned and delivered to Landlord for purposes of Landlord's exercise of its right to replace any Condominium Board member; and (viii) the Condominium Board shall be liable to Landlord for any failure to comply with the Condominium Covenants; provided, however, that no member of the Condominium Board shall have any personal liability as the result of a default by the Condominium Board in the performance of any Condominium Covenants, (ix) the method for allocation of Common Charges among the Unit Owners shall be as set forth in the Condominium Documents, (x) any right of first refusal set forth in the

Condominium Documents does not apply to any transfer of any Unit to or from Landlord or in connection with foreclosure by the Landlord of the lien for Common Charges, and (xi) the Condominium Board's lien for Common Charges is assigned to Landlord as security for the payment of Proportionate Rent.

3. Conditions to Recording Declaration and Closing of the Initial Unit Transfer.

(a) Upon the satisfaction of the Condominium Conditions, as set forth in Section 3(b), and not otherwise, Tenant may submit Tenant's leasehold estate in the Premises under this Lease to the provisions of the Condominium Act by recording, in accordance with the requirements of the Condominium Act, the Declaration included as part of the Initial Condominium Documents. Provided that the Condominium Conditions hereinafter set forth have been satisfied by Tenant, Landlord shall execute the Declaration or take such other actions as may be required by applicable Requirements in order for Tenant to record the Declaration.

(b) Tenant shall not be permitted to record the Declaration and effect the Initial Unit Transfer unless and until all of the following conditions have been satisfied at the time of the filing of the Declaration and at the time of the First Unit Transfer (the "Condominium Conditions"), provided that the conditions described in clauses (iii), (vi), (vii), (viii), (x) and (xi) of this Section 3(b) shall be required to be satisfied as a condition to the Initial Unit Transfer but not before the recording of the Declaration:

(i) The Condominium Plan has been accepted for filing by the Department of Law and a correct and complete copy of the letter issued by the Department of Law evidencing such acceptance has been delivered to Landlord;

(ii) The Condominium Documents have been approved by Landlord and conform to the requirements of this Exhibit F;

(iii) The Condominium Board and a Managing Agent have entered into a Condominium Management Agreement, a correct and complete copy thereof has been delivered to Landlord, the same is in full force and effect, and Landlord is a named third party beneficiary thereunder and the Condominium Board, the Managing Agent and Landlord shall have executed and delivered a Management Agreement Subordination Recognition and Attornment Agreement in the form of Annex 2 annexed hereto (the "Management Subordination and Attornment Agreement");

(iv) The Condominium Plan has been declared effective in accordance with its terms and a correct and complete copy of the letter issued by the Department of Law evidencing acceptance of an amendment declaring the Condominium Plan effective has been delivered to Landlord;

(v) No Default or Event of Default has occurred that has not been cured upon the date the Declaration shall be recorded;

(vi) Tenant shall have delivered to Landlord a certificate from the Architect in the form attached to the Construction Completion Escrow Agreement, certifying that (x) all construction performed to date has been completed in accordance with the Construction Documents, the Master Development Plan and the Design Guidelines and (y) that the remaining cost to effect the Completion of the Building does not exceed Ten Million Dollars ($10,000,000);

(vii) a Certificate of Occupancy for not less than 33% of the Units (including the Unit that is the subject of the Initial Unit Transfer) has been issued and has not been suspended or revoked and a correct and complete copy of such Certificate of Occupancy has been delivered to Landlord;

(viii) Declarant has complied with its obligations under Section 9 concerning delivery to Landlord of cash in the amount required under Section 9;

(ix) Landlord, Declarant and _____[1] shall have executed and delivered that certain escrow agreement (the "Construction Completion Escrow Agreement") in substantially the form of Annex 4 annexed hereto and the amount required to be funded thereunder has been fully funded;

(x) Declarant has delivered to Landlord its certification that the conditions contained in this Section 3(b) are satisfied;

(xi) All conditions and requirements under Section 5 with respect to the Unit affected by the Initial Unit Transfer have been (or will, at the closing of the Initial Unit Transfer, be) satisfied; and

(xii) No Default or Event of Default has occurred that has not been cured upon the date of the Initial Unit Transfer.

(c) (i) In the event that, at any time prior to the recording of the Declaration (i) Landlord makes payment of the Indebtedness, (ii) New York City exercises its right under the Purchase Option to repay the Indebtedness, or (iii) Landlord agrees to convey the Premises or assign its right, title and interest as tenant under the Master Lease or as Landlord under this Lease to New York City or any other Person, Landlord shall give Tenant notice thereof within ten (10) Business Days after the occurrence of such event. In such event, the provisions of clause (i) of Section 2(b) (as to amendments, modifications or supplements to the Condominium Documents) shall be waived by Landlord as conditions to recording the Declaration, without any waiver of any other provisions of or rights under this Lease. At Tenant's request, Landlord shall (x) execute the Declaration, or take such other actions as are required by applicable Requirements, as provided in Section 2(a) and

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[1] Declarant's counsel or another party designated by Landlord

(y) cooperate with Tenant and, if requested by Tenant, cause Master Landlord to cooperate with Tenant, in causing the Declaration to be duly recorded prior to the acquisition of the Project Area by New York City or the consummation of any such conveyance or assignment.

(ii) In no event shall Landlord convey its interest in the Premises or assign its right, title and interest as tenant under the Master Lease or as Landlord under this Lease to New York City or any other Person prior to the recording of the Declaration, unless Landlord has given Tenant at least sixty (60) days' prior notice of such proposed conveyance or assignment.

(d) As of the Condominium Date, provided Tenant has given seven (7) Business Days' prior written notice to Landlord, Landlord shall execute, acknowledge and deliver to Tenant, a statement in writing certifying that the Condominium Conditions have been satisfied (or if any such Condominium Condition has not been satisfied, specifying those Condominium Conditions not so satisfied).

(i) The notice from Tenant to Landlord delivered as aforesaid shall contain the following legend typed in bold, capital letters at the top:

"IF LANDLORD FAILS TO NOTIFY TENANT THAT THE CONDOMINIUM CONDITIONS (AS DEFINED IN SECTION 3(b) OF EXHIBIT F TO THE GROUND LEASE) HAVE OR HAVE NOT BEEN SATISFIED WITHIN SEVEN (7) BUSINESS DAYS FOLLOWING DELIVERY OF THIS NOTICE TO LANDLORD, SUCH FAILURE MAY RESULT IN LANDLORD BEING DEEMED TO HAVE DETERMINED THAT SAID CONDOMINIUM CONDITIONS HAVE BEEN SATISFIED IN ACCORDANCE WITH THE PROVISIONS OF SECTION 3(b) OF EXHIBIT F TO THE GROUND LEASE."

(ii) If Landlord fails to notify Tenant that all of the Condominium Conditions have or have not been satisfied within such seven (7) Business Day period specified in the aforesaid notice, Tenant shall deliver to Landlord a second written notice which shall bear the following legend typed in bold, capital letters at the top:

"IF LANDLORD FAILS TO NOTIFY TENANT THAT THE CONDOMINIUM CONDITIONS IN SECTION 3(b) OF EXHIBIT F TO THE GROUND LEASE HAVE OR HAVE NOT BEEN SATISFIED WITHIN THREE (3) BUSINESS DAYS AFTER TENANT'S DELIVERY TO LANDLORD OF THIS WRITTEN NOTICE, LANDLORD SHALL BE DEEMED BY SUCH FAILURE TO HAVE NOTIFIED TENANT THAT THE CONDITIONS IN SECTION 3(b) OF EXHIBIT F TO THE GROUND LEASE HAVE BEEN SATISFIED."

(iii) If Landlord does not notify Tenant that the Condominium Conditions have or have not been satisfied, as the case may be, within three (3) Business Days after delivery

to Landlord of such second notice pursuant to clause (ii) above, Landlord shall be deemed to have notified Tenant that the Condominium Conditions have been satisfied.

(iv) In no event shall Landlord be required to deliver any certificate pursuant to this Section 3(d), unless at least seven (7) Business Days prior thereto Tenant has delivered to Landlord evidence reasonably satisfactory to Landlord to document the satisfaction of such Condominium Conditions, including, a certification by Declarant that all of the Condominium Conditions contained in 3(b) are satisfied or shall be satisfied on the date of the Initial Unit Transfer. In addition (x) no such certificate shall release Tenant or any other Person of any of their obligations to Landlord hereunder or waive any of Tenant's obligations or Landlord rights hereunder, and (y) the certification or deemed certification as to matters referred to in Section 3(b) shall be to the best knowledge of Landlord, without independent investigation.

(v) Tenant and Landlord hereby agree that the only effect of the delivery by Landlord or the deemed delivery by Landlord of the certificate referred to in this Section 3(d) shall be to waive Landlord's ability to challenge the validity of the filing of the Declaration, and such certificate may, at the Landlord's option, contain such statement.

4. The Condominium Board.

(a) The Condominium Documents shall establish the Condominium Board. If there shall be separate residential and commercial Condominium Boards, the residential Board shall be designated by the residential Unit Owners, the commercial Board shall be designated by the commercial Unit Owners, and the Condominium Board (including the residential and commercial Condominium Boards collectively) shall be comprised of one (1) member of the commercial Condominium Board and four (4) members of the residential Condominium Board. The By-laws of the Condominium shall provide that each member of the Condominium Board shall have one vote, and that not more than a majority of the members of any Condominium Board shall be required for a quorum of such Condominium Board, and all actions of any Board shall be taken by a majority of its members.

(b) From and after the Condominium Date, the Condominium Board shall be deemed the Tenant under this Lease for all purposes hereof and shall be responsible and liable for all obligations of the Tenant hereunder, except that the Condominium Board shall not have any liability or responsibility for Tenant's obligations under the following provisions of this Lease:

(i) The initial obligations of Tenant to effect Completion of the Building in accordance with Article 11 of the Lease;

(ii) The provisions of Section 26.01 of the Lease related to the construction of the Tenant Civic Facilities; and

(iii) Section 19.01(x) of the Lease (concerning indemnification in respect of construction obligations regarding the initial construction of the Building).

(c) Each Unit Deed shall require that the Unit Owner named therein constitute and appoint the Condominium Board as said Unit Owner's true and lawful attorney-in-fact coupled with an interest for the purposes of performing and observing the Condominium Covenants applicable to such Unit, including paying Proportionate Rent, applicable to such Unit Owner's Unit.

(d) At the request of Landlord at any reasonable time or times, the Condominium Board shall prepare and deliver to Landlord, within twenty (20) days after any such request, a true and correct listing of the names of all Unit Owners and the Units owned by such Unit Owners and copies of any other documents reasonably requested by Landlord. The Condominium Board shall permit Landlord and Landlord's designee to examine the records and books of account maintained, during reasonable business hours and on a date to be agreed upon, by the Condominium Board and any Managing Agent at a location designated by the Condominium Board in New York City provided that Landlord gives not less than fifteen (15) days prior written notice of the examination to the Condominium Board and the Managing Agent.

(e) The Condominium Board shall enforce, at the sole cost and expense of the Unit Owners, the duties and obligations of the Managing Agent under the Condominium Management Agreement, whether or not such duties and obligations are for the primary benefit of the Condominium Board or Landlord. The Managing Agent's failure to perform its duties under the Condominium Management Agreement shall not excuse the Condominium Board from any of its obligations under this Lease.

5. Transfers of Units.

(a) No interest in any Unit may be sold, assigned, leased, otherwise transferred, mortgaged, or otherwise encumbered at any time by Declarant or any Unit Owner (each such transaction is referred to herein as a "Sale") unless the provisions of this Section 5, have been complied with by the Unit Owner thereof (including without limitation, Declarant, with respect to Units not previously transferred by Declarant):

(i) Landlord has received all Proportionate Rent pertaining to such Unit that is due and payable as of the date of such Sale and any unpaid Common Charges allocable to such Unit have been or will be paid to the Condominium Board at the date of such Sale;

(ii) such Sale (other than mortgaging or leasing of such Unit) is effectuated pursuant to a Unit Deed, a correct and complete copy of which has been delivered to Landlord or an agent on Landlord's behalf;

(iii) in the case of the mortgaging of such Unit, the provisions of Section 6 have been complied with and a correct and complete copy of each of the Unit Mortgage granted by the Unit Owner as mortgagor and of the Unit Mortgage Subordination and Recognition Agreement, which is binding on and benefits the Unit Mortgagee holding such Unit Mortgage, as executed and delivered by such Unit Mortgagee, has been delivered to Landlord, or an agent on Landlord's behalf; and

(iv) in the case of the leasing of such Unit, such leasing is effectuated pursuant to a written lease that conforms to all applicable provisions of this Lease and the Condominium Documents, a correct and complete copy of which has been delivered to Landlord.

(b) In addition, as a condition precedent to any Sale, Landlord shall be paid a reasonable fee to compensate it for its administrative expenses in connection with such Sale, as Landlord may determine from time to time (the "Administrative Fee"). During the period ending on the fifth anniversary of the Initial Unit Transfer, the Administrative Fee per any Sale of a Unit will not exceed $250 during the first twelve (12) months of such period, $260 during the second twelve (12) months of such period, $270 during the third twelve (12) months of such period, $280 during the fourth twelve (12) months of such period, and $290 during the fifth twelve (12) months of such period. Notwithstanding the foregoing, to the extent that a law firm or title agent, licensed to do business in the State of New York, receives immediately available funds or a certified check drawn on a bank licensed to do business in the State of New York, in the amount of the Administrative Fee or any Proportionate Rent then due with respect to the Unit, such law firm or title agent shall hold such funds in trust for Landlord for delivery promptly after the Sale and the conditions set forth in Section 5(a) and this Section 5(b) shall be deemed satisfied.

(c) Any purported Sale not made in compliance with the provisions of Section 5: is not effective to sell, assign, lease, otherwise transfer, mortgage or otherwise encumber any interest in a Unit; will not be recognized by Landlord; and is not permitted to be recognized by the Condominium Board, it being agreed and acknowledged that the foregoing with respect to any mortgage affecting a Unit shall not affect the right of the holder of any note or other evidence of indebtedness payable to such holder in connection with any such mortgage to enforce payment of such obligation personally against any obligor thereunder to the extent the enforceability or enforcement thereof does not involve or require, or the holder elects not to pursue, foreclosing any lien in respect of such indebtedness (including any judgment lien) against any such Unit. Whenever a Unit Owner (other than Declarant) assigns such Unit Owner's interest in a Unit and effects such assignment as provided in Section 5 (other than to a Unit Mortgagee or pursuant to a lease), and the assignee is bound by an instrument in writing, satisfactory to Landlord in form and substance, assuming all of the obligations under the Condominium Documents of the Unit Owner of such Unit, the assignor will have no further liability for any of the obligations of the Unit Owner of such Unit under this Lease to be thereafter performed.

(d) No Sale of a Unit by a Unit Owner is permitted unless a Certificate of Occupancy has been issued and has not been suspended or revoked for the applicable Unit and a correct and complete copy of such Certificate of Occupancy has been delivered to Landlord.

(e) No debt may be incurred by the Condominium Board pursuant to Section 339jj of the Condominium Act or otherwise except with Landlord's prior consent, which consent Landlord is permitted to withhold in its sole discretion, and in no event is any such debt permitted to be secured by any lien on or any interest in the Premises or on any Unit or any other interest under the Condominium Documents.

6. Unit Mortgages.

(a) No Unit Owner shall be permitted to mortgage or encumber such Unit Owner's Unit except in strict compliance with the terms of this Section 6. A Unit Owner may mortgage its interest in a Unit to any Person (such mortgage which satisfies the conditions set forth below is herein referred to as a "Unit Mortgage" and the holder of such Unit Mortgage is herein referred to as a "Unit Mortgagee"), provided that such Unit Owner has complied with the provisions of this Section 6, and provided, further, that such Unit Mortgage is subject and subordinate to the terms, provisions and conditions of this Lease and the applicable Unit Deed as provided in Subsection (d) of this Section 6. The holder of any Unit Mortgage is required to acknowledge and agree in such Unit Mortgage and in a recognition agreement in the form of Annex 3 annexed hereto or such other form as may be approved by Landlord (such agreement is herein referred to as a "Unit Mortgagee Subordination and Recognition Agreement"), executed and delivered to Landlord by such Unit Mortgagee, that the lien of such Unit Mortgage is in all cases subordinate to the lien of the Condominium Board for that portion of Common Charges that constitutes Proportionate Rent payable at any time by the Unit Owner granting such Unit Mortgage, and that in the case of the lien of any mortgage other than a first mortgage, such lien is subordinate to the lien of the Condominium Board for all Common Charges. No Unit Mortgage shall be valid or enforceable against any Person unless and until the holder thereof shall have executed and delivered a Unit Mortgagee Subordination and Recognition Agreement in accordance with the terms of this Section 6. The foregoing shall not affect the right of the holder of any note or other evidence of indebtedness payable to such holder to enforce payment of such obligation personally against any obligor thereunder to the extent the enforceability or enforcement thereof does not involve or require, or the holder elects not to pursue, foreclosing any lien in respect of such indebtedness (including any judgment lien) against any Unit.

(b) The lien of any Unit Mortgage against the interest of a Unit Owner in a Unit is unenforceable and without force or effect unless the Unit Mortgagee, such Unit Mortgage and such Unit Owner each complies with all of the provisions of Sections 5 and 6. Notwithstanding any other provision of this Lease, Landlord shall have no obligation hereunder to a Unit Mortgagee and no Unit Mortgagee has any rights hereunder unless such Unit Mortgagee has complied with all of the provisions of Sections 5 and 6.

(c) If a representative (the "Unit Mortgagee Representative") is designated by the Condominium Board or any Unit Mortgagee or Mortgagees and Landlord is notified of such fact, the Unit Mortgagee Representative will be permitted to attend, to the same extent as a Unit Mortgagee, any arbitration or other proceedings, including condemnation proceedings and insurance adjustment proceedings, provided for in the applicable Condominium Documents and will be permitted to exercise any rights afforded under Article 10 or other provisions of this Lease to Mortgagee in such arbitration or other proceedings.

(d) Each Unit Mortgage must be subject and subordinate to this Lease and to all of the terms, covenants and conditions hereof, without limiting, however, any rights of a Unit Mortgagee as set forth in Section 8(b) and (c). By accepting a Unit Mortgage, a Unit Mortgagee is deemed to be bound by all the terms, covenants, and conditions of this Lease and the Condominium Documents.

(e) By acceptance of a Unit Mortgage, a Unit Mortgagee expressly waives any rights the Unit Mortgagee may have under and pursuant to Section 339(z) of the Condominium Act to the extent any provision of said Section 339(z) may otherwise apply with respect to Proportionate Rent due from any Unit Owner, including any Defaulting Unit Owner.

(f) The lien of the Condominium Board for that portion of Common Charges attributable to the Units which does not constitute Proportionate Rent due from a Unit Owner, including a Defaulting Unit Owner, shall be subordinate to the lien of a Unit Mortgage having first priority ahead of any other mortgage lien.

7. Landlord's Remedies for a Condominium Default. In the event of a Condominium Default, the following provisions apply:

(a) In the case of any default which would entitle Landlord to terminate this Lease in accordance with Subsection (g) below, Landlord shall give written notice to the Condominium Board and to each Mortgagee, Unit Mortgagee and to all Unit Owners. In the case of any other Condominium Default, Landlord shall give written notice to the Condominium Board, and the Condominium Board shall be required to give a copy of any such default notice to each Unit Owner, Mortgagee and Unit Mortgagee.

(b) The Condominium Board or any Unit Mortgagee(s) may, no later than forty-five (45) days after Landlord has given to it such notice, remedy or cause such Condominium Default to be remedied; provided that if curing of such Condominium Default requires the imposition of an assessment or special meeting of any Unit Owners for such purpose and/or special meeting of any Unit Owners in order to replace the members of the Condominium Board, or work to be performed, acts to be done or conditions to be removed (collectively, "Unit Owner Action"), which cannot by their nature reasonably be imposed, conducted, performed, done, removed or completed, as the case may be, within such forty-five (45) day period, the Condominium Board, any Unit Owner(s) or any Unit Mortgagee(s) shall cause such Unit Owner Action to be commenced within such forty-five (45) day period and shall thereafter cause such Unit Owner

Action to be prosecuted diligently, continuously and in good faith to completion and cause the Condominium Default promptly thereafter to be remedied; provided further that, in all events, such Condominium Default is required to be remedied within one hundred and eighty (180) days after the date on which Landlord has given notice as provided in Section 7(a) (or within such longer period to which Landlord may consent in writing). If Unit Owner Action is required to remedy a Condominium Default, the Condominium Board, the Unit Owners, or any Unit Mortgagee(s) on behalf of the Unit Owners, shall notify Landlord thereof and shall keep Landlord fully and currently informed of the status of such Unit Owner Action, the nature and timing of such Unit Owner Action and each step, act or thing done in connection therewith, together with the anticipated completion date of such Unit Owner Action.

(c) If a Condominium Default is not remedied in accordance with Section 7(b), Landlord shall have the right to replace the members of the Condominium Board responsible for failing to remedy such Condominium Default by exercising its right under the resignation signed by each member of the Condominium Board as a condition to such member serving on the Condominium Board. Landlord shall have the right, but not obligation, to designate new members to replace the members of the Condominium Board removed as aforesaid and to perform or cause compliance with the Condominium Covenant that gave rise to such Condominium Default. Any members appointed by Landlord shall have the right to resign at any time in accordance with the provisions of the Condominium Documents, and at Landlord's election, shall have terms of at least twelve (12) months from the curing of the Condominium Default which caused the removal of the Condominium Board Members.

(d) The Condominium Board shall pay to Landlord, within twenty (20) days after demand therefor is delivered to the Condominium Board: any amounts payable to Landlord under this Lease that the Condominium Board has collected from any Unit Owner or otherwise, including Proportionate Rent; all reasonable costs and expenses incurred by Landlord, including without limitation, reasonable attorneys' fees and disbursements, in connection with any replacement of the members of the Condominium Board pursuant to the provisions of Section 7(c); and interest on the above amounts at the Involuntary Rate from the date of required payment to Landlord (in the case of amounts collected by the Condominium Board and payable to Landlord and from the date of Landlord's payment of each such cost or expense until the date of actual repayment to Landlord.

(e) If a Condominium Default is not remedied in accordance with Section 7(b) and Landlord performs or causes to be performed the Condominium Covenant or cure the condition that gave rise to such Condominium Default in accordance with the provisions of Article 20 of this Lease or as otherwise permitted by law or hereunder, the Condominium Board shall pay to Landlord, within twenty (20) days after demand therefor is delivered to the Condominium Board: all reasonable costs and expenses incurred by Landlord, including without limitation, reasonable attorneys' fees and disbursements, in connection with such performance of such Condominium Covenant or cure of the Condominium Default, and if the Condominium Default is the failure of the Condominium Board to provide insurance or to keep the same in force as required under this Lease, the amount of the insurance premium or premiums not paid, the uninsured amount of any

loss, damage and liability and the reasonable costs and expenses of suit, including, without limitation, reasonable attorneys' fees and disbursements, suffered or incurred by reason of such failure to provide insurance; and interest on the above amounts at the Involuntary Rate from the respective dates of Landlord's making of each such payment or incurring of each such cost or expense or loss or damage until the date of actual repayment to Landlord. The costs and any expenses and any loss or damage, together with interest at the Involuntary Rate, as described in Section 7(d) and this Section 7(e), are referred to herein collectively as "Landlord's Condominium Costs".

(f) In the event of any breach or threatened breach of a Condominium Covenant, Landlord shall have the right to obtain specific performance of such Covenant and/or to enjoin such breach or threatened breach, without showing any actual damages or that money damages would not afford an adequate remedy and without the need for any bond or other security, and in the event of a Condominium Default that is not remedied in accordance with Section 7(b) and that does not consist of a failure of the Condominium Board to pay to Landlord Proportionate Rent, Landlord shall have the right to invoke any other rights and remedies allowed at law or in equity or by statute or otherwise, but not including any right to terminate this Lease. To the extent permitted by applicable Requirements, Tenant waives, and the Bylaws shall require that each of the Condominium Board, each Unit Owner, and each Unit Mortgagee, respectively, waive the posting of bonds or other security in any action to enjoin such breach or threatened breach.

(g) In the event of a Condominium Default caused by failure of the Condominium Board to pay to Landlord the Rental, provided (i) same is not the result of a Unit Owner Default, (ii) the amount of cash in the Security Fund is less than one-half of the amount of the Maximum Fund Requirement or the Security Fund Amount (whichever is applicable) plus an amount of interest calculated at the rate of 3% per annum from the Condominium Date, and (iii) Landlord has given any notices required to be given hereunder and any grace and cure periods have expired, including the periods under Section 7(b) for the commencement or prosecution of Unit Owner Action or for remedying a Condominium Default, then Landlord is entitled to invoke all rights and remedies allowed at law or equity, including the right to terminate this Lease in accordance with the terms hereof and all other remedies available to Landlord under this Lease upon the occurrence of an Event of Default.

8. Remedies with Respect to Unit Owner Defaults.

(a) In the event of a failure of any Unit Owner (a "Defaulting Unit Owner") to pay Proportionate Rent including any Condominium Default Costs as required under this Lease (hereinafter a "Unit Owner Default"), Landlord and the Condominium Board may exercise any of the remedies provided under this Section 8.

(b) Each Unit Owner is required to pay the Proportionate Rent attributable to such Unit Owner's Unit in the manner set forth in this Lease. The Unit Owners shall pay their respective Proportionate Rent to the Condominium Board as part of Common Charges. The

obligation of a Unit Owner to pay Proportionate Rent runs to the Condominium Board and Landlord. The obligation of a Unit Owner to pay Default Costs runs to the Condominium Board. Within ten (10) Business Days after a Unit Owner Default, the Condominium Board shall serve a written notice upon the Defaulting Unit Owner specifying the amount of the Proportionate Rent including the amount of any Condominium Default Costs then due and unpaid (the "Default Notice"). Simultaneously with the giving of the Default Notice to the Defaulting Unit Owner, the Condominium Board shall deliver a copy of the Default Notice to Landlord. If the Condominium Board fails to send the Default Notice within the time period set forth above, the Default Notice may be sent by Landlord and such failure by the Condominium Board shall be deemed to be a Condominium Default.

(c) Each such Unit Mortgagee shall be entitled to the benefit of the notice and cure provisions set forth in the Unit Mortgagee Subordination and Recognition Agreement executed by such Unit Mortgagee with respect to such Unit; and each such Unit Mortgagee shall be entitled to pay to the Condominium Board any portion of Proportionate Rent and Default Costs then due and owing by any Defaulting Unit Owner. Provided such Unit Owner Default shall be so remedied within twenty (20) days after service of the applicable Default Notice, Landlord shall not take any action against the Defaulting Unit Owner and each such Unit Mortgagee shall have the right to institute and thereafter prosecute foreclosure proceedings and such other proceedings as may be provided pursuant to the terms of the applicable Unit Mortgage. If such Unit Owner Default is not remedied within twenty (20) days after service of the applicable Default Notice, the Condominium Board or Landlord as provided below may commence against such Defaulting Unit Owner any action or proceeding at law or in equity as permitted under this Lease without any further notice to such Unit Mortgagee or Defaulting Unit Owner.

(d) Landlord shall accept performance by a Unit Mortgagee of any covenant, condition or agreement on a Unit Owner's part to be performed with the same force and effect as though performed by such Unit Owner. If, with respect to any Unit there is more than one Unit Mortgagee, Landlord shall recognize the Unit Mortgagee whose Unit Mortgage is senior in lien as the Unit Mortgagee entitled to the rights afforded by this Exhibit F.

(e) No earlier than twenty (20) Business Days and no later than ninety (90) calendar days after a Default Notice is given as provided for in Section 8(b), and provided that neither the Defaulting Unit Owner nor any Unit Mortgagee has cured said Unit Owner Default, the Condominium Board shall institute appropriate proceedings to foreclose the lien on such Unit arising from said Unit Owner Default as provided in Section 339-z of the Condominium Act, in the manner provided in Section 339-aa thereof or in any other manner permitted by Law. At any time not earlier than twenty (20) days after a Default Notice is given, Legal Proceedings may be maintained to recover a money judgment for unpaid Common Charges required to be paid for the benefit of Landlord or the Condominium Board. If the proceeds received in any Legal Proceedings brought in connection with a Unit Owner Default are less than the sum of the obligations described in Section 9(j)(i) through (vi) relating to the such Unit Owner Default, the Defaulting Unit Owner shall remain liable for such difference or shortfall.

(f) In the case of a Unit Owner Default, Landlord shall be entitled to draw on the Security Fund as provided in Section 10(a) hereof, regardless of whether it has initiated any Legal Proceedings to collect any amounts due it.

(g) If the Condominium Board fails to institute foreclosure proceedings within ninety (90) calendar days as described in Section 8(e), or after instituting such proceedings, fail diligently to prosecute the same to final judgment, then Landlord shall have the right to prosecute any Legal Proceeding in its own name or in the name of the Condominium Board, and the right of the Condominium Board to bring any Legal Proceeding is hereby collaterally assigned to Landlord to permit Landlord to bring, and confirm its right to bring, any Legal Proceeding. In furtherance of the foregoing, the Condominium Board, as Tenant hereunder, hereby assigns to Landlord all of its right, title and interest in, to and under the lien for Common Charges granted to the Condominium Board under the Condominium Act or other applicable law for the purpose of bringing any Legal Proceedings to enforce any such lien or otherwise enforcing or collecting on such lien. Such assignment shall be self-operative and shall not require any further act or the execution of any further document to confer upon Landlord the direct right to institute and maintain such Legal Proceeding (including foreclosure proceedings) as set forth above. At the request of Landlord, the Condominium Board shall execute and deliver to Landlord such further documents and instruments to confirm and perfect such assignment, as shall reasonably be requested by Landlord. Such failure by the Condominium Board to institute foreclosure proceeding within ninety (90) calendar days, or the failure to diligently prosecute the same to final judgment shall be deemed to be a Condominium Default hereunder.

(h) The Condominium Board shall cooperate with Landlord in any actions or proceedings brought or rights or remedies exercised by Landlord, including, without limitation, the Legal Proceedings, against any Defaulting Unit Owner (and such other Persons as Landlord may deem necessary or desirable) and, upon Landlord's request, and at no cost or expense to Landlord, shall promptly furnish to Landlord such information and documentation as may reasonably be requested by Landlord.

(i) If, during the pendency of any such action or proceeding by Landlord, the Condominium Board or the Defaulting Unit Owner's Unit Mortgagee remedies such Unit Owner Default, Landlord shall take reasonable action to permit the party so acting to continue such action or proceeding.

(j) Any funds received by the Condominium Board, by any Unit Mortgagee or by Landlord in respect of a Unit Owner Default shall be applied according to the following priority:

(i) first, to pay such Defaulting Unit Owner's Proportionate Rent obligations to Landlord, together with interest thereon at the Involuntary Rate commencing on the date on which such Proportionate Rent was due, to the extent such sums were not previously withdrawn from the Security Fund (the obligations described in this clause (i) are herein referred to as the "Unit Obligations");

(ii) second, to reimburse the Security Fund for any amounts withdrawn therefrom by Landlord in accordance with the terms of this Lease in respect of such Unit Owner Default or any Condominium Costs attributable to the Units.

(iii) third, to satisfy any tax liens and other liens, if any, with respect to the Unit or the Defaulting Unit Owner as to which such Unit Default has occurred, which have priority over the lien of the Condominium Board for Common Charges or the lien of any Unit Mortgagee;

(iv) fourth, to pay such Defaulting Unit Owner's monetary obligations to the Unit Mortgagee, if any, under a Unit Mortgage the lien of which has first priority ahead of any other mortgage lien;

(v) fifth, to pay to Landlord the balance of any Rent including any Landlord's Condominium Costs with respect to the Unit not otherwise reimbursed, together with the interest on the unpaid amount at the Involuntary Rate;

(vi) sixth, to pay to the Condominium Board the balance of any Common Charges due and unpaid by such Defaulting Unit Owner, including all Condominium Default Costs and all late fees and interest;

(vii) seventh, to pay such Defaulting Unit Owner's monetary obligations to any Unit Mortgagee under a Unit Mortgage the lien of which does not have first priority ahead of all other mortgage liens; and

(viii) eighth, any excess to such Defaulting Unit Owner or as may otherwise be required by law.

9. Security Fund.

(a) Declarant shall deliver or cause to be delivered to Landlord, immediately prior to the Condominium Date, cash in an aggregate amount of not less than the Security Fund Amount.

(b) The Security Fund Amount, as adjusted pursuant to Section 9(d), and any interest or income earned thereon are herein referred to as the "Security Fund". Landlord or the Condominium Depository, as the case may be, shall retain the Security Fund and shall disburse or cause disbursement of amounts therefrom only in accordance with the provisions of this Exhibit F.

(c) Landlord shall promptly deposit the Security Fund Amount delivered to it as cash with a commercial bank or trust company designated by Landlord that is a member of the New York Clearing House Association (the "Condominium Depository"). Landlord shall cause all monies so deposited with the Condominium Depository to be held in one or more insured interest bearing accounts or invested by the Condominium Depository in bank certificates of deposit or United States treasury obligations. Landlord shall promptly notify the Condominium Board of the

identity and address of the Condominium Depository and shall cause the Condominium Depository to furnish the Condominium Board with any information reasonably requested by the Condominium Board with respect to the Security Fund on deposit with the Condominium Depository. The Condominium Depository fees, if any, shall be paid from the Security Fund.

(d) Within thirty (30) days after Landlord obtains information from which it is reasonably possible to calculate the Maximum Fund Requirement, Landlord shall calculate the same and notify the Condominium Board of such calculation. If the Maximum Fund Requirement as so calculated exceeds the Security Fund Amount, the Condominium Board shall, within one hundred twenty (120) days after notice of such calculation is given by Landlord to the Condominium Board, cause an amount in cash equal to such excess to be paid to the Condominium Depository to be held as part of the Security Fund.

(e) If not previously applied by Landlord in accordance with this Exhibit F, Landlord shall cause the Condominium Depository to disburse the Security Fund to the Condominium Board on the Expiration Date.

10. Application of Security Fund.

(a) Landlord shall be permitted to draw upon the Security Fund in whole or in part in payment of the following amounts (such amounts are herein called the "Deficiency Amounts"): (i) Landlord's Condominium Costs which remain unpaid by the Condominium Board for a period of twenty (20) days following Landlord's demand therefor as provided in Section 7(d) or (e), and (ii) any Unit Obligation which remains unpaid for a period of one hundred twenty (120) days. Landlord shall, within ten (10) days after any such draw on the Security Fund, notify the Condominium Board thereof, which notice is required to set forth the amount so drawn by Landlord pursuant to the foregoing provisions of this Section 10 and the basis under this Lease for the withdrawal of such amounts.

(b) If Landlord draws on the Security Fund pursuant to Section 10(a) in payment of any Unit Obligation, the resulting Deficiency Amount is required to be reimbursed as provided in Section 8(j). If Landlord draws on the Security Fund pursuant to Section 10(a) in payment of any Landlord's Condominium Costs, then the amount thereof shall be required to be assessed against all Units Owners and included in Proportionate Rent as part of Common Charges required to be paid to the Condominium Board and Landlord by the appropriate Unit Owner(s), or, if appropriate under the Condominium Documents, by all Residential Unit Owners. The portion of Proportionate Rent that is paid by Unit Owners pursuant to the preceding sentence is required to be paid to Landlord and deposited in the Security Fund as provided in Section 10(c).

(c) If after such time that Landlord has drawn on the Security Fund pursuant to Section 4(a), the Condominium Board or any other Person reimburses Landlord for all or any portion of the applicable Deficiency Amount, Landlord shall promptly deposit the amount of such reimbursement with the Condominium Depository for deposit in the Security Fund.

11. Effect of Unit Owner Default on other Unit Owners. From and after the Condominium Date, failure of any Unit Owner to pay Rent as required under this Lease or perform any other obligation required hereunder does not constitute a default of any other Unit Owner, or otherwise entitle Landlord to terminate this Lease or repossess the Premises or any portion thereof hereunder or otherwise. Nothing contained in the preceding sentence shall prevent Landlord from exercising any of its rights against a Defaulting Unit Owner, subject to the provisions of this Lease, including Landlord's rights to commence and prosecute an action or proceeding against a Defaulting Unit Owner. Notwithstanding any other provision of this Exhibit F, if Tenant or any successor of Tenant, whether as Declarant or as Unit Owner or otherwise, fails to make any payment to Landlord required to be made under this Lease, or otherwise fails to perform any obligation required to be performed by Tenant under this Lease, and such failure occurs before the Condominium Date, then Landlord may exercise all of its rights and remedies under this Lease against any Tenant, Declarant and any other Person (whether or not the Declaration has been recorded), including the termination of this Lease.

12. Remedies Cumulative. The rights and remedies of Landlord set forth in this Exhibit F shall be cumulative and the exercise or beginning of the exercise by Landlord of any one or more of the rights or remedies provided for in this Exhibit F does not preclude the simultaneous or later exercise by Landlord of any or all other rights or remedies provided for in this Exhibit F. Landlord shall not by any act, delay, omission or otherwise be deemed to have waived any of its rights or remedies hereunder, and no waiver shall be valid unless in writing, signed by Landlord, and then only to the extent therein set forth. A waiver by Landlord of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which Landlord would otherwise have had on any future occasion. No failure to exercise nor any delay in exercising on the part of Landlord any right, power or privilege hereunder shall operate as waiver thereof, nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or future exercise thereof or the exercise of any other right, power or privilege. The rights and remedies hereunder provided are cumulative and may be exercised singly or concurrently, and shall be construed as affording Landlord rights additional to and not exclusive of any rights and remedies conferred under the laws of the State of New York or any other laws.

13. Miscellaneous.

(a) If Taxes are assessed and levied by New York City against any Unit, Landlord shall credit payment of such Taxes to New York City by each Unit Owner against Proportionate Rent payable by such Unit Owner.

(b) Subject to the rights of Landlord under this Lease and any Unit Deed, the Condominium Board is entitled to maintain its lien for unpaid Common Charges as provided in the Condominium Act.

(c) Except as otherwise specifically provided in this Lease, any notice, demand, request, consent, approval or other communication provided in this Lease or in any Unit Deed to be given by Landlord to Tenant or to a Unit Owner is effective if addressed to the Condominium Board on

behalf of all Unit Owners and given or served as provided in Article 25 of the Lease, except any such notice, demand, request, consent, approval or other communication relating solely to a Unit Owner or such Unit Owner's Unit is effective only if addressed to the affected Unit Owner and given or served as provided in Article 25 of the Lease.

(d) At such time as the Units are separately assessed by the New York City Department of Finance, PILOT payments with respect to each Unit under Section 3.02 of the Lease will be calculated based on the tax assessment for such Unit. Until such time as the Units are separately assessed by the New York City Department of Finance, PILOT payments with respect to each Unit under Section 3.02 of the Lease will be calculated in accordance with the terms of the Condominium Documents.

(e) Subject to compliance with the provisions of Article 13 of the Lease, any Unit Owner, except a Defaulting Unit Owner, may make any changes, alterations or additions to the interior of its Unit and may combine two or more of its Units and may subdivide and otherwise reconfigure a Unit without Landlord's consent.

(f) The Introduction section of the Condominium Plan is required to contain the following provisions:

(i) "DETERMINATION BY BATTERY PARK CITY AUTHORITY THAT THIS PLAN AND THE DECLARATION AND BYLAWS OF THE CONDOMINIUM CONFORM TO THE PROVISIONS OF THE LEASE DOES NOT MEAN THAT BATTERY PARK CITY AUTHORITY HAS APPROVED THIS OFFERING."

(ii) "EACH UNIT OWNER IS REQUIRED TO PAY, AS PART OF SUCH UNIT OWNER'S COMMON CHARGES, PROPORTIONATE RENT WHICH IS DUE AND PAYABLE TO BATTERY PARK CITY AUTHORITY AS LANDLORD UNDER THE LEASE. SUBMISSION OF THE SPONSOR'S LEASEHOLD ESTATE IN THE LAND AND THE BUILDING TO THE CONDOMINIUM FORM OF OWNERSHIP DOES NOT DIMINISH OR IMPAIR ANY OF LANDLORD'S RIGHTS AGAINST A UNIT OWNER WHO FAILS TO PAY SUCH UNIT OWNER'S PROPORTIONATE RENT OR OTHERWISE DEFAULTS UNDER ANY OF THE TERMS OR CONDITIONS OF THE LEASE OR THE CONDOMINIUM DOCUMENTS."

Annex 1 to Exhibit F

RESIGNATION

To: Condominium Board of _____

_____

_____

_____

Battery Park City Authority,
d/b/a Hugh L. Carey Battery
Park City Authority
One World Financial Center
New York, New York 10281
Attention: President

Ladies and Gentlemen:

The undersigned hereby tenders [his] [her] resignation as a member of the Condominium Board and the Board of the Condominium known as _____, such resignation to be effective upon (x) the occurrence of Condominium Default, as such term is defined in that certain Ground Lease, dated as of _____, 200__, as it may be amended from time to time (the "Lease"), between Battery Park City Authority, d/b/a Hugh L. Carey Battery Park City Authority, as landlord ("BPCA"), and the Condominium Board of _____, as successor to _____, as tenant, which has not been timely cured by the Condominium Board and/or the Condominium Board as provided in Section _____ of the Lease, and (y) acceptance of such resignation by BPCA in writing.

Very truly yours,

_____

Name: _____

Address: _____

_____

Phone No.: _____

Fax No.: _____

Date: _____

[THIS FORM TO BE COMPLETED AS APPROPRIATE]

Annex 2 to Exhibit F

MANAGEMENT AGREEMENT SUBORDINATION
RECOGNITION AND ATTORNMENT AGREEMENT

THIS MANAGEMENT AGREEMENT SUBORDINATION RECOGNITION AND ATTORNMENT AGREEMENT (this "Agreement"), made as of this ____ day of ____, 20____, among BATTERY PARK CITY AUTHORITY, d/b/a HUGH L. CAREY BATTERY PARK CITY AUTHORITY, a body corporate and politic constituting a public benefit corporation of the State of New York having an office at One World Financial Center, New York, New York 10281 ("Landlord"); [Tenant under the Ground Lease] having an office at [_____] ("Tenant"); and [Name of Manager], a _____ having an office at _____ ("Manager").

W I T N E S S E T H:

WHEREAS, pursuant to that certain Ground Lease dated as of _____, 200__ between Landlord and Tenant, as successor to _____(such lease, as the same may be assigned, amended or restated from time to time, the "Ground Lease"), Tenant is the tenant of a leasehold estate of certain real property known as Site 18A located in Battery Park City, New York, New York, more particularly described on Schedule A attached hereto and made a part hereof (the "Land"), upon which is constructed a building and related improvements (the "Development"), containing and residential apartments (the "Tenant's leasehold interest in the Land and the Development are collectively referred to herein as the "Premises");

WHEREAS, a Memorandum of the Ground Lease was recorded on _____ in Reel _____, page ____, in the office of the City Register of the City of New York for the County of New York;

WHEREAS, Tenant [intends to convert] [has converted] the Development to condominium ownership pursuant to the terms of the Ground Lease and desires to retain its affiliate, the Manager, to manage the components of the Development pursuant to the [describe Management Agreement], as from time to time amended, modified or supplemented (the "Management Agreement");

WHEREAS, it is a requirement of the Landlord under the Ground Lease that Tenant and Manager execute and deliver this Agreement to Landlord.

NOW, THEREFORE, in consideration of the foregoing premises and of the mutual covenants and agreements set forth herein and for ten dollars ($10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby conclusively acknowledged, the parties hereto agree as follows:

1. Effectiveness. The terms and provisions of this Agreement shall be effective from and after the date hereof, and shall apply to the Management Agreement and any and all amendments and modifications thereof entered into from time to time by Tenant or its successors and assigns with the Manager or its successors and assigns.

2. Subordination.

(a) Each of Tenant and Manager hereby covenants and agrees that the Management Agreement and Manager's rights thereunder (including, without limitation, Manager's right to receive any fees or compensation thereunder) are, and shall at all times continue to be, subject and subordinate in each and every respect to the Ground Lease, the Master Lease, the Title Matters, all mortgages and any other instruments senior to the Ground Lease and, upon the Condominium Date, to the Condominium Documents. Manager, upon written request from Landlord, shall execute and deliver any further certificate or other instrument which Landlord may reasonably request to confirm said subordination by Manager.

(b) The parties hereto hereby agree that upon the Condominium Date, the Tenant's rights and obligations under the Management Agreement shall automatically, and without the need of any action on the part of any party thereto, be transferred to and assumed by the Condominium Board, as the successor Tenant under the Ground Lease, provided that the rights of Manager thereunder shall at all time be subject and subordinate to the rights of Landlord and its successors and assigns as set forth in subsection (a) above.

3. Estoppel. Manager hereby represents and warrants to Landlord as follows, with the understanding that Landlord is relying on the truth and accuracy of the representations and warranties set forth in this Section 3:

(a) The Management Agreement is unmodified as of the date hereof and is in full force and effect and there are no other agreements between Tenant and Manager that would be binding upon any successor in interest to Tenant other than the Management Agreement.

(b) Manager has received payment in full of all fees due and currently payable to Manager under the Management Agreement.

(c) Manager is not aware of any default by either party under the Management Agreement. As of the date of this Agreement, to Manager's knowledge, Manager has no accrued cause of action, claim or right of offset under the Management Agreement or any defenses to its obligation to perform under the Management Agreement.

4. Rights of Landlord upon Default.

(a) Upon receipt by Manager of written notice from Landlord that an Event of Default has occurred and is continuing under the Ground Lease, Landlord shall have the right to exercise all

rights as Tenant under the Management Agreement for so long as such Event of Default is outstanding.

(b) Notwithstanding anything to the contrary contained herein or in the Management Agreement, Landlord shall have the right at any time upon the occurrence of the Termination Event (as defined below) to terminate the Management Agreement, without cause and without liability and immediately upon receipt of notice, by giving written notice to Manager of its election to do so.

(c) For purposes hereof, the term "Termination Event" shall mean either to occur of (x) the vote at the request of Landlord of a majority of the then Residential Unit Owners (excluding any votes held by Affiliates of the Manager) to terminate the Management Agreement after the occurrence of an Event of Default under the Ground Lease.

5. Attornment. Upon the termination of the Ground Lease, Landlord shall have the right, exercisable at any time within thirty (30) days after such termination, to require Manager to attorn to and to recognize Landlord as successor to Tenant under the Management Agreement, in which case the following provisions shall apply:

(a) Manager shall be bound to Landlord under all of the terms, covenants and conditions of the Management Agreement, or subject to the terms thereof, for the remainder of the term of the Management Agreement, with the same force and effect as if Landlord were the "Owner", under the Management Agreement. Manager shall attorn to and recognize Landlord as "Owner", as applicable, under the Management Agreement, with such attornment being effective and self-operative without the execution of any further instruments. Manager, upon written request from Landlord, shall execute and deliver any certificate or other instrument which Landlord may reasonably request to confirm such attornment by Manager. Landlord and Manager hereby waive the provisions of any statute or rule of law now or hereafter in effect that may give or purport to give Landlord and/or Tenant any right or election to terminate or otherwise adversely affect the Management Agreement or the obligations of Tenant and Landlord thereunder by reason of any termination of the Ground Lease.

(b) Landlord shall succeed to the position, rights and obligations of "Owner", under the Management Agreement; provided however that Landlord shall not be:

(i) liable for any previous act or omission of Tenant under the Management Agreement;

(ii) responsible for any monies then owing by Tenant to the credit of Manager;

(iii) subject to any offsets, claims, counterclaims, demands or defenses which Manager may have against Tenant under the Management Agreement;

(iv) bound by any covenant in the Management Agreement to either (i) undertake or complete any construction of, in or about the Premises (or any part thereof),

or in the event of a casualty or condemnation, to restore the Premises (or any part thereof); or (ii) provide any money or credit or concession, by way of an allowance to Manager or otherwise, to or for any such construction or restoration in the case of a casualty or condemnation;

(v) bound by any amendment, or modification or surrender of the Management Agreement, made after the date hereof, to which Landlord shall not have given its consent in writing which consent shall not be unreasonably withheld or delayed with respect to immaterial amendments and/or modifications; and

(vi) personally liable for the obligations of "Owner", as applicable, under the Management Agreement, it being agreed that Manager shall look solely to the interest of Landlord in the Premises for satisfaction of such obligations.

(c) If Landlord succeeds to the position, rights and obligations of "Owner", as applicable, under the Management Agreement, Landlord shall have the right to assign its interest under the Management Agreement to a third party or parties and, effective on any such assignment, Landlord shall be released from any further liability thereof.

6. Payments to Landlord. Manager and Tenant hereby agree that, following an Event of Default (as defined in the Ground Lease) by Tenant under the Ground Lease of which Landlord has notified Manager in writing, in the event of a demand on Manager by Landlord for the payment to it of any sums due to Tenant under the Management Agreement, Manager shall, and is hereby authorized and directed by Tenant to, pay said sums directly to Landlord for so long as any such Event of Default is continuing; payment of said sums by Manager to Landlord pursuant to such demand shall constitute performance of Manager's obligations under the Management Agreement for the payment of the same to Tenant, to the extent of the payments so made. Manager shall have no obligation to investigate the validity of any such default notices.

7. Leases and Submanagement Agreements Subordinate.

(a) Any lease or sublease entered into by Manager on behalf of Tenant with respect to the Development, or any portion thereof, shall be made expressly subject and subordinate to the Ground Lease, the Title Matters, the Master Lease, all mortgagees and any other instruments senior to the Ground Lease, and upon the Condominium Date, to the Condominium Documents.

(b) Any and all submanagement or other agreements entered into by Manager in connection with the Development, or any portion thereof, shall be made expressly subject and subordinate to the Management Agreement, this Agreement, the Ground Lease, the Title Matters, the Master Lease, all mortgagees and any other instruments senior to the Ground Lease, and upon the Condominium Date, to the Condominium Documents. Upon termination of the Management Agreement, any parties to any such submanagement agreement shall expressly agree for the benefit of the Landlord that any such submanagement agreement shall be terminated or, at the option of the

Landlord, any such submanager or agent shall attorn to the Landlord on substantially the same terms as are set forth in Section 5.

8. Conflict. In the event of any inconsistency between the terms of this Agreement and the terms of the Management Agreement, the terms of this Agreement shall control.

9. Modification. This Agreement may not be modified except by an agreement in writing signed by the parties or their respective successors in interest.

10. Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the parties hereto, and their respective successors and assigns.

11. Notices. All notices, demands or requests made pursuant to, under, or by virtue of this Agreement must be in writing and delivered to the party to whom the notice, demand or request is being made by personal delivery with receipt acknowledged or by mailing the same by registered or certified mail, postage prepaid, return receipt requested or by Fed Ex or other similar reputable national overnight courier service: (i) if to Landlord, at One World Financial Center, New York, New York 10281, Attention: President, with a copy to General Counsel, and an additional copy to _____; (b) if to Tenant, _____, with an additional copy to _____; (c) if to Manager, _____, with an additional copy to _____; or to such other address as any party may from time to time designate by notice given to the other parties in the manner herein provided at least fifteen (15) days prior to such address becoming effective. Every notice is deemed to have been given and served when addressed as provided in the preceding sentence, and when delivered (if delivered by hand), or three business days after the date when deposited with the United States mail, postage prepaid, in the manner aforesaid (if mailed), or one business day after the date when deposited with the courier service (except that a notice designating the name or address of a person to whom any notice, or copy thereof, must be sent is deemed to have been given when same is received).

12. Miscellaneous.

(a) This Agreement and the rights and obligations of the parties hereunder shall be governed by, construed and enforced in accordance with the laws of the State of New York applicable to agreements to be performed entirely within such state (without regard to the principles of conflicts of laws).

(b) Should any term or provision of this Agreement or the application thereof to any Person or circumstances any extent, be invalid or unenforceable, the parties hereby agree to modify such term or provision so that the remainder of this Agreement shall not be affected and that the balance of which shall continue to be binding upon the parties hereto with any such modification to become a part hereof and treated as though originally set forth in this Agreement. The parties

further agree to modify any such unenforceable provision of this Agreement in lieu of severing such unenforceable provision from this Agreement in its entirety, whether by rewriting the offending provision, deleting any or all of the offending provision, adding additional language to this Agreement, or by making such other modifications as are appropriate to carry out the intent of the parties as embodied herein to the maximum extent permitted by law. The parties expressly agree that this Agreement as so modified shall be binding upon and enforceable against each of them. In any event, should one or more of the provisions of this Agreement be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions hereof, and if such provision or provisions are not modified as provided above, this Agreement shall be construed as if such invalid, illegal or unenforceable provisions had never been set forth herein.

13. Signature Counterparts. This Agreement may be executed in counterparts, each of which shall deemed an original but all of which taken together shall constitute one and the same Agreement.

14. Capitalized Terms. All capitalized terms used herein which are not otherwise defined shall have the respective meanings ascribed to such terms in the Ground Lease.

15. Further Assurances. Landlord, Tenant and Manager shall execute such documents as may be necessary or reasonably requested by any party hereto to carry out and consummate the transactions contemplated by this Agreement.

IN WITNESS WHEREOF, the parties hereto have hereunto caused this Agreement to be duly executed as of the day and year first above written.

Landlord:

BATTERY PARK CITY AUTHORITY, d/b/a HUGH L. CAREY BATTERY PARK CITY AUTHORITY

By: _____
Name:
Title:

Tenant:

[_____]

By: _____
Name:
Title:

Manager:

[_____]

By: _____
Name:
Title:

Attachments:
Acknowledgments
Schedule A (Legal Description)

Annex 3 to Exhibit F

UNIT MORTGAGE SUBORDINATION AND RECOGNITION AGREEMENT
(Mortgagees)

AGREEMENT, dated as of _____, 20__, (this "Agreement") between THE BOARD OF MANAGERS OF _____, an unincorporated association having an address at _____ (the "Board"), BATTERY PARK CITY AUTHORITY, d/b/a HUGH L. CAREY Battery Park City Authority, a body corporate and politic constituting a public benefit corporation of the State of New York having an office at One World Financial Center, New York, New York 10281, (together with its successors, assigns and mortgagees, "BPCA"), [UNIT OWNER], having an address at _____ ("Unit Owner") and [UNIT MORTGAGEE], having an address at _____ (together with its successors and assigns, "Mortgagee").

W I T N E S S E T H:

WHEREAS, BPCA, as ground lessor, and _____ ("Developer"), have entered into that certain Ground Lease dated as of _____, 200__, a memorandum of which dated as of _____, 200__ was recorded on _____, 200__, in Reel _____, Page ____ in the office of the City Register of the City of New York for the County of New York (such lease, as the same may be assigned, amended or restated from time to time, the "Ground Lease") pursuant to which BPCA leased to Developer that certain land described on Exhibit A hereto (the "Land"), together with the improvements to be constructed thereon;

WHEREAS, the leasehold condominium known as _____, having the street address _____ (the "Condominium") was created by that certain declaration dated _____ recorded on _____ in the office of the City Register of the City of New York for the County of New York at Reel ____, Page ____ (the "Declaration") subjecting the ground lessee's interest in the Land and the building and other improvements thereon (collectively, the "Property") to the provisions of Article 9-B of the Real Property Law of the State of New York;

WHEREAS, the Condominium is subject and subordinate to the Ground Lease in all respects;

WHEREAS, the Unit Owner is the Owner of Unit ___ (the "Unit") in the Condominium, Block ____, Lot ____;

WHEREAS, Mortgagee is making [has made] a loan to the Unit Owner secured by a [first] [subordinate] mortgage lien (the "Unit Mortgage") against the Unit Owner's interest in the Unit which is being recorded simultaneously herewith in the sum of $_____;

WHEREAS, each Unit Owner is obligated to pay as part of such Unit Owner's Common Charges "Proportionate Rent" as such term is defined under the Ground Lease and the Declaration; and

WHEREAS, under the terms of the Ground Lease, the Unit Owner may not mortgage the Unit unless the Mortgagee making such loan enters into this Agreement.

NOW, THEREFORE, in consideration of the premises and agreements set forth herein and for Ten and 00/100 Dollars ($10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Subordination. Unit Owner and Mortgagee hereby agree and acknowledge that their respective interests in the Unit and the Unit Mortgage are subject to the terms of this Agreement and subject and subordinate to the Ground Lease.

2. Common Charges. The Board hereby represents that Common Charges for the Unit have been paid through _____. BPCA hereby represents that, to the best of its knowledge, as of the date of this Agreement there is no default in the payment of Proportionate Rent due with respect to the Unit.

3. Priority of Lien.

(a) The parties hereto expressly agree that the interest of the Unit Owner is subject and subordinate to the interest of BPCA, its successors, assigns and mortgagees, under the Ground Lease, and that the interest and rights of Mortgagee in respect of the Unit Mortgage, including the right of Mortgagee to be paid any amount due on account of the Unit Mortgage are subject and subordinate to BPCA's right to be paid Proportionate Rent, together with interest and collection and other costs set forth in the Ground Lease. To the extent that Section 339(z) of the Real Property Law has any application to Proportionate Rent to be paid by the Unit Owner, Mortgagee and the Unit Owner hereby expressly and irrevocably waive for the benefit of BPCA and the Board any rights they may have under or pursuant to said Section 339(z). Mortgagee further agrees and acknowledges that to the extent that the Unit Mortgage is not a first mortgage lien on the Unit, the lien of the Unit Mortgage is subject and subordinate to the Board's right to be paid Common Charges and to BPCA's right to receive all Rent payable under the Ground Lease allocable to the, Unit.

(b) Mortgagee hereby agrees that in the event that it shall at any time receive any funds or proceeds resulting from the foreclosure or enforcement of its lien against the Unit in violation of the priorities of right to payment set forth in Section 3(a) and Section 10 of this Agreement, Mortgagee shall hold such funds in trust for and on behalf of BPCA and shall turn such funds over to BPCA on demand.

4. Default Notices. In the event of a default by the Unit Owner in the payment of Common Charges (a "Unit Owner Default") the Board will issue a notice of such Unit Owner Default to the Unit Owner within ten (10) business days thereof, with a copy of such notice to be issued simultaneously to Mortgagee and to BPCA. If the Board fails to give such notice, BPCA is permitted, but not obligated, to give such notice to the Unit Owner and the Mortgagee. In the event of a default by the Board with respect to its obligations under the Ground Lease (hereinafter a "Condominium Default") BPCA will give notice thereof to the Board, and the Board shall deliver a copy of such notice to the Mortgagee and to the Unit Owner, provided that if the Condominium Default is a monetary default, BPCA shall also deliver a copy of such default notice to Mortgagee and to the Unit Owner.

5. Unit Owner Default. Mortgagee shall have the right to cure a Unit Owner Default, and BPCA shall accept payments from the Mortgagee on behalf of the Unit Owner within thirty (30) days after receipt of the notice of default from the Board or BPCA. If Mortgagee fails to timely cure the Unit Owner Default and if the Board or the Board fails to institute foreclosure proceedings within ninety (90) days after the issuance of the notice of default described in Paragraph 4 of this Agreement, the Board, the Mortgagee and Unit Owner acknowledge and agree that BPCA shall have the right to institute such proceedings. If, during the pendency of any Legal Proceeding (as hereinafter defined) by BPCA, the Mortgagee remedies the Unit Owner Default, BPCA shall, at the reasonable request of such Mortgagee, either discontinue such proceeding or assign its interests in such proceeding to the Mortgagee, without recourse, to permit the Mortgagee to continue such action or proceeding.

6. Condominium Default. In the event of a Condominium Default, the Mortgagee shall have a period of forty-five (45) days from the issuance of notice by BPCA as provided in Paragraph 4 of this Agreement, or such longer period as may be granted by BPCA in writing, in its sole discretion, to remedy or cause to be remedied such Condominium Default. In the event of a Condominium Default which cannot by its nature reasonably be cured within such forty-five (45) day period, the Board, the Unit Owners or the Mortgagee may take such actions (the "Unit Owner Action") to be commenced within such forty-five (45) day period and shall thereafter cause such Unit Owner Action, to be prosecuted diligently, continuously and in good faith to completion to cause the Condominium Default promptly thereafter to be remedied. Notwithstanding anything to the contrary set forth above, any Condominium Default will be required to be remedied within one hundred eighty (180) days after the date on which BPCA has given notice as provided in Paragraph 4 of this Agreement (or within such longer period to which BPCA may consent in writing). If Unit Owner Action is required to remedy a Condominium Default, the Board, the Unit Owner or the Unit Mortgagee, as the case may be, shall notify BPCA thereof and shall keep BPCA fully and currently informed of the status of such Unit Owner Action, the nature and timing of such Unit Owner Action and each step, act or thing done in connection therewith, together with the anticipated completion date of such Unit Owner Action. BPCA acknowledges that Mortgagee is permitted but not required to cure a Condominium Default. No payment by Mortgagee or performance of any terms, conditions, covenants and agreements that are required to be performed by the Board under this Ground Lease by Mortgagee as permitted under this Agreement is intended to limit Mortgagee's rights against the Unit Owner.

7. Notices. All notices, demands or requests made pursuant to, under, or by virtue of this Agreement must be in writing and delivered to the party to whom the notice, demand or request is being made by personal delivery with receipt acknowledged or by mailing the same by registered or certified mail, postage prepaid, return receipt requested, or by FedEx or other similar reputable national overnight courier service, (a) if to BPCA, at One World Financial Center, New York, New York 10281, Attention: President, with a copy to General Counsel, and with an additional copy to _____; (b) if to the Board, _____ __, with an additional copy to _____; (c) if to Unit Owner, at _____; and (d) if to Mortgagee, at_____, with an additional copy to _____; or to such other address as any party may from time to time designate by notice given to the other parties in the manner herein provided at least fifteen (15) days prior to such address becoming effective. Every notice is deemed to have been given and served when addressed as provided in the preceding sentence, and when delivered (if delivered by hand), or three business days after the date when deposited with the United States mail, postage prepaid, in the manner aforesaid (if mailed), or one business day after the date when deposited with the courier service (except that a notice designating the name or address of a person to whom any notice, or copy thereof, must be sent is deemed to have been given when same is received).

8. Legal Proceedings. After the giving of notice as described in Paragraph 4 hereof and the expiration of the time for cure or the time for action by the Board as provided in Paragraphs 5 and 6 hereof, BPCA may exercise its rights under the Ground Lease for any Unit Owner Default or any Condominium Default that remains uncured, including, without limitation, the right to prosecute a foreclosure of any statutory lien provided under the Condominium Act, including, without limitation, the lien for Common Charges provided therein (which lien is hereby assigned by the Board to BPCA) or a suit to recover a money judgment (such proceedings are hereinafter referred to as the "Legal Proceedings") against the Unit Owner and the Unit Owner's interest in the Unit. If Mortgagee does not cure a Unit Owner Default as permitted under the Ground Lease and this Agreement, BPCA will have no obligation to Mortgagee with respect to such Unit Owner Default, except that in the event of a transfer or letting of the Unit by BPCA as a result of such Unit Owner Default, whether or not as the result of Legal Proceedings, BPCA shall recognize Mortgagee's rights as lienor as more fully described in Paragraph 10 of this Agreement.

9. Mortgagee Rights to Enforce Lien. BPCA hereby recognizes the rights of Mortgagee as a lienor against the Unit, including Mortgagee's right (a) to foreclose or otherwise enforce its lien against the Unit Owner's interest in the Unit, or to acquire such interest by assignment in lieu of foreclosure, and (b) to transfer its interest therein as provided for in the agreements between Mortgagee and the Unit Owner, subject to BPCA's rights under the Ground Lease and this Agreement, and (c) in any of such events, to have the Unit Owner's interest in the Unit transferred on the books and records of BPCA to Mortgagee's name or the name of its designee.

10. Rights to Proceeds. If BPCA prosecutes Legal Proceedings against the Unit Owner or Mortgagee succeeds to the interest of the Unit Owner in the Unit, BPCA will recognize the

rights of the Mortgagee against the proceeds realized by BPCA or by Mortgagee as a result thereof, subject, however, to the priorities as described herein and in Exhibit F of the Ground Lease. Mortgagee shall indemnify BPCA against any loss, damage, claim and expense (including reasonable attorneys' fees and disbursements) which BPCA may incur or suffer by reason of any claim by the Unit Owner regarding Mortgagee's acts and BPCA's acts undertaken upon Mortgagee's request relating to this Agreement. The foregoing indemnity shall continue to apply to the acts of Mortgagee or its designee from and after any transfer of the Unit to Mortgagee or its designee. BPCA will give Mortgagee prompt notice of any such claim and Mortgagee may contest any such claim in the name and on behalf of BPCA, but at the expense of Mortgagee. BPCA will cooperate with the Mortgagee in such defense and execute all documents and take all acts reasonably required therefor.

11. BPCA's Rights. The terms and provisions hereof are subject to all of the terms and provisions of the Ground Lease, including, without limitation, the terms and provisions of Exhibit F thereof. Except for the express accommodations to the Mortgagee as set forth herein, nothing herein shall be deemed to limit the rights and remedies of BPCA under the Ground Lease in respect of any Condominium Default or Unit Owner Default or any other default thereunder. In the event of any conflict between the terms of the Ground Lease and the terms hereof or of the Condominium Documents, the terms of the Ground Lease shall control.

12. Binding Effect. This Agreement shall inure to the benefit of and be binding upon the parties hereto, their respective heirs, representatives, successors and assigns, including, without limitation, any party to which Mortgagee may transfer, sell or assign its interest in the Unit Mortgage and its rights thereunder and hereunder. The failure of the Board or of the Unit Owner to execute and deliver this Agreement shall not affect the validity on or enforceability of this Agreement against any party that has executed and delivered this Agreement.

13. Further Assurances. BPCA, the Board, Unit Owner and Mortgagee shall execute and deliver such other further documents and instruments as may be necessary or reasonably requested by any party hereto to carry out and consummate the transactions contemplated by this Agreement.

14. Capitalized Terms. Capitalized terms not defined herein are used as defined in the Ground Lease, and to the extent not defined therein, in the Declaration.

15. Governing Law.

(a) This Agreement and the rights and obligations of the parties hereunder shall be governed by, construed and enforced in accordance with the laws of the State of New York applicable to agreements to be performed entirely within such state (without regard to principles of conflicts of laws). This Agreement may not be modified orally or in any manner other than by an agreement in writing signed by the parties hereto or their respective successors in interest.

(b) Should any term or provision of this Agreement or the application thereof to any Person or circumstances, to any extent, be invalid or unenforceable, the parties hereby agree to modify such term or provision so that the remainder of this Agreement shall not be affected and that the balance of which shall continue to be binding upon the parties hereto with any such modification to become a part hereof and treated as though originally set forth in this Agreement. The parties further agree to modify any such unenforceable provision of this Agreement in lieu of severing such unenforceable provision from this Agreement in its entirety, whether by rewriting the offending provision, deleting any or all of the offending provision, adding additional language to this Agreement, or by making such other modifications as are appropriate to carry out the intent of the parties as embodied herein to the maximum extent permitted by law. The parties expressly agree that this Agreement as so modified shall be binding upon and enforceable against each of them. In any event, should one or more of the provisions of this Agreement be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions hereof, and if such provision or provisions are not modified as provided above, this Agreement shall be construed as if such invalid, illegal or unenforceable provisions had never been set forth herein.

* * *

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

[CONDOMINIUM BOARD]

By: _____
Name:
Title:

BATTERY PARK CITY AUTHORITY d/b/a HUGH L. CAREY BATTERY PARK CITY AUTHORITY

By: _____
Name:
Title:

[MORTGAGEE]

By: _____
Name:
Title:

[UNIT OWNER]

By: _____
Name:
Title:

Attachments:
Acknowledgments
Exhibit A - Legal Description

Annex 4 to Exhibit F

CONSTRUCTION COMPLETION ESCROW AGREEMENT

THIS ESCROW AGREEMENT (this "Agreement"), dated as of the ____ day of _____ by and between _____ ("Escrow Agent"), _____ ("Sponsor") and Battery Park City Authority d/b/a Hugh L. Carey Battery Park City Authority ("BPCA"),

W I T N E S S E T H

WHEREAS, Sponsor is the tenant under that certain lease with the Battery Park City Authority ("BPCA") dated as of _____, as same may be amended from time to time (the "Lease") for the premises known as Site 18A at Battery Park City, also known as _____, _____, New York, New York (the "Premises");

WHEREAS, Sponsor is the sponsor under that certain offering plan dated _____, as amended (the "Plan"), to submit the Sponsor's leasehold interest in the Premises to a leasehold condominium regime;

WHEREAS, Sponsor has agreed, pursuant to the Plan and the Lease, to deposit into escrow (the "Certificate of Occupancy Escrow") an amount equal to 125% of such amount as the Sponsor's Architect shall certify will be required to secure the completion of construction activities to effect the Completion of the Building (as defined in the Lease) and to obtain the permanent certificate of occupancy for the Building (the "Certificate of Occupancy"), as more particularly described herein;

WHEREAS, pursuant to the Lease, Sponsor has undertaken various obligations, including, without limitation, the obligation to effect the Completion of the Building and to comply with its obligations under the Plan with respect to the Certificate of Occupancy Escrow, subject to and upon the terms and conditions set forth herein, including, without limitation, the condition that the Escrowed Funds (as hereinafter defined) shall not be paid to Sponsor so long as any obligations of Sponsor to complete construction under the Lease remain undischarged;

NOW, THEREFORE, the parties hereto agree as follows:

1. Appointment of Agent.

(a) Sponsor hereby appoints Escrow Agent to act as its escrow agent on the terms and conditions hereinafter set forth, and Escrow Agent accepts such appointment.

(b) Simultaneously with the execution of this Agreement, Sponsor has delivered to Escrow Agent, and Escrow Agent hereby acknowledges receipt of, the sum of $_____ (such aggregate sum, together with any interest earned thereon, as reduced by disbursements from time to

time in accordance with the terms hereof, is hereinafter referred to as the "Escrowed Funds"), representing the sum of the estimated cost to complete work to be performed at the Premises necessary to effect Completion of the Building as provided in the Lease and obtain a permanent Certificate of Occupancy for the entire Building (such work is defined as the "Work").

(c) Escrow Agent agrees to hold for, and on behalf of, Sponsor or, as applicable, BPCA, the Escrowed Funds and to take such actions with respect to the Escrowed Funds as are provided in Section 2 hereof.

2. Disposition of the Escrowed Funds.

(a) At any time, and from time to time, after the date hereof, subject to the provisions hereof, Escrow Agent shall release to Sponsor the Escrowed Funds such portion of the Escrowed Funds authorized hereunder, upon not less than five (5) business days' written demand therefor made by Sponsor, and subject to the satisfaction of the following conditions:

(i) Sponsor shall deliver to Escrow Agent and BPCA (A) a written request for the Escrowed Funds or the portion thereby to be disbursed, and (B) a certificate from the Architect therefor (the "Architect's Certificate") in the form annexed hereto as Exhibit A (i) confirming that all Work completed through the date of such Architect's Certificate was performed in accordance with the applicable plans and specifications, and the requirements set forth in the Lease (to the extent there are plans, specifications and/or requirements for same); and (ii) certifying the estimated cost to complete that portion of the Work not yet completed as of the date of such Architect's Certificate.

(ii) The Escrowed Funds held hereunder after any disbursement shall at all times be an amount equal to or greater than 125% of the cost of the Work remaining to be performed at the Premises, as certified by the Architect in the Architect's Certificate delivered to Escrow Agent pursuant to clause (i) (the "Minimum Escrow Amount") and no disbursement shall be made that would cause the Escrowed Funds to be less than the Minimum Escrow Amount.

(b) Not earlier than five (5) business days after receipt by Escrow Agent and BPCA of each such demand for the Escrowed Funds or any portion thereof including the certificates required under Section 2(a)(i) hereof, Escrow Agent shall deliver to Sponsor that portion of the Escrowed Funds then being requested by Sponsor, subject to compliance with the terms of this Section 2 of this Agreement including Section 2(c).

(c) In the event BPCA shall dispute the initial amount of the Escrowed Funds or any amount sought to be released by Sponsor pursuant to the terms of any Architect's Certificate submitted to Escrow Agent pursuant to Section 2(a)(i) of this Agreement, BPCA, within twenty (20) business days of the date hereof or the date of receipt of the disputed Architect's Certificate,

may submit the matter for resolution to the architectural firm of _____[2] or such other reputable architectural or engineering firm designated by BPCA and subject to Sponsor's approval, which approval shall not be unreasonably withheld or delayed (the "BPCA Architect"). Except as provided below, nothing contained herein shall restrict the right of the Escrow Agent to disburse the Escrowed Funds requested in accordance with Section 2(a)(1) hereof. In the event that the BPCA Architect determines that the Escrowed Funds held by Escrow Agent are less than the Minimum Escrow Amount, Sponsor, within five (5) business days after notification of such determination, shall deposit the shortfall into the Escrow Account, and, following such notification, until such deposit is made no further disbursement from the Escrow Funds shall be made pursuant to Section 2(a) and 2(b).

(d) In the event that the Sponsor shall fail timely to effect Completion of the Building as provided in the Lease, any remaining Escrowed Funds shall be disbursed by the Escrow Agent to BPCA or to any third parties as directed by BPCA, to cover the costs and expenses incurred by BPCA, as reasonably documented, to effect Completion of the Building in accordance with the terms and provisions of the Lease (including, without limitation, any of BPCA's legal, architectural and other costs and expenses) and upon receipt of a certificate by an engineer or architect designated by BPCA, in the form annexed hereto as Exhibit A, (i) certifying the estimated cost to complete the remaining Work and (ii) confirming that the Escrowed Funds remaining in the escrow hereunder after such disbursement are at least equal to 125% of the estimated cost to complete the Work. Notwithstanding the foregoing, the Escrowed Funds shall at all times be an amount equal to or greater than 125% of the cost of the Work remaining to be performed at the Premises, as certified by the Architect in the most recent Architect's Certificate delivered to Escrow Agent.

(e) Notwithstanding anything to the contrary set forth herein, upon completion of the Work, as certified by the Architect, any remaining Escrowed Funds shall be released from escrow by Escrow Agent to Sponsor; provided, however, that if BPCA has drawn down upon the Design/ Construction Period Letter of Credit or Replacement Letter of Credit as provided under the Lease, the first portion of any then remaining Escrowed Funds equal to the amounts so drawn shall be released to BPCA and no further amount shall be disbursed to Sponsor for so long as a Default or an Event of Default exists under the Lease.

(f) Sponsor and Escrow Agent hereby expressly acknowledge and agree:

(i) that BPCA has had no role whatsoever in the calculation or other determination of the Escrowed Amount, and does not have, and shall never have, any obligations to any person or entity whatsoever relating to the adequacy of the Escrowed Amount or the performance of the acts secured by the Escrowed Amount, the provisions of this Escrow Agreement pertaining to BPCA being intended by all parties to relate only to BPCA's interest pursuant to the Lease in the availability of fends to complete the Work;

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[2] Architectural firm pre-approved by BPCA.

(ii) that the establishment of the Certificate of Occupancy Escrow is a material condition of BPCA consenting to the first conveyance of a condominium unit at the Premises; and

(iii) that the acknowledgments and agreement contained in this subsection (f) shall not in any way expand the obligations or limit the rights of BPCA under the Lease or otherwise modify the Lease.

(g) Nothing in this Section 2 shall have any effect whatsoever upon Escrow Agent's rights, duties and obligations under Section 3.

(h) Sponsor and Escrow Agent hereby expressly agree that this Agreement shall not be modified, amended or terminated without BPCA's express written consent except as expressly provided herein.

3. Concerning Escrow Agent.

(a) It is expressly understood that Escrow Agent acts hereunder as an accommodation to Sponsor and as a depository only and is not responsible or liable in any manner whatever for the sufficiency, correctness, genuineness or validity of any instrument deposited with it, or for the form of execution of such instruments or for the identity, authority or right of any person executing or depositing the same or for the terms and conditions of any instrument pursuant to which Escrow Agent or the parties may act.

(b) Escrow Agent shall not have any duties or responsibilities except those set forth herein and shall not incur any liability in acting in accordance with the provisions hereof in reliance upon any signature, notice, request, waiver, consent, receipt or other paper or document believed by Escrow Agent to be genuine, and Escrow Agent may assume that any person purporting to give it any notice on behalf of any party in accordance with the provisions hereof has been duly authorized to do so.

(c) The duties of Escrow Agent hereunder shall be purely ministerial in nature. Escrow Agent shall not be liable to the other parties hereto, for any action taken or omitted by it or any action suffered by it to be taken or omitted, in good faith and in the exercise of reasonable judgment, except for its own gross negligence or willful misconduct and, except with respect to claims based upon such gross negligence or willful misconduct that are successfully asserted against Escrow Agent, Sponsor hereby agrees to indemnify, save and hold Escrow Agent harmless of, from and against any and all loss, damage, claims, liabilities, judgments, and other cost and expense of every kind and nature which may be incurred by Escrow Agent by reason of its acceptance of and its performance under this Agreement (including, without limitation, either attorneys' fees paid to retained attorneys or amounts representing the fair value of legal services rendered to itself). Escrow Agent may act or refrain from acting in respect of any matter referred to herein in reliance upon and with the advice of counsel which may be selected by it, including a

member of its firm, and shall be fully protected in so acting or refraining from action upon the advice of such counsel.

(d) Escrow Agent shall be automatically released from all responsibility and liability under this Agreement upon Escrow Agent's delivery, disbursement or deposit of the Escrowed Funds in accordance with the provisions of this Agreement, except for matters arising hereunder prior to such delivery or deposit.

(e) Escrow Agent shall be entitled to rely upon any order, judgment, certification, demand, notice, instrument or other writing delivered to it hereunder without being required to determine the authenticity or the correctness of any fact stated therein or the propriety or validity or the service thereof. Escrow Agent may act in reliance upon any instrument or signature reasonably believed by it to be genuine and may assume that any person purporting to give notice or receipt or advice or make any statement or execute any document in connection with the provisions hereof has been duly authorized to do so. If for any reason there shall be any dispute or uncertainty concerning any action to be taken hereunder, Escrow Agent in the case of dispute, shall take no action, and in the case of uncertainty, shall have the right to take no action until it shall have received written instructions concurred to by BPCA and Sponsor or until directed by a court of competent jurisdiction in the State of New York or by a Federal Court in the State of New York, whereupon Escrow Agent shall take such action in accordance with such instructions or such order.

(f) Escrow Agent (and any successor escrow agent) may at any time resign as such by delivering the Escrowed Funds not yet delivered to Sponsor to any successor escrow agent jointly designated by the parties hereto in writing, or by depositing such Escrowed Funds, in accordance with appropriate procedures, with any appropriate court of competent jurisdiction in the State of New York, whereupon Escrow Agent shall be discharged of and from any and all further obligations arising in connection with this Agreement. The resignation of Escrow Agent will take effect on the earlier of (i) the appointment of a successor or (ii) the day which is 30 days after the date of delivery of its written notice of resignation to the other parties hereto. If at that time Escrow Agent has not received a designation of a successor escrow agent, Escrow Agent's sole responsibility after that time shall be to safekeep the Escrowed Funds not yet disbursed to Sponsor until receipt of a designation of successor escrow agent or a joint written disposition instruction by the other parties hereto or a final and nonappealable order of an appropriate court of competent jurisdiction in the State of New York.

(g) Escrow Agent shall hold the Escrowed Funds in such commercial paper investments or in such other standard passbook savings accounts, U.S. Government securities, or certificates of deposit, as Escrow Agent may choose. Escrow Agent shall not have any duty to maximize the rate of interest.

(h) Nothing contained in this Agreement shall prevent Escrow Agent from complying with (i) any federal, state or local law, (ii) any order of a court of competent jurisdiction or (iii) the terms of any stay imposed in a bankruptcy or insolvency proceeding or otherwise.

(i) Escrow Agent or any member of its firm, shall be permitted to act as counsel for Sponsor in any dispute between Sponsor and BPCA whether or not Escrow Agent is in possession of the Escrowed Funds and continues to act as Escrow Agent under this Agreement.

4. Termination.

This Agreement shall automatically terminate upon the delivery or disbursement by Escrow Agent of the Escrowed Funds in accordance with the terms hereof.

5. Notices.

(a) Whenever it is provided in this Agreement that a notice, demand, request, consent, approval or other communication shall or may be given to or served upon any party hereto, and whenever such party shall desire to give or serve upon another any notice, demand, request, consent, approval or other communication with respect hereto or the Premises, each such notice, demand, requests consent, approval or other communication shall be in writing and, any law or statute to the contrary notwithstanding, shall be effective for any purpose if given or served as follows:

(i) If to Sponsor, by personal delivery with receipt acknowledged or by mailing the same to Sponsor by registered or certified mail, postage prepaid, return receipt requested by FedEx or other similar reputable national overnight courier service, addressed to Sponsor c/o _____, _____, Attn: _____, with an additional copy to _____, _____, Attn: _____, or to such other address(es) and attorneys as Sponsor may from time to time designate by notice given to BPCA and/or Escrow Agent as provided herein,

(ii) if to BPCA, by personal delivery with receipt acknowledged or by mailing the same to BPCA by registered or certified mail, postage prepaid, return receipt requested, or by FedEx or other similar reputable national overnight courier service addressed to BPCA at One World Financial Center, New York, New York 10281, Attn: President (with a copy, given in the manner provided above, addressed to the attention of Landlord's General Counsel, at the address set forth above or at such other address as Landlord may from time to time designate by notice to Tenant as aforesaid) with an additional copy to _____, Attn: _____, or to such other address(es) and attorneys as BPCA may from time to time designate by notice given to Sponsor and/or Escrow Agent as provided herein, and

(iii) if to Escrow Agent, by personal delivery with receipt acknowledged or by mailing the same to Escrow Agent by registered or certified mail, postage prepaid, return receipt requested, or by FedEx or other similar reputable national overnight courier service, addressed to _____, _____,

Attn: _____, or to such other address(es) and attorneys as Escrow Agent may from time to time designate by notice given to BPCA and/or Sponsor as provided herein.

(b) Every notice, demand, request, consent, approval or other communication hereunder shall be deemed to have been given, or served when delivered, or if mailed, three (3) Business Days after the date that the same shall have been deposited in the United States mails, postage prepaid, in the manner aforesaid (except that a notice designating the name or address of a person to whom any notice or other communication, or copy thereof, shall be sent shall be deemed to have been given when same is received). Any notice sent by Sponsor to BPCA may be sent by Sponsor's agent or attorneys. Notwithstanding the foregoing, any notice given to Escrow Agent shall be effective only upon actual receipt thereof.

6. Capitalized Terms.

Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to them in the Plan or the Lease; notwithstanding the foregoing, it is expressly understood and agreed by the parties hereto that all references to the Plan or the Lease are for the convenience of Sponsor, and that Escrow Agent shall have no obligation or duties with respect thereto.

7. GOVERNING LAW.

THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NEW YORK APPLICABLE TO AGREEMENTS MADE AND TO BE PERFORMED ENTIRELY WITHIN SUCH STATE, WITHOUT REGARD TO THE CONFLICTS OF LAW PRINCIPLES OF SUCH STATE.

8. Successors.

This Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of the parties hereto, provided, however, that this Agreement may not be assigned by any party without the prior consent of the other party, which consent shall not be unreasonably withheld.

9. Entire Agreement.

This Agreement contains the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings relating to such subject matter.

10. Amendments.

Except as expressly provided in this Agreement, no amendment, modification, termination, cancellation or rescission to this Agreement shall be effective unless it shall be in writing and signed by each of the parties hereto.

11. Counterparts.

This Agreement may be executed in one or more counterparts, each of which shall constitute an original, but all of which, taken together, shall be considered one and the same agreement.

12. Severability.

If any provision of this Agreement or the application of any such provision to any person or circumstance shall be held invalid, illegal or unenforceable in any respect by a court of competent jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision hereof.

IN WITNESS WHEREOF, the parties have executed and delivered this Escrow Agreement as of the date and year first above written.

ESCROW AGENT:

_____

By: _____
Name:
Title:

SPONSOR:

_____

By: _____
Name:
Title:

BATTERY PARK CITY AUTHORITY d/b/a
Hugh L. Carey Battery Park City Authority

By: _____
Name:
Title:

EXHIBIT A

LETTERHEAD OF SPONSOR'S ARCHITECT

Date: _____

_____
_____
_____

Battery Park City Authority
d/b/a Hugh L. Carey Battery Park City Authority
One World Financial Center
New York, New York 10281-1097

Re: _____

_____
New York, New York (the "Premises")

Ladies and Gentlemen:

We are the architects of record for the referenced Condominium. We are familiar with the Condominium and the Construction Completion Escrow Agreement dated as of _____ (the "Escrow Agreement").

In order to obtain a permanent Certificate of Occupancy for the Condominium, certain Work must be completed. As of the date hereof, the cost to complete the Work is $_____. We hereby confirm that all Work completed through the date of this letter, was performed in accordance with the applicable plans and specifications, and the requirements set forth in the Lease (to the extent there are plans, specifications and/or requirements for same).

Any terms not defined herein shall have the meaning ascribed thereto in the Escrow Agreement.

Very truly yours,

FORM W-8 (CERTIFICATION OF FOREIGN STATUS)

Form **W-8BEN**

(Rev. July 2017)

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.**
▶ **Go to *www.irs.gov/FormW8BEN* for instructions and the latest information.**
▶ **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
• You are a person acting as an intermediary	W-8IMY

Note: If you are resident in a FATCA partner jurisdiction (i.e., a Model 1 IGA jurisdiction with reciprocity), certain tax account information may be provided to your jurisdiction of residence.

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 and paragraph _____ of the treaty identified on line 9 above to claim a _____ % rate of withholding on (specify type of income): _____.

Explain the additional conditions in the Article and paragraph the beneficial owner meets to be eligible for the rate of withholding: _____

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 for chapter 4 purposes,
- 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. November 2017)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

▶ **Go to *www.irs.gov/FormW9* for instructions and the latest information.**

Give Form to the requester. Do not send to the IRS.

Print or type. See Specific Instructions on page 3.

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 of the person whose name is entered on line 1. 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: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is **not** disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its 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.) See instructions.

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 instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN,* later.

Note: If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* 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 for Part II, later.

Sign Here **Signature of U.S. person** ▶ **Date** ▶

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to *www.irs.gov/FormW9.*

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, *later.*

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,* later, 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 Pub. 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 instructions for Part II 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,* later, and the separate Instructions for the Requester of Form W-9 for more information.

Also see *Special rules for partnerships,* earlier.

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,* later, 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 (other than an account maintained by a foreign financial institution (FFI)), list first, and then circle, the name of the person or entity whose number you entered in Part I of Form W-9. If you are providing Form W-9 to an FFI to document a joint account, each holder of the account that is a U.S. person must provide a 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 on line 3 for the U.S. federal tax classification of the person whose name is entered on line 1. Check only one box on line 3.

IF the entity/person on line 1 is a(n) . . .	THEN check the box for . . .
• Corporation	Corporation
• Individual • Sole proprietorship, or • Single-member limited liability company (LLC) owned by an individual and disregarded for U.S. federal tax purposes.	Individual/sole proprietor or single-member LLC
• LLC treated as a partnership for U.S. federal tax purposes, • LLC that has filed Form 8832 or 2553 to be taxed as a corporation, or • LLC that is disregarded as an entity separate from its owner but the owner is another LLC that is not disregarded for U.S. federal tax purposes.	Limited liability company and enter the appropriate tax classification. (P= Partnership; C= C corporation; or S= S corporation)
• Partnership	Partnership
• Trust/estate	Trust/estate

Line 4, Exemptions

If you are exempt from backup withholding and/or FATCA reporting, enter in the appropriate space on 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. If this address differs from the one the requester already has on file, write NEW at the top. If a new address is provided, there is still a chance the old address will be used until the payor changes your address in their records.

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.

If you are a single-member LLC that is disregarded as an entity separate from its owner, 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 *What Name and Number To Give the Requester,* later, 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. Go to *www.irs.gov/Forms* to view, download, or print Form W-7 and/or Form SS-4. Or, you can go to *www.irs.gov/OrderForms* to place an order and have Form W-7 and/or SS-4 mailed to you within 10 business days.

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 item 1, 4, or 5 below indicates 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), ABLE accounts (under section 529A), 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) other than an account maintained by an FFI	The actual owner of the account or, if combined funds, the first individual on the account[1]
3. Two or more U.S. persons (joint account maintained by an FFI)	Each holder of the account
4. Custodial account of a minor (Uniform Gift to Minors Act)	The minor[2]
5. 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]
6. Sole proprietorship or disregarded entity owned by an individual	The owner[3]
7. 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:**
8. Disregarded entity not owned by an individual	The owner
9. A valid trust, estate, or pension trust	Legal entity[4]
10. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
11. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
12. Partnership or multi-member LLC	The partnership
13. A broker or registered nominee	The broker or nominee
14. 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
15. 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,* earlier.

***Note:** The 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 Pub. 5027, Identity Theft Information for Taxpayers.

Victims of identity theft who are experiencing economic harm or a systemic 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 report them at *www.ftc.gov/complaint*. You can contact the FTC at *www.ftc.gov/idtheft* or 877-IDTHEFT (877-438-4338). If you have been the victim of identity theft, see *www.IdentityTheft.gov* and Pub. 5027.

Visit *www.irs.gov/IdentityTheft* 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
28 Liberty Street – 21st Floor
New York, New York 10005

Re: Cooperative Offering Plan
The 20 River Terrace Apartment Corporation
20 River Terrace
New York, New York 10282

We are the sponsor and the principals of sponsor of the cooperative 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 13 NYCRR Part 18 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; and

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

SPONSOR:

RIVER TERRACE ASSOCIATES, LLC
By: Albanese BPC, LLC
its member

By: _____
Name: Christopher V. Albanese
Title: Manager

PRINCIPALS OF SPONSOR:

NM Green, LLC
a Delaware limited liability company

_____
Name: Christina Misiti-Eskritt
Title: Authorized Signatory

_____
Christopher V. Albanese

_____
Russell C. Albanese

CHRISTINE LEES
NOTARY PUBLIC
STATE OF WISCONSIN

Sworn to before me this
25 day of August, 2021
Christine Lees
Notary Public

Sworn to before me this
20 day of August, 2021
Susan Roberton
Notary Public

Sworn to before me this
20 day of August, 2021
Susan Roberton
Notary Public

SUSAN ROBERTSON
Notary Public, State of New York
No. 01RO6138510
Qualified in Nassau County
Term Expires December 19, 2021

CERTIFICATION OF ARCHITECT

SLCE*Architects*, LLP

CERTIFICATION OF SPONSOR'S ARCHITECT / ENGINEER PURSUANT TO PART 18 OF THE REGULATIONS ISSUED UNDER GENERAL BUSINESS LAW ARTICLE 23-A, AS AMENDED

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New York, NY 10018
212 979 8400 telephone
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Paul Albano, AIA

New York State Department of Law
Real Estate Finance Bureau
28 Liberty Street, 21st Floor
New York, New York 10005

07-28-2021

Re: Cooperative Offering Plan
The 20 River Terrace Apartment Corporation
20 River Terrace
New York, New York 10282 ("Property")

Ladies and Gentlemen:

The Sponsor of the offering to convert the captioned property to cooperative ownership retained our firm to prepare a report describing the existing condition of the property (the "Report"). We visually inspected the Property partially on March of 2017, and prepared the Report dated July 28, 2021, a copy of which is intended to be incorporated into the offering plan so that prospective purchasers may rely on the Report.

The undersigned is an architect registered in New York State.

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 18 insofar as they are applicable to the Report.

We have prepared and 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. We certify that the Report and all documents prepared by us disclose all of the material facts which were then discernible from a visual inspection of the property as set forth in the Report. This certification is made for the benefit of all persons to whom this offer is made.

We certify that the Report based on our visual inspection:

(i) sets forth in narrative form the physical condition of the entire property as of the date of inspection;

(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;

(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.

(viii) it is understood that all aspects of the physical condition of the Property cannot be determined by a visual inspection and that all statements contained in this certification are premised on and limited to such visual inspection.

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 cooperative 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.

SLCE ARCHITECTS, LLP

Sworn to before me this
28th day of July, 2021

Notary Public

MARICELLE M PILAO
Notary Public, State of New York
No. 01PI6398678
Qualified in Richmond County
Commission Expires October 7, 2023869

By: _____
Name: Mario Yao
Title: Partner

REGISTERED ARCHITECT MARIO YAO 029129-1 STATE OF NEW YORK

CERTIFICATION OF BUDGET EXPERT CONCERNING ADEQUACY OF BUDGET

CERTIFICATION BY SPONSOR'S EXPERT AS TO ADEQUACY OF PROJECTED BUDGET

The New York State Department of Law
Real Estate Finance Bureau
28 Liberty Street, 21st Floor
New York, New York 10005

Re: Cooperative Offering Plan
The 20 River Terrace Apartment Corporation
20 River Terrace
New York, New York 10282

Ladies and Gentlemen:

The sponsor of the cooperative offering plan for the captioned property retained our firm, Allied Partners Residential Management LLC, to prepare Schedule B to the offering plan, containing projections of income and expenses for the first year of cooperative operation. Our relevant experience includes the management of cooperative, condominium apartment buildings. The firm is currently engaged in the management of approximately 44 condominium and cooperative properties in New York.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Attorney General in Part 18 insofar as they are applicable to Schedule B.

We have reviewed Schedule B and investigated the facts set forth in Schedule B and 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 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 cooperative operation.

We certify that Schedule B:

(i) sets forth in detail the projected income and expenses for the first year of cooperative operation;

(ii) affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of cooperative operation;

(iii) does not omit any material fact;

(iv) does not contain any untrue statement of a material fact;

(v) does not contain any fraud, deception, concealment or suppression;

(vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) does not contain any representation or statement which is false, where we (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth; or (d) did not have knowledge concerning the representation or statements made.

We further certify that we are not owned or controlled by the Sponsor. We understand that a copy of this certification is intended to be incorporated into the Offering Plan. This statement is not intended as a guarantee or warranty of the income and expenses for the first year of cooperative 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.

Very truly yours,

Allied Partners Residential Management LLC

By: _____
Name: Russell Neigel
Title: Senior Vice President

Sworn to before me this
6th day of APRIL, 2021

_____
Notary Public

ROBERT J. SNAILER
Notary Public, State of New York
No. 01SN6030852
Qualified in Nassau County
Commission Expires Sept. 20, ~~2001~~ 2024

GENERAL BUSINESS LAW SECTION 352-eeee

§352-eeee. Conversions to cooperative or Cooperative ownership in the city of New York.

1. As used in this section, the following words and terms shall have the following meanings:

(a) "Plan." Every offering statement or prospectus submitted to the Department of Law pursuant to section three hundred fifty-two-e of this article for the conversion of a building or group of buildings or development from residential rental status to cooperative or Cooperative ownership or other form of cooperative interest in realty, other than an offering statement or prospectus for such conversion pursuant to article two, eight or eleven of the private housing finance law.

(b) "Non-eviction plan." A plan which may not be declared effective until written Purchase Agreements have been executed and delivered for at least fifteen percent of all dwelling units in the building a group of buildings or development by bona fide tenants in occupancy or bona fide purchasers who represent that they intend that they or one or more members of their immediate family intend to occupy the unit when it becomes vacant. As to tenants who were in occupancy on the date a letter was issued by the Attorney General accepting the plan for filing, the Purchase Agreement shall be executed and delivered pursuant to an offering made in good faith without fraud and discriminatory Purchase Agreements or other discriminatory inducements.

(c) "Eviction plan." A plan which, pursuant to the provisions of this section, can result in the eviction of a non-purchasing tenant by reason of the tenant failing to purchase pursuant thereto, and which may not be declared effective until at least fifty-one percent of the bona fide tenants in occupancy of all dwelling units in the building or group of buildings or development on the date the offering statement or prospectus was accepted for filing by the Attorney General (excluding, for the purposes of determining the number of bona fide tenants in occupancy on such date, eligible senior citizens and eligible disable persons) shall have executed and delivered written agreements to purchase under the plan pursuant to an offering made in good faith without fraud and with no discriminatory Purchase Agreements or other discriminatory inducements.

(d) "Purchaser under the plan." A person who owns the shares allocated to a dwelling unit or who owns such dwelling unit itself.

(e) "Non-purchasing tenant." A person who has not purchased under the plan and who is a tenant entitled to possession at the time the plan is declared effective or a person to whom a dwelling unit is rented subsequent to the effective date. A person who sublets a dwelling unit from a purchaser under the plan shall not be deemed a non-purchasing tenant.

(f) "Eligible senior citizens." Non-purchasing tenants who are sixty-two years of age or older on the date the Attorney General has accepted the plan for filing, and the spouses of any such tenants on such date, and who have elected, within sixty days of the date the Attorney General has accepted the plan for filing, on forms promulgated by the Attorney General spouses of any such tenants on such date, and who have elected, within sixty days of the date the Attorney General has accepted the plan for the filing, on forms promulgated by the Attorney General and presented to such tenants by the offeror, to become non-purchasing tenants under the provisions of this section; provided that such election shall not preclude any such tenant from subsequently purchasing the dwelling unit on the terms then offered to tenants in occupancy.

(g) "Eligible disabled persons." Non-purchasing tenants who have an impairment which results from anatomical, physiological or psychological conditions, other than addiction to alcohol, gambling, or any controlled substance, which are demonstrable by medically acceptable clinical and laboratory diagnostic techniques and which are expected to be permanent and which prevent the tenant from engaging in any substantial gainful employment on the date the Attorney General has accepted the

plan for filing, and the spouses of any such tenants on such date, and who have elected, within sixty days of the date the Attorney General has accepted the plan for filing, on forms promulgated by the Attorney General and presented to such tenants by the offeror, to become non-purchasing tenants under the provisions of this section; provided, however, that if the disability first occurs after acceptance of the plan for filing, then such election may be made within sixty days following the onset of such disability unless during the period subsequent to sixty days following the acceptance of the plan for filing but prior to such election, the offeror accepts a written agreement to purchase the apartment from a bona fide purchaser; and provided further that such election shall not preclude any such tenant from subsequently purchasing the dwelling unit or the shares allocated thereto on the terms then offered to tenants in occupancy.

2. The Attorney General shall refuse to issue a letter stating that the offering statement or prospectus required in subdivision one of section three hundred fifty-two-e of this chapter has been filed whenever it appears that the offering statement or prospectus offers for sale residential cooperative apartments or Cooperative units pursuant to a plan unless:

(a) The plan provides that it will be deemed abandoned, void and of no effect if it does not become effective within fifteen months from the date of issue of the letter of the Attorney General stating that the offering statement or prospectus has been accepted for filing and, in the event of such abandonment, no new plan for the conversion of such building or group of buildings or development shall be submitted to the Attorney General for at least twelve months after such abandonment.

(b) The plan provides either that it is an eviction plan or that it is a non-eviction plan.

(c) The plan provides, if it is a non-eviction plan, as follows:

(i) The plan may not be declared effective until written Purchase Agreements have been executed and delivered for at least fifteen percent of all dwelling units in the building or group of buildings or development subscribed for by bona fide tenants in occupancy or bona fide purchasers who represent that they intend that they or one or more members of their immediate family occupy the dwelling unit when it becomes vacant. As to tenants who were in occupancy on the date a letter was issued by the Attorney General accepting the plan for filing, the Purchase Agreement shall be executed and delivered pursuant to an offering made without discriminatory Purchase Agreements or other discriminatory inducements.

(ii) No eviction proceedings will be commenced at any time against non-purchasing tenants for failure to purchase or any other reason applicable to expiration of tenancy: provided that such proceedings may be commenced for non-payment of rent, illegal use or occupancy of the premises, refusal of reasonable access to the owner or a similar breach by the non-purchasing tenant of his obligations to the owner of the dwelling unit or the shares allocated thereto; and provided further that an owner of a unit or of the shares allocated thereto may not commence an action to recover possession of a dwelling unit from a non-purchasing tenant on the grounds that he seeks the dwelling unit for the use and occupancy of himself or his family.

(iii) Non-purchasing tenants who reside in dwelling units subject to government regulation as to rentals and continued occupancy prior to the conversion of the building or group of buildings or development to cooperative or Cooperative ownership shall continue to be subject thereto.

(iv) The rentals of Non-Purchasing Tenants who reside in Units not subject to government regulation as to rentals and continued occupancy and Non-Purchasing Tenants who reside in Units with respect to which government regulation as to rentals and continued occupancy is eliminated or becomes inapplicable after this Offering Plan is declared effective shall not be subject to unconscionable increases in rents which would be beyond ordinary rentals for comparable Units during the period of their

occupancy. In other words, in determining comparability, consideration will be given to such factors as building services, level of maintenance and operating expenses.

(v) The plan may not be amended at any time to provide that it shall be an eviction plan.

(vi) The rights granted under the plan to purchasers under the plan and to non-purchasing tenants may not be abrogated or reduced notwithstanding any expiration of, or amendment to, this section.

(vii) After the issuance of the letter from the Attorney General stating that the offering statement or prospectus required in subdivision one of section three hundred fifty-two-e of this article has been filed, the offeror shall, on the thirtieth, sixtieth, eighty-eighth and ninetieth day after such date and at least once every thirty days until the plan is declared effective or is abandoned, as the case may be, and on the second day before the expiration of any exclusive purchase period provided in a substantial amendment to the plan, (1) file with the Attorney General a written statement, under oath, setting forth the percentage of the dwelling units in the building or group of buildings or development subscribed for by bona fide tenants in occupancy or bona fide purchasers who represent that they intend that they or one or more members of their immediate family occupy the dwelling unit when it becomes vacant as of the date of such statement and, (2) before noon on the day such statement is filed post a copy of such statement in a prominent place accessible to all tenants in each building covered by the plan.

(d) The plan provides, if it is an eviction plan, as follows:

(i) The plan may not be declared effective unless at least fifty-one percent of the bona fide tenants in occupancy of all dwelling units in the building or group of buildings or development on the date the offering statement or prospectus was accepted for filing by the Attorney General (excluding, for the purposes of determining the number of bona fide tenants in occupancy on such date, eligible senior citizens and eligible disabled persons) shall have executed and delivered written agreements to purchase under the plan pursuant to an offering made in good faith without fraud and with no discriminatory Purchase Agreements or other discriminatory inducements.

(ii) No eviction proceedings will be commenced against a non-purchasing tenant for failure to purchase or any other reason applicable to expiration of tenancy until the later to occur of (1) the date which is the expiration date provided in such non-purchasing tenant's lease or rental agreement, and (2) the date which is three years after the date on which the plan is declared effective. Non-purchasing tenants who reside in dwelling units subject to government regulation as to rentals and continued occupancy prior to conversion shall continue to be subject thereto during the period of occupancy provided in this paragraph. Thereafter, if a tenant has not purchased, he may be removed by the owner of the dwelling unit or the shares allocated to such dwelling unit.

(iii) No eviction proceedings will be commenced, except as hereinafter provided, at any time against either eligible senior citizens or eligible disabled persons. The rentals of eligible senior citizens and eligible disabled persons who reside in dwelling units not subject to government regulation as to rentals and continued occupancy and eligible senior citizens and eligible disabled persons who reside in dwelling units with respect to which government regulation as to rentals and continued occupancy is eliminated or becomes inapplicable after the plan has been accepted for filing shall not be subject to unconscionable increases beyond ordinary rentals for comparable apartments during the period of their occupancy considering, in determining comparability, such factors as building services, level of maintenance and operating expenses; provided that such proceedings may be commenced against such tenants for non-payment of rent, illegal use of occupancy of the premises, refusal of reasonable access to the owner or a similar breach by the tenant of his obligations to the owner of the dwelling unit or the shares allocated thereto.

(iv) Eligible senior citizens and eligible disabled persons who reside in dwelling units subject to government regulation as to rentals and continued occupancy shall continue to be subject thereto.

(v) The rights granted under the plan to eligible senior citizens and eligible disabled persons may not be abrogated or reduced notwithstanding any expiration of, or amendment to, this section.

(vi) Any offeror who disputes the election by a person to be an eligible senior citizen or an eligible disabled person must apply to the Attorney General within thirty days of the receipt of the election forms for a determination by the Attorney General of such person's eligibility. The Attorney General shall, within thirty days thereafter, issue his determination of eligibility. The foregoing shall, in the absence of fraud, be the sole method for determining a dispute as to whether a person is an eligible senior citizen or an eligible disabled person. The determination of the Attorney General shall be reviewable only through a proceeding under article seventy-eight of the civil practice law and rules, which proceeding must be commenced within thirty days after such determination by the Attorney General becomes final.

(vii) After the issuance of the letter from the Attorney General stating that the offering statement or prospectus required in subdivision one of section three hundred fifty-two-e of this article has been accepted for filing, the offeror shall, on the thirtieth, sixtieth, eighty-eighth and ninetieth days after such date and at least once every thirty days until the plan is declared effective or abandoned, as the case may be, and on the second day before the expiration of any exclusive purchase period provided in a substantial amendment to the plan, (1) file with the Attorney General a written statement, under oath, setting forth the percentage of bona fide tenants in occupancy of all dwelling units in the building or group of buildings or development on the date the offering statement or prospectus was accepted for filing by the Attorney General who have executed and delivered written agreements to purchase under the plan as of the date of such statement, and (2) before noon on the day such statement if filed post a copy of such statement in a prominent place accessible to all tenants in each building covered by the plan.

(viii) If the plan is amended before it is declared effective to provide that it shall be a non-eviction plan, any person who has agreed to purchase under the plan prior to such amendment shall have a period of thirty days after receiving written notice of such amendment to revoke his agreement to purchase under the plan.

(ix) The tenants in occupancy on the date the Attorney General accepts the plan for filing shall have the exclusive right to purchase their dwelling units or the shares allocated thereto for ninety days after the plan is accepted for filing by the Attorney General, during which time a tenant's dwelling unit shall not be shown to a third party unless he has, in writing, waived his right to purchase; subsequent to the expiration of such ninety day period, a tenant in occupancy of a dwelling unit who has not purchased shall be given the exclusive right for an additional period of six months from said expiration date to purchase said dwelling unit or the shares allocated thereto on the same terms and conditions as are contained in an executed contract to purchase said dwelling unit or shares entered into by a bona fide purchaser, such exclusive right to be exercisable within fifteen days from the date of mailing by registered mail of notice of the execution of a contact of sale together with a copy of said executed contract to said tenant.

(e) The Attorney General finds that an excessive number of long-term vacancies did not exist on the date that the offering statement or prospectus was first submitted to the Department of Law. "Long-term vacancies" shall mean dwelling units not leased or occupied by bona fide tenants for more than five months prior to the date of such submission to the Department of Law. "Excessive" shall mean a vacancy rate in excess of the greater of (i) ten percent and (ii) a percentage that is double the normal average vacancy rate for the building or group of buildings or development for two years prior to the January preceding the date the offering statement or prospectus was first submitted to the Department of Law.

(f) The Attorney General finds that, following the submission of the offering statement or prospectus to the Department of Law, each tenant in the building or group of buildings or

development was provided with a written notice stating that such offering statement or prospectus has been submitted to the Department of Law for filing. Such notice shall be accompanied by a copy of the offering statement or prospectus and a statement that the statements submitted pursuant to subparagraph (vii) of paragraph (c) or subparagraph (viii) of paragraph (d) of this subdivision, whichever is applicable, will be available for inspection and copying at the office of the Department of Law where the submission was made and at the office of the offeror or a selling agent of the offeror. Such notice shall also be accompanied by a statement that tenants or their representatives may physically inspect the premises at any time subsequent to the submission of the plan to the Department of Law, during normal business hours, upon written request made by them to the offeror, provided such representatives are registered architects or professional engineers licensed to practice in the state of New York. Such notice shall be sent to each tenant in occupancy on the date the plan is first submitted to the Department of Law.

3. All dwelling units occupied by non-purchasing tenants shall be managed by the same managing agent who manages all other dwelling units in the building or group of buildings or development. Such managing agent shall provide to non-purchasing tenants all services and facilities required by Law on a non-discriminatory basis. The offeror shall guarantee the obligation of the managing agent to provide all such services and facilities until such time as the offeror surrenders control to the board of directors or board of managers, at which time the cooperative corporation or the Cooperative association shall assume responsibility for the provision of all services and facilities required by Law on a non-discriminatory basis.

4. It shall be unlawful for any person to engage in any course of conduct, including, but not limited to, interruption or discontinuance of essential services, which substantially interferes with or disturbs the comfort, repose, peace or quiet of any tenant in his use or occupancy of his dwelling unit or the facilities related thereto. The Attorney General may apply to a court of competent jurisdiction for an order restraining such conduct and, if he deems it appropriate, an order restraining the owner from selling the shares allocated to the dwelling unit or the dwelling unit itself or from proceeding with the plan of conversion; provided that nothing contained herein shall be deemed to preclude the tenant from applying on his own behalf for similar relief.

5. Any local legislative body may adopt local laws and any agency, officer or public body may prescribe rules and regulations with respect to the continued occupancy by tenants of dwelling units which are subject to regulation as to rentals and continued occupancy pursuant to law, provided that in the event that any such local law, rule or regulation shall be inconsistent with the provisions of this section, the provisions of this section shall control.

6. Any provision of a lease or other rental agreement which purports to waive a tenant’s rights under this section or rules and regulations promulgated pursuant hereto shall be void as contrary to public policy.

7. The provisions of this section shall only be applicable in the city of New York.

LOCAL LAW 70 – RESERVE FUND LAW

LOCAL LAW 70 – RESERVE FUND LAW

§§ 26-701 – 26-708

§ *26-701* Application.

The provisions of this chapter shall apply to conversions from rental to cooperative or condominium status of a building or a group of buildings or a development for which a plan must be filed with the state Department of Law pursuant to section three hundred fifty-two-eeee of the General Business Law.

§ *26-702* Definitions.

As used in this chapter the following words shall mean:

a. "Building" any building, group of buildings or development.

b. "Total price" (1) with respect to cooperative conversions, the number of all shares in the offering multiplied by the last price per share which was offered to tenants in occupancy prior to the effective date of the plan regardless of number of sales made; (2) with respect to condominium conversions, the sum of the cost of all units in the offering at the last price which was offered to tenants in occupancy prior to the effective date of the plan regardless of number of sales made.

c. "Capital replacement" a building-wide replacement of a major component of any of the following systems:

(1) elevator;

(2) heating, ventilation and air conditioning;

(3) plumbing;

(4) wiring;

(5) window; or, a major structural replacement to the building; provided, however, that replacements made to cure code violations of record shall not be included.

d. "Offeror" the offeror, its nominees, assignees and successors in interest.

§ *26-703* Establishment of reserve fund.

a. Within thirty days after the closing of a conversion pursuant to an offering plan the offeror shall establish and transfer to the cooperative corporation or condominium Board, a reserve fund to be used exclusively for making capital repairs, replacements and improvements necessary for the health and safety of the residents of such buildings. Such reserve fund shall be exclusive of any other funds required to be reserved under the plan or applicable law or regulation of the state Attorney General, except a fund for capital repairs, replacements and improvements substantially similar in purpose to and in an amount not less than the reserve fund mandated by this section. Such reserve fund also shall be exclusive of any working capital fund and shall not be subject to reduction for closing apportionments.

b. Such fund shall be established in an amount equal to either:

(i) three percent of the total price or, (ii) (A) three percent of the actual sales price of all cooperative shares or condominium units sold by the offeror at the time the plan is declared effective, provided, however, that if such amount is less than one percent of the total price, then the fund shall be

established as a minimum of one percent of the total price; plus (B) supplemental contributions to be made by the offeror at a rate of three percent of the actual sales price of cooperative shares or condominium units for each unit or its allocable Shares held by the offeror and sold to bona fide purchasers subsequent to the effective date of the plan and within five years of the closing of the conversion pursuant to such plan notwithstanding that the total amount contributed may exceed three percent of the total price; and provided, further, that if five years from thirty days after the closing of the conversion pursuant to such plan the total contributions by the offeror to the fund are less than three percent of the total price the offeror shall pay the difference between the amount contributed and three percent of the total price. Supplemental contributions shall be made within thirty days of each sale.

c. The contributions required pursuant to this section may be made earlier or in an amount greater than so provided. An offeror may claim and receive credit against the mandatory initial contribution to the reserve fund for the actual cost of capital replacements which he or she has begun after the plan is submitted for filing to the state Department of Law and before the plan is declared effective; provided, however, that any such replacements must be set forth in the plan together with their actual or estimated costs and further provided, that such credit shall not exceed the lesser of the actual cost of the capital replacements or one percent of the total price.

d. Any building, construction of which was completed within three years prior to the closing of a conversion pursuant to an offering plan, shall be exempt from the requirements of this section.

§ *26-704* Report on status of reserve fund.

The cooperative corporation or condominium Board shall report to shareholders and unit owners on a semi-annual basis with respect to all deposits into and withdrawals from the reserve fund mandated by section 26-703 of this chapter.

§ *26-705* Posting of violations.

The offeror, not later than the thirtieth day following the acceptance of a plan for filing by the state Department of Law pursuant to section three hundred fifty-two-eeee of the General Business Law and until the closing of the conversion pursuant to such plan, shall post and maintain in a prominent place, accessible to all tenants in each building covered by the plan, a listing of all violations of record against such buildings as determined by the Department of Buildings and the Department of Housing Preservation and Development. All newly issued violations shall be posted within forty-eight hours of their issuance and maintained as described above. The offeror may satisfy the requirements of this section by designating an agent on the premises with whom such listing shall be made available for inspection by the tenants.

§ *26-706* Report on condition of premises.

Where, pursuant to law or regulation of the state Attorney General, an offeror is required to file a report with the state Department of Law describing the condition of the physical aspects of the premises to be converted and the surrounding neighborhood, a copy of such report shall be submitted simultaneously to the commissioner of buildings.

§ *26-707* No Waiver of rights.

Any provision purporting to waive the provisions of this chapter in any contract to purchase or agreement between an offeror and the cooperative corporation or the condominium board pursuant to a conversion plan shall be void as against public policy.

§ *26-708* Criminal and civil penalties; enforcement.

a. Except as otherwise provided in subdivision b of this section, any person who knowingly violates or assists in the violation of any section of this chapter shall be guilty of a misdemeanor and upon conviction thereof shall be punished by a fine of not less than one hundred nor more than one thousand dollars. Except as otherwise provided in subdivision b of this section, any person who violates or assists in the violation of any section of this chapter shall be subject to a civil penalty of one hundred dollars per day per unit for each day that a building is not in compliance with the provisions of such sections; provided, however, that such civil penalty shall not exceed one thousand dollars per unit.

b. Any person who knowingly violates or assists in the violation of section 26-703 of this chapter shall be guilty of a misdemeanor and upon conviction thereof shall be punished by a fine not more than two times the amount required to be reserved by section 26-703 of this chapter which was not so reserved. Any person who violates or assist in the violation of section 26-703 of this chapter shall also be subject to a civil penalty of one thousand dollars per day for each day that the reserve fund required by section 26-703 of this chapter is not established; provided, however, that such civil penalty shall not exceed the amount required to be reserved pursuant to section 26-703 of this chapter.

c. In addition, any other action or proceeding in any court of competent jurisdiction that may be appropriate or necessary for the enforcement of the provisions of this chapter may be brought in the name of the city, including actions to secure permanent injunctions enjoining any acts or practices which constitute a violation of any provision of this chapter, mandating compliance with the provisions of this chapter or for such other relief as may be appropriate. In any such action or proceeding the city may apply to any court of competent jurisdiction or to a judge or justice thereof, for a temporary restraining order or preliminary injunction enjoining and restraining all persons from violating any provision of this chapter, mandating compliance with the provisions of this chapter, or for such other relief as may be appropriate, until the hearing and determination of such action or proceeding and the entry of final judgment or order therein. The court, or judge or justice thereof, to whom such application is made, is hereby authorized forthwith to make any or all of the orders above specified, as may be required in such application, with or without notice, and to make such other or further orders or directions as may be necessary to render the same effectual. No undertaking shall be required as a condition of the granting or issuing of such order, or by reason thereof.

d. Nothing contained in this section shall impair any rights, remedies or causes of action accrued or accruing to purchasers of cooperative shares or condominium units.

e. The Department of Housing Preservation and Development is empowered to enforce the provisions of this chapter.