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

CONDOMINIUM OFFERING PLAN

THE AVANT
531-533 EAST 12TH STREET
NEW YORK, NY 10009

	Offering Price (1)
26 Residential Units	**$36,635,000**
1 Community Facility Unit	**$2,250,000**
16 Storage Lockers	**$560,000**
Total Offering Amount	**$39,445,000**
Working Capital Fund (2)	**$43,536**
Reserve Fund (3)	**$1,099,050**

(1) See Section entitled "Rights of Existing Tenants" for a discussion of the rights of tenants to buy the Residential Units they occupy during the first 90 days of this offering.

(2) This amount represents an estimate of the initial Working Capital Fund to be established by Purchaser's non-refundable contribution of 2 months' Residential Common Charges at each initial Closing of Residential Units.

(3) This is an estimate of the amount of the Reserve Fund required by Law under the first alternative of the reserve fund law as of the date of filing of the Plan. The actual amount cannot be determined until the offering plan is declared effective. See Section entitled "Reserve Fund" for further detail.

SPONSOR:

DS 531 E. 12th Owner LLC
114 East 13th Street, Front 1
New York, NY 10003

SELLING AGENT:

Halstead Manhattan LLC
499 Park Avenue
New York, NY 10022

Filing Date of this Offering Plan: _____, 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 RESIDENTIAL UNITS, THIS OFFERING PLAN MAY NOT RESULT IN THE CREATION OF A CONDOMINIUM IN WHICH A MAJORITY OF THE RESIDENTIAL UNITS ARE OWNED BY OWNER-OCCUPANTS OR INVESTORS UNRELATED TO SPONSOR. PURCHASERS FOR THEIR OWN OCCUPANCY MAY NEVER GAIN CONTROL OF THE CONDOMINIUM BOARD UNDER THE TERMS OF THIS OFFERING PLAN (SEE THE SECTION OF THIS OFFERING PLAN ENTITLED "SPECIAL RISKS.")

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

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PART I

CONDOMINIUM OFFERING PLAN

THE AVANT
531-533 EAST 12TH STREET
NEW YORK, NY 10009

SPECIAL RISKS

Purchase of a Condominium Unit

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

(b) At the time Purchaser executes a Purchase Agreement, Purchasers (including both Tenant-Purchasers and Non-Tenant Purchasers) will be required to deliver a Deposit in an amount equal to 10% of the Purchase Price.

(c) Pursuant to Law, Sponsor may declare the Plan effective by entering into Purchase Agreements for the sale of a minimum of 15% of the Residential Units offered for sale (i.e., 4 Residential Units based on 26 Residential Units offered for sale). Even if the Plan is declared effective with a minimum number of sales, it is possible that Sponsor may be able to submit the Property to a condominium regime and convey Residential Units with fewer than the minimum number of sales if Purchasers counted towards effectiveness do not ultimately close title to Residential Units. In the event that all Purchase Agreements are rescinded or terminated prior to the date of the First Closing, Sponsor will re-declare the Plan effective by submission of an amendment to the Department of Law. Among other requirements, Bona Fide Non-Tenant-Purchasers must represent that they intend that they or one or more specified Family Members will occupy the Unit after the Closing or when the Unit becomes vacant. When executing a Purchase Agreement, all Bona Fide Non-Tenant-Purchasers must also execute a Bona Fide Purchaser Statement of Purchase, the form of which is appended to the Purchase Agreement as Schedule B.

To declare the Plan effective, 15% of Purchasers must be "bona fide," which is defined in 13 NYCRR § 23.3(s)(6) as: (i) a tenant in occupancy on the date the Plan is declared effective or (ii) a Purchaser who represents that they or one or more members of their immediate family intend to occupy the Unit when it becomes vacant. For purposes of effectiveness, the purchase of contiguous Units (i.e. Unit combinations) shall be treated as one Unit. Notwithstanding the foregoing, the purchase of non-contiguous Units by one Purchaser for more than one Bona Fide Tenant or Bona Fide Purchaser (e.g. one Unit for parents and one for adult child) shall be treated as individual Units for effectiveness purposes.

(d) In connection with the Plan being declared effective, the New York State Department of Law ("Department of Law") requires an affirmative representation from each Bona Fide Tenant Purchaser and each Bona Fide Non-Tenant Purchaser as a part of the Department of Law's investigative process. Each Bona Fide Tenant Purchaser and each Bona Fide Non-Tenant Purchaser will be required to execute either an affidavit entitled "Affidavit of Bona Fide Tenant Purchaser For Purposes of Declaring Plan Effective" or "Affidavit of Bona Fide Non-Tenant Purchaser For Purposes of Declaring Plan Effective", as applicable (each a "Purchaser Affidavit"). A copy of each Purchaser Affidavit is annexed to the Purchase Agreement set forth in Part II of the Plan. The Purchaser Affidavit must be executed and returned by Purchaser together with the executed Purchase Agreement. To the extent the Department of Law or Sponsor requires that the Purchaser Affidavit be re-executed thereafter, Purchaser shall have five (5) days to re-execute and return an original to Sponsor. A Bona Fide Tenant Purchaser and a Bona Fide Non-Tenant Purchaser may also be required to submit to the Department of Law additional information concerning the intended occupancy of the Residential Unit which is the subject of the Purchase Agreement and otherwise cooperate with the Department of Law's inquiry into the intended occupancy of the Residential Unit. Any Bona Fide Tenant Purchaser or Bona Fide Non-Tenant Purchaser who fails to (i) execute and return the Purchaser Affidavit (or re-execution thereof) to Sponsor, 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, will be deemed to have committed an Event of Default (as defined in Paragraph 13 of the Purchase Agreement set forth in Part II of the Plan) under the Purchase Agreement. Bona Fide Tenant Purchasers and Bona Fide Non-Tenant Purchasers are advised that 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 Deposit and any interest earned on the Deposit, as set forth below, or, in the alternative, the right to commence an action for specific performance, in which case the Bona Fide Tenant Purchaser or Bona Fide Non-Tenant Purchaser may be compelled by a court of law to fulfill all obligations concerning the Purchaser Affidavit.

Purchasers are advised to seek the advice of an attorney before executing a Purchaser Affidavit. The submission of any misinformation to the Department of Law, including a false instrument, shall be deemed a violation of the Martin Act, and may also subject both Sponsor and Purchaser to both civil and criminal liability.

The Department of Law reserves the right to request additional information from Sponsor and any and all Purchasers used for purposes of declaring the Plan effective. Failure to provide such information to the Department of Law within the timeframe requested may result in the rejection of Sponsor's effectiveness amendment. Furthermore, the submission of any misinformation to the Department of Law, including a false instrument, shall be deemed a violation of the Martin Act, and may also subject both Sponsor and Purchaser to both civil and criminal liability.

(e) In the event a Purchaser commits an Event of Default of any of the obligations on Purchaser's part to perform under the Purchase Agreement, whether monetary or non-monetary, TIME BEING OF THE ESSENCE with regard to the obligations of Purchaser thereunder, Sponsor, in its sole discretion, may elect by notice to Purchaser to either: (i) cancel the Purchase Agreement; or (ii) seek specific performance. If Sponsor elects to cancel the Purchase Agreement, Purchaser shall have 30 days from the giving of notice of cancellation to cure the specified Event of Default. If the Event of Default is not cured within such 30 days, TIME BEING OF THE ESSENCE, then the Purchase Agreement shall be deemed cancelled, and Sponsor shall have the right to retain, as and for liquidated damages, Deposits and any interest earned thereon (plus any Unit Upgrade Funds to the extent already expended). Upon the cancellation of the Purchase Agreement, Purchaser and Sponsor will be released and discharged of all further liability and obligations hereunder and under the Plan, and the Unit may be sold to another as though the Purchase Agreement had never been made, and without any obligation to account to Purchaser for any of the proceeds of such sale. If Sponsor elects to seek specific performance (where the Purchaser is a Non-Tenant-Purchaser), then Purchaser shall have 30 days from the giving of notice of Sponsor's election to close title to the Unit in accordance with the Purchase Agreement, without prejudice to Sponsor's right to recover from Purchaser all damages, losses, costs, expenses and all other lawful sums to which Sponsor is entitled under the Purchase Agreement (including, but not limited to, attorneys' fees, disbursements and costs of collection). Notwithstanding the foregoing, Sponsor shall not exercise its right to file an action for specific performance against a Tenant-Purchaser who purchases the Residential Unit that the Tenant-Purchaser occupied on the Filing Date of the Plan. (See the Section of the Plan entitled "Procedure to Purchase" for details.)

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

(g) Under current law, if a Purchaser makes a Deposit in excess of $250,000 for the purchase of a Residential Unit, the amount in excess of $250,000 will not be federally insured. If a Purchaser maintains accounts at the Escrow Bank, the funds in such accounts, together with the Deposit, may be aggregated by the Escrow Bank for purposes of determining the $250,000 federally insured limit.

Additionally, until such time as Purchaser delivers either an executed W-9 Form or W-8 Form to Sponsor, the Deposit shall remain in the non-interest bearing portion of the Escrow Account. Until the Deposit is transferred into an interest bearing sub-account, the Deposit may not be federally insured even if the Deposit does not exceed $250,000. No representation is made with respect to any further changes in Law concerning such accounts. Purchasers should consult with their accountants or financial advisors for further information. (See the Section of the Plan entitled "Escrow and Trust Fund Requirements" for details.)

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

(i) The Residential Units and their appurtenant interests in the Common Elements are being sold "as is" to Tenant-Purchasers in the condition in which they exist on the date each respective Purchase Agreement is entered into, subject to ordinary wear and tear and further subject to Sponsor's obligations to maintain the Building and to make repairs, improvements or decorations as may be otherwise set forth in the Plan; and to all Purchasers of vacant Residential Units "as is" in the condition in which they exist on the Closing Date of such Residential Unit. As Residential Units become vacant, Sponsor may sell such Unit "as is" or may renovate such Residential Unit. In the event that Sponsor discovers that the layout or dimensions of any Residential Unit that becomes vacant varies materially from the corresponding Floor Plan in Part II of the Plan, Sponsor will amend the Plan to correct such Floor Plan. 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 (within reasonable tolerances) and layout of each Residential Unit. While the Floor Plans are meant to reflect existing conditions, the actual layout of an occupied Residential Unit may have been altered by the tenant; accordingly, each Residential Unit should be inspected prior to purchase to determine its actual dimensions, layout and physical condition. The signing of the Purchase Agreement signifies Purchaser's acceptance of the condition of the Property (as represented by Sponsor in the Plan) including, but not limited to, the Unit, the Storage Lockers, the Building and all Common Elements contained in the Building. Sponsor has no obligation to make any repairs, improvements or decorations in or to the Property, the Units, the Storage Lockers, the Building or the Common Elements, except as may otherwise be set forth in the Plan.

Notwithstanding the foregoing, Sponsor intends to perform certain renovations, capital improvements and capital replacements to the Common Elements, subject to Force Majeure, as described in the definition of Sponsor's Work in the "Rights and Obligations of Sponsor" Section of the Plan. Sponsor presently anticipates that these renovations and capital improvements will be substantially completed prior to the First Closing. Any further work to the Building that is not disclosed in the Plan shall be disclosed in a duly filed Amendment. All Units sold by Sponsor will comply with New York City Building Code as of the date of Closing.

(See the Sections of the Plan entitled "Procedure to Purchase" and "Rights and Obligations of Sponsor" for details.)

Sponsor Control of the Condominium Board

2. (a) Sponsor will have voting control over the Condominium Board until the earlier to occur of: (i) the Closing with Purchasers under the Plan to Residential Units representing more than 50% of the aggregate Common Interest appertaining to all Residential Units, or (ii) 5 years after the First

Closing ("Sponsor Control Period"). Sponsor reserves the right to relinquish voting control of the Condominium Board prior to the expiration of the Sponsor Control Period. Notwithstanding the relinquishment of control by Sponsor, the Condominium Board cannot take any action whatsoever which would interfere to any degree with Sponsor's rights under the Plan or Sponsor's ability to meet its obligations under the Plan, including without limitation Sponsor's obligation to procure a PCO for the Building.

(b) Commencing at the First Annual Meeting, which will be held approximately 30 days after the expiration of Sponsor Control Period, the Condominium Board shall consist of 6 persons, who shall be elected and/or designated in accordance with the terms of the By-Laws by the Unit Owners (including Sponsor) (collectively, the "Members"). At the First Annual Meeting and thereafter, Sponsor, as owner of Unsold Residential Units, shall continue to have the right to vote all of the Common Interests attributable to Residential Units owned by Sponsor, and shall designate no more than 2 Residential Members, for so long as the Common Interests attributable to the Unsold Residential Units equal, in the aggregate, less than 50% but more than 15% of the Common Interests attributable to all Residential Units, and thereafter, 1 Residential Member for so long as Sponsor owns at least 1 Unsold Residential Unit.

(c) During the Sponsor Control Period, the Condominium Board shall consist of 3 persons designated from time to time by Sponsor. Therefore, Sponsor will have control of the maintenance and operation of, and the services to be provided by, the Condominium, and will determine the Common Charges to be paid by all Unit Owners. Sponsor may continue to exercise veto power over certain actions of or contemplated by the Condominium Board after the Sponsor Control Period. For so long as Sponsor shall continue to own Unsold Residential Units representing at least 25% in aggregate Common Interest of all Residential Units, but in no event later than 5 years after the First Closing, the Condominium Board may not take any of the following actions without Sponsor's prior written consent: (a) make any addition, alteration or improvement to the Common Elements or to any Unit, or (b) assess any Common Charges, Residential Common Charges or Special Assessment for the creation of, addition to or replacement of all or part of a working capital, reserve, contingency or surplus fund, or (c) increase or decrease the number, or change the kind of, employees referred to in the Plan, or (d) enter into any service or maintenance contract for work not covered by contracts in existence on the date of the First Closing or otherwise provide services in excess of those referred to in the Plan, except as is required to reflect normal annual increases in operating services, or (e) borrow money on behalf of the Condominium, or (f) exercise a right of first refusal to lease or purchase a Unit; provided, however, that (x) Sponsor may not exercise such veto power so as to diminish or eliminate services, facilities or any line items set forth in the First Year's Budget; and (y) Sponsor's written consent is not necessary to perform any function or take any action described in clauses (a) through (f) above, if, and only if, the performance of such function or the carrying out of such an action is necessary and no other alternative is available to enable the Condominium Board to (i) comply with Law or (ii) remedy any notice of violation; or (iii) remedy any work order of the Condominium's insurer or (iv) to ensure the health and safety of the occupants of the Building. If there are non-Sponsor members of the Condominium Board and there is a vote on such board to pursue litigation against Sponsor, the Sponsor Members must recuse themselves from such vote.

(d) See the Sections of the Plan entitled "Control By Sponsor" and "Condominium Board" for details.

Conveyance of Title

3. In the event of the existence of any lien, encumbrance or title defect other than Permitted Encumbrances which Sponsor fails or refuses to correct, the sole remedy of Purchaser under the Plan, provided Purchaser is not then in default, will be to either (i) take title to the Unit subject to the title defect (without any abatement in, or credit against, the Purchase Price, or any claim or right of action against Sponsor for damages or otherwise) or (ii) terminate the Purchase Agreement within 15 days after receipt of notice or an amendment disclosing such lien, encumbrance or title defect. If Purchaser fails to notify

Sponsor of Purchaser's election within 15 days after Sponsor notified Purchaser of Sponsor's failure or refusal to remedy the title defect, it will be conclusively deemed that Purchaser elected to acquire title subject to the title defect. Sponsor has no obligation to institute any action or proceeding or to expend any sum of money in excess of ½ of 1% of the Purchase Price of the affected Unit to make title insurable or to eliminate any encumbrances or title defects. (See the Section of the Plan entitled "Terms of Sale" for details.)

Sponsor's Rights with Respect to Leasing Rather than Selling Unsold Residential Units

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

(b) Sponsor reserves the right at any time to rent any vacant Unit prior to Closing to the Purchaser thereof or any other party. Sponsor reserves the unconditional right to rent rather than to sell Residential Units as they become vacant. Sponsor's right to rent rather than sell Residential Units once they become vacant is unconditional and exercisable in Sponsor's sole discretion.

(c) Following the expiration of the Initial Exclusive Purchase Period, Sponsor shall have the right to: (i) sell occupied Units to one or more non-occupant Purchasers for investment or resale; (ii) lease occupied Units to others; or (iii) retain vacant Units for future sale or rental. Any such sales are subject to the rights, if any, of Bona Fide Tenants to purchase their Units during a subsequent Exclusive Purchase Period which may be provided in an amendment to the Plan prior to the Effective Date. The Plan may not be declared effective based on Purchase Agreements executed by Purchasers who have not represented that they intend to occupy the Unit when it becomes vacant. (See the Section of the Plan entitled "Effective Date" for details.)

(d) Residents of the Condominium may be comprised of both Unit Owners and tenants leasing from Sponsor or tenants leasing from other Unit Owners. Accordingly, it is possible that a significant proportion of Unit Owners will not be residents of the Building and that a significant number of tenants may not be Unit Owners. Owner-occupants may never gain control and management of the Condominium since the By-Laws do not include a provision that after the expiration of the Sponsor Control Period a majority of the Condominium Board must be owner-occupants or members of an owner-occupant's household who are unrelated to Sponsor and its principal. Owner-occupants and non-resident owners, including Sponsor, may have inherent conflicts on how the Condominium should be managed because of their different reasons for purchasing, i.e., purchasing as a home as opposed to as an investment. (See the Section of the Plan entitled "Obligations of Purchasers of Units Occupied by Non-Purchasing Tenants" for details).

(e) Prospective Purchasers should be aware that potentially they may be living with non-purchasing occupants in many of the Units for an indefinite period, depending upon market conditions. In Sponsor's sole discretion, non-purchasing occupants (other than Non-Purchasing Tenants whose rights are governed by Law) may receive the same Building services and use the Building's amenities as owner-occupants, however, they have no investment in their Units and, therefore, may not share the same economic interests as owner-occupants in the maintenance and care of the Building's facilities and amenities.

(f) Sponsor reserves the right to sell 10% or more of the Unsold Units ("Bulk Sale") to a Person which assumes the rights and obligations of Sponsor with respect to such Units. Sponsor may require that Non-Tenant Purchasers of more than 1 Residential Unit deliver a Deposit in excess of that set forth in the Plan, which amount shall be on terms individually negotiated with each such Purchaser, any and all of which such deposit may be retained as and for liquidated damages in the case of an Event of Default (as

defined in Paragraph 13 of the Purchase Agreement set forth in Part II of the Plan). (See the Section of the Plan entitled "Procedure to Purchase" for more details.).

Closing Fees

5. Purchasers shall be required to pay (i) certain closing fees to Attorneys for Sponsor at Closing (without limitation and as applicable: base legal fee, ACRIS document preparation fee, assignment fee, rescheduling fee, Storage Locker License preparation fee, 1031 exchange fee), (ii) a contribution toward the Working Capital Fund, (iii) if Purchaser obtains a mortgage loan, the partial mortgage tax credit to which Purchaser may be entitled, and (iv) all New York City Real Property Transfer Tax ("RPT Tax"), New York State Real Estate Transfer Tax ("State Transfer Tax") and New York State Additional Real Estate Transfer Tax, commonly referred to as the "Mansion Tax," imposed on their purchase.

While State Transfer Tax and the RPT Tax are the statutory obligation of Sponsor (in its role as seller), this obligation has been transferred to the Purchasers under the terms of this Plan, as is typical and customary in the majority of offering plans filed with the Department of Law. The New York City Department of Finance has taken the position that where the purchaser of property assumes the obligation for the payment of the State Transfer Tax and the RPT Tax, the amount of the tax which would otherwise be payable if the seller were to pay such taxes, will be treated as additional consideration for the transaction subject to tax.

Purchasers are advised that as part of the budget bill for New York's 2020 fiscal year, which begins July 1, 2019, the legislature has adopted certain increases to the State Transfer Tax and New York Tax Law "additional tax" (commonly referred to as the "mansion tax") on closings of real property in New York City occurring on or after July 1, 2019. Purchasers are urged to consult with their attorney for further information. (See the Section of the Plan entitled "Closing Costs and Adjustments" for details.)

No Adverse Changes to Condominium Documents

6. No amendment, modification, addition or deletion of the Declaration, By-Laws or Residential Rules and Regulations shall be effective in any way without the prior written consent of Sponsor, any affected Community Facility Unit Owner, as the case may be, with respect to any such amendment, modification, addition or deletion which modifies the permitted uses of the Building or any portion thereof (including the Community Facility Unit) or affecting the rights, privileges, easements, licenses or exemptions retained or granted to Sponsor or the Community Facility Unit Owner or which otherwise would have the effect of adversely affecting Sponsor or the Community Facility Unit Owner, as the case may be. (See the Sections of the Plan entitled "Rights and Obligations of Unit Owners" and "Rights and Obligations of the Condominium Board / Summary of By-Laws" for details.)

Community Facility Unit

7. (a) No assurance, representation, or warranty is made (i) with respect to the future ownership or tenancies of all or any portion of the Community Facility Unit and (ii) that the owners, tenants, occupants, or other users of the Community Facility Unit will be agreeable to Residential Unit Owners, their Permitted Users, or any other parties. No assurance, representation, or warranty is made with respect to the uses to which any portion of the Community Facility Unit may be put at any time, except that the Community Facility Unit may be used for any purpose permitted by Law. The uses of the Community Facility Unit may generate noise, traffic, fumes, odors, vibrations, or other disturbances over which the Residential Unit Owners will have no control. Residential Unit Owners will not have any interest in the rents, profits or revenues generated from the business, rental, or other use of any space in the Community Facility Unit.

(b) The Community Facility Unit Owner and its Permitted Users shall have the right, without the approval of the Condominium Board, Managing Agent, other Unit Owners, or Mortgage Representatives, if any and without amendment to the Plan, to (i) subdivide and/or combine subdivided Community Facility Unit(s) and/or (ii) change any subdivided Community Facility Units in size by relocating a boundary wall between subdivided Community Facility Units. In the event of a subdivision, combination, and/or change in size of the Community Facility Unit, each Community Facility Unit Owner shall additionally have the right to reapportion among the affected Community Facility Units their respective Common Interests and to create new Non-Residential Limited Common Elements from space previously designated as a Community Facility Unit. Any additional condominium units created as a result of a subdivision of the Community Facility Unit will retain the same rights, privileges, and benefits afforded the original Community Facility Unit Owner and will be subject to the same obligations imposed on the original Community Facility Unit Owner, as set forth in the Condominium Documents. Notwithstanding the foregoing, in the event of a subdivision of the Community Facility Unit, the resulting Community Facility Unit Owners shall have the right to designate, collectively, only 1 member to the Condominium Board.

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

(d) In addition to the foregoing, the Community Facility Unit Owner and its Permitted Users shall have the right and an easement, as applicable, without the approval of the Condominium Board, Managing Agent, other Unit Owners, or Mortgage Representatives, if any:

(1) to erect, maintain, repair and replace one or more signs and lighting, of such size and content as such Community Facility Unit Owner shall determine in the windows of the Community Facility Unit, including without limitation any storefronts of such Community Facility Unit, for the purposes of advertising (a) the sale or rental of all or any portion of the Community Facility Unit or (b) the operation of any business for which such Community Facility Unit is used.

(2) subject only to Sponsor's prior written consent in each instance for so long as Sponsor continues to own an Unsold Unit, to (i) alter, modify, and/or restore the exterior façade and/or the windows of the Community Facility Unit, including without limitation any storefronts, and (ii) create additional means of egress and ingress to such Community Facility Unit.

(3) to use the sidewalk adjacent to such Community Facility Unit for any purposes permitted by Law.

(e) See the Section of the Plan entitled “Community Facility Unit” for details.

Foreign Government Purchaser

8. Any Purchaser that is a foreign government, a resident representative of a foreign government or other person or entity otherwise entitled to the immunities from suit enjoyed by a foreign government (.i.e., diplomatic or sovereign immunity) (“Foreign Government Purchaser”) shall be required to expressly and voluntarily waive such immunity and consent to any suit, action or proceeding arising out of or relating to the Purchase Agreement or the Condominium Documents being brought in any State or Federal suit, action or proceeding in the State of New York based on, arising out of or connected with the Purchase Agreement or the Condominium Documents. Any Foreign Government Purchaser shall designate and authorize a lawful agent to receive process for and on behalf of the Foreign Government Purchaser in any State or Federal suit, action or proceeding in the State of New York based on, arising out of or connected with the Purchase Agreement or the Condominium Documents. A Foreign

Government Purchaser will be required to deposit with the Condominium at Closing an amount equal to 2 years' Common Charges with respect to the Residential Unit based on the Condominium budget in effect as of the Closing Date of the Residential Unit which will be in addition to the required contribution to the Working Capital Fund. Such amount shall increase from time to time as such Common Charges increase, together with the full amount of any Special Assessment levied against, or allocable to, such Unit, as security for the faithful observance by such Unit Owner of the terms, provisions and conditions of the By-Laws of the Condominium. In the event that such Foreign Government Unit Owner defaults in respect of the terms, provisions and conditions of the By-Laws, the Condominium Board may use, apply or retain the whole or any part of the security so deposited, to the extent required for the payment of any Common Charges or any other sum to which such Foreign Government Unit Owner is in default. Thereafter, the Foreign Government Unit Owner shall deposit with the Condominium Board the amount so applied or retained so that such Condominium Board has the full amount of said security on hand at all times. (See the Section of the Plan entitled "Procedure to Purchase" for details.)

Storage Locker Licenses

9. (a) Sponsor is offering Purchasers of Residential Units the opportunity to purchase certain Storage Locker Licenses for the exclusive use of Purchaser for so long as Purchaser owns a Residential Unit in the Building pursuant to the terms of a license ("Storage Locker License"), the form of which is set forth in Part II of the Plan. Although the Storage Locker Area is a Residential Common Elements, the Condominium Board has granted Sponsor the exclusive right, without charge, to sell Storage Locker Licenses located therein. The Condominium will not be entitled to any of the proceeds from the sale of the Storage Locker Licenses. Purchasers should note that the Closing of a Storage Locker License does not require the issuance of a TCO or PCO. Purchasers will be required to consummate the purchase of the Residential Unit and the Storage Locker License simultaneously at Closing even though a Temporary Certificate of Occupancy has not been issued to or access may not be available to the Storage Locker Area. In such event, the proceeds from the sale of the Storage Locker License will be held in escrow ("Storage Locker Escrow") by Escrow Agent until such time as a Temporary Certificate of Occupancy has been issued for the Storage Locker Area. The Storage Locker Escrow will not be held in an interest bearing escrow account, and, therefore, Purchaser will earn no interest on the Storage Locker Escrow. (See the Section of the Plan entitled "Terms of Sale" for details.)

(b) Based upon market conditions, until such time as Sponsor has entered into a Purchase Agreement with respect to the sale of a Storage Locker License, Sponsor reserves the right to withdraw the offering of any particular Storage Locker and/or to reduce the number of Storage Locker Licenses. After such time that Sponsor has entered into a Purchase Agreement with respect to the sale of a Storage Locker License, Sponsor may withdraw or reduce the offering of any Storage Locker Licenses but only to the extent that such withdrawal or reduction does not affect any Storage Locker Licenses already under contract. If, subject to the foregoing limitations, Sponsor elects to withdraw or reduce the offering of any Storage Locker Licenses, then such withdrawal or reduction shall be disclosed by Sponsor in an amendment to the Plan, and Sponsor shall have the right to utilize such Storage Locker Area for any use as determined by Sponsor in its sole discretion. Furthermore, in the event of such withdrawal or reduction, with respect only to Purchasers (i) who have not entered into Purchase Agreements for Storage Locker Licenses and (ii) who have entered into Purchase Agreements for Storage Locker Licenses unaffected by the withdrawal or reduction, such Purchasers shall not be relieved of any of their obligations under their respective Purchase Agreements as a result of such withdrawal or reduction, including without limitation the obligation to purchase the Residential Unit.

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

(d) A Storage Locker License may be terminated pursuant to the terms of the Storage Locker License. Generally, the Storage Locker License shall automatically terminate at such time as the Licensee no longer owns a Unit, unless the Storage Locker License is assigned to and assumed by another Unit Owner in accordance with the terms of the Storage Locker License and the Condominium Documents. A Licensee may also voluntarily surrender a Storage Locker License to the Condominium Board. The Condominium Board may elect to terminate a Storage Locker License in the event that the Licensee defaults in its obligations under the Storage Locker License beyond any applicable cure periods or as otherwise provided for in the Storage Locker License. Moreover, if Licensee defaults in its obligations under the Condominium Documents, the Condominium Board may, in addition to the rights and remedies set forth in the Condominium Documents, (i) deny access to and use of the Storage Locker until Licensee cures such default or (ii) terminate the Storage Locker License upon written notice to Licensee. Upon the surrender or termination (for any reason whatsoever) of a Storage Locker License, the Condominium Board shall have the right in its sole discretion to issue a new Storage Locker License for the Storage Locker to another Unit Owner for such consideration as the Condominium Board shall deem appropriate in its sole discretion and without any obligation to compensate the former Licensee therefor.

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

No Bond or Other Security Posted

10. To the best of Sponsor's knowledge, as of the Filing Date of the Plan, Sponsor has sufficient resources to fund its obligations set forth in the Plan including, without limitation, its obligations such as paying common charges for Unsold Units if and when due. No bond or other security has been posted by Sponsor to secure Sponsor's obligation. Starr Associates LLP is counsel to Sponsor and not to any Purchaser under the Plan. Each Purchaser should consult with his or her own counsel, accountant or other financial advisor in the event that Sponsor fails to meet its financial obligations under the Plan. (See the Section of the Plan entitled "Rights and Obligations of Sponsor" for details.)

Services and Facilities

11. (a) Purchasers are advised that some of the services and facilities described in the Plan (such as a full staff of Building personnel and usage of certain amenity areas) may not be available until approximately 6 months after the First Closing. Purchasers should also be aware that the hours and dates for move-ins, move-outs and/or alterations, as well as the use of the passenger and/or service elevators, will be restricted during the period that Sponsor is performing work in the Building.

(b) Purchasers will not be entitled to any credit or abatement against the Purchase Price or Common Charges if any services and/or facilities are not available for use on or after Purchaser's Closing. The Condominium Board shall have the right, but not the obligation, in its sole and absolute discretion, to adjust the First Year's Budget to reduce the Common Charges for the period in which such services and/or facilities are not available.

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

Leasing of Residential Units Prior to Closing

12. Sponsor reserves the right, with respect to any vacant Residential Unit, to enter into a pre-Closing Use and Occupancy Agreement with the Purchaser thereof on an interim basis, pursuant to a Use and Occupancy Agreement. Individuals leasing Residential Units from Sponsor will not, except as expressly provided in their respective Use and Occupancy Agreement, have any special rights to purchase such Residential Units. In addition, a Purchaser may be acquiring a Residential Unit which has been

previously occupied, but such Residential Unit will be delivered at Closing free and clear of all leases and tenancies except as may otherwise be agreed to in writing by the parties. Any Use and Occupancy Agreement lease for a Residential Unit entered into with a Purchaser (other than a Tenant-Purchaser with respect to the Residential Unit such Tenant Purchaser occupied on the Filing Date) will provide, however, among other things, that an uncured default by the Purchaser under the Purchase Agreement with respect to the Residential Unit which is the subject of the Use and Occupancy Agreement will constitute a default under the Use and Occupancy entitling Sponsor, at its sole option, to terminate the Use and Occupancy Agreement in accordance with Law. In addition, each Purchase Agreement may provide that an uncured default by the Purchaser under any Use and Occupancy Agreement with respect to the Residential Unit which is the subject of the Purchase Agreement will constitute an Event of Default under the Purchase Agreement entitling Sponsor, at its sole option, to terminate such Purchase Agreement and to exercise any remedies therein provided. Upon the execution of the Use and Occupancy Agreement, Sponsor will require Purchaser to execute a Stipulation of Settlement Holdover, by which Purchaser will consent to a final judgment of possession of the Unsold Unit in favor of Sponsor and to the immediate issuance of a warrant of eviction, in the event of a default under the Use and Occupancy Agreement. Individuals who rent vacant Unsold Residential Units from Sponsor are not Tenant-Purchasers under the Plan and shall have no rights to purchase thereunder. Purchasers or any other Persons entering into a Use and Occupancy Agreement for a Residential Unit shall be required to pay the legal fees of Sponsor's counsel in connection therewith upon execution of the Use and Occupancy Agreement. All other charges or other fees due under a Use and Occupancy Agreement shall be adjusted as of the Closing. Notwithstanding any of the foregoing, Sponsor shall be under no obligation to enter into any Use and Occupancy Agreement. (See the Section of the Plan entitled "Rights and Obligations of Sponsor" for details and the form of Use and Occupancy Agreement set forth in Part II of the Plan.)

On-Going Construction

13. (a) It is anticipated that for a significant period of time following the First Closing through, including and beyond the Closing to any Residential Unit, work should be expected to be undertaken and performed by or on behalf of Sponsor to complete renovation of the Building, including without limitation: (i) the renovation of Residential Units 2A, 2B, 2C, 2D, 3B, 3C, 3D, 4A, 4B, 4C, 4D, 5A, 5D, 6B, 6C, 6D, 7A, 7B, 7C, 7D, PHA and PHB (including, without limitation, the combination of vacant Residential Units and/or incorporation of Common Elements into such Residential Units); (ii) replacement of existing 12th street ingress/egress door with new metal doors; (iii) extensive buildup of the existing roof to add new protection board, drainage board, waterproofing membrane and insulation; (iv) upgrades to existing sprinkler system; (v) existing individual HVAC units in renovated Residential Units will be replaced to the extent not in good working order; and (vi) certain decorative, fixture and finishing changes to the residential lobby, corridors, elevator finishes and other portions of the Building, including installing light fixtures, painting, or laying carpeting (collectively "Sponsor's Work"). Sponsor's Work may create a noisy or otherwise disruptive condition in the Building. During the performance of Sponsor's Work, Sponsor reserves the right to access any common areas of the Building or the Property (subject to the rights of tenants thereof), temporarily interrupt utility service in connection with such work and temporarily relocate entrances and exits to the Building (provided legally required means of access and egress are provided). Sponsor will comply with all applicable Buildings Department filing requirements in connection with the renovation of the Building. (See the Section of the Plan entitled "Rights and Obligations of Sponsor" for details.)

(b) During the performance of Sponsor's Work, to the extent required by the Buildings Department, a Tenant Protection Plan (which may be amended from time to time) will be in place, a notice concerning which will be posted or distributed, and will be adhered to by Sponsor. The Tenant Protection Plan requirements exist to protect existing occupants from construction conditions, including requirement categories of egress, fire safety, health, housing standard, structural safety, noise restrictions and maintaining essential services.

(c) Sponsor and/or the Condominium Board may refuse to permit a Residential Unit Owner to perform alterations in a Residential Unit until such time as Sponsor's Work has been completed. (See the Section of the Plan entitled "Introduction" subsection "Services and Facilities" for details.)

(d) Certain services, such as telecommunications, and other similar services may be provided by outside suppliers and delays in providing these services shall not be the responsibility of Sponsor. In addition, the presence of scaffolding, hoists or construction elevator shafts or similar temporary construction facilities may delay the Closing to certain Residential Units or lines of Residential Units until such scaffolding, hoists, elevators or temporary facilities are no longer needed and are removed. (See the Section of the Plan entitled "Description of Property and Improvements" subsection "Services and Facilities" for details.)

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

(f) It is currently anticipated that construction will be sufficiently complete to permit the First Closing to occur by January 1, 2021. However, no assurance can be given with regard to the accuracy of any projected completion dates set forth in the Plan. It is anticipated that during approximately the first year of Condominium operation, construction workers and related personnel will be at the Building from time to time, completing renovation of the Building, making adjustments and corrections and performing various tasks relating to the completion of renovation. During this period, various building systems, including but not limited to, water supply, air conditioning, heating, cooling, ventilating and elevators, may require substantial time to complete and may need to be shut down temporarily. In no event will any such shut down be used to harass or constructively evict tenants. Various other adjustments to windows and elevators and other systems may require substantial time to be completed after the First Closing. With regard to the foregoing, in executing a Purchase Agreement, Purchaser acknowledges that Sponsor shall not be liable to Purchaser or any third party, nor will Purchaser be entitled to any credit, offset or reduction in the Purchase Price of the Residential Unit or otherwise be relieved from any obligation under the Purchase Agreement: (i) as a result of any of the conditions described above; (ii) in the event of non-completion of any item of renovation on any projected date; or (iii) compensation for the presence of scaffolding on any portion of the Building or any interruption of services in the Building. (See the Section of the Plan entitled "Rights and Obligations of Sponsor" for details.)

(g) The Building contains certain major mechanical equipment, including, but not limited to, elevator machine rooms, fans and pumps, (collectively, "Equipment") located on roof, which may cause noise and vibration throughout the Building. While Sponsor will endeavor to reduce excessive noise and vibration emanating from the Equipment, it may be impossible to eliminate such noise and vibration entirely. As a result, Units and amenity areas in close proximity may be affected.

(h) As is typical and customary, the Building is subject to normal settling, deflection, expansion and shifting. Sponsor will not be obligated to correct, and will not be liable to the Condominium Board or any Unit Owner as a result of any immaterial conditions in the Building, including without limitation, minor gapping in the flooring, uneven ceilings or floors and floor buckling resulting from such conditions. Additionally, Purchasers should note that since there may be ceramic, stone and wood finishings installed throughout the renovated Units (in areas including, but not limited to, flooring, walls, countertops, backsplash and vanity tops) are cut from different slabs manufactured in different batches and are comprised of natural materials, there will be variations in the tone and color of such finishes. (See the Section of the Plan entitled "Rights and Obligations of Sponsor" for further details.)

(i) During the time that Units are being offered for sale by Sponsor pursuant to the terms of the Plan, there may be an increased number of visitors to the Building. No representation or

warranty is made and no assurance is given as to when Sponsor's selling activity will terminate. Sponsor, the Managing Agent, and their respective representatives shall not be responsible or liable for any personal injury or for any loss or damage to the personal property in the Building that may occur as a result, unless arising from gross negligence, bad faith, or willful misconduct on the part of Sponsor, Managing Agent, and/or their respective representatives.

Temporary and Permanent Certificate of Occupancy

14. (a) The Buildings Department issued a Certificate of Occupancy No. 104350051F dated October 2, 2008 for the Building. Sponsor's Architect has advised that the Certificate of Occupancy will need to be amended or may be changed to a Temporary Certificate of Occupancy as a result of the renovation to the Building. See the Section of the Plan entitled "Rights and Obligations of Sponsor" for a list of "Sponsor's Work" that may be performed requiring an amended or Temporary Certificate of Occupancy.

(b) Purchasers are advised that in New York City it is common that renovated buildings are sometimes offered as condominium projects without a permanent certificate of occupancy ("PCO") covering the entire building but with only a temporary certificate of occupancy ("TCO"), and sometimes with several successive temporary certificates of occupancy. Certificates of occupancy are generally governed by Section 301 of the New York Multiple Dwelling Law and local building codes and rules. Both TCOs and PCOs are issued by the Buildings Department. A TCO is intended to indicate that the property is safe for occupancy, but means that not all of the construction work and/or inspections have been performed, or that not all of the required documents have been submitted to the DOB. All TCOs have an expiration date. If required by Law, no change in use of occupancy will be made unless a new certificate of occupancy is issued. A TCO typically expires 90 days after the date of issuance. When a TCO expires and is not renewed, it may be difficult or impossible to buy insurance, refinance, or sell units. In New York City, it is common for sponsors to commence unit closings when some or all units are covered by a TCO rather than a PCO. Sponsor anticipates this scenario may occur. No Closing of a Residential Unit will occur prior to the issuance of a TCO for the particular Residential Unit. Sponsor will undertake the responsibility for extending each TCO prior to its expiration, and ultimately for obtaining a PCO covering the entire Building within 2 years from the date of the issuance of the first TCO, subject, however, to (i) Force Majeure, (ii) actions by Unit Owners or tenants of Unit Owners, (iii) work undertaken in a Unit by a Unit Owner, except in instances where Sponsor or Sponsor-controlled Condominium Board have given its consent to a Unit Owner to perform alterations, (iv) work undertaken in Common Elements by the Condominium Board after Sponsor no longer controls the Condominium Board or (v) any other cause over which Sponsor has no control. Sponsor does not make any representation that the Buildings Department will issue the PCO within such 2 year period. Sponsor reserves the right to deliver the Community Facility Unit as "raw space", subject only to Sponsor's obligation to install such plumbing, electrical and mechanical hook-ups for the future installation by the Community Facility Unit Owner or to install such other fixtures as Sponsor and the Purchaser of such Community Facility Unit shall agree upon, if any. In such event, such Community Facility Unit Owner shall be obligated to Close Title prior to the issuance of a TCO or PCO for the Community Facility Unit, which will be the obligation of such Community Facility Unit Owner to obtain. Moreover, in the event that Sponsor delivers the Community Facility Unit as "raw space" and the Community Facility Owner decides to perform significant construction to build up the space, such construction work may cause delays in procuring the PCO for the entire Building. Sponsor may bring an action against the Community Facility Owner to recover for the delay caused by the Community Facility Owner to the extent of its responsibility for such delay. **Notwithstanding the foregoing, Sponsor and its principal are obligated to procure the PCO for the Building, and shall exercise best efforts to obtain the PCO within such 2 year period while keeping the TCO current.** Unit Owners and the Condominium Board shall be obligated to cooperate with, and refrain from obstructing, Sponsor in these undertakings.

Furthermore, because Sponsor and the By-Laws of the Condominium may permit Unit Owners to undertake renovations prior to the procurement of a PCO, such renovations may cause

additional delays in the issuance of a PCO. Nevertheless, Sponsor and its principal are obligated to procure the PCO. However, Sponsor or the Condominium Board may refuse to permit a Residential Unit Owner to perform alterations until such time as a PCO has been obtained.

Purchasers are advised to visit the DOB website for further recommendations when purchasing a Unit in a building that does not have a PCO. A Factsheet on Certificates of Occupancy is currently available on the DOB website at: http://www1.nyc.gov/site/buildings/homeowner/certificate-of-occupancy.page. (See the Section of the Plan entitled "Rights and Obligations of Sponsor" for further details.)

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

(d) Notwithstanding anything to the contrary, Purchasers will be required to consummate the purchase of the Residential Unit and the Storage Locker simultaneously at Closing even if a TCO has not been issued for the Storage Locker Area. In such event, Purchasers will not be able to access or use the Storage Locker until such time as a TCO has been issued for the Storage Locker Area. Additionally, the proceeds from the sale of the Storage Locker will be held in the Storage Locker Escrow until such time as a TCO has been issued for the Storage Locker Area. The Storage Locker Escrow will not be held in an interest bearing escrow account, and, therefore, Purchaser will earn no interest on the Storage Locker Escrow.

Risk of Loss Prior to Closing

15. (a) Purchasers who are presently in occupancy of a Residential Unit or who otherwise take possession of a Residential Unit prior to Closing pursuant to a Purchase Agreement and Use and Occupancy Agreement shall be required to obtain appropriate levels of insurance coverage for damages by fire or other casualty to the Residential Unit and any personal property therein as a consequence of assuming the risk of loss. Purchasers should consult with an insurance broker as to the appropriate levels of insurance to cover the Residential Unit and personal property therein.

(b) If Purchaser is the existing tenant or occupant of the Residential Unit, or if Purchaser is given possession of the Residential Unit prior to Closing under a Use and Occupancy Agreement or otherwise, then Purchaser shall be solely responsible for any damage to, or loss or other condition in, the Residential Unit resulting from Purchaser's use or occupancy, and Sponsor shall not be obligated to make any repairs to the Residential Unit or its Installations unless the cause thereof originated outside the Residential Unit and did not result from the acts or omissions of Purchaser or other occupants of the Residential Unit or Purchaser's guests, invitees, agents or workers. However, until Closing, Sponsor will remain responsible to make those repairs required of it as landlord under any existing lease or Use and Occupancy Agreement and the Rent Laws, if applicable; and after Closing, the Condominium Board will be responsible to make those repairs required of it under the Declaration and By-Laws.

(c) Purchasers should refer to the Section of the Plan entitled "Terms of Sale" and the Section entitled "Damage to the Residential Unit" of the Purchase Agreement set forth in Part II of the Plan for details.

Changes to Residential Units by Sponsor

16. In order to meet the possible varying demand for number and type of Residential Units, or to meet particular requirements of Purchasers, or for any other reason, Sponsor reserves the right (except to the extent prohibited by Law) at any time and from time to time, before and after the recording of the Declaration, without giving prior notice and without requiring the consent of the Condominium Board, any Residential Unit Owner or mortgagee, to (a) change the layout of, or number of rooms in, any Unsold Residential Unit, (b) change the size and/or number of Unsold Residential Units by dividing one

or more of such Residential Units into two or more separate Unsold Residential Units, combining separate Unsold Residential Units (including those resulting from such subdivision or otherwise) into one or more Unsold Residential Units, altering any boundary walls between one or more Unsold Residential Units, or otherwise, including incorporating Residential Common Elements (such as a portion of a hallway) which exclusively benefit an Unsold Residential Unit into such Unsold Residential Unit, without changing such Unit's Common Interest percentage, (c) designate a Residential Common Element as part of a newly created Residential Unit or designate all or part of a Residential Unit as a newly created Residential Unit or Residential Common Element, (d) incorporate and enclose Limited Common Elements within a Residential Unit, (e) if appropriate, reapportion among the Unsold Residential Units affected by any such change, their aggregate Common Interests, and (f) make non-material changes in the size or quality of Common Elements. Unless all Purchasers consent, no material change will be made in the size and no material adverse change will be made in the quality of the Common Elements unless Sponsor offers the Purchaser(s) who are not in default under their Purchase Agreement(s), the right, for at least 15 days after the presentation of the amendment disclosing such right, to rescind their Purchase Agreement(s) and receive a prompt refund of their deposit(s), except for any Unit Upgrade Funds to the extent already expended.

Notwithstanding the foregoing, no material change will be made in a Unit's size, layout or percentage of Common Interest if a Purchase Agreement has been executed and delivered to Sponsor for such Unit, provided that the Purchaser is not in default thereunder unless (a) the affected Purchaser consents to such changes; or (b) such changes are due to field conditions, construction variances and tolerances, or as a result of changes in Law (including without limitation applicable building codes and regulations). In the event that material changes are made pursuant to (b) of the immediately preceding sentence, then in such event, Sponsor's sole obligation shall be to offer the affected Purchaser(s) who are not in default under their Purchase Agreement(s), the right, for at least 15 days after the presentation of the amendment disclosing such right, to rescind their Purchase Agreement(s) and receive a prompt refund of their deposit(s), except for any Unit Upgrade Funds to the extent already expended. A decrease in a Unit's size of 5% or less will not affect a Purchaser's obligations unless such decrease is determined to be a material change. There is a rebuttable presumption that a decrease in Unit size of 5% or less is not material. (See the Section of the Plan entitled "Changes in Prices and Units" for details.)

Unit Power of Attorney

17. Each Purchaser shall be obligated to enter into a power of attorney at the Closing to the Residential Unit. The form of power of attorney, set forth in Part II of the Plan, grants broad powers to the Condominium Board to enter into agreements affecting the Common Elements and to bring tax certiorari proceedings on behalf of all Unit Owners. The power of attorney also grants to Sponsor the right to amend the Declaration and to make certain changes to Unsold Units and the Common Elements. (See the Power of Attorney set forth in Part II of the Plan.)

Security

18. While Unsold Residential Units are being offered for sale or lease by Sponsor, there may 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 nor 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 Building's or the Condominium's security systems and procedures, including, without limitation, those procedures with regard to visitors and any delivery of packages, provided that any such failure is not caused by the negligence of Sponsor, Managing Agent or their respective agents. No representation or warranty is made and no assurance is given that the security systems and procedures in the Building will prevent personal injury or damage to

or loss of personal property. (See the Section of the Plan entitled "Description of Property and Building Condition" for details.)

Reserve Fund

19. (a) A law enacted by the New York City Council provides a formula for determining the amount of the Reserve Fund. The exact amount of the Reserve Fund cannot be ascertained until the Plan is declared effective. Sponsor reserves the right to take a credit against the Reserve Fund for qualifying work performed in the Building Capital improvements and capital replacements to the Common Elements are currently anticipated to be performed, subject to Force Majeure. Sponsor intends to apply the actual cost of these Building Capital improvements and capital replacements against Sponsor's required contribution to the Reserve Fund and will disclose the actual costs of such improvements and replacements in a duly filed Amendment to the Plan. Sponsor anticipates making several structural improvements or replacements throughout the Building. It is presently contemplated that Sponsor will make improvements to the sprinkler system and the condition of the roof of the Building. Sponsor may also improve or replace the HVAC, wiring, windows, elevator and/or plumbing throughout the Building. No representation is made as to such improvements or replacements. (see the Section of the Plan entitled "Reserve Fund" and the Reserve Fund Law (Local Law 70) in Part II of the Plan for further details).

(b) No assurance can be given that the Reserve Fund will be adequate to pay for the replacement of capital items, and if additional monies are required over and above the Reserve Fund, it may be necessary to increase Common Charges or Residential Common Charges or levy a Special Assessment against the Unit Owners. The Reserve Fund may only be used for capital expenditures and replacements and may not be used to reduce Common Charges while Sponsor is in control of the Condominium Board. (See the Section of the Plan entitled "Reserve Fund" for further details.)

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

(d) Sponsor does not, to the best of Sponsor's knowledge, know of any capital items other than the roof which are necessary or are likely to be necessary within 3 years from the commencement of the First Year of Condominium Operation.

(e) See the Section of the Plan entitled "Reserve Fund" and "Working Capital Fund and Apportionments" and the Reserve Fund Law (Local Law 70) in Part II of the Plan for further details.

Working Capital Fund

20. Each Purchaser of a Residential Unit will be required to make a non-refundable contribution to the Working Capital Fund of the Condominium. Such contribution, to be made at the time of Closing and at each resale closing, shall be in an amount equal to 2 months' Common Charges assessed against the Residential Unit at Closing.

Section 421-a Real Estate Tax Exemption

21. As more fully explained in the Opinion re: Real Estate Tax Projection set forth in Part I of the Plan, the Residential Units of the Property previously received partial real estate tax exemption benefits under Section 421-a of the Real Property Tax Law of the State of New York ("421-a Benefits"). According to Sponsor's Real Estate Tax Counsel, the 421-a Benefit period and the 421-a Benefits expired on

June 30, 2019 ("421-a Benefits Expiration Date"). **Following the 421-a Benefits Expiration Date, Residential Units which become vacant will no longer be subject to the Rent Laws. Residential Units which are occupied on such date will be subject to the Rent Laws only until the expiration date of the respective lease for such Residential Unit.** Tenants should consult with counsel to ascertain their rights, if any, under the Rent Laws in light of the 421-a Expiration Date, such as any potential rights to remain rent stabilized if provided deficient renewal leases.

Neither Sponsor, Sponsor's Attorney, Sponsor's Real Estate Tax Counsel, Selling Agent, Managing Agent, nor any other person makes any warranty as to the amount of the real estate taxes which will be assessed against any Residential Unit or the amount of real estate taxes payable at any time by any Residential Unit Owner. Purchasers should refer to the Opinion re: Real Estate Tax Projection and the Section of the Plan entitled "Real Estate Taxes" for further information

Special Allocation of Certain Common Expenses

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

Apportionments with the Condominium

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

Description of Property and Building Condition

24. (a) The "Description of Property and Building Condition" set forth in Part II of the Plan prepared by Bluarch ("Sponsor's Architect") recommends the repair and/or replacement of certain systems or portions of the Building. Sponsor intends to perform the items of repair or replacement listed in the "Description of Property and Building Condition" and the Section of the Plan entitled "Sponsor's Statement of Building Condition," subject to Force Majeure and the ability of Sponsor to gain access to the areas of the Property required in order to perform such repairs or replacements. No assurance can be given that the Reserve Fund will be adequate to pay for the replacement of capital items listed in the "Description of Property and Building Condition" as requiring repair or replacement or other such replacements or repairs, and if additional monies are required over and above the Reserve Fund, it may be necessary to increase Common Charges or levy a Special Assessment against Unit Owners. The Reserve Fund may only be used for capital expenditures and may not be used to reduce Common Charges. The following open violations exist against the Building as of October 24, 2019:

Number:	Issued:	Type:
V 081512EACC101033	8/15/2012	Elevator
V 062619E9027/654299	6/26/2019	Elevator

Sponsor has engaged an elevator contractor to remedy the elevator violations. Once completed, the elevator will be inspected by the DOB and the violation will be removed of record at Sponsor's cost and expense. Sponsor shall resolve same as expeditiously as possible, but in no event later that the issuance of the PCO.

Sponsor represents that, it has no knowledge of any material defects or need for major repairs to the Building requiring corrective work as of the date of acceptance of the Plan, except: (a) exterior façade maintenance pursuant to FISP report, including correcting cracked brickwork at the rear façade on the 8th Floor, efflorescence on the face of bricks above window lintels, and rusting perimeter steel framing along exterior balconies at the rear façade; and (b) the roof assembly, which will be replaced. The foregoing façade maintenance work will performed by in or about August 2021 and the roof will be replaced in advance of the First Closing, both at Sponsor's own cost and expense. The combustion air intake for the Building's heating unit is too small, which Sponsor will repair or replace in advance of the First Closing, as necessary at its cost and expense (which is not a major repair or replacement).

(See the "Description of Property and Building Condition" in Part II and the Section of the Plan entitled "Reserve Fund" for details.)

(b) According to Sponsor's Architect, due to the fact that the Building was constructed in 2008, the New York City Department of Buildings does not require an investigation into the presence of asbestos-containing material ("ACM") in the Building. Sponsor's obligations under the Plan do not include an obligation to remove any ACM and Sponsor makes no representation as to the existence or non-existence of ACM in any specific locations in the Building. (See the Section of the Plan entitled "Rights and Obligations of Sponsor" under the subsection "Sponsor's Obligations with respect to Asbestos" for further details.)

(c) Periodic inspection and maintenance of the Building's facade will be necessary. All ferrous metal exposed to the elements shall require regular maintenance, including scraping, priming, and painting approximately every 5-years or as the condition dictates. In November 2018, a façade inspection safety program ("FISP") report was filed regarding the Building, indicating a façade that is safe with repair and maintenance. Sponsor will be performing repair and maintenance to the items identified in the FISP report, including correcting cracked brickwork, efflorescence on the face of brick above certain window lintels, and rusting perimeter steel framing along certain rear balconies. The next façade inspection report will need to be filed in 2023. Provided that the Condominium is in operation at that time, the cost of such inspection and report shall be borne by the Condominium and all Unit Owners in proportion to their common interest. (See the "Description of Property and Building Condition" in Part II of the Plan for details.)

Window Treatments

25. In order to preserve the architectural harmony of the Building, the By-Laws provide that all Residential Unit Owners shall be obligated, regardless of the type of window treatment they use, to provide for a white backing on the window treatment so that when the shades are down or curtains drawn, the effect from the outdoors is a visually harmonious white appearance.

Purchase Agreement Not Contingent on Financing

26. (a) Although a Purchaser may obtain financing from any lending institution or other source, Purchaser's obligation to purchase a Residential Unit pursuant to a Purchase Agreement is not contingent on Purchaser obtaining such financing, so that Purchaser will remain obligated under the Purchase Agreement, whether or not Purchaser has been able to obtain financing. Neither Sponsor nor

Selling Agent makes any representation as to the availability or terms of any mortgage financing. Prospective Purchasers may want to finalize their financing arrangements before signing a Purchase Agreement. While the First Closing is currently projected to occur on or around January 1, 2021, neither Sponsor nor Selling Agent makes any representation as to the actual closing date for any particular Unit. In addition, as set forth in the Plan and the Purchase Agreement, Sponsor has the right to adjourn the Closing Date in its sole discretion, from time to time, and prospective Purchasers should be aware that if the Closing Date is adjourned, Purchaser's financing terms may be adversely affected, the interest rate may increase and the loan commitment could expire. Sponsor shall have no liability as a result of any scheduling or adjournment of the Closing Date beyond the expiration of a loan commitment. (See the Section of the Plan entitled "Procedure to Purchase" for details.)

(b) Purchasers should note that in the current real estate market, banks and other lenders are imposing various restrictions on purchase financing. Such restrictions include, among others, requiring that a certain percentage of units in a building or group of buildings be sold before a lender will consider making a loan. Thus, it may be possible for a Purchaser to experience difficulties in obtaining a loan in a building or group of buildings where the Sponsor has not sold a substantial percentage of the units in the Building or group of buildings, which in some cases may be as high as 70%. Moreover, some lenders will not provide financing in a building or group of buildings where an investor other than the original sponsor has an ownership interest of 10% or more. It also may be difficult for a Purchaser to resell a Residential Unit if prospective buyers are unable to obtain a loan due to the same minimum sales and investor ownership restrictions.

(c) Even in a building undergoing conversion, lenders may still impose minimum sales requirements before granting a loan. It may then be difficult for Purchasers to resell Residential Units if prospective buyers are unable to obtain a loan due to such minimum sales and/or owner-occupancy requirements. (See the Section of the Plan entitled "Effective Date" for details.)

Special Rights of Sponsor

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

(b) Sponsor reserves the right, in its sole and absolute discretion, to sell, lease, license, or otherwise transfer to a Unit Owner, any non-material portion of the Common Elements for the exclusive use of such Unit Owner provided that such Common Element was not offered in the Plan as an amenity for the shared use of the Unit Owners of the Condominium. Any such sale, lease, license, or transfer will not require the consent of any other Purchaser or Unit Owner, nor will it require notice to the Condominium Board, except as set forth below. In the event Sponsor sells or otherwise transfers any portion of the Common Elements after the recording of the Declaration and such sale or transfer affects the percentages of Common Interest in the Building, Sponsor will: (i) obtain the consent of the affected Unit Owner(s) and provide notice to the Condominium Board; (ii) disclose such sale or transfer in a duly filed amendment to the Plan; and (iii) reflect such change in an amendment to the Declaration and Tax Lot Drawings, if applicable and required.

Subsequent to the Sponsor Control Period, any lease or license of a portion of the Common Elements as described herein shall require the consent of the Condominium Board. (See the Sections of the Plan entitled "Changes in Prices and Units" for details.)

(c) During the Sponsor Control Period, the Condominium Board shall have the right, in its sole discretion, to waive Unit Owner obligations to pay Common Charges from and after the First Closing for a period to be determined by the Condominium Board, provided the basic operating costs of the Condominium (inclusive of insurance premiums and reserves required by lenders) are paid by Sponsor (the "Operating Costs"). Notwithstanding the foregoing, the Operating Costs shall not include individual Unit Owner expenses such as, but not limited to, (i) real estate taxes (regardless of whether the Unit has been separately assessed), (ii) mortgage payments under any loan or loans obtained to finance the purchase of the Unit, (iii) the cost of electricity, telephone, internet access, cable television charges, and any other utility supplied to the Unit, which will be separately billed, metered or sub-metered and payable as and when billed, and (iv) the cost of any insurance that the Unit Owner is required to carry covering the Unit, furniture, belongings, equipment and other personal property in the Unit, as well as the cost of any insurance the Unit Owner is required to carry covering liability to others for personal injury or property damage as a result of occurrences in the Unit and any Limited Common Elements appurtenant thereto. In all instances, the Unit Owners will remain responsible for the payment of the items identified in (i) – (iv) in the immediately preceding sentence. If the Condominium Board elects to waive payment of Common Charges, Sponsor shall disclose such waiver of Common Charges and the expected period of time of such waiver of Common Charges ("Waiver Period") in the post-closing amendment to the Plan. In the event the Condominium Board elects to terminate the Waiver Period, the Condominium Board shall provide no less than 30 days' notice to the Unit Owners of the resumption of Common Charges and Sponsor the date that the Waiver Period expired in the next substantive amendment to the Plan. Upon commencement of collection of Common Charges from all Unit Owners, there will not be a Special Assessment for any expense set forth in the approved budget for which Common Charges were not collected during the Waiver Period. The Condominium Board shall remain obligated to update the budget in accordance with the terms of the Plan. (See the Section of the Plan entitled "Rights and Obligations of Unit Owners," subsection "Common Charges: Determination and Assessment" for details.)

(d) Sponsor reserves the right to make any changes in the proposed Condominium Documents and modifications to the Plans and Specifications as may be necessary in Sponsor's sole discretion to conform to Law or to expedite the sale of Units, or due to structural, architectural or mechanical considerations provided, however, that any such amendments, additions, or changes shall not materially and adversely affect a Unit Owner or Purchaser, increase any obligation of a Unit Owner or Purchaser to any adverse and material degree and any substitution of appliances, equipment or materials shall be of substantially equal or better quality. Any such material and adverse modification, addition or change will be reflected in a duly filed amendment to the Plan. A decrease in a Unit's size of 5% or less will not affect a Purchaser's obligations unless such decrease is determined to be a material change. There is a rebuttable presumption that a decrease in Unit size of 5% or less is not material. (See the Sections of the Plan entitled "Changes in Prices and Units" for details.)

(e) No amendment, modification, addition or deletion of the terms of the Declaration, By-Laws or any Residential Rules and Regulations (other than those required by Law) shall be effective (a) against Sponsor unless Sponsor has given its prior written consent, or (b) to adversely affect the Community Facility Unit Owners unless the affected Community Facility Unit Owner has given its prior written consent thereto. (See the Section of the Plan entitled "Rights and Obligations of the Condominium Board/Summary of By-Laws" for details.)

(f) To the extent that Sponsor exercises its right to combine vacant Residential Units after the Filing Date of the Plan, resulting in fewer Residential Units in the Building, Sponsor reserves the right to modify the Schedule B to reflect any changes necessitated by such reduction, as determined by

Sponsor. In such event, Sponsor shall amend the Plan, which amendment shall include an updated Schedule B and Certification of Budget Expert.

Future Construction

28. In the event Sponsor engages in any development project that will be immediately adjacent to or directly across the street from the Condominium and such project has a material impact on the Condominium (e.g. impairment of views or closing of lot line windows), Sponsor shall disclose such material impact in an amendment to the Plan within a reasonable period of time. While Sponsor is under no obligation to undertake any inquiry into whether any development project is planned or underway by a party other than Sponsor that will be immediately adjacent to or directly across the street from the Condominium, in the event that (i) Sponsor becomes aware of such a project, and (ii) such project has a material impact on the Condominium (e.g. impairment of views or closing of lot line windows), Sponsor shall endeavor to disclose such project in an amendment to the Plan within a reasonable period of time after Sponsor obtains actual knowledge thereof. (See the section of the Plan entitled "Location and Area Information" for details.)

Unit Measurements

29. (a) Floor Plans depicting layouts of Units and the Storage Lockers appear in Part II of the Plan. Each Unit is measured horizontally from the exterior side of the exterior walls to the centerline of the partitions separating one Unit from another Unit, or separating one Unit from corridors, stairs, elevators and other mechanical equipment spaces or any Common Elements not within a Unit or to the exterior side of the opposite exterior walls; provided, however, that all columns, mechanical pipes, shafts, shaftways, chases, chaseways and conduits are not deducted from measurement of each Unit. Each Unit is measured vertically from the top of the floor (located under the finished flooring and sub-flooring materials) to the underside of the ceiling. These measurements are approximate and within reasonable tolerances.

(b) As is customary in New York, these square footages significantly exceed the usable floor area of each Unit as they are not measured from the interior side of interior walls. See the Footnotes to Schedule A in Part I of the Plan and the "Description of Property and Building Condition" set forth in Part II of the Plan for details.

Window Guards / Legally Compliant Window Stops

30. Any installations, replacements, and/or repairs in connection with legally-compliant window guards and/or window stops in any Residential Unit shall be performed at the direction of the Managing Agent and all costs associated therewith shall be charged to and borne solely by the Residential Unit Owner. It is the responsibility of each Residential Unit Owner to (i) notify the Managing Agent in writing if any child under the age of eleven (11) years resides (even temporarily) in the Residential Unit, (ii) make the necessary arrangements with respect to the installation, repair, replacement, operation, and/or maintenance of legally-compliant window guards and/or window stops in the Residential Unit and/or any additional equipment as required by Law, and (iii) otherwise ensure that all operable windows located in the Residential Unit comply with Laws relating to window guards and/or window stops. Sponsor does not make any representation, warranty or assurance whether Residential Unit Owners will comply with the foregoing obligations. (See the Section of the Plan entitled "Terms of Sale" for further details.)

Excess Development Rights

31. Sponsor has been advised that there are no Excess Development Rights as of the Filing Date of the Plan. However, if the applicable provisions of the Zoning Resolution change in the future,

such changes may generate transferable Excess Development Rights which will not be included in the Property and shall be the exclusive property of Sponsor. Sponsor cannot represent the amount of transferable Excess Development Rights that could result from such changes. Neither the Condominium Board nor any Unit Owner (other than Sponsor or a Development Rights Owner) shall have any right or interest in any Excess Development Rights. If any Excess Development Rights are transferred to an adjoining premises, the light and air of the Building and views from Units and/or Terraces may be affected. Notwithstanding the foregoing, Excess Development Rights may not be used to expand the size, height, bulk or density of any portion of the Property after the recording of the Declaration. (See the section of the Plan entitled "Rights and Obligations of Sponsor" and the Declaration in Part II of the Plan for details.)

Marketing Materials

32. In no event shall the presence of any furniture, furnishings, finishes, equipment or decorations, wall coverings, window treatments, carpeting and the like ("FFE") in any portion of the Building or Residential Units set forth in any marketing materials and/or advertisements, and/or websites used in connection with the sales and marketing of the Residential Units imply or represent that any such FFE will be located within any portion of the Building or Residential Units. The presence of FFE in such marketing materials is for illustrative purposes only. In addition, marketing materials may use designations, labels or nomenclature to describe certain areas or rooms within Residential Units that differ from the designations utilized on the Floor Plans of the Residential Units set forth in Part II of the Plan, including, without limitation, closets, hallways, dens/media rooms and powder rooms. The use of such designations, labels or nomenclature is for marketing purposes only and does not obligate Sponsor to deliver such areas or rooms designed or fitted out in the manner depicted or implied in the marketing materials.

Wood Products

33. Purchasers should note that natural materials used as finishes have certain inherent risks associated with such use. All references in the Plan to wood products shall be deemed references to engineered wood products unless otherwise specified. The renovated Residential Units will be delivered with wood floors, which should not be washed with water and need to be maintained in accordance with the manufacturer's recommendations. Risks associated with all wood products (including, without limitation, wood flooring, furniture, cabinetry or interior of cabinetry may or may not be the same material and/or color as the exterior and molding) include, but are not limited to, the following: appearance of cracks between the floor boards, squeaks, variation in color, variation in wood grain, texture, occurrence of knots, and cupping. Purchasers should also note that since wood is a product of nature, it can have a great deal of variability in color, grain, texture and appearance. Cracks, occurrence of knots, and grain variation are more noticeable in light colored wood flooring. Furthermore, wood flooring is affected by sunlight and often fades and changes with use and age. Some woods darken and some lighten when exposed to light. Wood flooring can also dent. Protective felt pads and protective sheeting such as plywood or masonite should always be used when placing furniture or appliances. As recommended by the National Wood Flooring Association, Unit Owners are advised to be very cautious about washing wood products with a wet mop or otherwise with water, since contact with standing water can cause cupping, swelling, and subsequent gapping. For more information about the effect of water on wood flooring, Purchasers should reference the National Wood Flooring Association, available at http://www.nwfa.org/. All wood products should be maintained in accordance with the manufacturer's recommendations. (See the Sections of the Plan entitled "Rights and Obligations of Sponsor" and "Rights and Obligations Unit Owners" for further details.)

Certain Post-Closing Restrictions

34. (a) A Residential Unit Owner who acquired title to the Residential Unit from Sponsor is prohibited under the By-Laws and Purchase Agreement for a period of twelve (12) months from the Closing of its Residential Unit from taking any of the following actions without Sponsor's prior written consent, which consent may be withheld, conditioned, or delayed, in Sponsor's sole and absolute discretion: (i) listing such Residential Unit for sale with any broker, (ii) placing or authorizing any listing of the Unit for sale in any broker's listing system or other listing service, or (iii) advertising or otherwise offering, promoting or publicizing the availability of such Residential Unit for sale. Unless it would constitute a prohibited discriminatory inducement, the prohibitions set forth in (i) through (iii) above may be waived by Sponsor upon the Residential Unit Owner's prior written request, which waiver and any conditions thereto may be granted, withheld or delayed, in Sponsor's sole and absolute discretion. A violation of this provision of the By-Laws will entitle Sponsor the right to pursue all remedies at law or in equity in connection with such breach. (See the Section of the Plan entitled "Rights and Obligations of Unit Owners" and the By-Laws for further details.)

(b) Each Unit Owner who acquired a Residential Unit from Sponsor ("Sponsor Sale") and subsequently enters into an agreement ("Resale Agreement") to sell such Residential Unit ("Resale") prior to the first anniversary of the closing of such Sponsor Sale shall be obligated to pay to Sponsor a portion of the proceeds of the Resale ("Resale Fee"). Such Unit Owner will be required to provide Sponsor with Notice of the Resale Agreement within ten (10) days after entering into the Resale Agreement. The Resale Fee paid to Sponsor at the closing of the Resale shall be equal to 50% of the "Gross Profit," i.e. the difference between (A) the "Net Profit," i.e. the sales price of the Residential Unit set forth in the Resale Agreement less the following expenses actually paid by the Unit Owner (to the extent applicable): (1) brokerage commissions not exceeding 6% in the aggregate; (2) transfer taxes imposed by Law, if paid for by the Unit Owner, and (3) actual legal fees not exceeding $5,000, and (B) the "Sponsor Sale Price," i.e. the Purchase Price paid to Sponsor in connection with the Sponsor Sale. At such time as Sponsor no longer owns any Unsold Units, the obligation to pay the Resale Fee shall no longer be applicable. (See the Section of the Plan entitled "Rights and Obligations of Unit Owners" for further details.) For the avoidance of doubt, the Resale Fee shall not be applicable in the event a Unit Owner leases, rather than sells, their Unit prior to the first anniversary of the Sponsor Sale of such Unit of such Unit.

Principal(s) of Sponsor Has/Have Executed The Certification of Sponsor and Principal(s) for Compliance with the Martin Act and Governing Regulations

35. Consistent with a recent First Department decision, the principal(s) of Sponsor expressly disclaim the existence of any private right of action for contract claims by individual unit owners (or a board on their behalf) in connection with or arising solely from their execution of the Certification of Sponsor and Principal(s), absent liability under another statute or under an alter-ego or other veil-piercing theory. See Board of Managers of 184 Thompson Street Condominium v. 184 Thompson Street Owner LLC. et al, 106 A.D. 3rd 542 (1st Dept. May 16, 2013).

Insurance

36. (a) The budgeted line item for the insurance premiums set forth in Schedule B represents current insurance premiums at current rates. In recent years, premiums for insurance (especially fire, terrorism, liability and flood insurance) have increased significantly. Although the projections in Schedule B are believed to be reasonable as of the submission of the preliminary Plan to the DOL, 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 guarantee is given that insurance premiums will not increase.

(b) Sponsor does not make any representation that the insurance limits set forth in Schedule B will meet the requirements of a lender who finances the purchase of a Unit. If Purchaser's lender requires additional insurance, Purchaser will be obligated to obtain such supplemental insurance at Purchaser's sole cost and expense.

Load-Bearing Capacity of Terraces

37. Any Residential Unit Owner whose Residential Unit has an appurtenant Terrace shall neither install nor permit to be installed any improvement, fixture, or other additions which exceed a maximum load of 25 lbs./square foot unless such Residential Unit Owner (i) first obtains approval by the Condominium Board to increase the load-bearing capacity of the Terrace and complies with any reasonable requests by the Condominium Board for copies of certificates of insurance, permits, authorizations, approvals, and/or certificates required for such work, and (ii) engages a professional structural engineer having at least five (5) years' experience in structural engineering to design additional support to increase the load-bearing capacity of the Terrace and performs all such work in conformity therewith. Such restrictions shall not apply to the ground-floor Terrace appurtenant to the Community Facility Unit.

Financial Crimes Enforcement Network

38. For the purpose of preventing evasion of the Bank Secrecy Act, the director of the Financial Crimes Enforcement Network of the U.S. Department of Treasury ("FinCen") issued a Geographic Targeting Order ("Order") to collect information about certain transactions, which applies to any corporation, partnership, limited liability company, or other similar business entity using currency or a cashier's check, a certified check, a traveler's check, a personal check, a business check, a money order in any form, a funds transfer, or virtual currency, whether wholly or in part, without a bank loan or other similar form of external financing, to purchase "residential real property" in any borough of New York City for a total price in excess of certain threshold amounts. At the time of the Filing Date of this Offering Plan, such reporting threshold is $300,000, which may be subject to change in the future. For the purposes of FinCEN, "residential real property" is defined as "real property (including individual units of condominiums and cooperatives) designed principally for the occupancy of from one to four families." Purchasers are advised that FinCEN has revised and extended the Order from time to time, which currently remains in effect until May 15, 2019 but may be subject to further extension. In the event that a Purchaser enters into a transaction that falls within the current scope of the Order, the Purchaser shall be required to deliver to the title company at Closing all documents and information necessary in order for the title company to comply with the requirements set forth in the Order. Any failure by a Purchaser to deliver such documents and information shall be deemed an Event of Default under the Purchase Agreement. For further details, Purchasers are advised to consult with a title company. (See the section of the Plan entitled "Procedure to Purchase.")

Smoking Policy

39. The smoking policy of the Condominium is set forth below, which policy may be amended from time to time by the Condominium Board (see the Section of the Plan entitled "Rights and Obligations of Unit Owners" for more details):

> "No person may carry or smoke any kind of lighted pipe, cigar, cigarette, tobacco, or any other lighted smoking apparatus, equipment or product, including but not limited to electronic cigarettes, (collectively, "Smoking Apparatus") in any area of the Building, whether indoors or outdoors, at any time. Smoking shall be prohibited in all common areas of the Building whether indoor or outdoor. Although smoking shall be permitted in any Unit or Limited Common Element appurtenant thereto, including a private Terrace, no person may smoke or otherwise use any

Smoking Apparatus in a manner, which causes smoke to be a nuisance, create odors or annoyance to any other resident of the Condominium. In addition, no person may smoke or otherwise use any Smoke Apparatus within twenty-five (25) feet of any outside entrance to the Building or within twenty-five (25) feet of any outdoor air intake or operable window opening in the Common Elements or Units."

Accessory Spaces in Certain Residential Units

40. Residential Units 2B, 2C, 3B, 3C, 4B and 4C feature certain accessory to residential use space (as shown on the floor plans) that may not legally be used as a bedroom, living room or for cooking purposes. To do so may result in a building code violation being issued for the Building.

Local Law 11 (New York City Façade Inspection Safety Program)

41. New York City Local Law 11 of 1998 ("Local Law 11") requires periodic examinations of the physical condition of certain exterior walls applies to the Building. Sponsor has engaged an engineer to conduct an 8th Cycle façade inspection of the Building in accordance with the New York City Façade Inspection Safety Program (FISP) and will amend the Plan to include a copy of the FISP report upon its completion. Periodic inspection and maintenance of the Building's facade will be necessary. All ferrous metal exposed to the elements shall require regular maintenance, including scraping, priming, and painting approximately every 5-years or as the condition dictates. The next façade inspection report will need to be filed in 2023. A SWARMP (Safe with repair and maintenance) report in connection with the condition of exterior facades was filed on November 01, 2018.The report recommended facade repairs to be completed by August 31, 2021. Maintenance items include cracked brickwork at the rear façade on the 8th Floor, efflorescence on the face of bricks above window lintels, and rusting perimeter steel framing along exterior balconies at the rear façade. It is anticipated that the repairs required will be performed during the summer of 2020. An amended report will be filed as safe once the work is completed.

Other Special Risks from Description of Property and Building Condition

42. (a) *Convenience Stairs in Community Facility Unit*. There are existing, winding convenience stairs connecting the first floor and the cellar of the Community Facility Unit that are not New York City Building Code compliant. The Sponsor plans no work to retrofit or otherwise modify these stairs. However, compliant stairways are already provided in the Building; the winding stairs are additional for the convenience of the Community Facility Unit.

(b) *"E" Designation*. There is a noise and air quality "e" designation on the property, but no hazardous materials "e" designation. As to noise, no action needs be taken currently. If any window inside a Residential Unit needs replacement in the future (which cost shall be borne by such Residential Unit Owner), the new windows must comply with the noise "e" designation. Since natural gas is used in the building, the building is already compliant with the air quality "e" designation, so no corrective or other action is required.

INTRODUCTION

Nature of the Transaction

DS 531 E. 12th Owner LLC ("Sponsor") is a limited liability company organized and existing under the laws of the State of Delaware. Sponsor acquired the Property on November 1, 2018 from 533 East 12th Street LLC and Hershey Farm Company L.P.

Sponsor presents this Plan, as the same may be amended from time to time ("Plan") for the conversion to condominium ownership of the Land and Building pursuant to the Condominium Act. The Condominium will be known as The Avant and located at 531-533 East 12th Street, New York, NY 10009 ("Property").

The principal of Sponsor who will be actively involved in this offering is Michael Shah. (See the Sections of the Plan entitled "Identity of Parties" and the "Certification of Sponsor and Principal" in Part II of the Plan for further details.)

The Condominium will consist of 26 Residential Units, 1 Community Facility Unit and 16 Storage Lockers. As of the approximate submission date of the preliminary Plan, all of the Residential Units in the Building are subject to the Emergency Tenant Protection Act of 1974, as amended, the New York City Rent Stabilization Law of 1969, as amended, the Rent Stabilization Code, as amended, and any policies and procedures promulgated thereunder and any administration and/or judicial determinations and/or interpretations thereof, to the extent that any or all of the same shall apply to the Property (collectively, "Rent Laws") solely on account of the receipt of Section 421-a Real Estate Tax Exemption Benefits, which expired on June 30, 2019. None of the Units are subject to the New York City Rent Control Law.

The storage lockers are referred to as "Storage Lockers".

The Residential Units and the Community Facility Unit are collectively referred to as the "Units."

The Offering Plan

The purpose of the Plan is to set forth in detail all material facts relating to the offering by Sponsor. The Plan contains all of the detailed terms of the transaction. The Plan is a non-eviction plan and is being presented in compliance with the requirements of Section 352-eeee of the General Business Law ("GBL") which sets forth the procedure for converting occupied dwelling units to condominium ownership. While Sponsor intends to sell Units in good faith, Sponsor reserves the right to rent or lease any vacant Unit prior to Closing to the Purchaser thereof or any other party. Sponsor reserves the unconditional right to rent rather than to sell Units as they become vacant. Sponsor's right to rent rather than sell Units once they become vacant is unconditional and exercisable in Sponsor's sole discretion.

Purchasers should note that in the current real estate market, banks and other lenders are imposing various restrictions on purchase financing. Such restrictions include, among others, requiring that a certain percentage of units in a building or group of buildings be sold before a lender will consider making a loan. Thus, it may be possible for a Purchaser to experience difficulties in obtaining a loan in a building or group of buildings where the Sponsor has not sold a substantial percentage of the units in the Building or group of buildings, which in some cases may be as high as 70%. Moreover, some lenders will not provide financing in a building or group of buildings where an investor other than the original sponsor has an ownership interest of 10% or more. It also may be difficult for a Purchaser to resell a Unit if prospective buyers are unable to obtain a loan due to the same minimum sales and investor ownership restrictions.

Sponsor may from time to time amend the Plan by filing an amendment with the New York State Department of Law ("Department of Law"), having an office at 28 Liberty Street, New York, New York and

serving such amendment on Offerees, as the term "Offerees" is defined in the Regulations of the Department of Law.

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

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

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

Residential Units

There are 26 Residential Units located on Floor 2 through 8, the approximate square footages of which are set forth on Schedule A.

Sponsor reserves the right to combine certain Residential Units as they become vacant, which will reduce the total number of Residential Units offered for sale. Sponsor will amend the Plan, and the "Description of Property and Building Condition" contained in Part II of the Plan to reflect the combinations of such Residential Units, if applicable.

To the extent that Sponsor exercises its right to combine vacant Residential Units after the Filing Date of the Plan, resulting in fewer Residential Units in the Building, Sponsor reserves the right to modify the Schedule B to reflect any changes necessitated by such reduction, as determined by Sponsor. In such event, Sponsor shall amend the Plan, which amendment shall include an updated Schedule B and Certification of Budget Expert.

Offering of Residential Units for Sale

Sponsor hereby offers the Residential Units for sale pursuant to the Plan. The Purchase Prices for each of the Residential Units are listed in the Section of the Plan entitled "Schedule A – Purchase Prices and Related Information" ("Schedule A"). **THESE PRICES HAVE BEEN SET BY SPONSOR AND ARE NOT SUBJECT TO APPROVAL BY THE DEPARTMENT OF LAW OR ANY OTHER GOVERNMENTAL AGENCY**.

Schedule A also contains a listing of the approximate square footage of each Residential Unit. (See the Section of the Plan entitled "Description of Property and Building Condition" and "Floor Plans" for details.)

1. **The Offer to Present Existing Tenants**

The Offer to Purchase Unit Occupied by Tenant

Bona Fide Tenants have the exclusive right to purchase only their respective Residential Units within the first 90 days from the Presentation Date of the Plan ("Initial Exclusive Purchase Period") at the Purchase Prices set forth in Schedule A.

There will be no increase in Purchase Prices for Tenant-Purchasers during any Exclusive Purchase Period and Sponsor will not accept Purchase Agreements from Non-Tenant Purchasers for occupied Units during any Exclusive Purchase Period.

In order to qualify for the foregoing benefits during the Initial Exclusive Purchase Period, a Bona Fide Tenant must deliver to Selling Agent during such Initial Exclusive Purchase Period (i) four (4) original, complete, and unaltered executed copies of the Purchase Agreement, (ii) a completed and executed original form W-9 or form W-8, as applicable, and an official bank check made payable to "Starr Associates LLP, as Escrow Agent" in the amount of 10% of the Purchase Price of the Unit representing the Initial Deposit. (See the Section of the Plan entitled "Procedure to Purchase" for further details.)

If prior to the First Closing, Sponsor amends the terms and conditions of the offering to be more favorable to Bona Fide Tenants, a Tenant-Purchaser who executed and submitted a Purchase Agreement and delivered the Initial Deposit for the Residential Unit which the Tenant-Purchaser occupied on the Filing Date before Sponsor amended the terms of the Plan, shall benefit from the more favorable terms and conditions.

2. **The Offer to Non-Tenant-Purchasers**

Sponsor hereby offers for sale the Residential Units set forth in Schedule A to Non-Tenant-Purchasers (defined as Purchasers other than Tenant-Purchasers) on the following terms:

(i) They shall have the opportunity to purchase an occupied Residential Unit either following the Initial Exclusive Purchase Period afforded Bona Fide Tenants or upon receipt of a written waiver by the Bona Fide Tenant of the right to purchase the Residential Unit which such Bona Fide Tenant occupies during the Initial Exclusive Purchase Period.

In order to qualify for the foregoing benefits, a Non-Tenant-Purchaser must deliver to Selling Agent (i) four (4) original, complete, and unaltered executed copies of the Purchase Agreement, (ii) a completed and executed form W-9 or form W-8, as applicable, and (iii) an official bank check made payable to "Starr Associates LLP, as Escrow Agent" in the amount of 10% of the Purchase Price of the Unit representing the Initial Deposit. (See the Section of the Plan entitled "Procedure to Purchase" for further details.)

3. **All Offers to Purchase Residential Units**

At the time Purchaser executes a Purchase Agreement, Purchasers (including both Tenant-Purchasers and Non-Tenant Purchasers) will be required to deliver a Deposit in an amount equal to 10% of the Purchase Price.

With respect to the payment of any Deposits, Purchaser shall deliver such payment by official bank check or, if Sponsor offers the option in Sponsor's sole discretion, by wire transfer. All checks (i) must be drawn on or issued by a bank or trust company which is a member of the New York Clearinghouse Association, (ii) must be made payable to the direct order of "Starr Associates LLP, as Escrow Agent," and (iii) shall be accepted by Sponsor subject to collection. If any such check is returned for insufficient funds or any other reason, Sponsor shall have the right, at its option, among other things, with respect to a check towards the Initial Deposit, to deem such Purchase Agreement to be void *ab initio* and of

no further force or effect. With respect to wire transferred funds, (y) such wire transfer must be payable to the direct order of the Escrow Agent and (z) 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 IN PAYMENT OF THE PURCHASE PRICE.

Offering of Community Facility Unit for Sale

Sponsor hereby offers the Community Facility Unit for sale pursuant to the Plan. The Purchase Price for the Community Facility Unit is listed in the Section of the Plan entitled "Schedule A - Purchase Prices and Related Information" ("Schedule A"). All terms of sale with respect to the Community Facility Unit are freely negotiable without resort to the form Purchase Agreement set forth in Part II of the Plan, including, but not limited to, the amount of the Deposit(s), payment of use and occupancy fees from the date of Closing until the Condominium Board's imposition of Common Charges, terms of sale and insurance coverage requirements. **THESE PRICES HAVE BEEN SET BY SPONSOR AND ARE NOT SUBJECT TO APPROVAL BY THE DEPARTMENT OF LAW OR ANY OTHER GOVERNMENTAL AGENCY.**

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

In the event that Sponsor delivers the Community Facility Unit as "raw space" and the Community Facility Owner decides to perform significant construction to build up the space, such construction work may cause delays in procuring the PCO for the entire Building. Sponsor may bring an action against the Community Facility Owner to recover for the delay caused by the Community Facility Owner to the extent of its responsibility for such delay. Notwithstanding the foregoing, Sponsor and its principal's obligations to procure the PCO and keep TCOs current until the PCO is procured are unchanged.

In the event the Closing to a Community Facility Unit occurs in advance of the First Closing, the First Year of Condominium Operation as defined in the Plan will not commence until the First Closing.

Offering of Storage Lockers for Sale

Sponsor hereby offers the Storage Lockers for sale pursuant to the Plan pursuant to a licensing arrangement ("Storage Lockers License"). A Storage Locker may only be purchased by a Purchaser of a Residential Unit. The Purchase Price for each of the Storage Locker is listed in Schedule "A." THESE PRICES HAVE BEEN SET BY SPONSOR AND ARE NOT SUBJECT TO APPROVAL BY THE DEPARTMENT OF LAW OR ANY OTHER GOVERNMENTAL AGENCY. The Condominium Board has the right to impose license fees and Special Assessments in connection with the Storage Locker Licenses.

Although the Storage Locker Area is a Residential Common Elements, the Condominium Board has granted Sponsor the exclusive right, without charge, to sell Storage Locker Licenses located therein. The Condominium will not be entitled to any of the proceeds from the sale of the Storage Lockers.

Purchasers should note that the Closing of a Storage Locker License does not require the issuance of a TCO or PCO. Purchasers will be required to consummate the purchase of the Residential Unit and the Storage Locker License simultaneously at Closing even though a Temporary Certificate of Occupancy has not been issued to or access may not be available to the Storage Locker Area. In such event, the proceeds from the sale of the Storage Locker License will be held in escrow ("Storage Locker Escrow")

by Escrow Agent until such time as a Temporary Certificate of Occupancy has been issued for the Storage Locker Area. The Storage Locker Escrow will not be held in an interest bearing account for the benefit of Purchaser. Purchaser will earn no interest on the Storage Locker Escrow.

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

Based upon market conditions, until such time as Sponsor has entered into a Purchase Agreement with respect to the sale of a Storage Locker License, Sponsor reserves the right to withdraw the offering of any particular Storage Locker and/or to reduce the number of Storage Locker Licenses offered. After such time that Sponsor has entered into a Purchase Agreement with respect to the sale of a Storage Locker License, Sponsor may withdraw or reduce the offering of any Storage Locker Licenses but only to the extent that such withdrawal or reduction does not affect any Storage Locker Licenses already under contract. If, subject to the foregoing limitations, Sponsor elects to withdraw or reduce the offering of any Storage Locker Licenses, then such withdrawal or reduction shall be disclosed by Sponsor in an amendment to the Plan, and Sponsor shall have the right to utilize such Storage Locker Area for any use as determined by Sponsor in its sole discretion. Furthermore, in the event of such withdrawal or reduction, with respect only to Purchasers (i) who have not entered into Purchase Agreements for Storage Locker Licenses and (ii) who have entered into Purchase Agreements for Storage Locker Licenses unaffected by the withdrawal or reduction, such Purchasers shall not be relieved of any of their obligations under their respective Purchase Agreements as a result of such withdrawal or reduction, including without limitation the obligation to purchase the Residential Unit.

A Storage Locker License may be terminated pursuant to the terms thereof. Generally, the Storage Locker License shall automatically terminate at such time as the Licensee no longer owns a Unit, unless the Storage Locker License is assigned to and assumed by another Unit Owner in accordance with the terms of the Storage Locker License and the Condominium Documents. A Licensee may also voluntarily surrender a Storage Locker License to the Condominium Board. The Condominium Board may elect to terminate a Storage Locker License in the event that the Licensee defaults in its obligations under the Storage Locker License beyond any applicable cure periods or as otherwise provided for in the Storage Locker License. Moreover, if Licensee defaults in its obligations under the Condominium Documents, the Condominium Board may, in addition to the rights and remedies set forth in the Condominium Documents, (i) deny access to and use of the Storage Locker until Licensee cures such default or (ii) terminate the Storage Locker License upon written notice to Licensee. Upon the surrender or termination (for any reason whatsoever) of a Storage Locker License, the Condominium Board shall have the right in its sole discretion to issue a new Storage Locker License for the Storage Locker to another Unit Owner for such consideration as the Condominium Board shall deem appropriate in its sole discretion and without any obligation to compensate the former Licensee therefor.

Terms of Offer

The Residential Units and their appurtenant interests in the Common Elements are being sold "as is" to Tenant-Purchasers in the condition in which they exist on the date each respective Purchase Agreement is entered into, subject to ordinary wear and tear and further subject to Sponsor's obligations to maintain the Building and to make repairs, improvements or decorations as may be otherwise set forth in the Plan; and to all Purchasers of vacant Residential Units "as is" in the condition in which they exist on the Closing Date of such Residential Unit. As Residential Units become vacant, Sponsor may sell such Unit "as is" or may renovate such Residential Unit. In the event that Sponsor discovers that the layout or dimensions of any Residential Unit that becomes vacant varies materially from the corresponding Floor Plan in Part II of this Plan, Sponsor will amend the Plan to correct such Floor Plan. 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 (within reasonable tolerances) and layout of each Residential Unit. While the Floor Plans are meant to reflect existing conditions, the actual layout of an occupied Residential Unit may have been altered by the tenant; accordingly, each Residential Unit should be inspected prior to purchase to determine its actual dimensions, layout and physical condition. The signing of the Purchase Agreement signifies Purchaser's acceptance of the condition of the Property (as represented by Sponsor in the Plan) including, but not limited to, the Unit, the Storage Lockers, the Building and all Common Elements contained in the Building. Sponsor has no obligation to make any repairs, improvements or decorations in or to the Property, the Units, the Storage Lockers, the Building or the Common Elements, except as may otherwise be set forth in the Plan.

Notwithstanding the foregoing, Sponsor intends to perform certain renovations, capital improvements and capital replacements to the Common Elements, subject to Force Majeure, as described in the definition of Sponsor's Work in the "Rights and Obligations of Sponsor" Section of the Plan. Sponsor presently anticipates that these renovations and capital improvements will be substantially completed prior to the First Closing. Any further work to the Building that is not disclosed in the Plan shall be disclosed in a duly filed Amendment. All Units sold by Sponsor will comply with New York City Building Code as of the date of Closing.

The Buildings Department issued a Certificate of Occupancy No. 104350051F dated October 2, 2008 for the Building. Sponsor's Architect has advised that the Certificate of Occupancy will need to be amended or may be changed to a Temporary Certificate of Occupancy as a result of the renovation to the Building. See the Section of the Plan entitled "Rights and Obligations of Sponsor" for a list of "Sponsor's Work" that may be performed requiring an amended or Temporary Certificate of Occupancy.

All Deposits received by Sponsor directly or through its agents or employees will be held in accordance with the Section of the Plan entitled "Escrow and Trust Fund Requirements."

A copy of the form of Purchase Agreement that will be used by Sponsor in connection with the sale of the Residential Units is set forth in Part II of the Plan. Sponsor reserves the right to revise the form of Purchase Agreement from time to time. All material and adverse changes in the Purchase Agreement will be disclosed in an amendment to the Plan.

No binding obligation shall arise for the sale of a Residential Unit unless and until a Purchase Agreement, executed by both Purchaser and Sponsor, has been exchanged, and Sponsor has collected the Initial Deposit (see the Section of the Plan entitled "Procedure to Purchase" for further details), except for a Bona Fide Tenant who executes and delivers an unaltered Purchase Agreement and the Initial Deposit to Sponsor within an Exclusive Purchase Period, with respect to the Residential Unit occupied by such Bona Fide Tenant on the Filing Date and who is in good standing under such Bona Fide Tenant's lease, provided that such rejection is not based on sex, race, creed, color, national origin, marital status, ancestry, disability, or other grounds proscribed by Law.

For further details concerning the Closing to the Residential Units, the costs and adjustments with respect thereto and the time periods which must elapse before closings may occur, see the Sections of the Plan entitled "Effective Date," "Closing Costs and Adjustments" and "Terms of Sale."

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

Applicable Rent Laws

The Plan is a non-eviction plan and is being presented in compliance with the requirements of Section 352-eeee of the General Business Law ("GBL") which sets forth the procedure for converting occupied dwelling units to condominium ownership. Under the GBL, Sponsor may declare the Plan effective when Purchase Agreements have been executed for at least 15% of the Residential Units in the Building by Bona Fide Tenants in occupancy on the Filing Date or Bona Fide Purchasers who represent that they intend that they or one or more specified Family Members will occupy the Residential Unit when it becomes vacant (i.e., 4 Residential Units based on 26 Residential Units offered for sale). A Non-Purchasing Tenant of a Residential Unit will not be evicted by reason of conversion of the Property to condominium ownership. As of the approximate submission date of the preliminary Plan (or "red herring") to the Department of Law, all of the 26 Residential Units in the Building were subject to the Emergency Tenant Protection Act of 1974, as amended, the New York City Rent Stabilization Law of 1969, as amended, the Rent Stabilization Code, as amended, and any policies and procedures promulgated thereunder and any administration and/or judicial determinations and/or interpretations thereof, to the extent that any or all of the same shall apply to the Property (collectively, "Rent Laws"). None of the Residential Units are subject to the New York City Rent Control Law. The Rent Laws were applicable to the Residential Units solely on account of the receipt of Section 421-a Real Estate Tax Exemption Benefits, which expired on June 30, 2019, as described in the Section of the Plan entitled "Real Estate Tax Exemption Benefits (421-a)."

Purchasers should refer to the Sections of the Plan entitled "Rights of Existing Tenants" and "Obligations of Purchasers of Residential Units Occupied by Non-Purchasing Tenants" for details.

Sponsor's Rights with Respect to Leasing Rather than Selling Unsold Residential Units

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

Sponsor reserves the right to rent or lease any vacant Unit prior to Closing to the Purchaser thereof or any other party. Sponsor reserves the unconditional right to rent rather than to sell Residential Units as they become vacant. Sponsor's right to rent rather than sell Residential Units once they become vacant is unconditional and exercisable in Sponsor's sole discretion.

Following the expiration of the Initial Exclusive Purchase Period, Sponsor shall have the right to: (i) sell occupied Residential Units to one or more non-occupant Purchasers for investment or resale; (ii) lease occupied Residential Units to others; or (iii) retain vacant Residential Units for future sale or rental. Any such sales are subject to the rights, if any, of Bona Fide Tenants to purchase their respective Residential Units during a subsequent Exclusive Purchase Period provided in an amendment to the Plan prior to the Effective Date. The Plan may not be declared effective based on Purchase Agreements executed by Purchasers who have not represented that they intend to occupy the Unit when it becomes vacant. (See the Section of the Plan entitled "Effective Date" for details.)

Residents of the Condominium may be comprised of both Unit Owners and tenants leasing from Sponsor or tenants leasing from other Unit Owners. Accordingly, it is possible that a significant proportion of Unit Owners will not be residents of the Building and that a significant number of tenants may not be Unit Owners. Owner-occupants may never gain control and management of the Condominium since the By-Laws do not include a provision that after the expiration of the Sponsor Control Period a majority of the Condominium Board must be owner-occupants or members of an owner-occupant's household who are unrelated to Sponsor and its principal. Owner-occupants and non-resident owners, including Sponsor, may

have inherent conflicts on how the Condominium should be managed because of their different reasons for purchasing, i.e., purchasing as a home as opposed to as an investment. (See the Section of the Plan entitled "Obligations of Purchasers of Units Occupied by Non-Purchasing Tenants" for details).

Prospective Purchasers should be aware that potentially they may be living with non-purchasing occupants in many of the Units for an indefinite period, depending upon market conditions. In Sponsor's sole discretion, non-purchasing occupants (other than Non-Purchasing Tenants whose rights are governed by Law) may receive the same Building services and use the Building's amenities as owner-occupants, however, they have no investment in their Units and, therefore, may not share the same economic interests as owner-occupants in the maintenance and care of the Building's facilities and amenities.

Sponsor reserves the right to sell 10% or more of the Unsold Units ("Bulk Sale") to a Person which assumes the rights and obligations of Sponsor with respect to such Units. Sponsor may require that Non-Tenant Purchasers of more than 1 Residential Unit deliver a Deposit in excess of that set forth in the Plan, which amount shall be on terms individually negotiated with each such Purchaser, any and all of which such deposit may be retained as and for liquidated damages in the case of an Event of Default (as defined in Paragraph 13 of the Purchase Agreement set forth in Part I of the Plan). (See the Section of the Plan entitled "Procedure to Purchase" for more details.).

Basic Aspects of Condominium Ownership

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

Subject to certain conditions contained in the By-Laws, each Unit Owner may mortgage the Unit with such lender and in such amount as the Unit Owner chooses. However, Sponsor does not make any representations about the financeability of any Unit. There are no limitations or restrictions upon the rights of Sponsor to mortgage Unsold Residential Units or the rights of Community Facility Unit Owners to mortgage Community Facility Units. Each Unit is separate and will not be subject to the lien of any mortgage placed by other Unit Owners on their respective Units.

Sponsor has procured an agreement from Pacific Western Bank ("Sponsor Lender") for financing the acquisition and/or renovation or improvement of the Building or portions thereof. Sponsor will receive advances from Sponsor's Lender each month, so long as Sponsor complies with the provisions of the loan regarding its responsibilities to use the funds advanced in the agreed manner and generally to proceed with the Building improvements as agreed to in the loan documents. Pursuant to the terms of the loan documents, Sponsor must meet certain minimum release prices prior to Sponsor's Lender's release of its lien against each Residential Unit. The loan documents do not require Sponsor to enter into a specific minimum number of Purchase Agreements prior to declaring the Plan effective.

Since certain Units are subject to Rent Laws, it will likely take Sponsor a significant period of time to sell such Units, Sponsor does not anticipate that this will adversely impact the timing of declaring the Plan effective, establishing the Condominium or when the First Closing will occur.

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

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

Each Unit will be taxed as a separate tax lot for real estate tax purposes and a Unit Owner will not be responsible for the payment of, nor will the Unit be subjected to, any lien arising from the non-payment of real estate taxes assessed against any other Unit.

With certain exceptions set forth in the By-Laws, any sale or lease of a Residential Unit will be subject to a right by the Condominium Board to acquire or lease such Residential Unit or to produce a third party to acquire or lease such Residential Unit on the same terms as were offered to the owner of such Residential Unit. Sponsor and the Community Facility Unit Owners may sell or lease any of their respective Units without any restriction or limitation. (See the Sections of the Plan entitled "Rights and Obligations of Unit Owners" and "Rights and Obligations of the Condominium Board / Summary of By-Laws" subsection "Sales and Leases of Residential Units" for details.)

A Residential Unit Owner who acquired title to the Residential Unit from Sponsor is prohibited under the By-Laws and Purchase Agreement for a period of twelve (12) months from the Closing of its Residential Unit from taking any of the following actions without Sponsor's prior written consent, which consent may be withheld, conditioned, or delayed, in Sponsor's sole and absolute discretion: (i) listing such Residential Unit for sale with any broker, (ii) placing or authorizing any listing of the Unit for sale in any broker's listing system or other listing service, or (iii) advertising or otherwise offering, promoting or publicizing the availability of such Residential Unit for sale. Unless it would constitute a prohibited discriminatory inducement, the prohibitions set forth in (i) through (iii) above may be waived by Sponsor upon the Residential Unit Owner's prior written request, which waiver and any conditions thereto may be granted, withheld or delayed, in Sponsor's sole and absolute discretion. A violation of this provision of the By-Laws will entitle Sponsor the right to pursue all remedies at law or in equity in connection with such breach. (See the Section of the Plan entitled "Rights and Obligations of Unit Owners" and the By-Laws for further details.)

A Residential Unit Owner who acquired title to the Residential Unit from Sponsor ("Sponsor Sale") and subsequently enters into an agreement, written or oral ("Resale Agreement") to sell such Residential Unit ("Resale") prior to the first anniversary of the closing of such Sponsor Sale shall be obligated to pay to Sponsor a portion of the proceeds of the Resale ("Resale Fee"). Such Residential Unit Owner will be required to send Sponsor a copy of the Resale Agreement within ten (10) days after entering into the Resale Agreement. The Resale Fee paid to Sponsor at the closing of the Resale shall be equal to 50% of the "Gross Profit," i.e. the difference between (A) the "Net Profit," i.e. the sales price of the Residential Unit per the Resale Agreement less the following expenses actually paid by the Residential Unit Owner (to the extent applicable): (1) brokerage commissions not exceeding 6% in the aggregate; (2) transfer taxes imposed by Law, if paid for by the Residential Unit Owner, and (3) actual legal fees not exceeding $5,000, and (B) the "Sponsor Sale Price," i.e. the Purchase Price paid to Sponsor in connection with the Sponsor Sale. (See the Section of the Plan entitled "Rights and Obligations of Unit Owners" for further details.) For the avoidance

of doubt, the Resale Fee shall not be applicable in the event a Unit Owner leases, rather than sells, their Unit prior to the first anniversary of the Sponsor Sale of such Unit.

The statute concerning condominiums in effect in the State of New York pursuant to which the Condominium will be organized by Sponsor is Article 9-B of the Real Property Law of the State of New York, as amended, commonly known, and hereinafter referred to as the "Condominium Act." The Property will be submitted to the provisions of the Condominium Act by recording the Declaration in the Register's Office by Sponsor. The Condominium will comply with all Laws applicable to condominiums in the State of New York.

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

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

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

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

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

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

Each Purchaser of a Residential Unit will be required to make a non-refundable contribution to the Working Capital Fund of the Condominium. Such contribution, to be made at the time of Closing of the Residential Unit, shall be in an amount equal to 2 months' Common Charges assessed against the Residential Unit at Closing. (See the Section of the Plan entitled "Working Capital Fund and Apportionments" for details.)

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

Real Property Law – Section 339-kk

Set forth in Part II of the Plan is a copy of Section 339-kk of the Real Property Law of the State of New York, which provides, among other things, for the ability of the Condominium to serve a notice on any tenant occupying a Residential Unit to pay rent directly to the Condominium if the Residential Unit Owner has failed to pay Common Charges, Special Assessments or late fees for such Residential Unit within 60 days after the expiration of any grace period.

Income Taxes

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

Use of Units

A Residential Unit shall be used for residential purposes only, including permitted "home occupation" as defined in the Zoning Resolution (except as described below), and not more than one family may occupy a Residential Unit at one time. A Residential Unit may not be used for any "dormitory," "bed and breakfast" or other transient hotel-type use. A Residential Unit owned or leased by an individual, corporation, partnership, limited liability company, fiduciary or any other entity (including, but not limited to, embassies and consulates of foreign governments) may only be occupied by such individual, an officer, director, stockholder or employee of such corporation, a partner or employee of such partnership, a member of such limited liability company, the fiduciary or beneficiary of such fiduciary, a principal or employee of such other entity, respectively, or by members of the immediate family or guests of any of the foregoing. A Residential Unit may be used for any other purpose, provided such use is permitted by, and complies with Law, does not violate the then existing TCO or PCO covering the Building, and the Condominium Board, in

its sole discretion, grants permission for such use. Use and occupancy of the Residential Unit shall be subject to the Residential Rules and Regulations of the Condominium which may be amended from time to time.

A Storage Locker may be used only for the storage of personal effects of a Residential Unit Owner, and in no event shall any food or other perishable item, or any flammable or explosive item or any item which would impose a health or safety threat or cause noxious odors, dirt or other sanitary problems or create a nuisance, be stored therein.

Sponsor may, without the consent of either the Condominium Board or the Unit Owners, use any Unsold Storage Locker for any purpose permitted by Law or to change the permitted use of an Unsold Storage Locker, subject to the provisions of the By-Laws. Except for Sponsor and the Condominium Board, a Storage Locker may not be licensed independently of a Residential Unit.

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

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

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

Certain Improvements and Replacements

In connection with the conversion of the Building to its new status as a condominium, Sponsor will undertake a program of capital repairs and replacements and cosmetic improvements. See the Section of the Plan entitled "Rights and Obligations of Sponsor" for details.

General

The Attorney General's office has not verified or approved the disclosure set forth above.

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

DEFINITIONS

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

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

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

"Bona Fide Tenant" shall mean (a) a tenant in occupancy on the Filing Date; (b) a tenant with the right to renew a lease on the Filing Date; (c) a tenant who has the right to continued occupancy on the Filing Date; (d) a tenant of record with an unexpired lease on the Filing Date even though the tenant has sublet the Residential Unit or the Residential Unit is not the tenant's primary residence; or (e) a sublessee in occupancy on the Filing Date, provided however that (1) the tenant of record from whom such sublessee subleases does not qualify under the foregoing provisions (a)-(d) or (2) if the tenant of record from whom such sublessee subleases does qualify under the foregoing provisions (a)-(d), then such sublessee has obtained written permission to purchase the Residential Unit from such tenant.

"Bona Fide Purchaser" shall mean, for the purpose of declaring the Plan effective, a Bona Fide Tenant Purchaser or Bona Fide Non-Tenant Purchaser.

"Bona Fide Non-Tenant Purchaser" shall mean, for the purpose of declaring the Plan effective, any Purchaser who (i) is not a tenant in occupancy in the Building and (ii) represents that Purchaser or members of Purchaser's immediate family intend(s) to occupy the Residential Unit when it becomes vacant.

"Bona Fide Tenant Purchaser" shall mean, for the purpose of declaring the Plan effective, any Purchaser who (i) is a tenant in occupancy in the Building and (ii) represents that Purchaser or members of Purchaser's immediate family intend(s) to occupy the Residential Unit when it becomes vacant.

"Building" shall mean the building located at 531-533 East 12th Street, New York, NY 10009.

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

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

"Certificate of Occupancy" shall mean the permanent certificate of occupancy for the Building issued by the Buildings Department.

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

"Closing Date" shall mean the date on which a Closing occurs.

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

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

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

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

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

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

"Condominium" shall mean The Avant which will be established pursuant to the terms of the Declaration and which is governed pursuant to the terms of the By-Laws.

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

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

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

"Declarant" shall mean DS 531 E. 12th Owner LLC and its successors and assigns.

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

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

"Deposits" shall mean, collectively, all deposits, advances and payments delivered by a Purchaser with or pursuant to an executed Purchase Agreement prior to the Closing of a Unit, including, without limitation, the Initial Deposit, but excluding Special Work Funds.

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

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

"Equal or Better Quality" shall mean comparable or better quality recognized by industry standards for performance, efficiency, longevity, and/or classification, as applicable.

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

"Exclusive Purchase Period" shall mean the exclusive 90 day period from the Presentation Date of the Plan within which a Bona Fide Tenant shall have the exclusive right to purchase the Residential Unit the Bona Fide Tenant occupies on the Filing Date at the Purchase Price set forth on Schedule A and any subsequent exclusive purchase period which may be granted by Sponsor pursuant to an amendment to the Plan.

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

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

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

"First Annual Meeting" shall mean the first annual meeting of the Residential Unit Owners.

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

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

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

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

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

"GBL" shall mean Section 352-e of the New York State General Business Law.

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

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

"Initial Deposit" shall mean a deposit in an amount equal to 10% of the Purchase Price required to be delivered by Purchaser at the time Purchaser executes a Purchase Agreement.

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

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

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

"Land" shall mean the land located in the Borough of Manhattan on the Tax Map of the Division of Land Records of The City of New York as Block 406, Lot 48 and more particularly described in Exhibit A to the Declaration.

"Law" shall mean any of the following which are applicable at the time in question: laws, ordinances and codes of any or all of the Federal, New York State, New York City, County and Borough governments, including, without limitation, the Buildings Department, the Landmarks Preservation Commission, the rules, regulations, orders and directives of any or all departments, subdivisions, bureaus, agencies, or offices thereof or of any other governmental, public or quasi-public authorities having jurisdiction over the Property and/or the Condominium and/or the direction of any public officer pursuant to Law.

"Licensee" shall mean a Purchaser who enters into a Storage Locker License.

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

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

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

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

"Non-Purchasing Tenant" shall mean a person who has not purchased a Unit under the Plan and who was a tenant entitled to possession at the time the Plan was declared effective or a person to whom a Unit is rented subsequent to the effective date. A person who sublets a Residential Unit from a Purchaser under the Plan is not deemed a Non-Purchasing Tenant.

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

"Non-Tenant Purchaser" shall mean any Purchaser who is not a tenant in occupancy in the Building.

"Offeree" shall mean (a) a Purchaser who has executed and delivered a Purchase Agreement for a Residential Unit and who is not in default thereunder, (b) a Residential Unit Owner, and (c) any other Person who, pursuant to Law, is an offeree of the Plan.

"Permanent Certificate of Occupancy" or "PCO" shall mean the permanent certificate of occupancy for the Building issued by the Buildings Department.

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

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

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

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

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

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

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

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

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

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

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

"Rent Laws" shall mean, collectively, (i) the Emergency Tenant Protection Act of 1974, as amended, (ii) the New York City Rent Stabilization Law of 1969, as amended, (iii) the Rent Stabilization Code, as amended, and (iv) any policies and procedures promulgated thereunder and any administration and/or judicial determinations and/or interpretations thereof, to the extent that any or all of the same shall apply to the Property.

"Residential Common Charges" shall mean the Common Charges allocated and assessed by the Condominium Board to the Residential Unit Owners, pro-rata, in accordance with their respective Residential Common Interests to meet the Residential Common Expenses.

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

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

establishment and/or maintenance of an operating reserve fund for working capital, for replacements with respect to the Residential Common Elements and/or Residential Limited Common Elements.

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

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

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

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

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

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

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

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

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

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

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

"Special Work Funds" shall mean all amounts expended by, or reimbursable to, Sponsor for upgrades or extras requested by Purchaser and agreed to in writing by Sponsor.

"Sponsor" shall mean DS 531 E. 12th Owner LLC and its successors and assigns as well as any Person(s) designated by Sponsor, in a writing to the Condominium Board or by amendment to the Plan, to retain Sponsor's rights under the Plan and the Condominium Documents.

"Sponsor Control Period" shall mean the period ending on the earlier to occur of: (i) the Closing with Purchasers under the Plan to Residential Units having more than 50% of the aggregate Common Interest appertaining to all Residential Units, or (ii) 5 years after the First Closing, or (iii) the date on which Sponsor otherwise exercises its right to relinquish voting control of the Condominium Board.

"Sponsor Lender" shall mean any holder of any Sponsor Loan at the time in question.

"Sponsor's Work" shall mean the work performed by Sponsor at the Property as described in the Plan, as amended, including, without limitation, combining Units and making certain capital repairs, replacements and cosmetic improvements.

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

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

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

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

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

"Tenant-Purchaser" shall mean a Bona Fide Tenant who purchases the Residential Unit which such Bona Fide Tenant occupied on the Filing Date of the Plan.

"Terrace" shall mean any terrace, balcony or garden which is appurtenant to a Residential Unit or the Community Facility Unit as a Residential Limited Common Element or Non-Residential Limited Common Element (in the case of the Community Facility Unit Terrace) and shall include any pavers, decking and drains, hose bibs, electrical outlets, lighting and light fixtures, enclosures and dividers installed as part of the original construction of the Building. All such terraces, balconies or gardens are, collectively, referred to as the "Terraces."

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

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

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

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

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

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

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

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

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

All capitalized terms used in Part I of the Plan not separately defined in Part I shall have the meanings ascribed thereto in the Plan, the Declaration or the By-Laws, as the case may be.

DESCRIPTION OF PROPERTY AND IMPROVEMENTS

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

Location

The Property is located at 531-533 East 12th Street in the Borough of Manhattan, City and State of New York.

Improvements - General Description of Units

The Condominium will consist of Residential Units, a Community Facility Unit and 16 Storage Lockers located within a structure comprising eight (8) above-grade stories, two (2) below-grade level(s), and one (1) roof level.

The Building contains a rooftop Terrace for the benefit of the Residential Unit Owners. (See the subsection entitled "Services and Facilities" for details.)

The Buildings Department issued a Certificate of Occupancy No. 104350051F dated October 2, 2008 for the Building. Sponsor's Architect has advised that the Certificate of Occupancy will need to be amended or may be changed to a Temporary Certificate of Occupancy as a result of the renovation to the Building. See the Section of the Plan entitled "Rights and Obligations of Sponsor" for a list of "Sponsor's Work" that may be performed requiring an amended or Temporary Certificate of Occupancy.

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

Residential Units

There are 26 Residential Units located on Floor 2 through Floor 8, the square footages of which are set forth on Schedule A.

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

Storage Lockers

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

A Storage Locker may be used only for the storage of personal effects of a Residential Unit Owner, and in no event shall any food or other perishable item, or any flammable or explosive item or any item which would impose a health or safety threat or cause noxious odors, dirt or other sanitary problems or create a nuisance, be stored therein.

Except for Sponsor and the Condominium Board, a Storage Locker may not be licensed independently of a Residential Unit.

Storage Lockers, Generally

Notwithstanding anything to the contrary, Sponsor may, without the consent of either the Condominium or the Unit Owners, use any Unsold Storage Locker for any purpose permitted by Law or to change the permitted use of an Unsold Storage Locker, subject to the provisions of the By-Laws.

Although the Storage Locker Area is a Residential Common Elements, the Condominium Board has granted Sponsor the exclusive right, without charge, to sell Storage Locker Licenses located therein. The Condominium will not be entitled to any of the proceeds from the sale of the Storage Locker Licenses.

Based upon market conditions, until such time as Sponsor has entered into a Purchase Agreement with respect to the sale of a Storage Locker, Sponsor reserves the right to withdraw the offering of any particular Storage Locker and/or to reduce the number of Storage Locker Licenses offered. After such time that Sponsor has entered into a Purchase Agreement with respect to the sale of a Storage Locker, Sponsor may withdraw or reduce the offering of any Storage Lockers but only to the extent that such withdrawal or reduction does not affect any Storage Lockers already under contract. If, subject to the foregoing limitations, Sponsor elects to withdraw or reduce the offering of any Storage Lockers, then such withdrawal or reduction shall be disclosed by Sponsor in an amendment to the Plan. Furthermore, in the event of such withdrawal or reduction, with respect only to Purchasers (i) who have not entered into Purchase Agreements for a Storage Locker and (ii) who have entered into Purchase Agreements for a Storage Locker unaffected by the withdrawal or reduction, such Purchasers shall not be relieved of any of their obligations under their respective Purchase Agreements as a result of such withdrawal or reduction, including without limitation the obligation to purchase the Residential Unit.

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

A Storage Locker License may be terminated pursuant to the terms thereof. Generally, the Storage Locker License shall automatically terminate at such time as the Licensee no longer owns a Unit, unless the Storage Locker License is assigned to and assumed by another Unit Owner in accordance with the terms of the Storage Locker License and the Condominium Documents. A Licensee may also voluntarily surrender a Storage Locker License to the Condominium Board. The Condominium Board may elect to terminate a Storage Locker License in the event that the Licensee defaults in its obligations under the Storage Locker License beyond any applicable cure periods or as otherwise provided for in the Storage Locker License. Moreover, if Licensee defaults in its obligations under the Condominium Documents, the Condominium Board may, in addition to the rights and remedies set forth in the Condominium Documents, (i) deny access to and use of the Storage Locker until Licensee cures such default or (ii) terminate the Storage Locker License upon written notice to Licensee. Upon the surrender or termination (for any reason whatsoever) of a Storage Locker License, the Condominium Board shall have the right in its sole discretion to issue a new Storage Locker License for the Storage Locker to another Unit Owner for such consideration as the Condominium Board shall deem appropriate in its sole discretion and without any obligation to compensate the former Licensee therefor.

Purchasers should not purchase a Unit in reliance on the use or availability of any Storage Locker and Sponsor does not make any representation or guarantee of the availability of any particular Storage Locker.

Community Facility Unit

The Condominium will contain 1 Community Facility Unit. The Community Facility Unit is being offered for sale at this time.

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

Local Law 11 (New York City Façade Inspection Safety Program)

New York City Local Law 11 of 1998 ("Local Law 11") requires periodic examinations of the physical condition of certain exterior walls applies to the Building. Sponsor has engaged an engineer to conduct an 8th Cycle façade inspection of the Building in accordance with the New York City Façade Inspection Safety Program (FISP) and will amend the Plan to include a copy of the FISP report upon its completion. Periodic inspection and maintenance of the Building's facade will be necessary. All ferrous metal exposed to the elements shall require regular maintenance, including scraping, priming, and painting approximately every 5-years or as the condition dictates. The next façade inspection report will need to be filed in 2023.

Services and Facilities

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

(a) Residential Lobby

There will be a residential lobby located on the first floor of the Building for the use and enjoyment of the Residential Unit Owners.

(b) Building Staff

Any staff of the Condominium will be supervised by the Managing Agent. Purchasers should refer to the Footnotes to Schedule B for a complete description of the Building staff, if any.

(c) Residential Elevator Service

There is one automatic passenger elevator, which will be in service 24 hours a day, 7 days a week, subject to temporary interruptions for repair or maintenance. The elevator is in compliance with ASME A17.3 of 2002, as modified by Chapter K3 of Appendix K Section 3.10.12 of the New York City Building Code. Purchasers should refer to the Description of Property and Building Condition set forth in Part II for details concerning the passenger elevators.

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

(d) Telecommunications

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

(e) Mail

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

(f) Laundry Facilities

Each renovated Residential Unit will contain a washing machine and dryer. There is also a common laundry room located on the cellar level of the Building.

(g) Refuse Disposal

There are recycling bins and access to refuse chutes located on each floor containing Residential Units. The refuse chutes lead directly to a compactor located in the compactor rooms in the cellar.

(h) Intercom System

Each Residential Unit is equipped with an intercom telephone system which enables the occupants to communicate directly with any entrant of the Building over a standard touch tone telephone. Sponsor reserves the right to substitute an alternate service to enable communication between entrants and residents.

(i) Smoke and Carbon Monoxide Detector/Sprinklers

A combination smoke and carbon monoxide detector is provided in each Residential Unit in compliance with the Law, the maintenance of which is each respective Unit Owner's responsibility. Additionally, the Building will be fully sprinklered in compliance with the Law.

(j) Common Rooftop Terrace

The Residential Unit Owners will have shared access to a rooftop Terrace. Use of the Terrace will be subject to regulations by the Condominium Board, which may include, without limitation: (i) restrictions concerning the number of people permitted on the Terrace at one time; (ii) noise constraints; (iii) prohibitions from utilizing glassware; (iv) restrictions concerning access during inclement weather; and (v) requiring a chaperone for children under the age of 18. There will be mechanical equipment belonging to the Condominium located on the roof which may generate noise and vibration.

General

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

The Building will be maintained, operated and staffed in a manner to be determined by the Condominium Board. Prospective Purchasers are urged to carefully review Schedule B in Part I of the Plan and the "Description of Property and Building Condition" set forth in Part II of the Plan, for a description of the services presently being provided. Sponsor makes no representation that the aforesaid services will continue to be provided. Notwithstanding the foregoing, however, the Condominium Board shall at all times maintain, operate and staff the Building in compliance with, and subject to, all applicable Laws and any rights of Non-Purchasing Tenants under the GBL. Except as otherwise consented to in writing by Sponsor, the Condominium Board shall operate the Property at the same level of services as those supplied on the date of recording the Declaration in accordance with the Rent Laws, provided only if any Residential Units are subject to Rent Laws on such date and only for so long as any Residential Units are subject to the Rent Laws, except for those services, if any, that are the obligation of Sponsor to provide under the terms of the Declaration or the Plan. The Condominium Board shall not impose any charge or fee against the tenants or occupants of the Residential Units owned by Sponsor or against Sponsor on account of any services provided

to such tenants and occupants unless Sponsor is entitled and thereafter permitted by the Rent Laws to impose such charge or fee against such tenants or occupants. Such permitted charge or fee may be increased by the Condominium Board, but only to the extent Sponsor or the owner of the occupied Residential Units would be entitled and thereafter permitted to charge its tenants or occupants such increased charges or fees under the Rent Laws. If, as the result of the aforesaid limitations on the Condominium Board, the amount of such charges or fees collected is insufficient to cover the cost of providing such service(s), then such additional cost will be included in Residential Common Charges and borne by all Residential Unit Owners based on their Residential Common Interest.

Purchasers are advised that some of the services and facilities described in the Plan (such as a full staff of Building personnel and usage of certain amenity areas) may not be available until approximately 6 months after the First Closing. Purchasers should also be aware that the hours and dates for move-ins, move-outs and/or alterations, as well as the use of the passenger and/or service elevators, will be restricted during the period that Sponsor is performing work in the Building. Purchasers will not be entitled to any credit or abatement against the Purchase Price or Common Charges if any of the services and/or facilities are not available for use on or after Purchaser's Closing. The Condominium Board shall have the right, but not the obligation, in its sole and absolute discretion, to adjust the First Year's Budget to reduce the Common Charges for the period in which such services and/or facilities are not available.

Except as otherwise noted above, and except as otherwise required under the Rent Laws (if and to the extent applicable), all determinations with respect to the continuance of services and Facilities for the Building will be made by the Condominium Board, which, until the expiration of the Sponsor Control Period, will be controlled by Sponsor (see the Section of the Plan entitled "Control by Sponsor").

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 (within reasonable tolerances) and layout of each Residential Unit. While the Floor Plans are meant to reflect existing conditions, the actual layout of an occupied Residential Unit may have been altered by the tenant; accordingly, each Residential Unit should be inspected prior to purchase to determine its actual dimensions, layout and physical condition. As Residential Units become vacant, Sponsor may sell such Residential Unit "as is" or may renovate such Unit. In the event that Sponsor discovers that the layout or dimensions of any Residential Unit that becomes vacant varies materially from the corresponding floor plan in Part II of this Plan, Sponsor will amend the Plan to correct such floor plan. Any future work to the Building to be performed by Sponsor that is not disclosed in the Plan shall be disclosed in a duly filed Amendment. All Residential Units sold by Sponsor will comply with New York City Building Code.

LOCATION AND AREA INFORMATION

Location

The Property is located at 531-533 East 12th Street in the Borough of Manhattan in the City and State of New York.

Surrounding Area, Shopping, Culture and Recreation

Located less than one mile from the Condominium are luxury residences, office buildings, museums, art galleries, hotels, parks, and retail establishments, including supermarkets, drugstores, dry cleaners and banks.

There are also many museums, libraries, theaters, and cultural institutions in the New York area.

Transportation

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

Transportation to and from the Condominium, and through New York City, is available by taxi, limousine, private automobiles, subway or bus. A number of commercial parking garages are located nearby. Sponsor makes no representations concerning the continued existence of any of the named transportation lines.

Medical, Educational, and Religious Facilities

A number of medical centers are located within close proximity to the Building, such as Bellevue Hospital Center (462 1st Avenue, New York, New York) , Mount Sinai West (1000 10th Avenue, New York, New York) and New York-Presbyterian Lower Manhattan Hospital (51 W. 51st Street, New York, New York).

Private schools and public schools are located within one mile of the Condominium. There are many colleges, universities, and other educational centers available in the New York City area.

There are houses of worship of most major denominations within one mile of the Condominium. Sponsor makes no representations concerning the continued existence of any of the named establishments.

Municipal Services

The City of New York will provide water, sanitation, police and fire services to the Building.

The local police station is located at 321 E. 5th Street, New York, New York.

The local fire station is located at 340 E. 14th Street, New York, New York.

Mailing Address

The mailing address for the Building is 531-533 East 12th Street, New York, NY 10009.

Zoning

The Property is located within a R8B zoning district in which residential use is permitted. Uses permitted as-of-right within the R8B district include use groups 1 + 2 (single – and multiple-family residences), and use groups 3 + 4 (community facilities).

Landmark Designation

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

General

Sponsor makes no representations to the continued existence of any of the named establishments or transportation lines. In the event Sponsor engages in any development project that will be immediately adjacent to or directly across the street from the Condominium and such project has a material impact on the Condominium (e.g. impairment of views or closing of lot line windows), Sponsor shall disclose such material impact in an amendment to the Plan within a reasonable period of time. While Sponsor is under no obligation to undertake any inquiry into whether any development project is planned or underway by a party other than Sponsor that will be immediately adjacent to or directly across the street from the Condominium, in the event that (i) Sponsor becomes aware of such a project, and (ii) such project has a material impact on the Condominium (e.g. impairment of views or closing of lot line windows), Sponsor shall endeavor to disclose such project in an amendment to the Plan within a reasonable period of time after Sponsor obtains actual knowledge thereof.

SCHEDULE A – PURCHASE PRICES OF UNITS AND RELATED INFORMATION

SCHEDULE A--OFFERING PRICES AND RELATED INFORMATION

The Avant
533 East 12th Street
January 1, 2021 through December 31, 2021

(1) UNIT NUMBER	(1) NUMBER OF BEDROOMS	(1) NUMBER OF BATHROOMS	(1) Vacany And Rent Regulatory Status	(2) APPROX. SQUARE FOOTAGE OF UNIT	(2) APPROX. OUTDOOR SQUARE FOOTAGE	(3) OFFERING PRICE	(4) PERCENTAGE OF RESIDENTIAL COMMON INTEREST	(4) PERCENTAGE OF COMMON INTEREST	(5) PROJECTED ANNUAL COMMON CHARGES	(5) PROJECTED MONTHLY COMMON CHARGES	(6) PROJECTED ANNUAL REAL ESTATE TAXES	(6) PROJECTED MONTHLY REAL ESTATE TAXES	(7) PROJECTED TOTAL ANNUAL CARRYING CHARGES	(7) PROJECTED TOTAL MONTHLY CARRYING CHARGES
2A	2	2	MR	1,141		$ 1,850,000	5.6721%	4.5977%	$ 14,816.69	$ 1,234.72	$ 27,963.92	$ 2,330.33	$ 42,780.61	$ 3,565.05
2B	1	1	V	766		$ 1,255,000	3.8079%	3.1891%	$ 9,947.05	$ 828.92	$ 18,773.32	$ 1,564.44	$ 28,720.37	$ 2,393.36
2C	1	1	V	774		$ 1,255,000	3.8477%	3.2054%	$ 10,050.94	$ 837.58	$ 18,969.39	$ 1,580.78	$ 29,020.32	$ 2,418.36
2D*	0	1	V	587		$ 875,000	2.9181%	2.3494%	$ 7,622.61	$ 635.22	$ 14,386.34	$ 1,198.86	$ 22,008.95	$ 1,834.08
3A	2	2	RS	955	214	$ 1,875,000	5.0134%	4.3617%	$ 13,096.08	$ 1,091.34	$ 24,716.57	$ 2,059.71	$ 37,812.66	$ 3,151.05
3B	1	1	V	770		$ 1,265,000	3.8278%	3.2108%	$ 9,998.99	$ 833.25	$ 18,871.35	$ 1,572.61	$ 28,870.35	$ 2,405.86
3C	1	1	V	769		$ 1,265,000	3.8228%	3.2088%	$ 9,986.01	$ 832.17	$ 18,846.85	$ 1,570.57	$ 28,832.85	$ 2,402.74
3D	0	1	V	472	84	$ 800,000	2.4508%	2.0765%	$ 6,401.95	$ 533.50	$ 12,082.57	$ 1,006.88	$ 18,484.52	$ 1,540.38
4A	2	2	RS	955	45	$ 1,885,000	4.8034%	4.2892%	$ 12,547.44	$ 1,045.62	$ 23,681.10	$ 1,973.42	$ 36,228.54	$ 3,019.04
4B	1	1	V	770		$ 1,275,000	3.8278%	3.2244%	$ 9,998.99	$ 833.25	$ 18,871.35	$ 1,572.61	$ 28,870.35	$ 2,405.86
4C	1	1	V	769		$ 1,275,000	3.8228%	3.2224%	$ 9,986.01	$ 832.17	$ 18,846.85	$ 1,570.57	$ 28,832.85	$ 2,402.74
4D	0	1	V	472	45	$ 810,000	2.4023%	2.0702%	$ 6,275.34	$ 522.95	$ 11,843.61	$ 986.97	$ 18,118.96	$ 1,509.91
5A	2	2	RS	955	45	$ 1,900,000	4.8034%	4.3096%	$ 12,547.44	$ 1,045.62	$ 23,681.10	$ 1,973.42	$ 36,228.54	$ 3,019.04
5B	2	2	RS	1,034		$ 1,935,000	5.1402%	4.4951%	$ 13,427.22	$ 1,118.94	$ 25,341.53	$ 2,111.79	$ 38,768.75	$ 3,230.73
5C	0	1	RS	505		$ 780,000	2.5104%	2.0738%	$ 6,557.78	$ 546.48	$ 12,376.67	$ 1,031.39	$ 18,934.45	$ 1,577.87
5D	0	1	V	472	45	$ 770,000	2.4023%	2.0159%	$ 6,275.34	$ 522.95	$ 11,843.61	$ 986.97	$ 18,118.96	$ 1,509.91
6A	2	2	MR	955	45	$ 1,915,000	4.8034%	4.3299%	$ 12,547.44	$ 1,045.62	$ 23,681.10	$ 1,973.42	$ 36,228.54	$ 3,019.04
6B	2	2	V	1,034		$ 1,950,000	5.1402%	4.5154%	$ 13,427.22	$ 1,118.94	$ 25,341.53	$ 2,111.79	$ 38,768.75	$ 3,230.73
6C	0	1	V	505		$ 790,000	2.5104%	2.0874%	$ 6,557.78	$ 546.48	$ 12,376.67	$ 1,031.39	$ 18,934.45	$ 1,577.87
6D	0	1	V	472	45	$ 780,000	2.4023%	2.0295%	$ 6,275.34	$ 522.95	$ 11,843.61	$ 986.97	$ 18,118.96	$ 1,509.91
7A	1	1	V	685	45	$ 1,190,000	3.4612%	3.0131%	$ 9,041.30	$ 753.44	$ 17,063.87	$ 1,421.99	$ 26,105.17	$ 2,175.43
7B	1	1	V	602	166	$ 1,215,000	3.1989%	2.9395%	$ 8,356.30	$ 696.36	$ 15,771.06	$ 1,314.26	$ 24,127.36	$ 2,010.61
7C	1	1	V	607	165	$ 1,215,000	3.2226%	2.9492%	$ 8,417.98	$ 701.50	$ 15,887.47	$ 1,323.96	$ 24,305.46	$ 2,025.45
7D	1	1	V	664	45	$ 1,190,000	3.3568%	2.9703%	$ 8,768.60	$ 730.72	$ 16,549.20	$ 1,379.10	$ 25,317.80	$ 2,109.82
PHA	2	2	V	935	569	$ 2,650,000	5.3552%	5.5875%	$ 13,988.85	$ 1,165.74	$ 26,401.51	$ 2,200.13	$ 40,390.37	$ 3,365.86
PHB	2	2	V	958	574	$ 2,670,000	5.4757%	5.6030%	$ 14,303.76	$ 1,191.98	$ 26,995.84	$ 2,249.65	$ 41,299.60	$ 3,441.63
Residential Totals				**19,583**	**2,132**	**$ 36,635,000**	**100.0000%**	**87.9249%**	**$ 261,220.47**	**$ 21,768.37**	**$ 493,008.00**	**$ 41,084.00**	**$ 754,228.47**	**$ 62,852.37**
Communitity Facility (Upper and Lower Level)				5,849	816	$ -		12.0751%	$ 30,958.75	$ 2,579.90	$ 62,375.00	$ 5,197.92	$ 93,333.75	$ 7,777.81
Non-Residential Total				**5,849**		**$ -**		**12.0751%**	**$ 30,958.75**	**$ 2,579.90**	**$ 62,375.00**	**$ 5,197.92**	**$ 93,333.75**	**$ 7,777.81**
Building Totals				**25,432**	**2,132**	**$ 36,635,000**	**100.0000%**	**100.0000%**	**$ 292,179.22**	**$ 24,348.27**	**$ 555,383.00**	**$ 46,281.92**	**$ 847,562.22**	**$ 70,630.18**

Notes:
Rent Stablized - RS
Market Rate - MR
Vacant - V

Schedule A-1
The Avant

Schedule A-1: Purchase Prices for Storage Locker License Agreement and Related Information for the Projected First Year of Condominium Operation (1/1/21-12/31/21)

Storage Locker	Storage Locker Square Footage	Purchase Price
1	11	$ 35,000
2	11	$ 35,000
3	11	$ 35,000
4	11	$ 35,000
5	11	$ 35,000
6	11	$ 35,000
7	11	$ 35,000
8	11	$ 35,000
9	11	$ 35,000
10	11	$ 35,000
11	11	$ 35,000
12	11	$ 35,000
13	11	$ 35,000
14	11	$ 35,000
15	11	$ 35,000
16	11	$ 35,000
TOTAL	**176**	**$ 560,000**

Notes to Schedule A

(1) Purchasers should refer to the Floor Plans included in Part II of the Plan for an approximation of the dimensions and typical layouts of the Units. All Residential Units 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 (within reasonable tolerances) and layout of each Unit. While the Floor Plans are meant to reflect existing conditions, the actual layout of an occupied Residential Unit may have been altered by the tenant; accordingly, each Residential Unit should be inspected prior to purchase to determine its actual dimensions, layout and physical condition. As Residential Units become vacant, Sponsor may sell such Residential Unit "as is" or may renovate such Residential Unit. In the event that Sponsor discovers that the layout or dimensions of any Residential Unit that becomes vacant varies materially from the corresponding floor plan in Part II of this Plan, Sponsor will amend the Plan to correct such floor plan. Any future work to the Building to be performed by Sponsor that is not disclosed in the Plan shall be disclosed in a duly filed Amendment. All Residential Units sold by Sponsor will comply with New York City Building Code. Certain Residential Units may contain home offices which may not be used as legal bedrooms under current Law. In addition, certain Residential Units are subject to the Rent Laws as of the Filing Date of the Plan, as indicated on Schedule A, if applicable. Next to each Residential Unit number is the vacancy and occupied status of such Residential Unit.

(2) The square footages of the Units listed in Schedule A and in the Declaration are approximate and may change due to field conditions, construction variances and tolerances and were obtained by using the method customarily used in New York City to measure condominium units. No material change will be made in a Unit's size, layout or percentage of Common Interest if a Purchase Agreement has been executed and delivered to Sponsor for such Unit, provided that the Purchaser is not in default thereunder unless (a) the affected Purchaser consents to such changes; or (b) such changes are due to field conditions, construction variances and tolerances, or as a result of changes in Law (including without limitation applicable building codes and regulations), and outside of Sponsor's control. In the event that material changes are made pursuant to (b) of the immediately preceding sentence, then in such event, Sponsor's sole obligation shall be to offer the affected Purchaser(s) who are not in default under their Purchase Agreement(s), the right, for at least 15 days after the presentation of the amendment disclosing such right, to rescind their Purchase Agreement(s) and receive a prompt refund of their deposit(s), except for any Unit Upgrade Funds to the extent already expended. A decrease in a Unit's size of 5% or less will not affect a Purchaser's obligations unless such decrease is determined to be a material change. There is a rebuttable presumption that a decrease in Unit size of 5% or less is not material. Provided Purchaser's consent is not required, a Purchaser will not be excused from purchasing the Unit and will not have any claim against Sponsor as a result of any such change and such change will not affect a Purchaser's obligations under the Purchase Agreement or the Plan. Each Unit is measured horizontally from the exterior side of the exterior walls to the centerline of the partitions separating one Unit from another Unit, or separating one Unit from corridors, stairs, elevators and other mechanical equipment spaces or any Common Elements not within a Unit or to the exterior side of the opposite exterior walls; provided, however, that all columns, mechanical pipes, shafts, shaftways, chases, chaseways and conduits are not deducted from measurement of each Unit. Each Unit is measured vertically from the top of the floor (located under the finished flooring and sub-flooring materials) to the underside of the ceiling. These measurements are approximate and within reasonable tolerances. As is customary in New York, these square footages significantly exceed the usable floor area of each Unit as they are not measured from the interior side of interior walls. The method of measurement is applicable to all Units. Any Common Elements located within or appurtenant to any Unit shall not be considered as part of that Unit. Terraces shown on Schedule A are Limited Common Elements.

(3) (a) The Purchase Prices and other terms of sale (as more fully set forth in the Section of the Plan entitled "Changes in Prices and Units") of Residential Units may be negotiated by Sponsor

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

(b) Each Bona Fide Tenant has the exclusive right to purchase only the Residential Unit such Bona Fide Tenant occupies on the Filing Date within the first 90 days from the Presentation Date of the Plan. See the Section of the Plan entitled "Changes in Prices and Units" concerning other terms of sale.

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

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

(5) The estimated monthly Common Charges for each Unit are based on Schedule B - First Year's Budget prepared by Sponsor's Condominium Budget Expert on the assumption that the First Year of Condominium Operation will be the year from January 1, 2021 – December 31, 2021. The actual First Year of Condominium Operation may be earlier or later than such year. In addition to these estimated payments, each Unit Owner will be responsible for real estate taxes on the Unit, mortgage payments under a loan, if any, obtained to finance the purchase of the Unit, the cost of electricity supplied to the Unit which will be separately metered and payable either directly to the utility company or to the Condominium Board for payment to the utility company, the cost of any insurance which the Unit Owner obtains for the Unit and the cost of interior repairs and decorations to the Unit. See the Section of the Plan entitled "Schedule B-1 - Budget for Individual Energy Costs" concerning estimates of certain electric costs for the Residential Units.

An application may be made to the New York State Public Service Commission in order to permit the Condominium Board to purchase electricity from Con Edison at a "bulk rate" (which may result in a savings to Unit Owners). In the event that such application is made, and subsequently granted, the Condominium Board will assess the cost of electricity provided to the Unit Owners. Each Unit will be billed by the Condominium Board for actual consumption on the basis of its submeter and the Condominium Board will, in turn, pay Con Edison. Alternatively, the cost of electricity supplied to each Unit will be separately metered and payable by the Unit Owner directly to Con Edison.

As discussed in the Section of the Plan entitled "Description of Property and Improvements" subsection "Services and Facilities," the full range of services and facilities described in the Plan may not be available until approximately 6 months after the First Closing.

(6) The real estate taxes for the First Year of Condominium Operation running from January 1, 2021 – December 31, 2022, cover the final six months of the 2020/2021 tax year and the first six months of the

2021/2022 tax year. It is anticipated that the Building will be taxed as a building still under construction for the 2020/2021 tax year and as a completed structure for the 2021/2022 tax year. Such real estate taxes have been estimated by Sponsor's Real Estate Tax Counsel, Marcus & Pollack LLP, to be as follows based upon their estimated assessed valuations and tax rates: Residential Units $ 493,008; Community Facility Unit: $ 62,375, assuming (a) a transitional assessed valuation for the Residential Units of $ 3,894,194 for the final six months of the 2020/2021 tax year and a transitional assessed valuation for the Residential Units of $ 4,011,020 for the first six months of the 2021/2022 tax year; (b) a transitional assessed valuation for the Community Facility Unit of $ 534,806 for the final six months of the 2020/2021 tax year and a transitional assessed valuation for the Community Facility Unit of $ 550,850 for the first six months of the 2021/2022 tax year, (c) a tax rate of 12.473 per $100 of assessed valuation for all Units for the final six months of the 2020/2021 tax year; and (d) a tax rate of 12.473 per $100 of assessed valuation for the Residential Units and a commercial tax rate of 10.537 per $100 of assessed valuation for the Community Facility Unit for the first six months of the 2021/2022 tax year. No representation is made or assurance given as to what the actual tax rate or assessed valuation will be for such period. Real estate taxes for the Residential Units in the second year of condominium operation will be higher, reflecting twelve months of taxes to be assessed on a fully renovated building in operation.

The information set forth above after completion of the renovation is based upon an estimate of the assessed valuation and estimated tax rates. As more fully explained in the Opinion re: Real Estate Tax Projection set forth in Part I of the Plan, New York provides that the aggregate of the assessment of the Units plus their Common Interests shall not exceed the total valuation of the Property were the Property assessed as one parcel.

As of the date of initial submission of the Plan to the Department of Law, the Property received partial tax exemption benefits under Real Property Tax Law Section 421-a ("Section 421-a Benefits") pursuant to a Preliminary Certificate of Eligibility issued by the New York City Department of Housing Preservation and Development. According to Sponsor's Real Estate Tax Counsel, the 421-a Benefit period and the 421-a Benefits expired on June 30, 2019 ("421-a Benefits Expiration Date"). **Following the 421-a Benefits Expiration Date, Residential Units which become vacant will no longer be subject to the Rent Laws. Residential Units which are occupied on such date will be subject to the Rent Laws only until the expiration date of the respective lease for such Residential Unit.** Tenants should consult with counsel to ascertain their rights, if any, under the Rent Laws in light of the 421-a Expiration Date, such as any potential rights to remain rent stabilized if provided deficient renewal leases. Purchasers should refer to the Opinion re: Real Estate Tax Projection prepared by the Real Estate Tax Consultant set forth for further discussion regarding the 421-a program and the applicability of such program to this project. Sponsor is in the process of ascertaining the status of the Final Certificate of Eligibility from HPD. The estimated real estate taxes set forth in Schedule A, are based on the assumption that the 421-a partial exemption will **not** be in effect for the First Year of Condominium Operation, and that there will not be any change in the taxable status of the Property. Notwithstanding the foregoing, no warranty or guarantee is made as to the amount of any tax exemption that will actually be received. In addition, no warranty or guarantee is made, that the real estate taxes will be allocated among Units in proportion to their Common Interests or Schedule A purchase prices.

In arriving at the assessed valuation for each Unit in the Condominium, the Building is first assessed as an entity. This overall assessment is then apportioned among the Units, each of which will be assigned a tax lot designation once the Declaration has been recorded and the Floor Plans are filed with the Register's office. For purposes of Schedule A, the projected real estate taxes for the Units were based on Common Interest percentages. It is possible that the apportionment will be based in part upon the proportion the offering price set forth in Schedule A for each Unit bears to the gross sellout price for all Units offered for sale in the Condominium and in part upon extrinsic indicia of value, including location, square footage, amenities, income producing potential and existing leases on particular Units. There is no assurance that the City of New York tax assessor will allocate taxes among Units based upon Common Interest percentages. Although the estimate of New York City real estate taxes is a good faith estimate, it is not possible to estimate

same with any degree of certainty. Assessed valuations, apportionment or taxes among the Units and tax rates, when actually established by the City of New York, may be lesser or greater. Accordingly, these estimates are to be considered opinions and are not intended, and should not be construed as, warranties as to future assessed valuations, tax rates or the actual real estate taxes to be assessed. In no event will Sponsor, its principal, Selling Agent, Real Estate Consultant, Income Tax Counsel or any offeror be liable to any Purchaser, nor will any Purchaser have the right to rescind the Purchase Agreement if the assessed valuations, tax rates or taxes, when actually established, are lesser or greater than that projected herein or if the Administrative Code and the applicable rules and regulations of the City of New York are changed in the future.

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

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

Subject to certain exceptions and limitations that are more particularly discussed in the Attorney's Income Tax Opinion, it is the opinion of Income Tax Counsel that a Residential Unit Owner who uses his or her Residential Unit exclusively as a personal residence and itemizes his or her deductions will, under current U.S. Federal, New York State and New York City income tax Law, be entitled to a deduction for mortgage interest and state and local real property taxes in the year paid in the case of cash basis taxpayers or accrued in the case of other taxpayers. Purchasers should note that interest paid on a mortgage secured by a personal residence generally is deductible only with respect to indebtedness that is incurred in acquiring or substantially improving a principal or secondary personal residence and, for taxable years beginning after December 31, 2017 and before January 1, 2026, only up to an aggregate indebtedness of $750,000 (or $375,000 in the case of a married individual filing a separate return)[1]. Interest on mortgage indebtedness that does not satisfy these requirements, such as home equity indebtedness, or is in excess of these limitations, is not deductible. In addition, special limitations also apply to the deductibility of points and other prepaid interest, if any, on their mortgage loans and to the overall allowance of itemized deductions. Purchasers should further note that, for a taxable year beginning after December 31, 2017 and before January 1, 2026,

[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).

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).

Tax certiorari proceedings are pending for the 2018/2019 and 2019/2020 tax years. Any proceeds from such tax certiorari proceedings for tax periods prior to the recording of the Declaration shall belong exclusively to Sponsor.

(7) These figures represent the aggregate estimated monthly carrying charges which include estimated Common Charges and estimated real estate taxes. Reference should be made to note (5) of these Notes for certain other "home ownership" costs that may be incurred by Residential Unit Owners.

A Purchaser of a Residential Unit will be required to make a non-refundable contribution at the Closing to the Working Capital Fund in an amount equal to 2 months' Common Charges with respect to the Residential Unit based on the Condominium budget in effect on the Closing Date of the Unit. (See the Section of the Plan entitled "Working Capital Fund and Apportionments" for details.)

SCHEDULE B – BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION

SCHEDULE B

The Avant
Projected Budget for the Projected First Year of Condominium Operation
Anticipated to begin January 1, 2021 to December 31, 2021 (Note 1)

ESTIMATED INCOME

Common Charges – Residential Units (Note 2)		$ 261,220
Common Charges – Community Facility (Note 2)		$ 30,959
Total Estimated Income Charges		$ 292,179

ESTIMATED EXPENSES

Payroll and Related Expenses (Note 3)	$	63,467
Gas (Heat, Hot Water and Cooking) (Note 4)	$	27,389
Electricity (Note 5)	$	28,274
Water Charges and Sewer Rent (Note 6)	$	22,048
Repairs and Maintenance (Note 7)	$	21,000
Service Contracts (Note 8)	$	24,250
Insurance (Note 9)	$	37,000
Management Fee (Note 10)	$	35,000
Legal / Audit (Note 11)	$	15,000
Other Expenses (Note 12)	$	3,750
Contingency (Note 13)	$	5,000
Reserve Fund (Note 14)	$	10,000
Total Estimated Expenses (Note 15)	$	292,179

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

ALLOCATION OF COMMON EXPENSES BETWEEN RESIDENTIAL AND NON-RESIDENTIAL UNIT

(see detailed notes which follow)

Common Expenses	Total Expenses	Method of Allocation	Residential Units Share	Non-Residential (Retail Unit) Unit Share
%			87.9249%	12.0751%
Payroll & Benefits	$ 63,467	See Notes	$ 56,926	$ 6,541
Electricity	$ 28,274	% of Common Interest	$ 24,860	$ 3,414
Gas (Heat, Hot Water and Cooking)	$ 27,389	% of Common Interest	$ 24,082	$ 3,307
Water Charges and Sewer Rent	$ 22,048	% of Common Interest	$ 19,386	$ 2,662
Repairs and Maintenance	$ 21,000	See Notes	$ 19,491	$ 1,509
Service Contracts	$ 24,250	See Notes	$ 22,288	$ 1,962
Insurance	$ 37,000	% of Common Interest	$ 32,532	$ 4,468
Management Fee	$ 35,000	% of Common Interest	$ 30,774	$ 4,226
Legal /Audit	$ 15,000	% of Common Interest	$ 13,189	$ 1,811
Other Expenses	$ 3,750.00	% of Common Interest	$ 3,297	$ 453
Contingency	$ 5,000.00	% of Common Interest	$ 4,396	$ 604
Reserve Fund	$ 10,000	100% Residential	$ 10,000	N/A
Total	**$ 292,179**		**$ 261,220**	**$ 30,959**

All General Common Charges have been allocated based upon each Unit's Common Interest unless otherwise stated.

A. The Non-Residential Unit has been allocated 5% of the Superintendents Payroll and Benefits expense.

B. The Non-Residential Units share of Repairs and Maintenance expenses is based on its Common Interest applied to the costs of the following R&M expenses: Plumbing, Electrical, Elevator, Window, Doors and Locks and General Repairs

FOOTNOTES TO SCHEDULE B

(1) Projected First Year of Condominium Operation

Amounts are projected on the assumption that the First Year of Condominium Operation will be the year from January 1, 2021 to December 31, 2021. The Projected First Closing Date is the commencement of the First Year of Condominium Operation (i.e. January 1, 2021). The actual First Closing and the First Year of Condominium Operation may be earlier or later than projected.

If the First Closing does not occur within 6 months of the Projected First Closing Date, Sponsor will file an amendment to include an updated Schedule B. If such amended projections exceed original projections by 25% or more, Sponsor will offer all Purchasers who executed Option Agreements prior to the date of the filing of such amendment the right to rescind for a period of 15 days after the Presentation Date of the amendment. Further, if the First Closing does not occur within 12 months of the projected First Closing date, Sponsor will file an extension amendment that provides for a later commencement of the First Year of Condominium Operation than initially disclosed. Purchasers who executed an Option Agreement for the purchase of their respective Units prior to the date of filing of the extension amendment will be offered a right of rescission for a period of 15 days after the Presentation Date of the extension amendment. Any Purchaser entitled to rescission and electing rescission will have their Deposits (to the extent actually made and collected) and any interest earned thereon, returned to Purchaser in a reasonable period of time. In addition, the sponsor may not declare the plan effective where there are any material changes to the budget if these changes have not been disclosed by a duly filed amendment to the offering plan.

(2) Common Charges

These amounts represent the total Common Charges to be levied against, and collected from, the Residential Unit Owners and the Non-Residential Unit Owner during the anticipated First Year of Condominium Operation. The Common Charges will be utilized by the Condominium Board to defray the operational expenses of the Condominium. Except as otherwise set forth herein, the Common Charges have been allocated between the Residential Unit Owners and the Non-Residential Unit Owner based on anticipated usage and benefits derived by such Unit Owners, respectively, and between and among the Unit Owners on the basis of percentage of Common Interest allocated to each Unit. Where the allocation of Common Expenses is not based on percentage of Common Interest, or Common Expenses have been allocated only to certain categories of Units, such circumstances are set forth in the following notes. The Non-Residential Unit Owner will only be obligated to pay its respective allocable share of those expenses that are incurred by the Condominium Board in furnishing services, operating and maintaining those Common Elements which are utilized by and serve the Non-Residential Unit in accordance with Section 6.1 of the By-Laws. Those Common Charges that have been allocated on the basis of Common Interest have been allocated on such a basis as follows: Those expenses

to be borne by the Residential Unit Owners have been allocated on the basis of the combined percentage of Common Interest of such Residential Units, for a total of 87.9249%. Common Charges to be borne by the Non-Residential Unit Owner has been allocated on the basis of such the Non-Residential Unit's Common Interest for a total of 12.0751%.

The Non-Residential Unit Owner's obligation to pay Common Charges is based upon its percentage of Common Interest in the Building times the projected expenses specific to the Non-Residential Unit as set forth in the budget. As set forth in Schedule B, the Non-Residential Unit Owner is obligated to pay as part of its monthly Common Charges a portion of the following expenses: payroll and related expenses, repairs and maintenance; service contracts; insurance; management fee; administration; other miscellaneous expenses; and contingencies.

Estimated Expenses

(3) Payroll and Related Expenses: $63,467

The Building staff shall consist of:

Position and Number	Weekly Rate		Total
Full-Time Superintendent (1) (40 hours per week)	$800 X 52	$	41,600
Sub-Total:		**$**	**41,600**
Overtime	5% of Base Wages	$	2,080
Vacation, Sick & Holiday	11% of Base Wages	$	4,576
Gross Wages:		**$**	**48,256**
Health Benefits	Annually -$8,000 X 1 full time employee	$	8,000
Payroll Taxes	See Schedule Below	$	7,211
Total Payroll and Related:		**$**	**63,467**

There will be one full-time employee and the Building is classified as Class "A" for the purpose of defining the wage scale. The Building's staff will be non-union and wages will meet state minimum wage laws. The projected expenses for wages, salaries and benefits as well as the assumptions described herein, are believed to be reasonable and reflect the experience of Sponsor's budget expert, FirstService Residential New York, Inc., in managing comparable buildings. Such level of staffing complies with all applicable housing and labor laws.

The Non-Residential Unit will utilize the services of the Superintendent. The Non-Residential Unit has been allocated 5% of the Superintendents Payroll and Benefit expense related to the Resident Manager, and will allocate this expense as part of their Common Charges on a monthly basis.

The following expenses are mandated by Law for each employee:

FICA Employer	7.65% of Wages	7.65%	$	3,692
NY State Unemployment	(1st $10,300)	4.0%	$	415
Federal Unemployment	(1st $7,000)	6.0%	$	420
State Disability Insurance	(Yearly)	$31.20	$	31
Workers Compensation	5.5% of Wages	5.5%	$	2,654
		SUB-TOTAL	**$**	**7,211**

(4) Gas (Domestic Heat and Hot Water): $27,389

Based on an estimate dated December 17, 2019 by Kevin Koubek, PE., with offices located at P.O. Box 390, Stony Brook, NY, 11790, it is anticipated that gas for heat and hot water will be provided to both the Residential Unit and Non-Residential Units by natural gas and will cost $27,389. This estimate is based on a projected usage of 19,575 Therms of gas per year at an anticipated average cost of $1.32 X 106% per Therm to factor in inflation. The estimated load in the estimate letter is based upon the proposed occupancy, building configuration and industry standards.

(5) Electricity: $28,274

Based on an estimate dated December 17, 2019 by Kevin Koubek, PE., with offices located at P.O. Box 390, Stony Brook, NY, it is anticipated that light and power for the Common Elements as well as the mechanical equipment will be approximately 177,828 KW/HR/YR at an annual cost of $0.15 X 106% per KW/HR to factor in for inflation. The estimated load in the estimate letter is based upon the proposed occupancy, building configuration and industry standards.

Electricity (including current necessary to operate HVAC Systems) shall be supplied to all Units through a separate Con Edison meter for each such Unit, and the cost of electricity consumed or used in each such Unit or any Residential Limited Common Elements appurtenant thereto shall be payable directly to Con Edison. Please refer to Schedule B-1 for the projections and costs for individual units.

(6) Water Charges and Sewer Rent: $22,048

Based on an estimate dated December 17, 2019 by Kevin Koubek, PE., with offices located at P.O. Box 390, Stony Brook, NY, 11790, it is anticipated that water and sewer charges for the Residential and Non-Residential Units and all Common Elements, will be approximately $22,048 based on a combined rate of $10.10 per 100 cubic feet of water used X 106% to factor in for inflation. This is based on 205,940 cu. ft. of water usage and waste usage. The estimated load in the estimate letter is based upon the proposed occupancy, building configuration and industry standards.

The budgeted amount constitutes a projection of the water charges and sewer rents that will be payable with respect to the Building.

(7) Repairs and Maintenance: $21,000

This estimate includes painting, maintenance and repair costs of Common Elements and Residential Common Elements only. Residential Unit Owners will be responsible for the cost of repairs and painting in the interiors of their Residential Units. No provision has been made to cover the cost of any capital expenditure. This estimate also includes the estimated annual cost of services and supplies (excluding service contracts) provided to and for the benefit of the Residential Units.

Supplies and Hardware	$	2,500
Plumbing	$	1,500
Intercom	$	2,500
Painting	$	2,000
Electrical	$	1,500
Window, Lock and Doors	$	2,500
Elevator Repairs (Not Covered by Contract)	$	1,500
General Repairs	$	7,500
Total	**$**	**21,000**

This estimate is based on experience of Sponsor's budget expert, FirstService Residential New York, Inc., in operating comparable buildings.

The budgeted amount for repairs and maintenance has been allocated to the Non-Residential Unit based on respective Common Interest for plumbing, electrical, window lock and doors, elevator and general repairs only.

(8) Service Contracts and Supplies: $24,250

This estimate includes the cost of various services used in or for the Common Elements, including but not limited to elevator service, fire systems and window washing.

Elevator Maintenance*	$	6,000
Exterminating	$	2,500
Fire Extinguishers	$	500
Sprinkler	$	2,500
Water Treatment	$	3,500
HVAC Common	$	2,000
Telephone/Internet	$	3,000
Boiler	$	2,500
Fire Alarm (Protection)	$	1,750
Total	**$**	**24,250**

No maintenance or service contracts have been entered into as of the Filing Date of the Plan. The budgeted amounts are based on estimates received from contractors and the experience of Sponsor's budget expert, FirstService Residential New York, Inc., in operating comparable buildings. While this Schedule B includes a reasonable allowance for possible increases in cost, which may occur prior to and during the First Year of Condominium Operation, no warranty or guarantee is made that the actual cost for these services or other services will be in accordance with this projection.

(9) Insurance: $37,000

The insurance premiums are based on a letter dated April 12, 2019 from Genatt V LLC Insurance Solutions, located at 3333 New Hyde Park Road, STE 400, New Hyde Park, New York, 11042. The fire, casualty and general liability are on the terms set therein:

	COVERAGES	LIMITS OF LIABILITY	
A.	Property (Building Limit)	$	11,000,000
	Business Personal Property Limit	$	100,000
	Loss of Maintenance Fee	$	283,000
	Demolition and Increased Cost	$	5,000,000
	Flood	$	5,000,000
	Earthquake	$	5,000,000
	Deductibles		
	Building, Underground Water & Sewer	$	25,000
	Earthquake	$	50,000
	Flood	$	50,000
B.	General Liability		
	(General Aggregate)	$	2,000,000
	Each Occurrence	$	1,000,000
	Fire Damage Liability	$	50,000
	Personal and Advertising Injury	$	1,000,000
	Medical Expenses	$	5,000
	Hired/Non Owner Auto Liability	$	1,000,000
	Water Damage Legal Liability	$	1,000,000
C.	Directors & Officers Liability	$	1,000,000
	Deductible	$	5,000
D.	Umbrella Liability	$	25,000,000
	Self Insured Retention	$	10,000
	Included Excess Director's & Officers		
E.	Crime		
	Employee Dishonesty Limit	$	500,000
	Managing Agent's Rider	$	Included
F.	Boiler and Machinery or Equipment Breakdown	$	Included in Property Coverage
G.	Cyber Insurance	$	500,000
	Deductible	$	1,000

The total premium for these various coverages is estimated at $37,000.

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

This coverage does not include claims for personal injury or property damage resulting from occurrences in individual Units or any Common Elements exclusive to such Units, nor does it include coverage of any Unit (as such term is more particularly described in the Plan and the Declaration).

The Condominium will have in place, at the first closing, the fire and casualty insurance under an agreed amount replacement cost policy or under a policy including at least an 80 percent co-insurance provision so that the insured shall not be a co-insurer.

Insurance coverage meets the requirements of any mortgage lender procured by the Sponsor.

Fire, casualty and general liability insurance must be on terms that provide:

- Each unit owner is an additional insured party;
- There will be no cancellation without notice to the Board of Managers;
- A waiver of subrogation;
- A waiver of invalidity because of acts of insured and unit owners; and
- A waiver of pro-rata reduction if unit owners obtain additional coverage.

Unit Owners can obtain additional insurance at their own cost to cover such risks as fire and casualty losses to unit owners, replacements, additions, fixtures and improvements, and liability coverage for occurrences within the unit or the limited common elements subject to the by-laws. All Unit Owners are required to obtain and maintain their individual property and liability insurance.

The proposed insurance provides property coverage on an All Risk/Replacement Cost basis. The Building limits and Business Income limits are based on an Agreed Amount which is a waiver of co-insurance.

This quotation is an indication of insurance premiums at current rates. Because conditions in the insurance marketplace are volatile, it is not possible to predict what the premiums will be for the First Year of Condominium Operation. Purchasers should be aware of the possibility of rate increases. The insurance is adequate for the replacement of the building in the event of a total loss. The carrier will be selected at the time the coverage is bound. This will occur prior to the First Closing. The agent quoting the proposed insurance is Genatt V LLC Insurance Solutions, located at 3333 New Hyde Park Road, STE 400, New Hyde Park, New York, 11042. Sponsor will procure, on behalf of the Condominium Board, on or before the First Closing, the general liability insurance that is required to be carried by the Condominium.

(10) Management Fee: $35,000

Based on the management agreement to be entered into with FirstService Residential New York, Inc., at or before the First Closing, it is expected that the Managing Agent will receive an annual fee of $35,000 for the First Year of Condominium Operations. This fee is commercially reasonable and comparable to management fees for buildings of similar size and quality as the Property. Reference should be made to the Section of the Plan entitled "Management Agreement" in the Offering Plan for further details of the Management Agreement.

The management expense for the Residential and Non-Residential Unit has been allocated upon their respective Percentage of Common Interest.

(11) Legal / Audit: $15,000

Based upon the estimate set forth in a letter dated April 11, 2019 from Wilkin & Guttenplan P.C. located at 555 Fifth Avenue, New York, New York, 10017, Sponsor has budgeted $12,000 for estimated auditing and accounting fees in connection with the preparation of the audited financial statements for the First Year of Condominium Operation and federal, state and city income tax returns. The balance of the budgeted amount ($3,000) has been estimated to provide for minor legal services to be rendered in connection with the operation of the Building such as attendance at Condominium Board meetings, preparation of Condominium Board minutes and negotiation of minor agreements. An attorney or law firm has not yet been determined. The Condominium board will determine the attorney in the future.

The administration expense for the Residential and Non-Residential Unit has been allocated upon their respective Percentage of Common Interest.

(12) Other Expenses: $3,750

Other Expenses covers telephone, office supplies, office equipment, postage, special communications and mailings to the Unit Owners, annual meetings, and general expenses.

Office Expense	$	1,000
Payroll Processing	$	250
Other professional	$	1,000
License/Fees/Permits	$	1,000
Postage/Messenger/ Copying	$	500
Total	**$**	**3,750**

The other expense for the Residential and Non-Residential Unit has been allocated upon their respective Percentage of Common Interest.

(13) Contingency: $5,000

This fund may be used at the discretion of the Condominium Board toward unforeseen expenses or other appropriate Condominium expenses. The purpose of the contingency is to provide for unanticipated expenses or unanticipated increases in projected expenses.

The contingency expense for the Residential and Non-Residential Unit has been allocated upon their respective Percentage of Common Interest

(14) Reserve Fund $10,000

A Reserve Fund in the total amount of $10,000 shall be established over the course of two (2) years for the sole purpose of costs and expenses related to capital repairs, replacements, and improvements in accordance with the By-laws. The Reserve Fund amount was the product of a Reserve Fund Study undertaken by Sponsor. For more details regarding the timing and calculations of the Reserve Fund deposits, Purchasers should refer to the section of the Plan entitled "Reserve Fund."

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(15) Total Estimated Common Expenses: $292,179

IN THE OPINION OF FIRSTSERVICE RESIDENTIAL NEW YORK, INC., THE PROJECTED INCOME IS ADEQUATE TO MEET THE PROJECTED EXPENSES FOR THE FIRST YEAR OF CONDOMINIUM OPERATION, ASSUMING SUCH FIRST YEAR TO BE THE 12-MONTH PERIOD COMMENCING JANUARY 1, 2021. THE FOREGOING BUDGET, HOWEVER, IS NOT INTENDED AND SHOULD NOT BE TAKEN AS A GUARANTEE OR WARRANTY BY ANYONE THAT THE ANNUAL COMMON CHARGES OR OTHER INCOME AND EXPENSES FOR SUCH FISCAL YEAR OR ANY SUBSEQUENT YEAR OF OPERATION OF THE PROPERTY WILL BE AS SET FORTH IN THE BUDGET, SINCE THE ANNUAL COMMON CHARGES AND OTHER ITEMS OF INCOME AND EXPENSE MAY VARY FROM AMOUNTS SHOWN IN THE BUDGET BASED ON FACTORS SUCH AS INFLATION, CHANGES IN THE ECONOMY AND ANY OTHER UNFORESEEN FACTORS.

****

The foregoing projected budget may be modified from time to time prior to commencement of and during the First Year of Condominium Operation, to add or delete or increase or decrease one or more items of operating expenses. If additional funds are required to pay expenses, it may be necessary to increase Common Charges or specially assess Unit Owners.

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SCHEDULE B-1 - PROJECTED INDIVIDUAL ENERGY COSTS BUDGET

SCHEDULE B-1
Projected Individual Energy Costs Budget

The estimated average KWH per year per square foot and annual cost of electricity per square foot utilized by individual Units are 19.2/KWH/Square Foot/Year and $3.8 per square foot, based on a projected Con Edison rate of $0.196 per KWH for 2019. The projection was made using 2010 Con Edison rates increased by an estimated 3% annual inflation as well as review of the energy bills for the Residential Units.

Typical Unit	Average Square Footage	Annual Cost	Monthly Cost
2 bedroom	994	$3,777	$315
1 bedroom	722	$2,744	$229
Studio	499	$1,860	$155

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

REAL PROPERTY LAW SECTION 339-i COMPLIANCE LETTER

FirstService
RESIDENTIAL

PART 23: LETTER TO ATTORNEY GENERAL
RE: REAL PROPERTY LAW SECTION 339-i.1 COMPLIANCE

May 27, 2020

New York State Department of Law
Real Estate Finance Bureau
28 Liberty Street, 21st Floor
New York, New York 10005

Re: Condominium Offering Plan
The Avant
533 East 12th Street
New York, New York 10036

Dear Sir/Madam:

DS 531 E. 12th Owner LLC ("Sponsor") of the Condominium Offering Plan ("Offering Plan") for the Property retained FirstService Residential New York, Inc. ("Firm") to review the percentage of Common Interest in the Common Elements allocated to each Unit in the Property set forth in Schedule A of the Offering Plan.

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

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

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

The Firm certifies that it is not owned or controlled by Sponsor and that it has no financial interest in the offering other than its fee for services rendered in connection with the preparation of this letter (and

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www.fsresidential.com

Management of the Premises under the Offering Plan). The Firm understands that a copy of this letter is intended to be incorporated into the Offering Plan.

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

Very truly yours,

FirstService Residential New York, Inc.

By: _____

Name: Marc Kotler
Title: Senior Vice President
New Development Group

Dated: May 27, 2020

COMMUNITY FACILITY UNIT

As more particularly described in the Declaration and in the "Description of Property and Building Condition," each of which are contained in Part II of the Plan, the Condominium will contain 1 Community Facility Unit.

Community Facility Unit

The Community Facility Unit consists of approximately 5,903 square feet and is located on portions of the cellar and first floors. As of the date of acceptance of the Plan for filing, the Community Facility Unit is vacant.

General

Sponsor offers the Community Facility Unit for sale pursuant to the Plan. The Purchase Price for each of the Community Facility Unit is listed in the Section of the Plan entitled "Schedule A - Purchase Prices and Related Information" ("Schedule A"). With respect to the Community Facility Unit, all terms of sale are freely negotiable, including without limitation the amount of the Deposit(s), payment of use and occupancy fees from the date of Closing until the Condominium Board's imposition of Common Charges, and insurance coverage requirements, and Sponsor is not obligated to use the form Purchase Agreement set forth in Part II of the Plan. **THESE PRICES HAVE BEEN SET BY SPONSOR AND ARE NOT SUBJECT TO APPROVAL BY THE DEPARTMENT OF LAW OR ANY OTHER GOVERNMENTAL AGENCY**.

Each Community Facility Unit may be combined or subdivided by the Community Facility Unit Owner into two or more separate condominium units without prior notice and without amendment to the Plan. Any such subdivision shall be offered for sale by a duly filed amendment to the Plan or pursuant to a "No-Action," "No Jurisdiction," or similar ruling issued by the Department of Law. Additionally, any Community Facility Unit created as a result of such subdivision will retain the same rights afforded the Community Facility Unit Owners as set forth herein.

Residential Unit Owners will not have any interest in the rents, profits or revenues from the rental or use of any space in the Community Facility Unit.

No representation is made with respect to the ownership of all or any portion of the Community Facility Unit or as to who the future owners or tenants of any portion of the Community Facility Unit may be at any time or as to the uses to which any portion of the Community Facility Unit may be put at any time except that each of the Community Facility Unit may be used for any purpose permitted by Law, including, without limitation, additional residential units, retail stores, banks, restaurants, theaters, bars, spas, health clubs, parking garages, and commercial and professional office space which uses may result in increased noise and traffic. No assurance, representation, or warranty is given that any tenants, occupants or users of the Community Facility Unit will not be objectionable to Residential Unit Owners or other parties. The uses of the Community Facility Unit may generate noise, traffic, fumes or other disturbances over which the Residential Unit Owners will have no control. Residential Unit Owners will not have any interest in the rents, profits or revenues generated from the business, rental, or other use of any space in the Community Facility Unit.

Rights and Obligations of the Community Facility Unit Owners

The Community Facility Unit Owner will be obligated to pay its portion of the Common Charges in accordance with the allocations set forth in the Section of the Plan entitled "Schedule B – Budget for First Year of Condominium Operation" ("Schedule B"). As set forth in the Footnotes annexed to Schedule B,

certain budgeted items are allocated between the Residential Units and the Community Facility Unit on a special basis which reflects actual benefit and/or use associated with a particular item of expense or exclusive control of particular Common Elements. The Condominium Board may not modify these allocations without the unanimous consent of the Community Facility Unit Owners. In the opinion of Sponsor's budget expert, the allocated Common Charges payable by the Community Facility Unit are sufficient to cover the expenses fairly attributable to the Community Facility Unit. See "Certification of Budget Expert Concerning the Adequacy of Common Charges Payable by the Community Facility Unit Owners" set forth in Part II of the Plan for details.

The Community Facility Unit Owner has the right to designate 1 member to the 6-member Condominium Board. The member of the Condominium Board designated by the Community Facility Unit Owner may only be removed by the Community Facility Unit Owner without cause; such designee may be removed with cause pursuant to the By-Laws. In either event, only the Community Facility Unit Owner will have the right to elect or designate a replacement.

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

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

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

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

1. to make alterations, additions, improvements, or repairs in or to the interior portions of a Community Facility Unit, whether structural or non-structural, ordinary or extraordinary, including without limitation any alterations with respect to the type, number, or layout of rooms in the Community Facility Unit.

2. to amend the Certificate of Occupancy of the Building with respect to the use or number of the Community Facility Unit.

3. without amendment to the Plan, to (i) subdivide and/or combine any Community Facility Unit and/or (ii) change any subdivided Community Facility Unit in size by relocating a

boundary wall between subdivided Community Facility Units. In the event of a subdivision, combination, and/or change in size of any Community Facility Unit, each Community Facility Unit Owner shall additionally have the right to reapportion among the affected Community Facility Units their respective Common Interests and to create new Non-Residential Limited Common Elements from space previously designated as a Community Facility Unit. Any additional condominium units created as a result of a subdivision of a Community Facility Unit will retain the same rights, privileges, and benefits afforded the original Community Facility Unit Owner and will be subject to the same obligations imposed on the original Community Facility Unit Owner, as set forth in the Condominium Documents. Any such subdivision shall be offered for sale by a duly filed amendment to the Plan or pursuant to a "No-Action," "No Jurisdiction," or similar ruling issued by the Department of Law. Notwithstanding the foregoing, in the event of a subdivision of any Community Facility Unit, the Community Facility Unit Owners shall have the right to designate, collectively, only 1 member to the Condominium Board.

4. to make all arrangements for the prompt repair and restoration of the Community Facility Unit to the extent the Community Facility Unit is damaged or destroyed by fire or other casualty.

In addition to the foregoing, the Community Facility Unit Owner and its Permitted Users shall have the right and an easement, as applicable, without the approval of the Condominium Board, Managing Agent, other Unit Owners, or Mortgage Representatives, if any:

5. to erect, maintain, repair and replace one or more signs and lighting, of such size and content as such Community Facility Unit Owner shall determine in the windows of the Community Facility Unit, including without limitation any storefronts of such Community Facility Unit, for the purposes of advertising (a) the sale or rental of all or any portion of the Community Facility Unit or (b) the operation of any business for which such Community Facility Unit is used.

6. subject only to Sponsor's prior written consent in each instance for so long as Sponsor continues to own an Unsold Unit, to (i) alter, modify, and/or restore the exterior façade and/or the windows of the Community Facility Unit, including without limitation any storefronts, and (ii) create additional means of egress and ingress to such Community Facility Unit.

7. to use the sidewalk adjacent to such Community Facility Unit for any purposes permitted by Law.

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

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

CHANGES IN PRICES AND UNITS

Purchase prices for the Units offered hereby are negotiable and Sponsor reserves the right, at any time and from time to time before and after the recording of the Declaration, without giving prior notice (except as otherwise provided herein) and without the consent of the Condominium Board, any Unit Owner or mortgagee, to change the price by a duly filed amendment to the Plan, including, without limitation, the manner of payment thereof and other terms of sale of any Unit, except that no such change with respect to any Unit for which a Purchase Agreement is then in effect may be made without the consent of the Purchaser. However, Sponsor reserves the right to decrease Purchase Prices or modify other terms of sale without filing an amendment to the Plan at any time during the offering period if such a decrease in the Purchase Price or modification of such other terms of sale does not constitute a general offering or an advertised price but is rather the result of an individually negotiated transaction. If any such change is made, a Purchaser of a Unit affected thereby may pay more or less than other Purchasers under the Plan for similar Units, but this will not affect any prior or subsequent sale of Units which are not the subject of such change. However, the Purchase Prices set forth in Schedule A must be changed by a duly filed amendment to the Plan when the change in Purchase Price (i) is an across the board increase or decrease affecting one or more lines of Units or Unit models; (ii) is to be advertised; or (iii) is a Purchase Price increase for an individual Purchaser (other than Tenant-Purchasers until the Effective Date of the Plan).

The Purchase Prices to Tenant-Purchasers set forth in Schedule A will not increase during any Exclusive Purchase Period nor will Sponsor accept Purchase Agreements from non-occupant Purchasers for occupied Residential Units during any Exclusive Purchase Period. Unless it would constitute a discriminatory inducement, Sponsor reserves the right to negotiate with each Purchaser the following terms and conditions of the Purchase Agreement among other terms: Purchase Price; the amount and timing of the Deposits; the availability of financing (although Sponsor is not offering financing to Purchasers as of the date of acceptance of the Plan for filing); the payment of Purchaser's financing fees and other closing costs; the availability of Common Charge rebates, Purchase Price rebates and subsidies payable as a credit against the Purchase Price or on a periodic basis; extensions of time periods within which to perform obligations under the Purchase Agreement; the availability of use and occupancy agreements and the amount of interim use and occupancy fees thereunder; and the application of interim use and occupancy fees towards the Purchase Price and Unit Upgrades. After the Plan is declared effective, Sponsor reserves the right to enter into a negotiated agreement with an individual Tenant-Purchaser to sell one or more Residential Units at prices lower than and terms different than those in effect from time to time without filling an amendment to the Plan.

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

The location in the Building, approximate size and layout of the Units are shown on the Floor Plans set forth in Part II of the Plan. In order to meet the possible varying demand for number and type of Units, or to meet particular requirements of Purchasers, or for any other reason, Sponsor reserves the right (except to the extent prohibited by Law) at any time and from time to time, before and after the recording of the Declaration, without giving prior notice and without requiring the consent of the Condominium Board, any Unit Owner or mortgagee, to (a) change the size, layout and square footage of, or number of rooms in, any Unsold Unit, (b) change the size and/or number of Unsold Units by dividing one or more of such Units into two or more separate Unsold Units, combining separate Unsold Units (including those resulting from such subdivision or otherwise) into one or more Unsold Units, altering any boundary walls between one or more Unsold Units, or otherwise, including incorporating Common Elements (such as a portion of a hallway) which exclusively benefit an Unsold Unit into such Unsold Unit, without changing such Unit's Common Interest percentage, (c) designate a Common Element as part of a newly created Unit or designate all or part of a Unit as a newly created Unit or Common Element, (d) incorporate and enclose Limited Common Elements within a Unit, (e) if appropriate, reapportion among the Unsold Units affected by any such change,

their aggregate Common Interests, and (f) make non-material changes in the size or quality of Common Elements. Any such change described in subsections (a) through (e) and additionally any material change in size or quality of any of the Common Elements shall be disclosed by Sponsor in a duly filed amendment to the Plan, and, when applicable, to the Declaration. Unless all Purchasers consent, no material change will be made in the size and no material adverse change will be made in the quality of the Common Elements unless Sponsor offers the Purchaser(s) who are not in default under their Purchase Agreement(s), the right, for at least 15 days after the presentation of the amendment disclosing such right, to rescind their Purchase Agreement(s) and receive a prompt refund of their deposit(s), except for any Unit Upgrade Funds to the extent already expended.

Notwithstanding the foregoing, no material change will be made in a Unit's size, layout or percentage of Common Interest if a Purchase Agreement has been executed and delivered to Sponsor for such Unit, provided that the Purchaser is not in default thereunder unless (a) the affected Purchaser consents to such changes; or (b) such changes are due to field conditions, construction variances and tolerances, or as a result of changes in Law (including without limitation applicable building codes and regulations). In the event that material changes are made pursuant to (b) of the immediately preceding sentence, then in such event, Sponsor's sole obligation shall be to offer the affected Purchaser(s) who are not in default under their Purchase Agreement(s), the right, for at least 15 days after the presentation of the amendment disclosing such right, to rescind their Purchase Agreement(s) and receive a prompt refund of their deposit(s), except for any Unit Upgrade Funds to the extent already expended. A decrease in a Unit's size of 5% or less will not affect a Purchaser's obligations unless such decrease is determined to be a material change. There is a rebuttable presumption that a decrease in Unit size of 5% or less is not material. Provided Purchaser's consent is not required, a Purchaser will not be excused from purchasing the Unit and will not have any claim against Sponsor as a result of any such change and such change will not affect a Purchaser's obligations under the Purchase Agreement or the Plan. If Purchaser's consent is required as a result of such change and Purchaser refuses to consent, then in such event, Sponsor's sole obligation shall be to refund to Purchaser the Deposit made under the Purchase Agreement and any interest earned thereon. To the extent any such change involves entry into an occupied Residential Unit, Sponsor will repair any resulting damage to such Residential Unit. In addition, it is possible that Sponsor will install additional plumbing pipes through the concrete slabs vertically separating Residential Units and that such pipes will be run across the ceiling of some rooms in certain Residential Units and enclosed in sheetrock enclosures. Sponsor reserves the right to perform before or after the closing of any Residential Unit and such change shall not be deemed a material and adverse change with respect to any Purchaser or Residential Unit Owner nor give rise to any claim against Sponsor by any Residential Unit Owner. Such change shall not be deemed a material and adverse change with respect to any Purchaser or Residential Unit Owner

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

Once the Declaration is recorded, no change may be made in the number of Units or number of rooms within a Unit, nor may the size of any Unit be changed by subdivision or combination or alteration of boundary walls as aforesaid or otherwise, nor may the Common Interest or Residential Common Interest of any Unit be changed, unless, in each such event, the Declaration and Floor Plans and the Plan are amended with the consent of each Unit Owner whose Unit is directly affected by such change. In the case of a material and adverse change in the size or quality of the Common Elements, no such change shall be made without the consent of every Unit Owner. In such event, Sponsor will have the right to amend or to cause the Condominium Board to amend the Declaration to reflect any such material and adverse change and to file such amendment and any necessary plans and specifications in connection therewith. However, Sponsor reserves the right, in its sole and absolute discretion, to sell, lease, license, or otherwise transfer to a Unit Owner, any non-material portion of the Common Elements for the exclusive use of such Unit Owner provided that such Common Element was not offered in the Plan as an amenity for the shared use of the Unit Owners of the Condominium. Any such sale, lease, license, or transfer will not require the consent of any

other Purchaser or Unit Owner, nor will it require notice to the Condominium Board, except as set forth below. In the event Sponsor sells or otherwise transfers any portion of the Common Elements after the recording of the Declaration and such sale or transfer affects the percentages of Common Interest in the Building, Sponsor will: (i) obtain the consent of the affected Unit Owner(s) and provide notice to the Condominium Board; (ii) disclose such sale or transfer in a duly filed amendment to the Plan; and (iii) reflect such change in an amendment to the Declaration and Tax Lot Drawings, if applicable and required. Subsequent to the Sponsor Control Period, any lease or license of a portion of the Common Elements as described herein shall require the consent of the Condominium Board.

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

CERTIFIED STATEMENTS OF OPERATION

DS 531 E. 12th Owner LLC
Statement of Operating Income and Expenses
Year Ended December 31, 2019

DS 531 E. 12th Owner LLC
Statement of Operating Income and Expenses
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Year Ended December 31, 2019

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DS 531 E. 12th Owner LLC
Statement of Operating Income and Expenses
For the Year Ended December 31, 2019

Revenues	
Rental income	$ 963,115
Expenses	
Real estate taxes	527,142
Service contracts	48,720
Electricity	26,141
Water charges and sewer rent	21,395
Gas	21,358
Repairs and maintenance	16,446
Insurance	16,098
Bad debt	5,980
Miscellaneous	1,760
Bank fees	1,574
Total Operating Expenses	686,614
Excess of Operating Income Over Expenses	$ 276,501

The accompanying notes are an integral part of these financial statements.

DS 531 E. 12th Owner LLC
Notes to the Statement of Operating Income and Expenses
December 31, 2019

Note 1 Nature of Operations

DS 531 E. 12th Owner LLC (the "Company") owns and operates a 34-unit rental property consisting of 31 residential units and 3 commercial units, located at 533 E. 12th Street, New York. The property was purchased in November 2018. The Company intends to convert the rental property to a condominium property.

Note 2 Summary of Significant Accounting Policies

Basis of Accounting
This statement was prepared in accordance with accounting principles generally accepted in the United States (GAAP) but excludes depreciation, amortization, interest expense, and other such items that are not applicable to the operation of the building as a condominium which are required to be included in a complete income statement in accordance with GAAP. Accordingly, the Statement is not intended to be a complete presentation in accordance with GAAP.

Estimates
In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Rental Income
Rental income is recognized as rents become due. All leases between the Company and tenants of the property are operating leases, which have expired or will terminate after year end when the property is converted.

Income Taxes
The Company is treated as a disregarded entity for federal and state income tax purposes. Income taxes are not payable by, or provided for, by the Company. The member is taxed individually on the Company earnings.

DS 531 E. 12th Owner LLC
Notes to the Statement of Operating Income and Expenses
December 31, 2019

Note 2 Summary of Significant Accounting Policies (Continued)

Subsequent Events

Management of the Company has evaluated subsequent events and transactions for potential recognition or disclosure through the date of the auditors' report, which is the date the Statement was available to be issued.

Note 3 Related Parties

Insurance was obtained via a master policy of the owner of the Company, in which approximately $14,000 was allocated to the Company for the policy period December 2018 to 2019.

RIGHTS OF ELIGIBLE SENIOR CITIZENS AND ELIGIBLE DISABLED PERSONS

Senior citizens and disabled persons who meet the eligibility requirements set forth below may not be evicted by Residential Unit Owners or any subsequent Purchaser at any time because the Building is converted to condominium ownership or under owner occupancy provisions of rent codes.

An "Eligible Senior Citizen" is a non-purchasing tenant and the spouse of a non-purchasing tenant who: (i) is 62 years of age or older on the date that the Filing Date; and (ii) has elected not to purchase his or her Residential Unit within 60 days from the Presentation Date by completing the senior citizen election form set forth in Part II of this Plan, signing said form and having the signature notarized, and personally delivering it to Sponsor or Selling Agent or by mailing it by certified or registered mail, return receipt requested to the Sponsor or Selling Agent.

An "eligible disabled person" is a non-purchasing tenant and spouse of a non-purchasing tenant who: (i) has an impairment which results from anatomical, physiological or psychological conditions, other than addiction to alcohol, gambling, or any controlled substance, which is demonstrable by medically acceptable clinical and laboratory diagnostic techniques, and which is expected to be permanent, and which prevents the disabled person from engaging in any substantial gainful employment on the Filing Date; and (ii) has elected not to purchase his or her Residential Unit within 60 days from the Presentation Date by completing the disabled person election form set forth in Part II of this Plan, signing said form and having the signature notarized and personally delivering it to Sponsor or Selling Agent or by mailing it by certified or registered mail, return receipt requested to the Sponsor or Selling Agent; and (iii) if the disability first occurs after the Filing Date, then such election may be made within 60 days following the onset of such disability unless during the period subsequent to 60 days following the Presentation Date but prior to such election, Sponsor accepts a written agreement to purchase the apartment from a bona fide purchaser.

The protections given to Eligible Senior Citizens and eligible disabled persons under G.B.L., section 352-e(2-a), 352-eee or 352-eeee, include the following:

(a) No eviction proceedings will be commenced at any time against either Eligible Senior Citizens or eligible disabled persons, except for nonpayment of rent, illegal use or occupancy of the apartment, refusal of reasonable access to the owner or a similar breach of obligations to the landlord.

(b) Eligible Senior Citizens and eligible disabled persons who reside in apartments subject to government regulation as to rentals and continued occupancy shall continue to be subject thereto.

(c) 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 Filing Date shall not be subject to unconscionable increases beyond ordinary rentals for comparable apartments during the period of their occupancy. Complaints concerning such increases may be referred to the New York State Department of Law, Real Estate Finance Bureau, 28 Liberty Street, 21st Floor, New York, NY 10005.

(d) The rights granted under the plan and rent regulatory laws to Eligible Senior Citizens and eligible disabled persons may not be abrogated or reduced, regardless of any expiration of or amendment to GBL, section 352-e(2-a), 352-eee or 352-eeee.

(e) Each owner of a Residential Unit occupied by an Eligible Senior Citizen or eligible disabled person shall be bound by the provisions of the GBL and the terms of this Plan.

Sponsor may dispute the election by a tenant to be an Eligible Senior Citizen or an eligible disabled person by applying to the Department of Law for a determination of the tenant's eligibility within 30 days of the receipt of the election form. The Department of Law shall issue a determination of eligibility within 30 days thereafter. In the absence of fraud, the determination by the Department of Law is the sole method for resolving a dispute as to whether a tenant is an Eligible Senior Citizen or eligible disabled person. The determination by the Department of Law is reviewable only through a proceeding under article 78 of the Civil Practice Law and Rules.

An election by an Eligible Senior Citizen or eligible disabled person not to purchase shall not preclude such electing senior citizen or disabled person from subsequently purchasing his or her apartment on the terms and conditions set forth in this Plan.

RIGHTS OF EXISTING TENANTS

Each "Bona Fide Tenant" shall have the exclusive right within the first 90 days from the Presentation Date of the Plan ("Initial Exclusive Purchase Period") within which to purchase the Residential Unit such Purchaser occupied on the Filing Date of the Plan at the Purchase Price set forth in Schedule A, during which time the Bona Fide Tenant's Residential Unit shall not be shown to a third party unless the Bona Fide Tenant has, in writing, waived the right to purchase. In order to exercise this exclusive right to purchase, the Bona Fide Tenant must deliver to Selling Agent during the Initial Exclusive Purchase Period (i) four (4) original, complete, and unaltered executed copies of the signed Purchase Agreement, (ii) a completed and executed original form W-9 or form W-8, as applicable, and (iii) the Initial Deposit. Sponsor has agreed that during any Exclusive Purchase Period, the purchase prices to be paid by Bona Fide Tenants for the Residential Units occupied by such Bona Fide Tenants on the Filing Date will not be increased nor will Sponsor accept Purchase Agreements from non-occupant Purchasers for occupied Residential Units, unless the Bona Fide Tenant of such occupied Residential Unit has waived, in writing, such Bona Fide Tenant's right to purchase such Residential Unit.

The term "Bona Fide Tenant" 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 Residential Unit or the Residential Unit is not the tenant's primary residence; and (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 Residential Unit from the bona fide tenant of record.

The term "Bona Fide Tenant" shall not include (i) any tenant of any Community Facility Unit and (ii) the estate or legal representative of a Bona Fide Tenant who was in occupancy of a Residential Unit on the Filing Date and who died on or after the Filing Date without having previously delivered a Purchase Agreement in compliance with the terms hereof.

Bona Fide Tenants do not have any exclusive right to purchase any Unit other than Unit such Bona Fide Tenant occupied on the Filing Date of the Plan. A Purchase Agreement from a Bona Fide Tenant for the Unit such Bona Fide Tenant occupied on the Filing Date of the Plan, properly executed and delivered during any Exclusive Purchase Period provided in the Plan or in an amendment to the Plan, shall have priority over and pre-empt any Purchase Agreement for such Unit executed and delivered by a Non-Tenant-Purchaser.

Bona Fide Tenants may purchase a vacant Unit but do not have the exclusive right to purchase such Unit. The procedure to purchase such vacant Unit is set forth in the Section of the Plan entitled "Introduction" subsection "The Residential Units Offered for Sale.

To the extent permitted by Law, Sponsor reserves the right to selectively offer buyout payments or other incentives to certain Bona Fide Tenants in amounts to be determined by Sponsor in its sole discretion in order to induce such Bona Fide Tenants to vacate and surrender their apartments. Bona Fide Tenants should refer to the sample form of surrender / buyout agreement and reservation form set forth in Part II of the Plan for more details.

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

The following summary of rights of existing tenants is set forth in accordance with Section 352-eeee of New York State General Business Law ("GBL"), a copy of which is set forth in Part II of the Plan. Bona Fide Tenants in occupancy derive substantial protections under the GBL.

The term "Non-Purchasing Tenant" means a person who has not purchased a Unit pursuant to the Plan and who is a tenant entitled to possession at the time the Plan is declared effective or a person to whom a

Unit is rented subsequent to the effective date. A person who sublets a Unit from "a Purchaser under the Plan" (as such term is defined in the GBL) shall not be deemed a Non-Purchasing Tenant.

(A) No eviction proceedings may be commenced at any time after the Effective Date against Non-Purchasing Tenants who were tenants entitled to possession as of the Effective Date for failure to purchase. Eviction proceeding may be commenced at any time after the Effective Date against Non-Purchasing Tenants who lease Unsold Units after the Effective Date for failure to purchase; provided that such proceedings may be commenced against any Non-Purchasing Tenant for non-payment of rent, illegal use or occupancy of the premises, refusal of reasonable access to the owner, failure to maintain the premises as a primary residence, or any other breach of lease by the Non-Purchasing Tenant of his leasehold obligations to the owner of the Unit; and provided further that an owner of a Unit may not commence an action to recover possession from a Non-Purchasing Tenant on the grounds that such owner seeks the Unit for the use and occupancy of such owner or such owner's family.

(B) Non-Purchasing Tenants who resided in Residential Units subject to government regulation as to rentals and continued occupancy prior to the conversion of the Building to condominium ownership shall continue to be subject thereto following the conversion. 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 condominium ownership, except as otherwise provided in subparagraph (C).

(C) The rents of Non-Purchasing Tenants who were tenants entitled to possession as of the Effective Date and who reside in Units with respect to which government regulation as to rentals and continued occupancy is eliminated or becomes inapplicable after the Filing Date shall not be subject to unconscionable increases beyond rental amounts charged for comparable Units during the period of their occupancy, provided such protection against unconscionable rent increases is inapplicable to Non-Purchasing Tenants who lease Unsold Units after the Effective Date. In determining comparability, consideration will be given to such factors as location of the Building and of the Unit within the Building, amenities and building services, level of maintenance and operating expenses. 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 at 28 Liberty Street, New York, New York 10005. Non-Purchasing Tenants may be subject to rent increases as the result of major capital improvements ("MCI") made by Sponsor, the Condominium or Purchasers of Units occupied by such Non-Purchasing Tenants. Under current Law, Sponsor is not entitled to seek a MCI rent increase to the extent Sponsor has taken a credit against the Reserve Fund as the result of such MCI. (See the Section of the Plan entitled "Reserve Fund" for further details.)

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

(E) The rights granted under the 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.

(F) Building-wide services shall be managed on behalf of all Residential Units (including those occupied by Non-Purchasing Tenants) by the same Managing Agent who manages all other Residential Units in the Building. Such Managing Agent will provide to Non-Purchasing Tenants all services and facilities required by Law on a non-discriminatory basis.

(G) 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 Residential 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 the Attorney General deems it appropriate, an order restraining the owner from selling the Residential Unit. Nothing contained in the GBL shall be deemed to preclude the tenant from applying on his own behalf for similar relief.

(H) Any provision of a lease or other rental agreement which purports to waive a Non-Purchasing Tenant's rights under the GBL or Law promulgated pursuant to the GBL shall be void as contrary to public policy.

(I) Tenants or their representatives, upon reasonable advance notice, may inspect the Property physically 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 Sponsor.

The following disclosure is required by the Department of Law to reflect current case law applicable to the conversion of occupied Buildings in New York County to condominium ownership as of the submission date of the preliminary Plan to the Department of Law. Sponsor makes no representations concerning any future court decisions with respect to this disclosure and reserves all rights under applicable law then available to Sponsor pursuant to such future court decisions. 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 first lease Unsold Units from Sponsor 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.

Subsequent to the First Closing under the Plan, with respect to the first sale of each unsold Residential Unit by Sponsor, the Non-Purchasing Tenant in occupancy of such Residential Unit will be notified in writing by Sponsor of the name and address of the Person who purchased such Non-Purchasing Tenant's Residential Unit. Upon a resale of such Residential Unit, the seller and each subsequent seller will be obligated to notify the Non-Purchasing Tenant in writing within 10 days following the resale of the name and address of the non-occupant Purchaser.

If prior to the First Closing, Sponsor amends the terms and conditions of this offering to be more favorable to Bona Fide Tenants, a Tenant-Purchaser who executed and submitted a Purchase Agreement and delivered the Initial Deposit for the Residential Unit which the Tenant-Purchaser occupied on the Filing Date, before Sponsor amended the terms of the Plan, shall benefit from the more favorable terms and conditions.

If a Bona Fide Tenant purchases a Residential Unit, then from and after the Closing to such Residential Unit, such Tenant-Purchaser would no longer be subject to, or have any rights afforded tenants in occupancy, under the GBL.

Sponsor intends to perform a program of capital repairs and replacements and cosmetic improvements to the Building as set forth in the Section of the Plan entitled "Rights and Obligations of Sponsor" . Sponsor does not intend to apply for an MCI rent increase for the cost of the capital replacements which Sponsor intends to apply against Sponsor's mandatory contribution to the Reserve Fund. Sponsor does not intend to apply for an MCI rent increase for the cost of the cosmetic improvements Sponsor will perform on the Property.

A Non-Purchasing Tenant will not have access to or an exclusive right to use any portion of the Common Elements (including without limitation the rooftop Terrace), except (a) as necessary for ingress and egress to the Residential Unit occupied by such Non-Purchasing Tenant and (b) any Terrace appurtenant to the Residential Unit occupied by such Non-Purchasing Tenant. Each such Terrace is a Residential Limited Common Element for the exclusive use of the Residential Unit Owner and permitted tenants or occupants of such appurtenant Unit. Refer to Schedule A for more detail regarding which Units have appurtenant Terraces.

The Residential Units of the Property previously received partial real estate tax exemption benefits under Section 421-a of the Real Property Tax Law of the State of New York ("421-a Benefits"). The New York City Department of Housing Preservation and Development ("HPD") issued a preliminary certificate of

eligibility ("PCE") and the 421-a Benefits have been fully implemented. According to Sponsor's Real Estate Tax Counsel, 421-a Benefits expired on June 30, 2019 ("421-a Benefits Expiration Date"). **Following the 421-a Benefits Expiration Date, Residential Units which become vacant will no longer be subject to the Rent Laws. Residential Units which are occupied on such date will be subject to the Rent Laws only until the expiration date of the respective lease for such Residential Unit.** Tenants should consult with counsel to ascertain their rights, if any, under the Rent Laws in light of the 421-a Expiration Date, such as any potential rights to remain rent stabilized if provided deficient renewal leases.

Non-Purchasing Tenants shall have no rights with respect to their Residential Units except as same may specifically set forth above, in the GBL and/or in their respective leases, to the extent applicable. Nothing contained herein shall be deemed to grant Non-Purchasing Tenants any additional rights of occupancy with respect to the Residential Units.

The rights of a Purchaser under the Purchase Agreement are not assignable or transferable. See the Section of the Plan entitled "Assignment of Purchase Agreements."

OBLIGATIONS OF PURCHASERS OF RESIDENTIAL UNITS OCCUPIED BY NON-PURCHASING TENANTS

A Person purchasing a Residential Unit occupied by another does so subject to (a) the existing lease for the Residential Unit, 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 Residential Unit, 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 Residential Unit pursuant to the GBL, as more fully discussed in the Section entitled "Rights of Existing Tenants." As of the approximate submission date of the preliminary Plan or "red herring" to the Department of Law, all of the Residential Units were subject to the Rent Laws on account of the receipt of 421-a Real Estate Tax Exemption Benefits, which expired on June 30, 2019.

No representations or statements of any kind as to the requirements of the Rent Laws are given, except as expressly set forth in the Plan, and a prospective Purchaser interested in purchasing an occupied Residential Unit in which such prospective Purchaser does not reside, or lease, is advised to consult with an attorney regarding the application and effect of the applicable Law in order to become fully apprised of such prospective Purchaser's rights as a Purchaser and such prospective Purchaser's obligations to any existing tenant or occupant.

The Residential Units of the Property previously received partial real estate tax exemption benefits under Section 421-a of the Real Property Tax Law of the State of New York ("421-a Benefits"). The New York City Department of Housing Preservation and Development ("HPD") issued a preliminary certificate of eligibility ("PCE") and the 421-a Benefits have been fully implemented. According to Sponsor's Real Estate Tax Counsel, 421-a Benefits expired on June 30, 2019 ("421-a Benefits Expiration Date"). **Following the 421-a Benefits Expiration Date, Residential Units which become vacant will no longer be subject to the Rent Laws. Residential Units which are occupied on such date will be subject to the Rent Laws only until the expiration date of the respective lease for such Residential Unit.** Tenants should consult with counsel to ascertain their rights, if any, under the Rent Laws in light of the 421-a Expiration Date, such as any potential rights to remain rent stabilized if provided deficient renewal leases.

After Closing of the sale of a Residential Unit to a non-occupant Purchaser, such non-occupant Purchaser will own the Residential Unit, subject to the lease or tenancy of the present tenant and subject to all rights afforded such tenant under the Rent Laws (if applicable) and the Plan, including the right to receive a renewal lease as set forth above and to be evicted only on grounds permitted by Law. 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 premises, refusal of reasonable access to the Condominium or its Managing Agent or a breach by the Non-Purchasing Tenant of any leasehold obligations to the owner of the Residential Unit 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 Residential Unit for the use and occupancy of the non-occupant Purchaser or the non-occupant Purchaser's family.

The rents of Non-Purchasing Tenants who were tenants entitled to possession as of the Effective Date and who reside in Units with respect to which government regulation as to rentals and continued occupancy is eliminated or becomes inapplicable after the Filing Date shall not be subject to unconscionable increases beyond rental amounts charged for comparable Units during the period of their occupancy, provided such protection against unconscionable rent increases is inapplicable to Non-Purchasing Tenants who lease Unsold Units after the Effective Date. In determining comparability, consideration will be given to such factors as location of the Building and of the Unit within the Building, amenities and building services, level of maintenance and operating expenses. 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 at 28 Liberty Street, New York, New York 10005. Non-Purchasing Tenants may be subject

to rent increases as the result of major capital improvements ("MCI") made by Sponsor, the Condominium or Purchasers of Units occupied by such Non-Purchasing Tenants. Under current Law, Sponsor is not entitled to seek a MCI rent increase to the extent Sponsor has taken a credit against the Reserve Fund as the result of such MCI.

If a non-occupant Purchaser acquires a Residential Unit occupied by another, then on the Closing Date of such Residential Unit, 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 to pay the Common Charges, Special Assessments, taxes and other charges against the Residential Unit to the Condominium Board or the City of New York, as the case may be, regardless of whether such Common Charges, Special Assessments, taxes and other charges 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, or tenancy of, the tenant or occupant, including without limitation, the obligation to register the Residential Unit with the New York State Division of Housing and Community Renewal and to maintain, repair, and replace fixtures and equipment (if any) in the Residential Unit, to the extent provided in the lease, the Rent Laws (if applicable) or other applicable Law. In addition, any litigation costs, fees and any dues related to the tenancy, are the sole responsibility of the non-occupant Purchaser.

The Purchase Agreement for a Residential Unit occupied by a Non-Purchasing Tenant contains a provision whereby each non-occupant Purchaser of a Residential Unit irrevocably appoints the then Managing Agent of the Building (which Managing Agent may be replaced by the Condominium Board if Sponsor no longer controls the Condominium Board) as Purchaser's 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 Residential Unit such non-occupant Purchaser is purchasing until such time as such right to occupy terminates. In addition, each non-occupant Purchaser agrees: (a) to deposit with Managing Agent at the Closing to the Residential Unit, a sum not less than the greater of 2 months' rent under such Non-Purchasing Tenant's lease or occupancy agreement and 2 months' Common Charges, to be used as working capital to furnish such services and facilities, and (b) upon written notice by Managing Agent (or the Condominium Board) that such deposit has been diminished, to replenish said fund within 30 days. The By-Laws provide that the failure of the Residential Unit Owner to replenish the fund in a timely fashion will result in the Condominium Board on behalf of all Residential Unit Owners, filing a lien against the Residential Unit for nonpayment of such charges. Sponsor shall guarantee the obligation of Managing Agent to provide such services and facilities until such time as Sponsor surrenders control of the Condominium Board. Each non-occupant Purchaser of a Residential Unit will be required to promptly defend, indemnify and hold Sponsor harmless 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 a Residential Unit occupied by a Non-Purchasing Tenant, the new Unit Owner shall notify the Non-Purchasing Tenant thereof in writing within 10 days following the resale of the name and address of the new non-occupant Purchaser.

No representation is made or warranty given as to whether any Rent Laws will continue to apply to any Residential Unit in the Building or whether there will be any future amendments thereto.

A Person interested in purchasing a Residential Unit in which such Person does not reside is advised to examine the lease for such Residential Unit to ascertain the rental thereof, expiration date and obligations imposed on the landlord thereof. These leases are available from Sponsor upon request. Such Peron is advised to consult with an attorney in order to become fully apprised of the effect of the Rent Laws, if applicable, as well as the lease for the Residential Unit, on such Person's rights as a non-occupant Purchaser and such Person's obligations to the existing tenant or occupant.

A non-occupant Purchaser of a Residential Unit subject to a lease will be entitled to receive the unapplied portion of any security deposit held by 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 promptly defend, indemnify and hold Sponsor harmless against all claims or liability in connection therewith.

USE AND OCCUPANCY AGREEMENTS

Sponsor reserves the right with respect to any Unsold Residential Unit, to enter into a pre-closing Use and Occupancy Agreement with the Purchaser of such Unsold Residential Unit on an interim basis on such terms and conditions as may be agreed to between Sponsor and Purchaser. Purchasers are advised that the occupancy under such Use and Occupancy Agreement is not subject to any governmental regulations, including, without limitation, the Rent Laws. Such use and occupancy fees shall be determined by Sponsor in its sole and absolute discretion. Individuals who rent vacant Unsold Units from Sponsor are not Tenant-Purchasers under the Plan and shall have no rights to purchase thereunder. Sponsor shall not discriminate against any person on any basis prohibited by civil rights law.

The Use and Occupancy Agreement will provide, among other things, that an uncured default by the Purchaser under the Purchase Agreement with respect to the Unsold Unit which is the subject of the Use and Occupancy Agreement will constitute a default under the Use and Occupancy Agreement entitling Sponsor, at its option, to terminate such Use and Occupancy Agreement in accordance with Law. In addition, each Purchase Agreement will provide that a default by the Purchaser under any Use and Occupancy Agreement with respect to the Unsold Unit which is the subject of the Purchase Agreement will constitute an Event of Default under the Purchase Agreement entitling Sponsor, at its option, to terminate such Purchase Agreement. If, as a result of a default by Purchaser under the Use and Occupancy Agreement, Sponsor elects to cancel the Purchase Agreement, Purchaser shall have 30 days from the giving of the notice of cancelation to cure the default, TIME BEING OF THE ESSENCE, for which failure to cure will entitle Sponsor to exercise any remedy provided for in the Purchase Agreement. However, prior to Sponsor utilizing the default under the Use and Occupancy Agreement to declare an Event of Default under the Purchase Agreement, Sponsor must obtain an order of eviction or other judgment or order from a court or agency of competent jurisdiction against the Purchaser unless the Purchaser has vacated the Unit. Upon the execution of the Use and Occupancy Agreement, Sponsor will require Purchaser to execute a Stipulation of Settlement Holdover, by which Purchaser will consent to a final judgment of possession of the Unsold Unit in favor of Sponsor and to the immediate issuance of a warrant of eviction, in the event of a default under the Use and Occupancy Agreement. In addition, in the event a Purchaser is permitted to take possession of the Unsold Unit prior to Closing, such Purchaser will be required to obtain casualty and liability insurance for their own benefit in such amounts as determined by Sponsor.

In the event (i) that Purchaser commits an Event of Default under the terms of the Use and Occupancy Agreement which default is not cured within 10 days of notice, or (ii) that the term of the Use and Occupancy Agreement expires, Purchaser agrees to vacate and deliver full possession of the Unit to Sponsor in broom-clean condition within 10 days of written notice from Sponsor or its attorney.

The Use and Occupancy Agreement shall be substantially in the form set forth in Part II of the Plan.

A Purchaser taking possession of an Unsold Unit pursuant to a Use and Occupancy Agreement assumes all risk of loss to such Unsold Unit that is not covered by Sponsor's insurance. In the event that the Plan is abandoned, a Purchaser who has entered into an Interim Lease shall continue to be subject to any Rent Laws to which such Purchaser was subject to prior to such abandonment, if any, including regulation or subsequent regulation by the New York State Division of Housing and Community Renewal. Purchasers entering into a Use and Occupancy Agreement for an Unsold Residential Unit will be required to pay the legal fees of Attorney for Sponsor in connection therewith upon execution of the Use and Occupancy Agreement. It is anticipated that as of the date of acceptance of this Plan, such legal fees will total approximately $3,500, but such approximation may vary significantly depending on the length and difficulty of negotiations and time involved. All other charges or other fees due under the Use and Occupancy Agreement will be adjusted as of the Closing to the Unsold Residential Unit and no portion of the Use and Occupancy fee paid under the Use and Occupancy Agreement will be credited towards the Purchase Price of

an Unsold Residential Unit unless the Use and Occupancy Agreement expressly provides. Notwithstanding the foregoing, Sponsor will be under no obligation to enter into any Use and Occupancy Agreement.

PROCEDURE TO PURCHASE

A Purchaser desiring to purchase a Residential Unit will be required to execute a Purchase Agreement in quadruplicate (i.e. four (4) original, complete and unaltered executed copies), which will be in the form set forth in Part II of the Plan and may not be amended, revised or altered by the Purchaser in any way. Any conflict between the Plan and the Purchase Agreement will be resolved in favor of the Plan. A Purchaser desiring to purchase a Storage Locker will be required to execute the form of Rider annexed to the Purchase Agreement set forth in Part II of the Plan.

Sponsor must accept a Purchase Agreement from a Bona Fide Tenant, only with respect to the Residential Unit such Bona Fide Tenant occupied on the Filing Date, who submits 4 original, complete and unaltered executed copies of the signed Purchase Agreement and an official bank check (subject to collection) for the Initial Deposit to Sponsor during the time within which the Bona Fide Tenant has the exclusive right to purchase the Residential Unit under the Plan. Such Tenant-Purchaser will receive a fully-executed counterpart of the Purchase Agreement from Sponsor.

Unless less than 3 business days remain in the statutory time period to declare the Plan effective, prospective Non-Tenant-Purchasers will be afforded not less than 3 business days to review the Plan and any and all amendments thereto prior to executing a Purchase Agreement. A prospective Non-Tenant-Purchaser may obtain the Plan upon payment of a $300 deposit payable to Sponsor and provided to Selling Agent, which amount will be fully refunded upon either (i) the prompt return of the Plan in a condition substantially the same as when it was provided to the prospective Purchaser, or (ii) the execution by the prospective Purchaser of a Purchase Agreement subsequently accepted by Sponsor. If a Non-Tenant-Purchaser has not received the Plan at least 3 business days prior to executing a Purchase Agreement, the Non-Tenant-Purchaser shall have the right to rescind the Purchase Agreement within 7 days from the date the Non-Tenant-Purchaser delivers an executed Purchase Agreement together with the Initial Deposit to Sponsor or Selling Agent. The Purchase Agreement sets forth in detail the terms of sale with respect to each Residential Unit and should be read carefully by Purchaser.

Although a Purchaser may obtain financing from any lending institution or other source, Purchaser's obligation to purchase a Residential Unit is not contingent on Purchaser obtaining financing. Neither Sponsor nor Selling Agent makes any representation as to the availability or terms of any form of financing. If Purchaser is unable to obtain financing and has committed an Event of Default under the Purchase Agreement, Purchaser risks losing the Deposit. Purchasers may want to consult with a financial institution to ascertain the availability of financing and to finalize their financing arrangements before signing a Purchase Agreement. While the First Closing is projected to occur on or around January 1, 2021, neither Sponsor nor Selling Agent makes any representation as to the actual closing date for any particular Unit. In addition, as set forth in the Plan and the Purchase Agreement, Sponsor has the right to adjourn the Closing Date from time to time and Purchasers should be aware that if the Closing Date is adjourned, Purchaser's financing terms may be adversely affected, the interest rate may increase and the loan commitment could expire. Sponsor shall have no liability as a result of any scheduling or adjournment of Closing beyond the expiration of a loan commitment.

Purchasers should note that in the current real estate market, banks and other lenders are imposing various restrictions on purchase financing. Such restrictions include, among others, requiring that a certain percentage of units in a building or group of buildings be sold before a lender will consider making a loan. Thus, it may be possible for a Purchaser to experience difficulties in obtaining a loan in a building or group of buildings where the Sponsor has not sold a substantial percentage of the units in the Building or group of buildings, which in some cases may be as high as 70%. Moreover, some lenders will not provide financing in a building or group of buildings where an investor other than the original sponsor has an ownership interest of 10% or more. It also may be difficult for a Purchaser to resell a Residential Unit if prospective buyers are unable to obtain a loan due to the same minimum sales and investor ownership restrictions.

At the time Purchaser executes a Purchase Agreement, Purchasers (including both Tenant-Purchasers and Non-Tenant Purchasers) will be required to deliver a Deposit in an amount equal to 10% of the Purchase Price.

With respect to the payment of any Deposits, the Purchaser may deliver such payment by official bank check or, if Sponsor offers the option in Sponsor's sole discretion, by wire transfer. All checks (i) must be drawn on or issued by a bank or trust company which is a member of the New York Clearinghouse Association, (ii) must be made payable to the direct order of "Starr Associates LLP, as Escrow Agent," and (iii) shall be accepted by Sponsor subject to collection. If any such check is returned for insufficient funds or any other reason, Sponsor shall have the right, at its option, among other things, with respect to a check towards the Initial Deposit, to deem such Purchase Agreement to be void *ab initio* and of no further force or effect. With respect to wire transferred funds, (y) such wire transfer must be payable to the direct order of the Escrow Agent and (z) 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 IN PAYMENT OF THE PURCHASE PRICE.

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

With respect to Purchase Agreements received from Tenant-Purchasers for the Units such Tenant-Purchasers occupy on the Filing Date, such Purchase Agreements must be accepted by Sponsor provided that, during any Exclusive Purchase Period, the Tenant-Purchaser has delivered to Selling Agent (i) four (4) original, complete, and unaltered executed copies of the signed Purchase Agreement, (ii) a completed and executed original form W-9 or form W-8, as applicable, and (iii) the Initial Deposit. Such Tenant-Purchaser will receive a fully-executed counterpart of the Purchase Agreement from Sponsor.

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

With respect to Purchase Agreements from Non-Tenant-Purchasers, Tenant-Purchasers after the expiration of the Initial Exclusive Purchase Period, and Tenant-Purchasers for Residential Units they do not occupy on the Filing Date to the Plan, such Purchase Agreement will not be binding on Sponsor until approved and executed by Sponsor, and delivered by Sponsor to the prospective Purchaser. Sponsor reserves the right to request thorough identification and financial information (including credit reports to be paid for by Purchaser) concerning any such prospective Purchaser, subject to any limitations and requirements imposed by Law. Sponsor will have 30 days after delivery by Purchaser of an executed Purchase Agreement and the Initial Deposit to accept or reject the Purchase Agreement. If a Purchase Agreement is not accepted by Sponsor within the 30 day period, the Purchase Agreement shall be deemed to have been rejected and cancelled and the Initial Deposit shall be returned to Purchasers within 30 days thereafter. Sponsor hereby reserves the right at any time and from time to time for any reason whatsoever, to refuse to approve and execute (a) a Purchase Agreement for any Residential Unit, except as prohibited by Law, and (b) a Purchase Agreement for more than one Residential Unit to any Person.

With respect to both Tenant-Purchasers and Non-Tenant-Purchasers, the Balance of the Purchase Price shall be payable simultaneously with the delivery of the deed to the Residential Unit. The Purchaser

may deliver such payment by official bank check, or if Sponsor offers the option in Sponsor's sole discretion, by wire transfer. All checks (i) must be drawn on or issued by a bank or trust company which is a member of the New York Clearinghouse Association, (ii) must be made payable to the direct order of Sponsor, or to any other party as directed by Sponsor, and (iii) shall be accepted by Sponsor subject to collection. If any such check is returned for insufficient funds or any other reason, it will constitute a material default under the Purchase Agreement and Sponsor may, at its option, cancel the Purchase Agreement and retain as liquidated damages all Deposits, together with interest earned thereon, if any. 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 IN PAYMENT OF THE PURCHASE PRICE.

The Balance of the Purchase Price shall be payable simultaneously with the delivery of the deed to the Residential Unit and, if applicable, the Storage Locker License.

The deed and Storage Locker License will be substantially in the form set forth in Part II of the Plan. Interest, if any, on Purchaser's Deposits will be credited or paid to Purchaser at Closing or released to Sponsor if the Purchaser commits an Event of Default and the Plan is consummated.

Each Purchaser shall be obligated to execute and deliver a power of attorney at the Closing to the Unit to the Condominium Board. The power of attorney grants broad powers to the Condominium Board to enter into agreements affecting the Common Elements and to bring tax certiorari proceedings on behalf of all Unit Owners. The power of attorney also grants to Sponsor the right to amend the Condominium Documents. The power of attorney shall be substantially in the form set forth in Part II of the Plan.

In the event a Purchaser commits an Event of Default of any of the obligations on Purchaser's part to perform under the Purchase Agreement, whether monetary or non-monetary, TIME BEING OF THE ESSENCE with regard to the obligations of Purchaser under the Purchase Agreement, Sponsor, in its sole discretion, may elect by written notice to Purchaser to either: (i) cancel the Purchase Agreement and retain as liquidated damages all Deposits (plus any Unit Upgrade Funds to the extent already expended) made by Purchaser, together with interest earned thereon, if any; (ii) seek specific performance (except where the Purchaser is a Tenant-Purchaser who has entered into a Purchase Agreement to purchase the Residential Unit such Tenant-Purchaser occupied on the Filing Date of the Plan) in which event Purchaser may be compelled to complete the purchase of the Unit. If Sponsor elects to cancel the Purchase Agreement, Purchaser shall have 30 days from the giving of notice of cancellation to cure the specified Event of Default. If the Event of Default is not cured within such 30 days, TIME BEING OF THE ESSENCE, then the Purchase Agreement shall be deemed cancelled, and Sponsor shall have the right to retain, as and for liquidated damages, all Deposits (plus any Unit Upgrade Funds to the extent already expended) and any interest earned thereon. Upon the cancellation of the Purchase Agreement, Purchaser and Sponsor will be released and discharged of all further liability and obligations hereunder and under the Plan, and the Unit may be sold to another as though the Purchase Agreement had never been made, and without any obligation on the part of Sponsor to account to Purchaser for any of the proceeds of such sale. If Sponsor elects to seek specific performance (where the Purchaser is a Non-Tenant-Purchaser), then Purchaser shall have 30 days from the giving of notice of Sponsor's election to close title to the Unit in accordance with the Purchase Agreement, without prejudice to Sponsor's right to recover from Purchaser all damages, losses, costs, expenses and all other lawful sums to which Sponsor is entitled under the Purchase Agreement (including, but not limited to, attorneys' fees, disbursements and costs of collection). Notwithstanding the foregoing, Sponsor shall not exercise its right to file an action for specific performance against a Tenant-Purchaser who purchases the Unit that the Tenant-Purchaser occupied on the Filing Date of the Plan.

TIME IS OF THE ESSENCE as to all of Purchaser's obligations under the Agreement, including, without limitation, Purchaser's obligation to close title on the Closing Date and to pay, perform or observe all of Purchaser's other obligations under the Purchase Agreement and to cure any default within 30 days after Sponsor gives written notice to Purchaser of the default. According to Black's Law Dictionary (Revised Fifth

Edition), "time is of the essence of contract" means generally that punctual performance by one party at one precise time named or within a period specified in the contract is essential to enable the party to require performance by the other party. A Purchaser who has committed an Event of Default under the Purchase Agreement and fails to cure such Event of Default within the 30 day period may not be permitted additional time to cure the Event of Default.

After the amendment declaring the Plan effective has been accepted for filing, Sponsor will fix dates for closing title to all Residential Units for which Purchase Agreements have been executed by serving written notice upon each Purchaser setting the Closing Date for the Residential Unit. Such notice will be served not less than 30 days prior to the date set for the Closing of the Residential Unit. Sponsor, in its sole discretion, may permit Purchaser to waive this 30 day notice provision.

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

TIME IS OF THE ESSENCE AS TO PURCHASER'S OBLIGATIONS UNDER THE PURCHASE AGREEMENT, INCLUDING, WITHOUT LIMITATION, FOR THE PAYMENT OF ALL DEPOSITS AND THE BALANCE OF THE PURCHASE PRICE.

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

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

extent required for the payment of any Common Charges or any other sum to which such Foreign Government Unit Owner is in default. Thereafter, the Foreign Government Unit Owner shall deposit with the Condominium Board the amount so applied or retained so that such Condominium Board has the full amount of said security on hand at all times.

A Residential Unit Owner who acquired title to the Residential Unit from Sponsor is prohibited under the By-Laws and Purchase Agreement for a period of twelve (12) months from the Closing of its Residential Unit from taking any of the following actions without Sponsor's prior written consent, which consent may be withheld, conditioned, or delayed, in Sponsor's sole and absolute discretion: (i) listing such Residential Unit for sale with any broker, (ii) placing or authorizing any listing of the Unit for sale in any broker's listing system or other listing service, or (iii) advertising or otherwise offering, promoting or publicizing the availability of such Residential Unit for sale. Unless it would constitute a prohibited discriminatory inducement, the prohibitions set forth in (i) through (iii) above may be waived by Sponsor upon the Residential Unit Owner's prior written request, which waiver and any conditions thereto may be granted, withheld or delayed, in Sponsor's sole and absolute discretion. A violation of this provision of the By-Laws will entitle Sponsor the right to pursue all remedies at law or in equity in connection with such breach. (See the Section of the Plan entitled "Rights and Obligations of Unit Owners" and the By-Laws for further details.)

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

Purchase Agreements delivered by Tenant-Purchasers during any Exclusive Purchase Period may only be modified to the extent negotiated without discriminatory inducement or to the extent such modification is the result of a duly filed amendment to the Plan.

Prior to the Plan becoming effective, Sponsor may, at its option, declare the Plan abandoned for any reason whatsoever. If the Plan is abandoned and Sponsor has accepted Purchase Agreements, then Sponsor shall file an amendment with the Department of Law abandoning the Plan together with a Form RS-3. If Sponsor has accepted Purchase Agreements, all Deposits, together with any interest earned thereon, will be returned to Purchasers within 5 days after the Filing Date of the amendment abandoning the Plan. Upon the return of the Deposits, as aforesaid, the Purchase Agreements will be null and void and Sponsor will have no further obligation or liability to Purchasers under the Plan or the Purchase Agreements. See the Section of the Plan entitled "Effective Date" for additional information.

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

The risk of loss to any Residential Unit by fire or other casualty until the Closing for such Residential Unit is assumed by Sponsor (unless and until Purchaser is in possession or takes possession of the Residential Unit, at which time such risk, to the extent not covered by existing insurance, shall be assumed by Purchaser), but without any obligation or liability by Sponsor to repair or restore any Residential Unit. In the event of damage or destruction of a Residential Unit due to fire or other casualty prior to the Closing, but subsequent

to the signing of a Purchase Agreement, the cause of which originated outside the Unit and did not result from the acts or omissions of Purchaser or other occupants, guests, invitees, agents or workers, provided Sponsor elects (which election shall be, in its sole discretion), to repair or restore the Residential Unit, the Purchase Agreement shall continue in full force and effect, and, thereafter, Purchaser shall not have the right to reject title or receive a credit against, or abatement in, the Purchase Price of the Residential Unit. In such event, Sponsor shall be entitled to a reasonable period of time within which to complete the repair or restoration, and any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss shall, subject to the rights of the Condominium Board and other Residential Unit Owners, belong entirely to Sponsor. In the event of damage or destruction to any Residential Unit by fire or other casualty prior to the Closing, but subsequent to the signing of a Purchase Agreement, if Sponsor notifies Purchaser that it does not elect (which election shall be in its sole discretion) to repair or restore the Residential Unit or if the Unit Owners do not resolve to make such repair or restoration pursuant to the By-Laws (see the Section of the Plan entitled "Rights and Obligations of the Condominium Board/ Summary of By-Laws"), the Purchase Agreement shall be deemed canceled and of no further force or effect and Sponsor shall return all Deposits, together with any interest earned thereon, except for Special Work Funds, to Purchaser, whereupon Sponsor and Purchaser shall be released and discharged from all obligations and liability under the Purchase Agreement and the Plan; provided, however, if Purchaser is then in default under the Purchase Agreement (beyond any applicable grace period), Sponsor shall retain all such sums as and for liquidated damages. If the cause of such damage or casualty resulted from the acts or omissions of Purchaser or other occupants, guests, invitees, agents or workers of Purchaser, Purchaser shall assume the risk of loss and obligation to repair the damage, and Purchaser's failure to make such repair shall not excuse Purchaser from paying the Balance of the Purchase Price and accepting delivery of the deed.

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

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

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

Each vacant renovated Residential Unit and the fixtures and personal property contained therein, are being sold and delivered as described in the Plan, at the time of transfer of title to such Unit unless Sponsor and the Purchaser otherwise agree in writing. With respect to such vacant renovated Residential Units, upon receipt of the Initial Closing Notice, Purchaser shall arrange an appointment with a representative of Sponsor to inspect the Residential Unit within 7 days prior to the Closing Date and shall execute at such time an

Inspection Statement acknowledging the Purchaser's acceptance of the Residential Unit in good condition and in accordance with the terms of the Plan. If Purchaser believes that remaining items of work must be completed in the Unit, then Sponsor or its designated representative and Purchaser will at the time of the inspection agree upon and set forth in the Inspection Statement a list of the incomplete work to be completed by Sponsor following the Closing without provision for escrow. Sponsor's obligation under the Inspection Statement ("punchlist items") shall survive delivery of the deed to the Purchaser. The failure of Sponsor to complete the punchlist items prior to Closing shall not be grounds for Purchaser to delay the Closing or to refuse to pay the full Balance of the Purchase Price at Closing. Except for those punchlist items which require a long lead time, Sponsor shall use good faith efforts to complete the punchlist items set forth on the Inspection Statement in a commercially reasonable time after the Closing Date, subject, however, to Force Majeure, actions by Unit Owners or tenants of Unit Owners, contractors or suppliers, or any other cause of which Sponsor has no control.

Under applicable Federal and local law, lead-based paint can no longer be used in the construction of a building. Under Federal Law, Sponsor must provide Purchasers with all available records and material pertaining to lead-based paint and/or lead-based hazards in the Building. Sponsor will comply with applicable Law concerning the use of lead-based paint and/or lead-based paint hazards. Set forth as an Exhibit in Part II of the Plan is a copy of the booklet issued by the United States Environmental Protection Agency, EPA 747-K-95-001, which details certain information regarding lead-based paint. While Sponsor has, to the best of its knowledge, received no specific reports regarding lead-based paint in the Building, given the age of the Building and the widespread use of lead-based paint in preceding decades, it can be assumed that there is lead-based paint present in the Building. In addition, there are numerous layers of paint on the walls of the original building. Sponsor does not make any representation as to the existence or non-existence of lead-based paint within the walls. Purchasers are advised that, in the event they remove sheetrock at any time in the future, they may be responsible for removing and abating lead-based paint in accordance with applicable Law at their sole cost and expense. See the Section of the Plan entitled "Sponsor's Statement of Building Condition" and the Purchase Agreement set forth in Part II of the Plan for further details.

For the purpose of preventing evasion of the Bank Secrecy Act, the director of the Financial Crimes Enforcement Network of the U.S. Department of Treasury ("FinCen") issued a Geographic Targeting Order ("Order") to collect information about certain transactions, which applies to any corporation, partnership, limited liability company, or other similar business entity using currency or a cashier's check, a certified check, a traveler's check, a personal check, a business check, a money order in any form, a funds transfer, or virtual currency, whether wholly or in part, without a bank loan or other similar form of external financing, to purchase "residential real property" in any borough of New York City for a total price in excess of certain threshold amounts. At the time of the Filing Date of this Offering Plan, such reporting threshold is $300,000, which may be subject to change in the future. For the purposes of FinCEN, "residential real property" is defined as "real property (including individual units of condominiums and cooperatives) designed principally for the occupancy of from one to four families." Purchasers are advised that FinCEN has revised and extended the Order from time to time, which currently remains in effect until May 15, 2019 but may be subject to further extension. In the event that a Purchaser enters into a transaction that falls within the current scope of the Order, the Purchaser shall be required to deliver to the title company at Closing all documents and information necessary in order for the title company to comply with the requirements set forth in the Order. Any failure by a Purchaser to deliver such documents and information shall be deemed an Event of Default under the Purchase Agreement. For further details, Purchasers are advised to consult with a title company.

ESCROW AND TRUST FUND REQUIREMENTS

All Deposits will be held in escrow in conformity with the disclosure contained in this Section of the Plan and in accordance with the escrow provisions contained in the Purchase Agreement.

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

Any provision of any contract or agreement, whether oral or in writing, by which a Purchaser purports to waive or indemnify any obligation of Escrow Agent holding trust funds is absolutely void. The provisions of the Attorney General's regulations concerning escrow/trust funds shall prevail over any conflicting or inconsistent provision in the Plan or in the escrow agreement or Purchase Agreement. Purchasers shall not be obligated to pay any legal or other expense of Sponsor in connection with the establishment, maintenance or defense of obligations arising from the handling or disposition of trust funds.

All Deposits made by Purchasers prior to the Closing of each individual transaction will be placed in a segregated special escrow account of Starr Associates LLP, the escrow agent ("Escrow Agent"), whose address is 220 East 42 Street, Suite 3302, New York, New York 10017 and whose telephone number is (212) 620-2680. As of the Filing Date of the Plan, the attorneys who are signatories on these accounts authorized to withdraw funds, acting singly, are: Allan Starr, Esq., Andrea L. Roschelle, Esq., Samantha Sheeber, Esq. and Adam Kriegstein, Esq. ("Authorized Signatories"). All Authorized Signatories are admitted to practice law in the State of New York. Neither the Escrow Agent nor any Authorized Signatory is Sponsor, Selling Agent, Managing Agent, or any principal thereof, or have any beneficial interest in any of the foregoing.

Escrow Agent has established an escrow account entitled "Starr Associates LLP, Escrow Account" ("Escrow Account") at Signature Bank located at 261 Madison Avenue, New York, NY 10016 ("Escrow Bank"). Escrow Bank is authorized to do business in the State of New York.

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

Deposits properly delivered to Escrow Agent will be placed in the Escrow Account within 5 business days after delivery by Purchaser to Sponsor or Selling Agent. Escrow Agent shall execute the Purchase Agreement Escrow Rider with respect to its obligations in this Section.

The checking account portion of the Escrow Account will not be interest-bearing. The sub-escrow account portion of the Escrow Account will be interest-bearing. All interest will be credited to Purchaser at such time as: (i) there is a closing under the Purchase Agreement, or (ii) Purchaser is entitled to a return of all Deposits. 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 commits an Event of Default. The interest rate to be earned will be the prevailing rate for these accounts. As of April 1, 2019, the interest rate

for the Escrow Bank is 0.3%. 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 Deposit is cash or cash equivalent, or (y) 5 business days, if the Deposit is other than cash or cash equivalent, of the transfer of the Deposit 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 Deposit clears.

All Deposits will be placed initially in the non-interest bearing portion of the Escrow Account. Each Purchaser is required to deliver, in addition to any other documents required by the Escrow Bank or any governmental agency, 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 Attorneys for Sponsor (or Escrow Agent) at the time Purchaser signs and delivers the Purchase Agreement and the Initial Deposit. If a Deposit is accompanied by a completed and signed Form W-9 or Form W-8, and any other additional documentation required by the Escrow Bank or any governmental agency, the Deposit 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 FormW-8 or any other additional documentation required by the Escrow Bank or any governmental agency, the Deposit will remain or may be moved back into the non-interest bearing portion of the Escrow Account. Each Purchaser will be required to comply with the requirements of the Escrow Bank and/or any governmental agency at any time, failing which the Deposit shall remain in (or may be moved back into) the non-interest bearing portion of the Escrow Account. At such time as any Deposit is released, such Deposit 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 Deposits, which excludes Special Work Funds, 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 Deposit as per GBL § 352-h. Purchasers should note that Special Work Funds may be released from the Escrow Account by Escrow Agent to Sponsor to pay, or reimburse Sponsor, for such special work or extras. As a result, in the event Sponsor cancels the Purchase Agreement or Purchaser is entitled to rescind the Purchase Agreement in accordance with the Plan, Purchaser will not receive a refund of any of the Special Work Funds to the extent expended. In such event, Sponsor will provide Purchaser an accounting of expended Special Work Funds. However, in the event of abandonment of the Plan, Purchaser will receive a refund of the Special Work Funds, whether or not already expended. Escrow Agent shall be under no duty to verify that Sponsor used or committed such funds for upgrades or extras.

The sub-escrow account number and the initial interest rate, if any, will be disclosed to each Purchaser, as appropriate, in a letter from Escrow Agent to each Purchaser sent within 10 business days after the delivery of the Initial Deposit. If Purchaser does not receive notice that the Initial Deposit has been placed in the Escrow Account within 15 business days after delivery of the Initial Deposit, Purchaser may cancel the Purchase and rescind the Purchase Agreement so long as the right to rescind is exercised within 90 days after delivery or crediting of the Initial Deposit 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 Initial Deposit was timely deposited and requisite notice was timely mailed to Purchaser in conformity with the Attorney General's regulations. However, Escrow Agent will not be required to send the aforementioned letter to any Purchaser in connection with any subsequent Deposits delivered by Purchaser after the Initial Deposit (including, without limitation, any funds in connection with any changes in the interest rate).

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

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

All Deposits delivered subsequent to the Initial Deposit may be delivered by Purchaser to Sponsor or Selling Agent by either personal delivery, delivery by messenger or courier service or mailed by certified mail, return receipt requested, overnight courier or express mail service. A Deposit shall be deemed delivered by Purchaser on the date it is actually received by Sponsor or Selling Agent.

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

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

Sponsor or its agents, including any selling agents, shall deliver to Escrow Agent all Deposits within two (2) business days of delivery of such Deposits 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 Deposits 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 Deposits if so directed:

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

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

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

If the Deposits are not released pursuant to this paragraph and Escrow Agent receives a request by Sponsor or Purchaser to release the Deposits, Escrow Agent shall give both parties prior written notice of not fewer than 30 days before releasing the Deposits. If Escrow Agent has not received notice of objection to the release of the Deposits at the expiration of the 30 day period, the Deposits shall be released and Escrow Agent shall provide further written notice to both parties informing them of the release of the Deposits. If Escrow Agent receives a written notice from either party objecting to the

release of the Deposits within the 30 day period set forth in the notice, Escrow Agent shall continue to hold the Deposits 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 Deposits with the clerk of a court in the county in which the Unit is located and shall give written notice to both parties of such deposit.

Sponsor will not object to the release of the Deposits 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 Deposit to Sponsor in the event Sponsor and Purchaser close title under the Purchase Agreement.

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

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

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

Escrow Agent, which is also counsel to Sponsor under the Plan, shall be permitted to act as counsel to Sponsor in any dispute as to the disbursement of any Deposits or any other dispute between Sponsor and a Purchaser whether or not Escrow Agent is in possession of such Deposits and continues to act as Escrow Agent. Such permission in no way affects the legal and contractual obligations of Escrow Agent pursuant to the Purchase Agreement or governing law, with respect to the maintenance or release of the Deposit.

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

Sponsor has agreed to indemnify Escrow Agent from all claims, losses, judgments, costs, expenses and damages, including those brought by third-parties, including purchasers, incurred in connection with or arising out of the escrow agreement or the performance or non-performance of Escrow Agent's duties under the Escrow Agreement, except with respect to actions or omissions taken or suffered by Escrow Agent in bad faith or in willful disregard of the Escrow Agreement or involving gross negligence of Escrow Agent. This indemnity includes, without limitation, professional fees, including attorneys' fees, court costs and disbursements, either paid to retain attorneys or representing the value of all legal services rendered by Escrow Agent to itself and any and all attorneys' and professional fees, court costs, expenses and disbursements incurred by Escrow Agent in connection with a bankruptcy case filed by Sponsor for protection under the United States Bankruptcy Code, the enforcement of any rights, or defense of any claims against Escrow Agent in any bankruptcy proceeding, or any other matter arising in or in connection with Sponsor's bankruptcy case.

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

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

ASSIGNMENT OF PURCHASE AGREEMENTS

No Assignment of Purchase Agreement

Purchaser does not have the right to assign the Purchase Agreement without the prior written consent of Sponsor, which consent may be unreasonably withheld, conditioned, or delayed. Any purported assignment by Purchaser in violation of this Section will be voidable at the option of Sponsor. Sponsor's refusal to consent to an assignment will not entitle Purchaser to cancel the Purchase Agreement or give rise to any claim for damages against Sponsor. If Sponsor, in its sole discretion, consents to a Purchaser's request for an assignment of the Purchase Agreement, or for the addition, deletion or substitution of names on the Purchase Agreement, then Purchaser shall be required to pay to Starr Associates LLP a fee of $1,000, in advance, for preparation of an assignment and assumption agreement. Any purported assignment by Purchaser in violation of this Section shall be a default by Purchaser, entitling Sponsor to the default remedies set forth in the Section of the Plan entitled "Procedure to Purchase," and shall be voidable at the option of Sponsor.

EFFECTIVE DATE

The offering by Sponsor of the Residential Units under the Plan is contingent upon the Plan being declared effective. The following provisions will determine whether, and when, the Plan will be declared effective:

(a) The Plan may not be declared effective until Purchase Agreements have been executed and delivered for at least 15% of all dwelling Residential Units in the Building (i.e. 4 Residential Units, assuming 26 Residential Units offered for sale), by Bona Fide Tenants in occupancy or Bona Fide Purchasers who represent that they intend that they or one or more Family Members will occupy the Residential Unit upon purchase or when it becomes vacant. As to tenants who were in occupancy on the Filing Date of the Plan, the Purchase Agreement must be executed and delivered pursuant to an offering made without discriminatory re-purchase agreements or other discriminatory inducements.

(b) After the conditions in the foregoing paragraph (a) have been met, Sponsor may, at its option, declare the Plan effective.

(c) When Purchase Agreements have been executed and delivered for the sale of 80% of all Residential Units in the Building (i.e. 21 Residential Units, assuming 26 Residential Units offered for sale), and all the conditions referred to in the foregoing paragraph (a) have been met, Sponsor must declare the Plan effective.

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

When calculating the 15% requirement: (i) no more than one Purchase Agreement by a Bona Fide Purchaser or by a tenant or tenants of a particular Residential Unit will be counted; and (ii) only one Purchase Agreement from any tenant who leases or occupies more than one Residential Unit will be counted.

The Plan will be declared effective either by: (a) an amendment to the Plan or (b) by personal service of notice on every tenant and Purchaser or by commencement of service by mail of notice stating that the Plan is declared effective and submitting an amendment within 5 business days following such notice confirming that the Plan was declared effective as of the date of such notice. Upon acceptance for filing, the amendment will be delivered to all Purchasers and tenants. The First Closing shall not be fixed until the Plan is declared effective and the effectiveness amendment is accepted for filing by the Department of Law.

To declare the Plan effective, 15% of Purchasers must be "bona fide," which is defined in 13 NYCRR § 23.3 (s)(6) as: (i) a tenant in occupancy on the date the Plan is declared effective ("Bona Fide Tenant Purchaser") or (ii) a Purchaser who represents that they or one or more members of their immediate family intend to occupy the Unit when it becomes vacant ("Bona Fide Non-Tenant Purchaser"). For purposes of effectiveness, the purchase of contiguous Units (i.e. Unit combinations) shall be treated as one Unit. Notwithstanding the foregoing, the purchase of non-contiguous Units by one Purchaser for more than one

Bona Fide Tenant or Bona Fide Purchaser (e.g. one Unit for parents and one for adult child) shall be treated as individual Units for effectiveness purposes.

In connection with the Plan being declared effective, the Department of Law requires an affirmative representation from each Bona Fide Tenant Purchaser and each Bona Fide Non-Tenant Purchaser as a part of the Department of Law's investigative process. Each Bona Fide Tenant Purchaser and each Bona Fide Non-Tenant Purchaser will be required to execute either an affidavit entitled "Affidavit of Bona Fide Tenant Purchaser For Purposes of Declaring Plan Effective" or "Affidavit of Bona Fide Non-Tenant Purchaser For Purposes of Declaring Plan Effective", as applicable (each a "Purchaser Affidavit"). A copy of each Purchaser Affidavit is annexed to the Purchase Agreement set forth in Part II of the Plan. The Purchaser Affidavit must be executed and returned by Purchaser together with the executed Purchase Agreement. To the extent the Department of Law or Sponsor requires that the Purchaser Affidavit be re-executed thereafter, Purchaser shall have five (5) days to re-execute and return an original to Sponsor. A Bona Fide Tenant Purchaser and a Bona Fide Non-Tenant Purchaser may also be required to submit to the Department of Law additional information concerning the intended occupancy of the Residential Unit which is the subject of the Purchase Agreement and otherwise cooperate with the Department of Law's inquiry into the intended occupancy of the Residential Unit. Any Bona Fide Tenant Purchaser or Bona Fide Non-Tenant Purchaser who fails to (i) execute and return the Purchaser Affidavit (or re-execution thereof) to Sponsor, 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, will be deemed to have defaulted under the Purchase Agreement. Bona Fide Tenant Purchasers and Bona Fide Non-Tenant Purchasers are advised that 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 Deposit and any interest earned on the Deposit, as set forth below, or, in the alternative, the right to commence an action for specific performance, in which case the Bona Fide Tenant Purchaser or Bona Fide Non-Tenant Purchaser may be compelled by a court of law to fulfill all obligations concerning the Purchaser Affidavit.

Purchasers are advised to seek the advice of an attorney before executing a Purchaser Affidavit. The submission of any misinformation to the Department of Law, including a false instrument, shall be deemed a violation of the Martin Act, and may also subject both Sponsor and Purchaser to both civil and criminal liability.

The Department of Law reserves the right to request additional information from Sponsor and any and all Purchasers used for purposes of declaring the Plan effective. Failure to provide such information to the Department of Law within the timeframe requested may result in the rejection of Sponsor's effectiveness amendment. Furthermore, the submission of any misinformation to the Department of Law, including a false instrument, shall be deemed a violation of the Martin Act, and may also subject both Sponsor and Purchaser to both civil and criminal liability.

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

If the Plan has not become effective within 15 months from the Filing Date, it will be deemed abandoned, void and of no effect and all monies will be returned to Purchasers not in default under their respective Purchase Agreements, with interest if earned, within 5 days after the Filing Date of the amendment abandoning the Plan. Upon the return of the Deposit, the Purchase Agreement will be null and void and Sponsor will have no further obligation or liability to such Purchaser under the Plan or the Purchase Agreement. Sponsor will promptly file an amendment together with Form RS-3 with the Department of Law. In the event of abandonment, no new Plan for the conversion of the Building shall be submitted to the Department of Law for at least 12 months after such abandonment.

Prior to the Plan becoming effective, Sponsor may, at its option, declare the Plan abandoned for any reason whatsoever. If the Plan is abandoned and Sponsor has accepted Purchase Agreements, then Sponsor shall file an amendment with the Department of Law abandoning the Plan together with a Form RS-3. If

Sponsor has accepted Purchase Agreements, all Deposits, together with any interest earned thereon, will be returned to Purchasers within 5 days after the Filing Date of the amendment abandoning the Plan. Upon the return of the Deposits, as aforesaid, the Purchase Agreements will be null and void and Sponsor will have no further obligation or liability to Purchasers under the Plan or the Purchase Agreements. Once the Plan has been declared effective, it may not be abandoned for any reason other than (i) a defect in title (unknown to Sponsor on the Filing Date of the Plan) which cannot be cured without litigation or cannot be cured for less than 1/2 of 1% of the total offering amount to Tenant-Purchasers in the aggregate; or (ii) substantial damage to or destruction of the Building by fire or other casualty which cannot be repaired cured for less than 1/2 of 1% of the total offering amount to Tenant-Purchasers; or (iii) the taking of any material portion of the Property by condemnation, or eminent domain. There will be no obligation on the part of Sponsor to incur expenses (except to the extent of up to an aggregate of 1/2 of 1% of the total offering amount to Tenant-Purchasers case of defects in title, casualty losses and violations as aforesaid) or engage in litigation to cure the same. Excluded from the dollar amounts set forth in (i), (ii), or (iii) above are attorneys' fees or any such title defects, violations, work orders, or determinations of any authority or regulatory association which exist on the Filing Date and either are known to Sponsor or are a matter of public record.

Sponsor will on the 30th, 60th, 88th and 90th day after the Presentation Date of the Plan and at least once every 30 days until the Plan is declared effective or abandoned and on the 2nd day before the expiration date and on the expiration date of any Exclusive Purchase Period provided in an amendment to the Plan, (i) file with the Department of Law, Real Estate Finance Bureau, 28 Liberty Street, 21st Floor, New York, New York 10005, a written statement, under oath, setting forth the percentage of Residential Units in the Building which are the subject of Purchase Agreements executed by Bona Fide Tenants in occupancy on the Filing Date or Bona Fide Purchasers who represent that they intend that they or one or more specified Family Members occupy the Residential Unit 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 shall be computed in the same manner as Sponsor shall compute the minimum percentage needed to declare the Plan effective. The statement which is posted in the Building and filed with the Department of Law shall include the following: the date and time of the statement, the Filing Date of the Plan, the Presentation Date of the Plan and of the current amendment, the last day of any Exclusive Purchase Period, the number of Bona Fide Tenants in occupancy and Bona Fide Purchasers who have executed Purchase Agreements, the number of Residential Units 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 Selling Agent and at the Department of Law. All filed and posted written statements shall remain posted until the next filed and written statement is posted.

After an amendment declaring the Plan effective has been accepted for filing, Sponsor will fix dates for the Closing to all Residential Units as to which Purchase Agreements are outstanding, in accordance with the provisions of the respective Purchase Agreements. See the Section of the Plan entitled "Terms of Sale" for a discussion of the mechanics of Closing to a Residential Unit.

In the event that all Purchase Agreements are rescinded or terminated prior to the date of the First Closing, Sponsor will re-declare the Plan effective by submission of an amendment to the Department of Law.

TERMS OF SALE

The term "Closing" refers to the conveyance of title to a Residential Unit from Sponsor to Purchaser by the delivery to Purchaser of a deed upon payment by Purchaser to Sponsor of the balance of the Purchase Price for such Residential Unit. The Closing to each Residential Unit shall be held at the office of Starr Associates LLP, 220 East 42 Street, Suite 3302, New York, New York 10017 or at such other place as Sponsor may designate.

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

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

(b) a TCO or PCO for the Unit is in effect. Issuance of a TCO or PCO for the Unit shall be deemed presumptive evidence of substantial completion of the Unit and is the only construction-related prerequisite that must occur before Sponsor may require the closing of title. Notwithstanding anything to the contrary, Purchasers will be required to consummate the purchase of the Unit and a Storage Locker simultaneously at Closing even if a TCO has not been issued for the Storage Locker Area. In such event, Purchasers will not be able to access or use the Storage Locker until such time as a TCO has been issued for the Storage Locker Area. Additionally, the proceeds from the sale of the Storage Locker will be held in a Storage Locker Escrow until such time as a TCO has been issued for the Storage Locker Area. The Storage Locker Escrow will not be held in an interest bearing escrow account, and, therefore, Purchaser will earn no interest on the Storage Locker Escrow. The Buildings Department issued a Certificate of Occupancy No. 104350051F dated October 2, 2008 for the Building. Sponsor's Architect has advised that the Certificate of Occupancy will need to be amended or may be changed to a Temporary Certificate of Occupancy as a result of the renovation to the Building. See the Section of the Plan entitled "Rights and Obligations of Sponsor" for a list of "Sponsor's Work" that may be performed requiring an amended or Temporary Certificate of Occupancy.

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

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

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

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

(g) the conveyance of title to the Residential Unit free and clear of all liens and encumbrances except for (1) Permitted Encumbrances (as set forth on Schedule A annexed to the form of Purchase Agreement) and standard printed exceptions and (2) liens and encumbrances other than Permitted Encumbrances to which the Residential Unit's title is subject, either (a) which have been expressly accepted by Purchaser, or (b) for which the instrument required to remove it of record has been delivered to the Title

Company for recording in the proper office, together with the requisite recording or filing fees or delivered to the representative of Purchaser's title insurance company (or, if none, to Purchaser's attorney); or (c) as to which the Title Company will insure (without additional premium to Purchaser) that such lien or encumbrance will not be collected out of or enforced against the Residential Unit; or (d) as to which Sponsor, at its sole option, pays and discharges from monies paid by Purchaser at Closing.

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

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

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

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

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

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

(e) a lease surrender agreement which terminates a Tenant-Purchaser's lease for the Residential Unit or which terminates an occupant's Use and Occupancy Agreement, if applicable.

(f) all other documents necessary and/ or customary in connection with the conveyance of a condominium unit as directed by Sponsor's attorney.

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

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

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

defects. If Purchaser elects to terminate the Purchase Agreement, Sponsor shall cause all Deposits together with any interest earned thereon, to be returned to Purchaser, within 30 days after receipt of Purchaser's termination notice. Upon making such refund, Sponsor and Purchaser shall be relieved of all further obligations and liabilities under the Purchase Agreement and the Plan.

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

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

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

Pursuant to 13 NYCRR 23.3(t)(4), any personal property located within the Residential Unit on the date the Purchase Agreement is executed or located within the Common Elements on the date the Declaration is filed that is owned by Sponsor is not included in the conveyance unless specifically stated in the Plan. Any personal property owned or installed by or on behalf of Sponsor or Selling Agent in the Common Elements for purposes of selling, leasing, promoting, or managing the Units or other properties owned by Sponsor or its principal is hereby specifically excepted from the conveyance.

Residential Units purchased by Tenant-Purchasers with respect to the Residential Units such Tenant-Purchases occupied on the Filing Date are being sold to such Tenant-Purchasers "as is" in the condition in which such Residential Units exist on the date each respective Purchase Agreement is entered into, subject to ordinary wear and tear and to Sponsor's obligations to maintain the Building until the First Closing and to make repairs, improvements or decorations as may be otherwise set forth in the Plan. Residential Units are being sold to Non-Tenant Purchasers and to Tenant-Purchasers with respect to Residential Units other than the Residential Units such Tenant-Purchasers occupied on the Filing Date "as is" in the condition in which they exist on the Closing Date of such Units. Sponsor will maintain the Building and the Common Elements until the First Closing, subject to ordinary wear and tear. Sponsor's obligation to make repairs in any Residential Unit shall cease upon the Closing of such Residential Unit, except for repairs which Sponsor was obligated to make prior to the Closing. Each Purchaser will be given a reasonable opportunity to inspect the Residential Unit prior to Closing, subject to the rights of any tenant or occupant of such Residential Unit.

At Closing, the Residential Unit will contain only those appliances, countertops, cabinets, sinks, air conditioning units (if any), hardware and other fixtures, equipment and appliances currently installed therein that are owned by Sponsor. The Residential Unit is being sold unfurnished regardless of whether the existing

lease or rental arrangement for the Residential Unit provides that the Residential Unit is rented in a furnished condition. Any appliances, air conditioning units, furnishings, equipment, fixtures and other personal property owned by any tenant of the Residential Unit are not included in the sale.

If prior to the First Closing, Sponsor amends the terms and conditions of this offering to be more favorable to Tenant-Purchasers, a Tenant-Purchaser who executed and submitted a Purchase Agreement and delivered the Deposit for the Residential Unit which the Tenant-Purchaser occupied on the Filing Date, before the Plan was amended, shall benefit from the more favorable terms and conditions.

The risk of loss to the Unit by fire or other casualty until the Closing is assumed by Sponsor (unless and until Purchaser takes possession of the Unit, at which time such risk to the extent not covered by existing insurance shall be assumed by Purchaser) but without any obligation or liability by Sponsor to repair or restore the Unit. If Sponsor or (in the event the Declaration if filed) the Condominium Board does not elect to repair the damage, the Purchase Agreement will be canceled and be of no further force or effect, unless Purchaser agrees to accept such Residential Unit without such repair (in which case Purchaser shall not receive a credit toward, or an abatement in, the Purchase Price). Thereafter, the Deposit delivered by Purchaser to Sponsor will be refunded to Purchaser unless Purchaser has committed an Event of Default (beyond the applicable grace period, if any), in which event the Deposit delivered by Purchaser to Sponsor will be retained by Sponsor as and for liquidated damages, If Sponsor elects to repair the damage, the Purchase Agreement shall continue in full force and effect, Purchaser shall not have the right to reject title to the Residential Unit or to receive a credit against, or abatement in, the Purchase Price, and Sponsor shall be entitled to a reasonable period of time to complete such repair. A Purchaser electing to proceed with the purchase of a Residential Unit (rather than rescind such Purchase Agreement within 15 days of notice) will not be entitled to any credit against, or abatement of, the Purchase Price set forth in the Purchase Agreement and will have no claim or right of action against Sponsor by reason thereof.

The acceptance of a deed by a Purchaser shall be deemed an acknowledgement that Sponsor has performed and discharged every agreement and obligation on the part of Sponsor to be performed under the Plan except those (if any) which may be expressly stated in the Plan, in the Purchase Agreement, in the GBL or 13 NYCRR Part 23 (the regulations of the Attorney General governing the acceptance for filing of the Plan) to survive delivery of the deed.

From and after the Closing to a Residential Unit, a Purchaser will thereupon become obligated for the payment of Common Charges, Special Assessments, taxes and other charges against the Residential Unit to the Condominium or the City of New York, as the case may be, and all other expenses (whether or not such Purchaser has taken possession of the Residential Unit or the Building has been completed and whether or not the tenant in possession, if there be one, pays the rent required to be paid by such tenant).

The existing lease of a Tenant-Purchaser who has purchased the Residential Unit such Tenant-Purchaser occupies will be terminated through execution of a lease surrender agreement as of the Closing, and, as of the Closing, the Tenant-Purchaser will not have any rights afforded by nor be subject to, the Rent Laws or the GBL.

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. Purchasers are advised that the Storage Lockers are deemed personal property and accordingly, are not mortgageable, insurable for title insurance purposes, or otherwise subject to the imposition of transfer taxes detailed in this section. In the event that transfer taxes are imposed on the sale of the Storage Lockers, payment of such taxes shall be the obligation of Purchaser. Recording charges, fees, title costs and taxes set forth below pertain to Residential Units only and are based on rates in effect on the Filing Date of the Plan and are subject to change without notice. Please note that the rate information in this section is based on the assumption that the title insurance underwriter has filed an application for a rate deviation in the State of New York (as have most major title insurance underwriters in the state).

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

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

FEE RATE SCHEDULE FOR INSURANCE UP TO $1,000,000

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

FEE RATE SCHEDULE FOR INSURANCE OF $1,000,000 OR MORE

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

(c) If Purchaser elects to simultaneously obtain both fee title insurance and mortgage title insurance, the premium for the fee title insurance will be calculated as described in paragraph (b) above. The premium for the mortgage title insurance that does not exceed the fee policy will be calculated at a discounted

rate of 30% of standard mortgage policy rates. Title Company has provided Sponsor with the standard mortgage policy rates as set forth below:

SIMULTANEOUS MORTGAGE RATE SCHEDULE

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

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

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

(e) Closing fees payable to Starr Associates LLP, in accordance with the following schedule, all of which fees will be cumulative to the extent applicable to any individual closing ("Sponsor Closing Fees"):

(1) $2,500.00 for the preparation of closing documents, calculation of adjustments, attendance at Closing at the offices of Starr Associates LLP, or such other place as Sponsor may designate and supervision of execution of closing documents;

(2) $250 for the preparation of ACRIS transfer documents required by the City of New York.

(3) $500 for the preparation of the Storage Locker License, if applicable.

(4) If Sponsor, in its sole discretion, consents to a Purchaser's request for an assignment of the Purchase Agreement, or for the addition, deletion or substitution of names on the Purchase Agreement (which request in all instances must be received by Sponsor's attorney no later than 7 business days prior to the Scheduled Closing Date), a fee of $1,250, payable in advance, for preparation of an assignment agreement.

(5) If, through no fault of Sponsor, Purchaser fails to close on the date scheduled for Closing, then Purchaser shall pay an additional fee of $1,250 for each rescheduled Closing granted at Purchaser's request to defray the cost of preparing and coordinating the Closing and recalculating the Closing apportionments.

(6) If Purchaser obtains mortgage financing, then Purchaser shall pay an additional fee of $750 to defray the costs associated therewith.

(7) If Purchaser effectuates a tax deferred exchange under section 1031 of the Internal Revenue Code, the Purchaser shall pay an additional fee of $750 in connection with the consideration, review and processing of any agreement of exchange or the like which Sponsor is requested to execute in connection with such tax deferred exchange.

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

(f) The following taxes: (i) New York City Real Property Transfer Tax ("RPT Tax"), calculated by multiplying the consideration by a 1% tax rate where the consideration is $500,000 or less or by a 1.425% tax rate where the consideration is more than $500,000, (ii) New York State Real Estate Transfer Tax ("State Transfer Tax"), calculated by rounding the consideration up to the nearest $500 and multiplying that number by the applicable tax rate shown on the chart below, and (iii) where consideration is over $1,000,000, the New York Tax Law "additional tax," commonly known as the "mansion tax" ("Mansion Tax"), by multiplying the consideration by applicable tax rate shown on the chart below.

State Transfer Tax:

Rounded Consideration Amount	*Tax Rate (Residential)*	*Tax Rate (Commercial)*
Under $2 million	0.4%	0.4%
$2 million - $3 million	0.4%	0.65%
Over $3 million	0.65%	0.65%

Mansion Tax:

Consideration Amount	*Tax Rate*
Under $1 million	Not subject to tax
At least $1 million, but less than $2 million	1%
At least $2 million, but less than $3 million	1.25%
At least $3 million, but less than $5 million	1.5%
At least $5 million, but less than $10 million	2.25%
At least $10 million, but less than $15 million	3.25%
At least $15 million, but less than $20 million	3.5%
At least $20 million, but less than $25 million	3.75%
More than $25 million	3.9%

While State Transfer Tax and the RPT Tax are the statutory obligation of Sponsor (in its role as seller), this obligation has been transferred to the Purchasers under the terms of this Plan, as is typical and customary in the majority of offering plans filed with the Department of Law.

The New York City Department of Finance has taken the position that where a purchaser of property assumes the obligation for the payment of the State Transfer Tax, the RPT Tax, and other fees that are generally obligations borne by a seller (which in this case includes Sponsor Closing Fees), those amounts will be treated as additional consideration for the transaction subject to tax. Upon adding these amounts to the Purchase Price of the Unit, the resulting sum ("Taxable Consideration") is used as the basis for the calculation of the State Transfer Tax and the RPT Tax payable by Purchaser at the Closing.

As the Mansion Tax is a statutory obligation of Purchaser, the payment by Purchaser of the Mansion Tax is not treated as additional consideration for the transaction. However, the New York City Department of Finance has taken the position that the amount of Mansion Tax due at Closing (if any) is calculated based on

the Taxable Consideration, as opposed to the Purchase Price, and therefore Purchasers should be aware that in some instances it is possible that the aforementioned "bulking up" of the consideration by virtue of the State Transfer Tax, RPT Tax, and other fees can ultimately cause a Purchase Price of less than $1,000,000 to exceed $1,000,000 in Taxable Consideration.

By way of illustration, the following breakdown of calculations reflect how the RPT Tax, the State Transfer Tax, and the Mansion Tax are computed based on the "bulked up" consideration:

	Purchase Price $500,000 or less	***Purchase Price greater than $500,000 and less than $2,000,000***
Tentative RPT Tax:		
Purchase Price	$400,000	$1,500,000
Applicable Tax Rate	x 1%	x 1.425%
Subtotal: Tentative RPT Tax	**$ 4,000**	**$ 21,375**
Tentative State Transfer Tax:		
Purchase Price	$400,000	$1,500,000
Rounded up to the nearest $500	$400,000	$1,500,000
Applicable Tax Rate	x 0.4%	x 0.4%
Subtotal: Tentative State Tax	**$ 1,600**	**$ 6,000**
Actual RPT Tax:		
Purchase Price	$400,000	$1,500,000
Tentative taxes (RPT + State Transfer)	+ 5,600	+ 27,375
Sponsor Closing Fees	+ 3,000	+ 3,000
Taxable Consideration	**$408,600**	**$1,557,375**
Applicable Tax Rate	x 1%	x 1.425%
Total: RPT Tax	**$ 4,086**	**$ 22,193**
Actual State Transfer Tax:		
Purchase Price	$400,000	$1,500,000
Tentative taxes (RPT + State Transfer)	+ 5,600	+ 27,375
Sponsor Closing Fees	+ 3,000	+ 3,000
Taxable Consideration	**$408,600**	**$1,557,375**
Rounded up to the nearest $500	$409,000	$1,557,500
Applicable Tax Rate	x 0.4%	x 0.4%
Total: State Transfer Tax	**$ 1,636**	**$ 6,230**

Mansion Tax:		
Purchase Price	$400,000	$1,500,000
Tentative taxes (RPT + State Transfer)	+ 5,600	+ 27,375
Sponsor Closing Fees	+ 3,000	+ 3,000
Taxable Consideration	**$408,600**	**$1,557,375**
Applicable Tax Rate	*N/A*	1%
Total: Mansion Tax	*N/A*	**$ 15,574**

Thus, the effective tax rate of the RPT Tax is approximately 1.014% of the Purchase Price where the Purchase Price is $500,000 or less and 1.451% where the Purchase Price is greater than $500,000, and the effective tax rate of the State Transfer Tax is approximately 0.41% where the consideration is less than $2,000,000 in commercial transactions or $3,000,000 in residential transactions (provided, however, that the rounding requirement in the calculation of the State Transfer Tax may affect the exact percentage).

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

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

The RPT Tax on the Residential Unit is 1% if the Taxable Consideration is $500,000 or less, or 1.425% if the Taxable Consideration is greater than $500,000.

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

The RPT Tax on each Residential Unit is 1.425% if the Taxable Consideration is $500,000 or less, or 2.625% if the Taxable Consideration is greater than $500,000.

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

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

In addition to the above-specified costs and expenses, a mortgage on a Residential Unit may provide that the Residential Unit Owner deposit monthly with the lender 1/12 of the estimated annual real estate taxes and tax assessments which are assessed or will be assessed against the Residential Unit, together with 1/12 of the annual fire and casualty insurance policy premiums for the Residential Unit, or other amounts, and, at Closing, Purchaser may be required to deposit with the lender a multiple of the aggregate of

such one month's real estate taxes, tax assessments and insurance premiums, or other amounts, in order that sufficient funds will be available for the lender to pay the same when due.

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

(i) If Purchaser obtains mortgage financing, then one of the two following events shall apply, to the extent applicable: (a) if Sponsor is eligible for a mortgage recording tax ("MRT") credit, then Purchaser will pay Sponsor a sum equal to the partial MRT credit to which Purchaser may be entitled pursuant to § 339-ee(2) of the Condominium Act," or (b) if Sponsor is ineligible for an MRT credit, Purchaser shall be required to cooperate with Sponsor, Construction Lender, and Title Company to effectuate a partial mortgage assignment, as set forth in more detail in the following subsection entitled "Mortgage Recording Tax Credit." In either case, any MRT credit received by Purchaser shall be paid to Sponsor as a reimbursement for the MRT previously paid by Sponsor in connection with any existing mortgages;

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

(k) If Purchaser is a purchaser of a Residential Unit occupied by a Non-Purchasing Tenant, Purchaser will be required to deposit with the Condominium an amount equal to the greater of 2 months' rent under such Non-Purchasing Tenant's lease or occupancy agreement and 2 months' Common Charges with respect to the Residential Unit, based on the Condominium budget in effect as of the Closing Date.

All legal costs, fees and expenses of Starr Associates LLP, other than those specifically set forth above, will be the sole responsibility of Sponsor.

Mortgage Recording Tax Credit ("MRT")

In the event that Sponsor is eligible for an MRT credit, then any Purchaser who obtains a mortgage loan must pay Sponsor a sum equal to the partial MRT credit to which Purchaser may be entitled pursuant to § 339-ee(2) of the Condominium Act, which sum will be paid as a reimbursement for the MRT previously paid by Sponsor in connection with any existing mortgage(s) taken out by Sponsor ("Mortgage").

In the event that Sponsor is ineligible for an MRT credit, in whole or in part, Sponsor's intention is for its mortgage lender to assign a portion of the Mortgage to each Purchaser's lender, with the lender's cooperation, when and if a Purchaser obtains financing. Each Purchaser's loan would, therefore, consist of a portion of the assigned Mortgage, for MRT purposes. The partial mortgage assignment would have no adverse impact on the purchase price of the Unit or on Purchaser's mortgage payment. Mortgage assignments (as opposed to new mortgages) are exempt from MRT. Since a portion of the Mortgage would be assigned to each Purchaser's lender as each Unit is conveyed from Sponsor to Purchaser, the Purchaser would be exempt from paying MRT to the City and State of New York to the extent that its mortgage consists of the assigned Mortgage. At the closing, Sponsor would receive a payment from Purchaser equal to (but not in excess thereof) the MRT that would otherwise be payable to the City and State of New York on the recording of Purchaser's mortgage. Pursuant to the terms of the Purchase Agreement, the form of which is set forth in Part II of the Plan, such Purchasers will be required to (i) advise its lender of this provision and make a good faith effort to cooperate with Sponsor and Sponsor's Lender in connection with the partial assignment of its Mortgage, and (ii) cause its title company (if such title company is different from the Title Company named in the Plan) to cooperate with Sponsor's Title Company in effectuating and keeping record of the partial mortgage assignments.

Example of Estimated Closing Costs for a Typical Residential Unit

A numerical example of estimated closing costs and expenses for a single Residential Unit with a Purchase Price of $1,250,000 and a projected mortgage of $1,000,000 are set forth below by way of illustration only. All tax rates, title insurance premiums and recording rates are subject to change:

ITEM	DESCRIPTION	AMOUNT
Fee Insurance Premium for $1,250,000 of owner's insurance	Fee insurance premium.	$3,606
Mortgage Insurance Premium for $1,000,000 of lender's insurance	Mortgage insurance premium.	$751
RPT Tax	1.425% of bulked-up consideration of $1,272,812.50.	$18,137.58
State Transfer Tax	0.4% of bulked-up consideration of $1,272,812.50.	$5,092
Mansion Tax	1% of bulked-up consideration of $1,272,812.50.	$12,728.13
Mortgage Recording Tax	The tax rate is 2.175%. The borrower pays 1.925% - $30. This does not include the lender's ¼ point of mortgage tax in the amount of $5,000.00.	$19,220
Departmental and Bankruptcy Searches	Title searches.	$520
Estimated Recording Fees	One deed, one mortgage and one condo power of attorney.	$550.00
Estimated Lender's Title Endorsements	Three endorsements at $50 each.	$150.00
Sponsor Closing Fees	Basic closing fee ($2,500) + ACRIS document preparation fee ($250) + mortgage financing fee ($750).	$3,500.00
Working Capital Fund	2 months' Common Charges	See Schedule A
Total Estimated Closing Costs	*Excluding Working Capital Fund.*	$64,254.71

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

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

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

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

the benefit of Sponsor. Accordingly, at Closing, each Purchaser may pay all or a portion of the mortgage recording tax to Sponsor, to the extent of any mortgage tax credit allowed.

Closing Adjustments

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

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

(iii) Real Estate Taxes. In the event the Units have not been separately assessed for real estate tax purposes by the New York City Department of Finance ("Finance Department") prior to the First Closing. Sponsor shall deliver at the First Closing to Escrow Agent, either cash, a letter of credit or a surety bond ("Tax Security") in the amount of the real estate taxes for the next ensuing tax period ("Future Taxes"). Escrow Agent shall hold the Tax Security in escrow for the benefit of the Condominium. At each Closing prior to the date the Units are separately assessed and billed, Purchasers will be obligated to pay to Sponsor an amount equal to the Unit's pro-rata share of the Future Taxes (computed by multiplying the Common Interest of the Unit by the amount of the Future Taxes) ("Unit Tax Payment"). The Future Taxes shall be paid to the Finance Department when due by Sponsor, or by Escrow Agent using the Tax Security, either at Sponsor's direction, or upon Sponsor's failure to make such payment. If Sponsor pays the Future Taxes directly, the Tax Security shall be released to Sponsor upon delivery to Escrow Agent of proof of payment from the Finance Department of the Future Taxes. If at the time the Future Taxes are paid, the amount of the Future Taxes has been reduced by the Finance Department as a result of the implementation of real estate tax benefits, Escrow Agent shall make appropriate refunds to Sponsor and Sponsor shall in turn make such appropriate refunds to Purchasers on account of Unit Tax Payments.

In the event the Units are separately assessed and individual tax bills are issued by the Finance Department prior to the date the Future Taxes are due, Escrow Agent shall release the Tax Security to Sponsor and Sponsor shall in turn make such appropriate refunds to Purchasers, as appropriate. In such event, Sponsor and Purchasers who closed title shall be required to pay their respective tax bills directly to the Finance Department.

With respect to subsequent Future Taxes, until the Units are separately assessed and individual tax bills are issued, the Condominium Board shall collect a Unit Tax Payment from each Unit Owner which Unit Tax Payment shall constitute additional Common Charges. Unit Tax Payments shall be payable by Unit Owners within 5 days of the date billed by the Condominium Board and shall be due and payable by such Unit Owner to the Condominium Board irrespective of whether such Unit Owner is required to escrow funds with a lender in connection with a mortgage loan on such Unit. If any Unit Owner fails to make the Unit Tax Payment as set forth above, the Condominium will have a lien on the Unit for non-payment in the same

manner as Common Charges (see the Section of the Plan entitled "Rights and Obligations of Unit Owners," subsection: " Common Charges: Collection and Lien for Non-Payment" for details).

Illustration. By way of illustration only, a Purchaser closing on a Unit in the middle of December (prior to separate assessment and individual billing of real estate taxes) is obligated to: (a) adjust with Sponsor for the first-half real estate taxes (July 1 to December 31) paid by Sponsor in July for the period from Closing through December 31; and (b) deliver to Sponsor a Unit Tax Payment for the second-half Future Taxes (January 1 to June 30). Thereafter, if the Units are not separately assessed and individual tax bills are not issued prior to the next ensuing tax payment, the Condominium will have the obligation to collect from each Unit Owner a Unit Tax Payment for first-half real estate taxes (July 1 to December 31) and pay such real estate taxes directly to the Finance Department on behalf of all Unit Owners.

In the event the amount of Future Taxes is increased (due to an increase in the tax rate or otherwise) prior to the separate assessment and issuance of individual tax bills by the Finance Department, the amount of such increase shall be payable by all Unit Owners, including Sponsor (with respect to its Units), in proportion to each Unit's Common Interest, adjusted for the period of ownership of each Unit by the respective Unit Owner. Such amount of increase shall be payable to Sponsor or the Condominium Board, as the case may be, within 5 days following written notice provided to such Unit Owner. Such increase shall be deemed additional Common Charges.

Other Costs

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

RIGHTS AND OBLIGATIONS OF SPONSOR

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

(a) Sponsor reserves the right to make any changes in the proposed Condominium Documents and modifications to the Plans and Specifications as may be necessary in Sponsor's sole discretion to conform to Law or to expedite the sale of Units, or due to structural, architectural or mechanical considerations provided, however, that any such amendments, additions, or changes shall not materially and adversely affect a Unit Owner or Purchaser, increase any obligation of a Unit Owner or Purchaser to any adverse and material degree and any substitution of appliances, equipment or materials shall be of Equal or Better Quality. Any such material and adverse modification, addition or change will be reflected in a duly filed amendment to the Plan. A decrease in a Unit's size of 5% or less will not affect a Purchaser's obligations unless such decrease is determined to be a material change. There is a rebuttable presumption that a decrease in Unit size of 5% or less is not material.

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

(c) Sponsor has procured an agreement from Pacific Western Bank ("Sponsor Lender"), having an address at 5404 Wisconsin Avenue, 2nd Floor, Chevy Chase, Maryland 20815 for financing the acquisition and/or renovation or improvement of the Building or portions thereof. Sponsor will receive advances from Sponsor's Lender each month, so long as Sponsor complies with the provisions of the loan regarding its responsibilities to use the funds advanced in the agreed manner and generally to proceed with the Building improvements as agreed to in the loan documents. Pursuant to the terms of the loan documents, Sponsor must meet certain minimum release prices prior to Sponsor's Lender's release of its lien against each Residential Unit. The loan documents do not require Sponsor to enter into a specific minimum number of Purchase Agreements prior to declaring the Plan effective.

(d) According to Sponsor's Architect, due to the fact that the Building was constructed in 2008, the New York City Department of Buildings does not require an investigation into the presence of asbestos-containing material ("ACM") in the Building. Sponsor's obligations under the Plan do not include an obligation to remove any ACM and Sponsor makes no representation as to the existence or non-existence of ACM in any specific locations in the Building. (See the Section of the Plan entitled "Rights and Obligations of Sponsor" under the subsection "Sponsor's Obligations with respect to Asbestos" for further details.)

(e) Sponsor will cause to be performed and pay the cost of a program of physical improvement and capital replacement to the Common Elements in connection with the preparation of the Building for its new status as a condominium including without limitation, renovating and combining vacant Residential Units, and minor upgrades in the decoration or finishing of the common areas. In addition, certain Residential Units will be combined to create larger Residential Units. In connection therewith, Sponsor reserves the right to incorporate into any vacant Residential Units portions of hallways and service areas. Notwithstanding the foregoing, unless all Purchasers consent, no material change will be made in the size and no material adverse change will be made in the quality of the Common Elements unless Sponsor offers the Purchaser(s) who are not in default under their Purchase Agreement(s), the right, for at least 15 days after the presentation of the amendment disclosing such right, to rescind their Purchase Agreement(s) and receive a prompt refund of their deposit(s), except for any Unit Upgrade Funds to the extent already expended. Sponsor will also provide a person to be contacted 24/7 with respect to construction issues. The cost of the improvements and replacements to the Common Elements set forth below will be applied (to the extent permissible under the

Reserve Fund Law) in reduction of Sponsor's required contribution to the Reserve Fund and otherwise performed in compliance with the provisions of the Reserve Fund Law.

(f) It is anticipated that for a significant period of time following the First Closing through, including and beyond the Closing to any Residential Unit, work should be expected to be undertaken and performed by or on behalf of Sponsor to complete renovation of the Building, including without limitation: (i) the renovation of Residential Units 2A, 2B, 2C, 2D, 3B, 3C, 3D, 4A, 4B, 4C, 4D, 5A, 5D, 6B, 6C, 6D, 7A, 7B, 7C, 7D, PHA and PHB (including, without limitation, the combination of vacant Residential Units and/or incorporation of Common Elements into such Residential Units); (ii) replacement of existing 12th street ingress/egress door with new metal doors; (iii) extensive build up of the roof to add new protection board, drainage board, waterproofing membrane and insulation; (iv) upgrades to existing sprinkler system; (v) existing individual HVAC units in renovated Residential Units will be replaced to the extent not in good working order; and (vi) certain decorative, fixture and finishing changes to the residential lobby, corridors, elevator finishes and other portions of the Building, including installing light fixtures, painting, or laying carpeting (collectively "Sponsor's Work"). Sponsor's Work may create a noisy or otherwise disruptive condition in the Building. During the performance of Sponsor's Work, Sponsor reserves the right to access any common areas of the Building or the Property (subject to the rights of tenants thereof), temporarily interrupt utility service in connection with such work and temporarily relocate entrances and exits to the Building (provided legally required means of access and egress are provided). Sponsor will comply with all applicable Buildings Department filing requirements in connection with the renovation of the Building.

(i) During the performance of Sponsor's Work, to the extent required by the Buildings Department, a Tenant Protection Plan (which may be amended from time to time) will be in place and will be adhered to by Sponsor.

(ii) Sponsor and/or the Condominium Board may refuse to permit a Unit Owner to perform alterations in a Unit until such time as Sponsor's Work has been completed. (See the Section of the Plan entitled "Introduction" subsection "Services and Facilities" for details.)

(iii) Certain services, such as telecommunications, and other similar services may be provided by outside suppliers and delays in providing these services shall not be the responsibility of Sponsor. In addition, the presence of scaffolding, hoists or construction elevator shafts or similar temporary construction facilities may delay the Closing to certain Units or lines of Units until such scaffolding, hoists, elevators or temporary facilities are no longer needed and are removed. (See the Section of the Plan entitled "Description of Property and Improvements" subsection "Services and Facilities" for details.)

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

(v) It is currently anticipated that construction will be sufficiently complete to permit the First Closing to occur by January 1, 2021. However, no assurance can be given with regard to the accuracy of any projected completion dates set forth in the Plan. It is anticipated that during (approximately) the first year of Condominium operation, construction workers and related personnel will be at the Building from time to time, completing renovation of the Building, making adjustments and corrections and performing various tasks relating to the completion of renovation. During this period, various building systems, including but not limited to, water supply, air conditioning, heating, cooling, ventilating and elevators, may require substantial time to complete and may need to be shut down temporarily. In no event will any such shut down be used to harass or constructively evict tenants. Various other adjustments to windows and elevators and other systems may require

substantial time to be completed after the First Closing. With regard to the foregoing, in executing a Purchase Agreement, Purchaser acknowledges that Sponsor shall not be liable to Purchaser or any third party, nor will Purchaser be entitled to any credit, offset or reduction in the Purchase Price of the Unit or otherwise be relieved from any obligation under the Purchase Agreement: (i) as a result of any of the conditions described above; (ii) in the event of non-completion of any item of renovation on any projected date; or (iii) compensation for the presence of scaffolding on any portion of the Building or any interruption of services in the Building. (See the Section of the Plan entitled "Rights and Obligations of Sponsor" for details.)

(vi) The Building will contain certain major mechanical equipment, including, but not limited to, elevator machine rooms, fans, and pumps (collectively, "Equipment") located on roof, which may cause noise and vibration throughout the Building. While Sponsor will endeavor to reduce excessive noise and vibration emanating from the Equipment, it may be impossible to eliminate such noise and vibration entirely. As a result, Units and amenity areas in close proximity may be affected.

(vii) As is typical and customary, the Building is subject to normal settling, deflection, expansion and shifting. Sponsor will not be obligated to correct, and will not be liable to the Condominium Board or any Unit Owner as a result of any immaterial conditions in the Building, including without limitation, minor gapping in the flooring, uneven ceilings or floors and floor buckling resulting from such conditions. Additionally, Purchasers should note that since ceramic, stone and wood finishings installed throughout the renovated Units (in areas including, but not limited to, flooring, walls, countertops, backsplash and vanity tops) are cut from different slabs manufactured in different batches and are comprised of natural materials, there will be variations in the tone and color of such finishes. (See the Section of the Plan entitled "Rights and Obligations of Sponsor" for further details.)

(viii) During the time that Units are being offered for sale by Sponsor pursuant to the terms of the Plan, there may be an increased number of visitors to the Building. No representation or warranty is made and no assurance is given as to when Sponsor's selling activity will terminate. Sponsor, the Managing Agent, and their respective representatives shall not be responsible or liable for any personal injury or for any loss or damage to the personal property in the Building that may occur as a result, unless arising from gross negligence, bad faith, or willful misconduct on the part of Sponsor, Managing Agent, and/or their respective representatives.

(g) The Buildings Department issued a Certificate of Occupancy No. 104350051F dated October 2, 2008 for the Building. Sponsor's Architect has advised that the Certificate of Occupancy will need to be amended or may be changed to a Temporary Certificate of Occupancy as a result of the renovation to the Building. See the Section of the Plan entitled "Rights and Obligations of Sponsor" for a list of "Sponsor's Work" that may be performed requiring an amended or Temporary Certificate of Occupancy.

(i) Purchasers are advised that in New York City it is common that renovated buildings are sometimes offered as condominium projects without a permanent certificate of occupancy ("PCO") covering the entire building but with only a temporary certificate of occupancy ("TCO"), and sometimes with several successive temporary certificates of occupancy. Certificates of occupancy are generally governed by Section 301 of the New York Multiple Dwelling Law and local building codes and rules. Both TCOs and PCOs are issued by the Buildings Department. A TCO is intended to indicate that the property is safe for occupancy, but means that not all of the construction work and/or inspections have been performed, or that not all of the required documents have been submitted to the DOB. If required by Law, no changes in use or occupancy shall be made unless a new certificate of occupancy is obtained. All TCOs have an expiration date. A TCO typically expires 90 days after the date of issuance. When a TCO expires and is not renewed, it may be

difficult or impossible to buy insurance, refinance, or sell units. In New York City, it is common for sponsors to commence unit closings when some or all units are covered by a TCO rather than a PCO. Sponsor anticipates this scenario may occur. No Closing of a Residential Unit will occur prior to the issuance of a TCO for the particular Residential Unit. Sponsor will undertake the responsibility for extending each TCO prior to its expiration, and ultimately for obtaining a PCO covering the entire Building within 2 years from the date of the issuance of the first TCO, subject, however, to (i) Force Majeure, (ii) actions by Unit Owners or tenants of Unit Owners, (iii) work undertaken in a Unit by a Unit Owner, except in instances where Sponsor or Sponsor-controlled Condominium Board have given its consent to a Unit Owner to perform alterations, (iv) work undertaken in Common Elements by the Condominium Board after Sponsor no longer controls the Condominium Board or (v) any other cause over which Sponsor has no control. Sponsor does not make any representation that the Buildings Department will issue the PCO within such 2 year period. Notwithstanding the foregoing, Sponsor and its principal are obligated to procure the PCO for the Building, and shall exercise best efforts to obtain the PCO within such 2 year period while keeping the TCO current. Unit Owners and the Condominium Board shall be obligated to cooperate with, and refrain from obstructing, Sponsor in these undertakings.

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

(iii) Purchasers are advised to visit the DOB website for further recommendations when purchasing a Unit in a building that does not have a PCO. A Factsheet on Certificates of Occupancy is currently available on the DOB website at: http://www1.nyc.gov/site/buildings/homeowner/certificate-of-occupancy.page. (See the Section of the Plan entitled "Rights and Obligations of Sponsor" for further details.)

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

(v) Notwithstanding anything to the contrary, Purchasers will be required to consummate the purchase of the Residential Unit and the Storage Locker simultaneously at Closing even if a TCO has not been issued for the Storage Locker Area. In such event, Purchasers will not be able to access or use the Storage Locker until such time as a TCO has been issued for the Storage Locker Area. Additionally, the proceeds from the sale of the Storage Locker will be held in the Storage Locker Escrow until such time as a TCO has been issued for the Storage Locker Area. The Storage Locker Escrow will not be held in an interest bearing escrow account, and, therefore, Purchaser will earn no interest on the Storage Locker Escrow.

(h) Capital improvements and capital replacements to the Common Elements are currently anticipated to be performed, subject to Force Majeure. Sponsor intends to apply the actual cost of these capital improvements and capital replacements against Sponsor's required contribution to the Reserve Fund and will disclose the actual costs of such improvements and replacements in a duly filed Amendment to the Plan. Sponsor anticipates making several structural improvements or replacements throughout the Building. It is presently contemplated that Sponsor will make improvements to the condition of the roof of the Building. Sponsor may also improve or replace the HVAC, wiring, windows, elevator and/or plumbing throughout the Building. See the Section of the Plan entitled "Reserve Fund" for details. No representation is made as to such improvements or replacements.

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

(j) A Purchaser who closes title to a Unit during the course of renovation of the Common Elements or other Units acknowledges that noise, vibration, fumes, odors, dust, debris, scaffolding and other temporary interruption of services may affect Purchaser's enjoyment of the Unit during such period. With regard to the foregoing, in executing a Purchase Agreement, Purchaser acknowledges that Sponsor shall not be liable to Purchaser whatsoever or any third party in the event of non-completion of any item of renovation on any projected date, or any interruption of services in the Building. Furthermore, Sponsor does not make any representation or warranty (express or implied) that any noise, odors, fumes or vibrations, if any, emanating from mechanical equipment belonging to the Condominium or the Community Facility Unit will not disturb occupants of the Units, and Sponsor shall have no liability whatsoever for any such disturbance to any Unit Owner or occupant.

(k) Each vacant renovated Residential Unit and the fixtures and personal property contained therein, are being sold and delivered as described in the Plan, at the time of transfer of title to such Unit unless Sponsor and the Purchaser otherwise agree in writing. With respect to such vacant renovated Residential Units, upon receipt of the Initial Closing Notice, Purchaser shall arrange an appointment with a representative of Sponsor to inspect the Residential Unit within 7 days prior to the Closing Date and shall execute at such time an Inspection Statement acknowledging the Purchaser's acceptance of the Residential Unit in good condition and in accordance with the terms of the Plan. If Purchaser believes that remaining items of work must be completed in the Unit, then Sponsor or its designated representative and Purchaser will at the time of the inspection agree upon and set forth in the Inspection Statement a list of the incomplete work to be completed by Sponsor following the Closing without provision for escrow. Sponsor's obligation under the Inspection Statement ("punchlist items") shall survive delivery of the deed to the Purchaser. The failure of Sponsor to complete the punchlist items prior to Closing shall not be grounds for Purchaser to delay the Closing or to refuse to pay the full Balance of the Purchase Price at Closing. Except for those punchlist items which require a long lead time, Sponsor shall use good faith efforts to complete the punchlist items set forth on the Inspection Statement in a commercially reasonable time after the Closing Date, subject, however, to Force Majeure, actions by Unit Owners or tenants of Unit Owners, contractors or suppliers, or any other cause of which Sponsor has no control. Purchaser shall be obligated to provide Sponsor and its contractors, subcontractors agents and employees, unfettered access to the Unit and any Residential Limited Common Elements appurtenant thereto after Closing in order to complete the work on the Inspection Statement, failing which, Sponsor shall be relieved of its obligations to complete the work set forth on the Inspection Statement. Notwithstanding anything set forth in this paragraph, with respect to a combined unit, if a letter of completion or similar document is required to reflect the combined unit and such document is in effect, Purchaser shall be obligated to close title to the Unit and pay the Balance of the Purchase Price at Closing. Sponsor has been advised that the Building's Certificate of Occupancy does not need to be amended on account of any combination of Residential Units.

(l) As is typical and customary, the Building is subject to normal settling, deflection, expansion, and shifting. Sponsor will not be obligated to correct, and will not be liable to the Condominium Board or any Unit Owner as a result of any immaterial conditions in the Building, or in the installation or operation of any mechanical equipment, appliances, other equipment, finishes, materials or fixtures (including appliances and bathroom fixtures) in any Unit or any Common Elements or any other condition:

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

(ii) resulting from normal wear and tear, natural deterioration, normal settling (including, without limitation, cracks in crown molding, minor gapping in the flooring, uneven ceilings or floors, cracking of floors, and floor buckling), damage to wood due to changes in humidity, deflection, expansion or shifting of the Building;

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

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

a. death of trees or landscape improvements, cracks in roof ballast, or concrete cracks that do not impair the structural soundness of the Building, including cracks or discoloration in concrete walls and paving, leaching or color variation in colored mortar, tiles or pavers, and brick, dimensional variations in brick joints, mortar droppings on bricks, ponding, and/or controlled drainage on roof and Terrace surfaces, Terrace tiles or pavers not laid flat, stained tiles or color variations in tiles or pavers, and cracks in pressure treated wood used, or intended for use, outside the Building;

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

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

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

e. variations in wood floor stains and finishes;

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

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

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

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

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

(m) To the extent that Sponsor exercises its right to combine vacant Residential Units after the Filing Date of the Plan, resulting in fewer Residential Units in the Building, Sponsor reserves the right to modify the Schedule B to reflect any changes necessitated by such reduction, as determined by Sponsor. In such event, Sponsor shall amend the Plan, which amendment shall include an updated Schedule B and Certification of Budget Expert.

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

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

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

Sales Center/Model Unit/Marketing Materials

In no event shall the presence of any furniture, furnishings, finishes, equipment or decorations, wall coverings, window treatments, carpeting and the like ("FFE") in any portion of the Building or Residential Units set forth in any marketing materials and/or advertisements, and/or websites used in connection with the sales and marketing of the Residential Units imply or represent that any such FFE will be located within any

portion of the Building or Residential Units. The presence of FFE in such marketing materials is for illustrative purposes only. In addition, marketing materials may use designations, labels or nomenclature to describe certain areas or rooms within Residential Units that differ from the designations utilized on the Floor Plans of the Residential Units set forth in Part II of the Plan, including, without limitation, closets, hallways, dens/media rooms and powder rooms. In no event, however, shall any designations, labels or nomenclature used in marketing materials conflict with the legally permitted uses of such areas or rooms. The use of such designations, labels or nomenclature is for marketing purposes only and does not obligate Sponsor to deliver such areas or rooms designed or fitted out in the manner depicted or implied in the marketing materials.

Sponsor reserves the right to utilize the furniture, furnishings and equipment through-out various parts of the Building which were used in the Sales Center. All such furniture, furnishings and equipment, however, will be re-conditioned, if needed.

Real Property Law Section 339-kk

RPL §339-kk provides, by its terms, among other things, that with respect to Residential Units of a Condominium owned by Sponsor or by any other non-occupant Residential Unit Owner and occupied by a tenant:

(a) If payment of Common Charges, assessments or late fees by any non-occupant Residential Unit Owner is more than 60 days late beyond the expiration of any grace period within which they are due, payments from a tenant of such Residential Unit may become payable directly to the Condominium upon written notice from the Condominium Board to the tenant and the non-occupant Residential Unit Owner. Where a majority of the Condominium Board has been elected by Residential Unit Owners who are in occupancy of their respective Residential Units, the Condominium Board may elect not to require that the rental payments be made payable to the Condominium. Once the Common Charges, assessments and late fees of the non-occupant Residential Unit Owner have been brought current, the Condominium Board must notify the non-occupant Residential Unit Owner and tenant within 3 business days and thereafter the payments from the tenant of such Residential Unit will be payable to the non-occupant Residential Unit Owner or a designated agent.

(b) Payment by a tenant of rent or the other amounts required pursuant to the tenant's lease or statutory tenancy to the Condominium pursuant to the RPL §339-kk, relieves the tenant from the obligation to pay rent to the non-occupying Residential Unit Owner.

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

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

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

Prospective Purchasers should review RPL §339-kk, a copy of which is set forth in Part II of the Plan to determine its effect on their own situation.

General

Except for Sponsor's obligations to pay Common Charges and to perform other duties as a Residential Unit Owner with respect to any Unsold Residential Units (for so long as Sponsor owns same) and any other obligations set forth in the Plan to be performed on the part of Sponsor, the foregoing sets forth the entire extent of the obligations of Sponsor hereunder and no other obligations shall be implied, except that nothing contained herein shall be deemed to limit the rights of Purchasers under their respective Purchase Agreements. Sponsor agrees to pay all Common Charges, Special Assessments and real estate taxes with respect to the Unsold Residential Units. Sponsor represents that it has the financial resources to meet its obligations with respect to the Unsold Residential Units. Sponsor intends to meet its obligations to the Condominium through net proceeds from the sale of Residential Units, rental income from Non-Purchasing Tenants, and from additional funds which may be raised or provided by Sponsor. Sponsor makes no representations or warranties other than as set forth in the Plan. The obligations of Sponsor under the Plan and Article 23-A of the General Business Law shall survive the delivery of the deeds to the respective Residential Units. Sponsor shall not be liable for, or obligated to defend, any suits or claims with respect to any Residential Unit arising out of any occurrence taking place on or after the date of the Closing to such Residential Unit or the leasing thereof to any Purchaser or, with respect to the Common Elements, arising out of any occurrence taking place on or after the date of the First Closing, except suits or claims arising out of the acts of Sponsor or the representations made by Sponsor in the Plan.

Sponsor has not furnished any bond or other security for the performance of its obligations under the Plan. Each Purchaser should consult with his or her own counsel, accountant or other financial advisor in the event that Sponsor fails to meet its financial obligations under the Plan.

Sponsor will initially procure on behalf of the Condominium, the insurance relating to the Condominium which is required to be maintained by the Condominium Board in accordance with the provisions of the By-Laws (see the Sections of the Plan entitled "Rights and Obligations of Unit Owners" and "Rights and Obligations of the Condominium Board / Summary of By-Laws") the estimated cost of which insurance as of the Filing Date of the Plan has been reflected in Schedule B. For so long as Sponsor owns at least 1 Unsold Unit, unless Sponsor's prior written consent is obtained, the Condominium Board must maintain, at a minimum, the types and coverage amounts of insurance set forth in the First Year's Budget.

The risk of loss to the Unit by fire or other casualty until the Closing is assumed by Sponsor (unless and until Purchaser takes possession of the Unit, at which time such risk to the extent not covered by existing insurance shall be assumed by Purchaser) but without any obligation or liability by Sponsor to repair or restore the Unit. If Sponsor or (in the event the Declaration is filed) the Condominium Board does not elect to repair the damage, the Purchase Agreement will be canceled and be of no further force or effect, unless the Purchaser agrees to accept such Unit without such repair (in which case Purchaser shall not receive a credit toward, or an abatement in, the Purchase Price). Thereafter, the Deposit previously delivered will be refunded to Purchaser unless Purchaser has committed an Event of Default (beyond the applicable grace period, if any), in which event the Deposit previously delivered will be retained by Sponsor as and for liquidated damages. If Sponsor elects to repair the damage, the Purchase Agreement shall continue in full force and effect, the Purchaser shall not have the right to reject title to the Unit or to receive a credit against, or abatement in, the Purchase Price, and Sponsor shall be entitled to a reasonable period of time to complete such repair. A Purchaser electing to proceed with the purchase of a Unit (rather than rescind such Purchase agreement within 15 days of notice) will not be entitled to any credit against, or abatement of, the Purchase Price set forth in the Purchase Agreement and will have no claim or right of action against Sponsor by reason thereof.

Sponsor shall have only such obligation to defend any suit or proceeding arising out of Sponsor's acts or omissions or to indemnify the Condominium, Condominium Board or Residential Unit Owner(s) in any such action or proceeding as is required by Law.

Sponsor may dissolve or liquidate at any time. In the event of such an occurrence or the transfer of 10 or more Residential Units or 20% of the Residential Units in the Condominium, whichever is less, the principal of Sponsor will provide financially responsible entities or individuals who will assume the status and all of the obligations of Sponsor for those Residential Units under the Plan, applicable Law or regulations and in the event of dissolution or liquidation, the principal of Sponsor shall guarantee the performance of such obligations.

Sponsor will cause the Condominium Board to maintain the Property in substantially the same condition and manner as on the date of presentation until Sponsor no longer controls the Condominium Board.

All representations under the Plan, all obligations pursuant to the GBL and such additional obligations under the Plan which are to be performed subsequent to the Closing of each Residential Unit will survive delivery of the deed.

Sponsor's Rights with Respect to Leasing Rather than Selling Unsold Residential Units

(a) Sponsor reserves the right to rent or lease any vacant Unit prior to Closing to the Purchaser thereof or any other party. Sponsor reserves the unconditional right to rent rather than to sell Residential Units as they become vacant. Sponsor's right to rent rather than sell Residential Units once they become vacant is unconditional and exercisable in Sponsor's sole discretion.

(b) Following the expiration of the Initial Exclusive Purchase Period, Sponsor shall have the right to: (i) sell occupied Units to one or more non-occupant Purchasers for investment or resale; (ii) lease occupied Residential Units to others; or (iii) retain vacant Residential Units for future sale or rental. Any such sales are subject to the rights, if any, of Bona Fide Tenants, to purchase their Units during a subsequent Exclusive Purchase Period provided in an amendment to the Plan prior to the Effective Date. The Plan may not be declared effective based on Purchase Agreements executed by Purchasers who have not represented that they intend to occupy the Unit when it becomes vacant. (See the Section of the Plan entitled "Effective Date" for details.)

(c) Residents of the Condominium may be comprised of both Unit Owners and tenants leasing from Sponsor or tenants leasing from other Unit Owners. Accordingly, it is possible that a significant proportion of Unit Owners will not be residents of the Building and that a significant number of tenants may not be Unit Owners. Owner-occupants may never gain control and management of the Condominium since the By-Laws do not include a provision that after the expiration of the Sponsor Control Period a majority of the Condominium Board must be owner-occupants or members of an owner-occupant's household who are unrelated to Sponsor and its principal. Owner-occupants and non-resident owners, including Sponsor, may have inherent conflicts on how the Condominium should be managed because of their different reasons for purchasing, i.e., purchasing as a home as opposed to as an investment. (See the Section of the Plan entitled "Obligations of Purchasers of Units Occupied by Non-Purchasing Tenants" for details).

(d) Prospective Purchasers should be aware that potentially they may be living with non-purchasing occupants in many of the Units for an indefinite period, depending upon market conditions. In Sponsor's sole discretion, non-purchasing occupants (other than Non-Purchasing Tenants whose rights are governed by Law) may receive the same Building services and use the Building's amenities as owner-occupants, however, they have no investment in their Units and, therefore, may not share the same economic interests as owner-occupants in the maintenance and care of the Building's facilities and amenities.

(e) Sponsor reserves the right to sell 10% or more of the Unsold Units ("Bulk Sale") to a Person which assumes the rights and obligations of Sponsor with respect to such Units. Sponsor may require that Non-Tenant Purchasers of more than 1 Residential Unit deliver a Deposit in excess of that set forth in the Plan, which amount shall be on terms individually negotiated with each such Purchaser, any and all of which

such deposit may be retained as and for liquidated damages in the case of an Event of Default (as defined in Paragraph 13 of the Purchase Agreement set forth in Part I of the Plan). (See the Section of the Plan entitled "Procedure to Purchase" for more details.).

Sponsor's Easement Rights

Sponsor shall have an exclusive easement (i) to erect, use, lease, maintain, repair, replace and operate (a) antennae, satellite dishes and other communications equipment, and (b) any pipes, risers, ducts, flues and equipment necessary or desirable to provide heat, air-conditioning, exhaust, or ventilation as required or, as permitted by Law, on any part of the roof and/or façade of the Building and elsewhere on the Common Elements (excluding Terraces and Storage Lockers appurtenant to occupied Residential Units) and to utilize any risers, conduits, piping, cables, ducts and electrical panels and rooms, telephone/cable panels and rooms in connection therewith; and (ii) to erect, maintain, replace and/or repair any sign and/or lighting permitted by Law on the Property for the purposes of advertising the sale of any Unit, the leasing of space in any Unit or the operation of any business of a tenant or occupant of any Unit and (iii) to perform any renovation work with respect to Unsold Residential Units and Common Elements. Sponsor shall be entitled to permit any one or more of such easements to be utilized by the Community Facility Unit Owner and/or Permitted Users. Sponsor reserves the right to install additional mechanical equipment on the roof of the Building.

Condominium Name

Pursuant to the Declaration, Sponsor shall own and control all rights to the name of the Condominium and/or the Building. In addition, Sponsor shall have the right to utilize other names for the Building or portion thereof for marketing and/or promotional purposes, without the consent of the Condominium Board or the Unit Owners. Notwithstanding the foregoing, and only in the event that Sponsor no longer owns a Unit in the Condominium, the Unit Owners may change the name of the Condominium and/or the Building, but only if such change is authorized by the affirmative vote of 80% in number and in Common Interest of all Unit Owners at a Special Meeting duly called for such purpose.

CONTROL BY SPONSOR

Sponsor will have voting control over the Condominium Board until the earliest to occur of (i) the number of Closing with Purchasers under the Plan to Units representing more than 50% of the aggregate Common Interest appertaining to all Units offered for sale, or (ii) 5 years after the First Closing, or (iii) the date on which Sponsor otherwise exercises its right to relinquish control of the Condominium Board ("Sponsor Control Period"). Sponsor reserves the right to relinquish voting control of the Condominium Board prior to the expiration of the Sponsor Control Period. Notwithstanding the relinquishment of control by Sponsor, the Condominium Board cannot take any action whatsoever which would interfere to any degree with Sponsor's rights under the Plan or Sponsor's ability to meet its obligations under the Plan, including without limitation Sponsor's obligation to procure a PCO for the Building.

At meetings of the Residential Unit Owners, Sponsor will have the right to vote all of the Common Interests attributable to its Unsold Residential Units as it sees fit. When voting for members of the Condominium Board, each Residential Unit Owner shall be entitled to cast 1 vote for each .0001% of Common Interest attributable to the Residential Unit per Residential Member to be elected. If there are non-Sponsor members of the Condominium Board and there is a vote on such board to pursue litigation against Sponsor, the Sponsor Members must recuse themselves from such vote.

The First Annual Meeting of Residential Unit Owners will be held to elect certain new Residential Members unrelated to Sponsor (depending on the extent of Sponsor's ownership of Unsold Residential Units at such time) within 30 days of the expiration of the Sponsor Control Period. At such First Annual Meeting and thereafter, Sponsor, as owner of Unsold Residential Units, shall continue to have the right to vote all of the Common Interests attributable to Residential Units owned by Sponsor and shall be entitled to designate no more than 2 Residential Members, for so long as the Common Interests attributable to the Unsold Residential Units equal, in the aggregate, less than 50% but more than 15% of the Common Interests attributable to all Residential Units; and thereafter, 1 Residential Member, for so long as Sponsor owns at least one Unsold Residential Unit.

The number of members of the Condominium Board may not be increased or decreased without the consent of Sponsor for so long as Sponsor continues to own at least 1 Unsold Residential Unit.

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

For so long as Sponsor continues to own at least 25% in number of all Residential Units, but in no event later than 5 years after the First Closing, the Condominium Board may not take any of the following actions without Sponsor's prior written consent: (a) make any addition, alteration or improvement to the Common Elements or to any Unit; or (b) assess any Common Charges or Special Assessments for the creation of, addition to, or replacement of all or part of a working capital, reserve, contingency or surplus fund; or (c) increase or decrease the number, or change the kind of employees from those described in the First Year's Budget; or (d) enter into any service or maintenance contracts for work or otherwise contract for work or otherwise provide services in excess of those described in the First Year's Budget, except as is required to reflect normal annual increases in operating services incurred in the ordinary course of business; or (e) borrow money on behalf of the Condominium; or (f) exercise a right of first refusal to lease or purchase a Unit; provided, however, that (x) Sponsor may not diminish or eliminate services, facilities or any line items described in the First Year's Budget; and (y) Sponsor's written consent is not necessary to perform any function or take any action described in items (a) through (f) above, if, and only if, the performance of such function or the carrying out of such an action is necessary to enable the Condominium Board to (i) comply

with Law; or (ii) remedy any notice of violation; or (iii) remedy any work order of the Condominium's insurer or (iv) to ensure the health and safety of the occupants of the Building.

By-law provisions that give Sponsor control of the enforcement of Sponsor's obligations are not lawful. Additionally, to the extent there are members of the Condominium Board appointed by Sponsor (in addition to Unit Owner elected members), such Sponsor-appointed Board members cannot vote on any issue before the Condominium Board which involves the decision to sue Sponsor, pursuant to *Park River Owners Corp. v. Bangser Klein Rocca & Blum*, 269 A.D.2d 313, 703 N.Y.D2d 465 (1st Dept. 2000); McKinney's Consolidated Laws of the State of New York, General Business Law, Volume 19, pocket part, page 193; and BCL 713(a)(1). Also of interest is *Board of Managers of Fairways at North Hills v. Fairways at North Hills*, 193 A.D.2d 322, 603 N.Y.S.2d 867 (2d Dept. 1993), discussed in McKinney's Consolidated Laws of the State of New York, General Business Law, Volume 19, page 160.

CONDOMINIUM BOARD

The Condominium Board shall initially consist of 3 persons designated from time to time by Sponsor. Sponsor presently anticipates that the initial members of the Condominium Board shall be Michael Shah, Rick Lapidos and Charlie Oshman who shall serve as President, Vice President and Secretary/Treasurer, respectively. Each of these individuals is a principal of, or is affiliated with, Sponsor. Sponsor reserves the right to designate different individuals to serve on the initial Condominium Board in lieu of the above mentioned individuals. The initial Condominium Board shall conduct all affairs of the Condominium.

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

The First Annual Meeting will be held approximately 30 days after the expiration of the Sponsor Control Period. Sponsor reserves the right to call the First Annual Meeting at an earlier date.

Commencing with the First Annual Meeting, the Condominium Board shall consist of 6 individuals, 5 of whom shall be elected and/or designated in accordance with the terms of the By-Laws by the Residential Unit Owners (including Sponsor) (collectively, the "Residential Members"), and 1 of whom shall be designated by the Community Facility Unit Owner ("Community Facility Members"). Except for members designated by Sponsor and/or the Community Facility Unit Owners, all Members of the Condominium Board shall be either: (i) individual Residential Unit Owners or adult Family Members of an individual Residential Unit Owner; or (ii) individual Permitted Mortgagees; or (iii) officers, directors, shareholders, partners, principals, employees, members or beneficiaries of corporations, partnerships, fiduciaries, limited liability companies or any other entities that are Residential Unit Owners or Permitted Mortgagees. The number or composition of Condominium Board members may not be changed except in accordance with the procedures described in the By-Laws.

A Residential Member of the Condominium Board may be removed with or without cause by an affirmative vote of a majority of Residential Unit Owners who are present at a meeting containing a quorum of Residential Unit Owners, provided, however, that any Residential Member designated by Sponsor may only be removed and replaced by Sponsor, and further provided, however, that the Community Facility Members of the Condominium Board may only be removed by the Community Facility Unit Owner, who alone shall have the right to designate a replacement.

Notwithstanding anything to the contrary set forth herein, any Member of the Condominium Board may be removed "with cause" by an affirmative vote of a majority of the Condominium Board at a special meeting duly called for such purpose, in which case the replacement will be elected by the Unit Owners or designated by Sponsor or Community Facility Unit Owner, as applicable.

No member of the Condominium Board shall continue to serve on the Condominium Board if, during the term of office, such member shall cease to be a Unit Owner or an interested party as described in the By-Laws; provided, however, that these provisions respecting Unit Ownership and occupancy, and Condominium Board membership, shall not apply to members of the Condominium Board designated by Sponsor and/or the Community Facility Unit Owner.

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

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

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

The Condominium Board may not, without the consent of Sponsor, reduce, modify or eliminate any services provided to Non-Purchasing Tenants under the Rent Laws or their tenancies or as may be otherwise required by Law.

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

No amendment, modification, addition or deletion of the terms of the Declaration, By-Laws or Residential Rules and Regulations, other than those required by Law, shall be effective (a) against Sponsor or any Unsold Unit unless Sponsor has given its written consent thereto, or (b) against the holder of any mortgage, pledge or other lien or security interest covering any Unsold Unit unless such holder has given its prior written consent thereto, or (c) against any Community Facility Unit Owner and/or any Community Facility Unit without the prior written consent of the affected Community Facility Unit Owner.

Purchasers should refer to the Section of the Plan entitled "Rights and Obligations of the Condominium Board/Summary of By-Laws" subsection "Amendments to Condominium Documents" for a discussion of the procedures to amend the Condominium Documents.

RIGHTS AND OBLIGATIONS OF UNIT OWNERS

Sales and Leases of Residential Units

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

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

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

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

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

Any restrictions upon the sale and lease of Residential Units shall not apply to Community Facility Unit Owners, Sponsor with respect to any Unsold Residential Units, or to Residential Unit Owners with respect to any Residential Units acquired by a mortgagee in foreclosure or by deed in lieu of foreclosure, all of whom shall be free to sell or lease without first offering to sell or lease to the Condominium Board and without payment of any Resale Fee (if applicable) or any other fees.

Notwithstanding the foregoing, pursuant to the By-Laws, a Residential Unit Owner who acquired title to the Residential Unit from Sponsor is prohibited under the By-Laws and Purchase Agreement for a period of twelve (12) months from the Closing of its Residential Unit from taking any of the following actions without Sponsor's prior written consent, which consent may be withheld, conditioned, or delayed, in Sponsor's sole and absolute discretion: (i) listing such Residential Unit for sale with any broker, (ii) placing or authorizing any listing of the Unit for sale in any broker's listing system or other listing service, or (iii) advertising or otherwise offering, promoting or publicizing the availability of such Residential Unit for sale. Unless it would constitute a prohibited discriminatory inducement, the prohibitions set forth in (i) through (iii) above may be waived by Sponsor upon the Residential Unit Owner's prior written request, which waiver and any conditions thereto may be granted, withheld or delayed, in Sponsor's sole and absolute discretion. A violation of this provision of the By-Laws will entitle Sponsor the right to pursue all remedies at law or in equity in connection with such breach.

Each Residential Unit Owner who acquired a Residential Unit from Sponsor ("Sponsor Sale") and subsequently enters into an agreement, written or oral ("Resale Agreement") to sell such Residential Unit ("Resale") prior to the first anniversary of the closing of such Sponsor Sale shall be obligated to pay to Sponsor a portion of the proceeds of the Resale ("Resale Fee"). Such Residential Unit Owner will be required to send Sponsor a copy of the Resale Agreement within ten (10) days after entering into the Resale Agreement. The Resale Fee paid to Sponsor at the closing of the Resale shall be equal to 50% of the "Gross Profit," i.e. the difference between (A) the "Net Profit," i.e. the sales price of the Residential Unit per the Resale Agreement ("Resale Price") less the following expenses actually paid by the Residential Unit Owner (to the extent applicable): (i) brokerage commissions not exceeding 6% in the aggregate; (ii) transfer taxes imposed by Law, if paid for by the Residential Unit Owner, and (iii) actual legal fees not exceeding $5,000, and (B) the "Sponsor Sale Price," i.e. the Purchase Price paid to Sponsor in connection with the Sponsor Sale. Set forth below is an example of the calculation of a Resale Fee:

Resale Price:	$	4,500,000
- *less* Brokerage Commissions	($	270,000)
- *less* Transfer Taxes	($	82,125)
- *less* Legal Fees	($	5,000)
Net Profit	$	4,142,875
- *less* Sponsor Sale Price	($	3,000,000)
Gross Profit	$	1,142,875
x 50% = **Resale Fee**	**$**	**571,438**

The Resale Fee shall be paid to Sponsor by wire transfer at the Closing pursuant to the Resale Agreement. Any deductions for allowable expenses paid by a Residential Unit Owner must be supported by documentation acceptable to Sponsor. At such time as Sponsor no longer owns any Unsold Residential Units, the obligation to pay the Resale Fee shall no longer be applicable. The obligation to pay a Resale Fee shall survive the Closing of the Sponsor Sale. For the avoidance of doubt, the Resale Fee shall not be applicable in the event a Unit Owner leases, rather than sells, their Unit prior to the first anniversary of the Sponsor Sale of such Unit.

Sales of Storage Locker Licenses

Storage Lockers may not be licensed independently of the ownership of a Residential Unit and may be licensed only to another Residential Unit Owner or Purchaser who is simultaneously purchasing a Residential Unit. These restrictions shall not apply to Sponsor, who may sell, assign, transfer or lease any Storage Locker to any party in its sole discretion. Each Residential Unit Owner will be required to maintain insurance for the Storage Locker in amounts sufficient to cover the property located therein. If the Condominium Board terminates a Storage Locker License or a Residential Unit Owner surrenders a Storage Locker License without assigning the Storage Locker License to another Residential Unit Owner, the Condominium Board shall have the right to issue a new Storage Locker License to another Residential Unit Owner, in its sole discretion.

Upon the issuance of a Storage Locker License to a Residential Unit Owner (by assignment or otherwise), such Storage Locker License shall be assignable as set forth above without the consent of the Condominium Board provided written notification of such assignment is delivered to the Condominium Board. Neither Sponsor nor the Condominium Board shall have any obligations or liabilities with respect to private assignments between Unit Owners.

The Condominium will not be entitled to any of the proceeds from the sale of the Storage Locker Licenses, but will have the right to impose license fees and Special Assessments in connection with the Storage Locker Licenses.

Use of Units and Common Elements and Storage Lockers

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

A Storage Locker may be used only for the storage of personal effects of a Residential Unit Owner, and in no event shall any food or other perishable item, or any flammable or explosive item or any item which would impose a health or safety threat or cause noxious odors, dirt or other sanitary problems or create a nuisance, be stored therein.

Each licensee of a Storage Locker License, including Sponsor of any unsold Storage Locker Licenses, shall pay their pro-rata share of the projected costs incurred by the Condominium attributable to the maintenance and operation of the Storage Locker Area as set forth on Schedule B. Such pro-rata share shall be payable and collected in the same manner as Common Charges, and the failure to pay such pro-rata share will be treated by the Condominium Board in the same manner as failure to pay Common Charges.

The Condominium Board has the right to impose and/or regulate license fees payable to the Condominium in connection with the Storage Lockers. Any license fees imposed shall constitute "additional Common Charges" under the terms of the Condominium Documents.

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

A License shall automatically terminate at such time as the Licensee no longer owns a Unit, unless the Storage Locker License is assigned to and assumed by another Unit Owner in accordance with the terms of the Storage Locker License and the Condominium Documents. A Licensee may also voluntarily surrender a Storage Locker License to the Condominium Board. The Condominium Board may elect to terminate a Storage Locker License in the event that the Licensee defaults in its obligations under the Storage Locker License beyond any applicable cure periods or as otherwise provided for in the Storage Locker License. Upon the surrender or termination (for any reason whatsoever) of a Storage Locker License, the Condominium Board shall have the right in its sole discretion to issue a new Storage Locker License for the Storage Locker to another Unit Owner for such consideration as the Condominium Board shall deem appropriate in its sole discretion and without any obligation to compensate the former Licensee therefor.

Notwithstanding anything to the contrary, Sponsor may, without the consent of either the Condominium or the Unit Owners, use any Unsold Storage Locker for any purpose permitted by Law or to change the permitted use of an Unsold Storage Locker, subject to the provisions of the By-Laws. Except for Sponsor and the Condominium Board, a Storage Locker may not be licensed independently of a Residential Unit. Purchasers should not purchase a Unit in reliance on the use or availability of any Storage Locker and Sponsor does not make any representation or guarantee of the availability of any particular Storage Locker.

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

All or any portion of the Community Facility Unit may be used for any purpose permitted by Law.

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

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

No pets other than dogs, caged birds, cats and fish (which do not cause a nuisance, health hazard or unsanitary condition) may be kept in a Residential Unit without the consent of the Condominium Board. The prohibition set forth in the preceding sentence shall not apply to a Residential Unit Owner who can establish that he or she was housing a Pet in the Unit Owner's Residential Unit prior to purchasing such Residential Unit ("Grandfathered Pet"). However, upon the removal or death of a Grandfathered Pet, a Residential Unit Owner shall be required to seek permission to house any replacement Pet. Each Residential Unit Owner who keeps any type of pet will be required to: (a) indemnify and hold harmless the Condominium, the Condominium Board, all Unit Owners and the Managing Agent from all claims and expenses resulting from acts of such pet; and (b) abide by any and all Residential Rules and Regulations adopted by the Condominium Board with respect thereto, including without limitation, the number of such pets. Notwithstanding the foregoing, the Condominium Board shall have the right to adopt a no-pet policy for the Building or policies with respect to size or number of pets per Unit.

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

Mortgage of Residential Units by Residential Unit Owners

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

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

Common Charges: Determination and Assessment

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

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

During the Sponsor Control Period, the Condominium Board shall have the right, in its sole discretion, to waive Unit Owner obligations to pay Common Charges from and after the First Closing for a period to be determined by the Condominium Board, provided the basic operating costs of the Condominium (inclusive of insurance premiums and reserves required by lenders) are paid by Sponsor. If the Condominium Board elects to waive payment of Common Charges, Sponsor shall disclose such waiver of Common Charges and the expected period of time of such waiver of Common Charges ("Waiver Period") in the post-closing amendment to the Plan. In the event the Condominium Board elects to extend the Waiver Period, the Condominium Board shall provide no less than 30 days' notice to the Unit Owners of the resumption of Common Charges and Sponsor the date that the Waiver Period expired in the next substantive amendment to the Plan. Upon commencement of collection of Common Charges from all Unit Owners, there will not be a Special Assessment for any expense set forth in the approved budget for which Common Charges were not collected during the Waiver Period. The Condominium Board shall remain obligated to update the budget in accordance with the terms of the Plan.

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

Common Charges: Collection and Lien for Non-Payment

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

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

free and clear of all liens and encumbrances other than Permitted Mortgages. However, in no event shall Sponsor be permitted to convey any Unsold Residential Unit to the Condominium Board and thereby exempt itself from Common Charges attributable to such Unsold Residential Unit thereafter accruing, unless: (i) the aggregate Residential Common Interests appertaining to the Unsold Residential Units constitutes 15% or less of the total Residential Common Interests then appertaining to all Residential Units; (ii) at least 5 years have elapsed from the date of the First Closing; and (iii) at the time of conveyance, Sponsor shall pay the Condominium Board a sum equal to the product of the then current monthly Common Charges for the Unsold Residential Units being conveyed multiplied by 24.

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

Set forth in Part II of the Plan is a copy of §339-kk of the Real Property Law of the State of New York, which provides, among other things, for the ability of the Condominium to serve a notice to any tenant occupying a Unit to pay its rent directly to the Condominium if the Unit Owner has failed to pay Common Charges, assessments or late fees within 60 days after the expiration of any grace period.

Repairs to, and Maintenance of, Units and Common Elements

Generally, all painting, decorating, maintenance, repairs and replacements, whether structural or non-structural, ordinary or extraordinary, (a) in or to any Unit (other than to the Common Elements contained therein), including all mechanical systems located in the Unit, heating and cooling systems (including HVAC filters and parts), the plumbing, appliances in the Units, the fireplace, firebox, dampers, mantel and flue, if any, and the interior side of entrance doors thereto, and the Terrace doors, shall be performed by the Unit Owner at such Unit Owner's sole cost and expense, (b) in or to the General Common Elements shall be performed by the Condominium Board and the cost and expense thereof will be charged to all Unit Owners as a General Common Expense (c) in or to the Residential Common Elements shall be performed by the Condominium Board and the cost and expense thereof will be charged to all Residential Unit Owners as a Residential Common Expense; (d) in or to the Residential Limited Common Elements shall be performed (i) by the Condominium Board and the cost and expense thereof will be charged to all Residential Unit Owners as a Residential Common Expense, if involving structural or extraordinary maintenance, repair or replacement, (except if necessitated by the negligent act or omission of the Unit Owner) or (ii) by the Residential Unit Owner having direct and exclusive access thereto at such Residential Unit Owner's sole cost and expense, if involving painting, decorating, and non-structural ordinary maintenance, repairs and replacements and (e) in or to the Non-Residential Limited Common Elements shall be performed by the Community Facility Unit Owner at such Unit Owner's sole cost and expense.

Any Unit Owner having access to a Terrace shall keep such Terrace free of snow, ice and accumulation of water. In order to promote a consistent appearance of the Building from the outside, no Unit

Owner shall be permitted to enclose, erect a greenhouse and/or alter a Terrace appurtenant to a Unit in such a way that will alter the conformity of the Building, without the prior approval of the Condominium Board. Additionally, the type, size and quantity of plantings and other installations to be placed on Terraces (other than the Terrace appurtenant to the Community Facility Unit) shall be subject to the prior approval of the Condominium Board and shall be in compliance with Law.

The interior and exterior glass surfaces of all windows located in Residential Units shall not be colored or painted. The glass surfaces of all windows located in any Residential Unit are to be washed and cleaned by the Residential Unit Owner at such Residential Unit Owner's sole cost and expense with the exception that the cleaning of the exterior portion of the glass surfaces shall be performed by a professional window washing company, at such Residential Unit Owner's sole cost and expense; provided, however, that the Condominium Board may, in the Condominium Board's sole discretion, elect to engage a professional window washing company to clean the exterior portion of the glass surfaces and in such event the cost and expense thereof shall be borne by all Residential Unit Owners as a Residential Common Expense. Any replacement of any glass window located in a Residential Unit because of breakage or otherwise shall be made by the Residential Unit Owner thereof at the sole cost and expense of such Residential Unit Owner, including without limitation the expense of an exterior hoist if the replacement window does not fit into the service elevator (unless such breakage is caused by the Condominium Board or any other Unit Owner, in which event such replacement of glass windows will be at the sole cost and expense of the Condominium Board or such other Unit Owner, as the case may be). Prior to the replacement of any glass window, the Residential Unit Owner must obtain the prior approval of the Condominium Board with respect to the type of replacement windows installed.

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

In order to preserve the architectural harmony of the Building, the By-Laws provide that all Residential Unit Owners shall be obligated, regardless of the type of window treatment they use, to provide for a white backing on the window treatment so that when the shades are down or curtains drawn, the effect from the outdoors is a visually harmonious white appearance.

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

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

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

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

Certain surfaces in the Residential Units may consist of natural stone. Purchasers should be aware that natural stone can be porous and calciferous, with the potential to absorb and/or chemically react to certain substances. As a result, Purchasers are advised that contact with certain liquids or other substances may result in discoloration or etching. To reduce (but not eliminate) the possibility of discoloration and/or etching, Sponsor may apply a sealer to natural stone surfaces in the Residential Units prior to delivery of such Residential Unit to Purchaser, in which event all decisions with respect to selecting the professionals and the products shall be made by Sponsor in its sole discretion. Purchasers are advised that the application of a sealer to the stone does not in any way guarantee that future discoloration or etching will not occur. Furthermore, it will be each Residential Unit Owner's obligation to maintain the natural stone, including any obligation to engage a professional to reapply the sealer at regular intervals. Purchasers should consult a professional regarding the proper care and maintenance necessary to preserve the appearance of natural stone surfaces.

Alterations, Additions and Improvements of Units and Common Elements

Except for Sponsor with respect to Unsold Residential Units, no Residential Unit Owner may make any structural alteration, addition, improvement or repair in or to the Residential Unit or its appurtenant Residential Limited Common Elements, if any, without the prior approval of the Condominium Board. Except as otherwise permitted in the By-Laws, no Residential Unit Owner (except Sponsor) may make any alteration, addition, improvement or repair in or to the Common Elements without the prior approval of the Condominium Board.

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

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

Prior to, and as a condition of, the granting of its consent to the making of a structural alteration, addition, improvement or repair in or to a Residential Unit, or its appurtenant Residential Limited Common

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

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

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

Insurance

The Condominium Board is required to obtain and maintain the forms of insurance described in the Section of the Plan entitled "Rights and Obligations of the Condominium Board/Summary of By-Laws." The Condominium Board is not required to obtain or maintain any insurance with respect to any property contained in any Unit or any liability with respect to occurrences in or about each Unit or its Residential Limited Common Elements. Consequently, all Unit Owners are required to obtain casualty insurance with respect to the Unit, including, without limitation, the flooring, fixtures, furniture, furnishings and personal property located within the Unit, any Residential Limited Common Elements appurtenant thereto, and any Storage Locker licensed by the Unit Owner, and liability insurance with respect to occurrences in or about the Unit, any Residential Limited Common Elements appurtenant thereto, and any Storage Locker licensed by the Unit Owner. All such certificates of insurance shall name the Condominium Board, the Condominium and Sponsor as additional insureds and shall be delivered to the Condominium at the Closing to the Unit. All such policies shall contain waivers of subrogation, if available, and the liability of the carriers issuing

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

Rights of Access

As more fully set forth in the By-Laws, the Condominium Board and any Managing Agent, manager and other persons authorized by the Condominium Board, will have a right of access to any Unit and Storage Locker for the purposes of performing installations, alterations or repairs to the mechanical or electrical services or other Common Elements in the Unit and Storage Locker or elsewhere in the Building, to remove violations, cure Events of Default by a Unit Owner, correct any condition originating in any Unit and Storage Locker and threatening another Unit or any Common Element or Storage Locker, and for any other purposes provided in the Plan, Declaration or as may be required by Law, provided that requests for entry (except in emergency situations) are made in advance and that any such entry (except in emergency situations) is at a time reasonably convenient to the Unit Owner and the occupants of any Unit. In case of an emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not. Provided reasonable care is exercised to safeguard the Unit Owner's property, any entry described herein shall not render the Condominium Board or its authorized agents liable for damage incurred in connection with the exercise of such right of entry. In addition, Sponsor and its contractors, subcontractors, agents and employees will have a right of access to each Unit and to all of the Common Elements (including Storage Lockers) for purposes of performing certain alterations and repairs in or about Unsold Residential Units, Storage Lockers or Community Facility Unit and in fulfilling Sponsor's obligations under the Plan, (including, without limitation, performance of improvements or replacements to the Common Elements, renovation and/or combination of Residential Units and Sponsor's Work). To the extent any such change involves entry into an occupied Residential Unit, Sponsor will repair any resulting damage to such Residential Unit. In addition, it is possible that Sponsor will install additional mechanical, electrical and/or plumbing systems or portions thereof through the concrete slabs vertically or horizontally separating Units and that such systems or portions thereof may be run across the ceiling of some rooms in certain Units and enclosed in sheetrock enclosures. Sponsor reserves the right to perform such work before or after the closing of any Unit and such change shall not be deemed a material and adverse change with respect to any Purchaser nor give rise to any claim against Sponsor by any Unit Owner, provided that access to any Unit or Storage Locker Amenity may not be exercised in such a manner as will unreasonably interfere with the use of such Unit or Storage Locker for its permitted purposes.

Compliance with Condominium Documents

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

Examination of Books and Records

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

Self-Help

In the event that any Unit Owner fails to maintain or repair the Unit or any Residential Limited Common Elements appurtenant to such Unit, if any, or any Storage Locker, if any, or in the event of any breach of the Condominium Documents, then, as set forth in Article 9 of the By-Laws, the Condominium

Board shall have certain rights to perform such maintenance or repairs, or to cure such breach, at such Unit Owner's expense.

Smoking Policy

The smoking policy of the Condominium is set forth below, which policy may be amended from time to time by the Condominium Board (see the Section of the Plan entitled "Rights and Obligations of Unit Owners" for more details):

> "No person may carry or smoke any kind of lighted pipe, cigar, cigarette, tobacco, or any other lighted smoking apparatus, equipment or product, including but not limited to electronic cigarettes, (collectively, "Smoking Apparatus") in any area of the Building, whether indoors or outdoors, at any time. Smoking shall be prohibited in all common areas of the Building whether indoor or outdoor. Although smoking shall be permitted in any Unit or Limited Common Element appurtenant thereto, including a private Terrace, no person may smoke or otherwise use any Smoking Apparatus in a manner, which causes smoke to be a nuisance, create odors or annoyance to any other resident of the Condominium. In addition, no person may smoke or otherwise use any Smoke Apparatus within twenty-five (25) feet of any outside entrance to the Building or within twenty-five (25) feet of any outdoor air intake or operable window opening in the Common Elements or Units."

General

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

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

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

Condominium Board

The Condominium Board shall initially consist of 3 persons designated from time to time by Sponsor (collectively, the "Members"). The Condominium Board will call the First Annual Meeting to elect a new Condominium Board approximately 30 days after the later to occur of (i) the 5th anniversary of the First Closing or (ii) the Closing with Purchasers under the Plan to Residential Units representing at least 51% in Common Interests of all Residential Units offered for sale. At such meeting, the incumbent Condominium Board shall resign and, subject to the rights of Sponsor and the Community Facility Unit Owner to designate members of the Condominium Board, the Residential Unit Owners (including Sponsor) shall elect and/or or designate a new Condominium Board consisting of 6 members. (See the subsection below entitled "Meetings and Votes of Unit Owners" and the Section of the Plan entitled "Control by Sponsor" for details.) Thereafter, at each annual meeting, members of the Condominium Board shall be elected and/or designated and shall serve until the next annual meeting thereof and until a successor has been elected and/or designated.

Except for the Members of Condominium Board designated by Sponsor and/or the Community Facility Unit Owner, all Members of the Condominium Board must be either Residential Unit Owners or certain interested parties as described in the By-Laws. No member of the Condominium Board shall continue to serve on the Condominium Board if, during such Member's term of office, such member shall cease to be a Residential Unit Owner or an interested party. All Members of the Condominium Board shall serve without compensation.

Powers and Duties of and Determinations by the Condominium Board

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

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

Notwithstanding anything to the contrary contained herein, so long as Sponsor continues to own at least 25% in number of all Residential Units, but in no event later than 5 years after the First Closing, the Condominium Board may not, without Sponsor's prior written consent: (a) make any addition, alteration, or improvement to the Common Elements or to any Unit; (b) assess any Common Charges or Special Assessment for the creation of, addition to, or replacement of, all or part of a working capital, reserve, contingency, or surplus fund; (c) increase or decrease the number, or change the kind of employees from that described in the First Year's Budget; (d) enter into any service or maintenance contract for work or otherwise contract for work or services in excess of those set forth in the First Year's Budget, except as is required to reflect normal annual increases in operating services; (e) borrow money on behalf of the Condominium; or (f) exercise a right of first refusal to lease or purchase a Unit; provided, however, that (x) Sponsor may not diminish or eliminate services or facilities or any line items described in the First Year's Budget; and (y) Sponsor's written consent is not necessary to perform any function or take any action described in clauses (a) through (f) above, if, and only if, the performance of such function or the carrying out of such action is necessary, and no alternatives are available, to enable the Condominium Board to: (i) comply with Law; or (ii) remedy any notice of violation; or (iii) remedy any work order of the Condominium's insurer; or (iv) to ensure the health and safety of the occupants of the Building.

Meetings and Votes of Unit Owners

Annual meetings of Unit Owners shall be held approximately 30 days of each anniversary of the First Annual Meeting. At such meetings, the Residential Unit Owners shall elect the 5 Residential Members to the Condominium Board, subject to any rights of Sponsor to designate Residential Members to the Condominium Board, and there shall also be transacted such other business as may properly come before such meetings. 1 members of the Condominium Board shall be designated by the Community Facility Unit Owner. In addition, the President may call a special meeting whenever so directed by a duly adopted resolution of the Condominium Board or upon receipt by the Secretary of a petition calling for such meeting signed by Unit Owners having in aggregate not less than 40% of the total Common Interest. The Secretary of the Condominium Board shall mail a notice of each annual or special meeting to all Unit Owners of record. The notice, which will be given at least 10 days prior to any such meeting, shall state the purpose of the meeting as well as the time and place where it is to be held. Except as otherwise provided in the By-Laws or Declaration, at all meetings of Residential Unit Owners, the presence in person or by proxy of Residential Unit Owners owning more than 40% of the total Residential Common Interests shall constitute a quorum and a majority of the votes cast at any such meeting at which a quorum is present shall be binding upon all Residential Unit Owners.

At all meetings, each Unit Owner (or their proxy) entitled to vote thereat (including Sponsor or its designees with respect to Unsold Units) shall be entitled to cast one vote for each .0001% of Common Interest attributable to the Unit.

Officers

The principal officers of the Condominium shall be a President, Vice President, Secretary and Treasurer, all of whom shall be elected by the Condominium Board. The Condominium Board may appoint additional officers. None of the officers of the Condominium need be Unit Owners or have any interest therein or be Condominium Board members until the first organizational meeting of the Condominium Board following the First Annual Meeting. Thereafter, the President and Vice President must be members of the Condominium Board. No officer shall receive any compensation for acting as such. The By-Laws provide that all instruments of the Condominium are to be executed by any officer thereof or by such other person or persons as may be designated by the Condominium Board.

Repair or Reconstruction after Fire or Other Casualty

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

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

If 75% or more of the Building is destroyed or substantially damaged by fire or other casualty and if 75% or more in Common Interest of all Unit Owners do not promptly resolve to proceed with the repair or restoration thereof, the Building will not be repaired and the Property shall be subject to an action for partition instituted by any Unit Owner or lienor, as if owned in common, in which case the net proceeds of

sale, together with the net proceeds of insurance policies, shall be divided among all Unit Owners in proportion to their respective Common Interests, provided, however, that no payment shall be made to a Unit Owner until there has first been paid out of the Unit Owner's share of such funds such amounts as may be necessary to discharge all unpaid liens on the Unit (other than mortgages which are not Permitted Mortgages) in the order of the priority of such liens. Any action to terminate the legal status of the Condominium after substantial destruction or a Taking shall require the written consent (which consent shall not be unreasonably withheld, conditioned, or delayed) of the Permitted Mortgagees representing at least fifty-one (51%) percent of the Common Interests of all Units which are subject to Permitted Mortgages or by a majority of the Mortgage Representatives, if any.

Notwithstanding anything contained herein to the contrary, the proceeds of all policies of physical damage insurance maintained by the Condominium Board shall be payable to the Condominium Board in the event of a loss amounting to $1,000,000 or less. In the event that such proceeds are in excess of $1,000,000, such proceeds shall be payable to a New York City bank or trust company designated by the Condominium Board as insurance trustee pursuant to the provisions of the By-Laws. The insurance trustee shall hold all such proceeds in accordance with Section 254-(4) of the New York Real Property Law.

Insurance

The Condominium Board is required to obtain and maintain, in accordance with the provisions of the By-Laws, to the extent obtainable and to the extent determined by the Condominium Board to be appropriate, the following insurance: (a) fire and casualty insurance with all risk extended coverage, vandalism and malicious mischief endorsements, insuring the entire Building (excluding the Units and any appliances, fixtures, improvements or any furniture, furnishings, decorations, belongings, or other personal property contained therein), together with all service machinery contained therein and covering the interests of the Condominium, and all Unit Owners and Permitted Mortgagees, as their respective interests may appear, in an amount equal to the full replacement value of the Building (exclusive of foundation and footings); (b) rent insurance in an amount equal to General Common Charges for one year; (c) worker's compensation and New York State disability benefits insurance; (d) boiler and machinery insurance; (e) plate glass insurance to the extent, if any, determined by the Condominium Board; (f) water damage insurance to the extent, if any, determined by the Condominium Board; (g) elevator liability and collision insurance; (h) fidelity insurance covering all the Condominium Board and all officers, directors and employees of the Condominium; (i) directors and officers liability coverage; and (j) such other insurance as the Condominium Board may determine.

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

The amount of fire insurance and all risk extended coverage to be maintained until the first Condominium Board meeting following the First Annual Meeting shall be in at least the sum set forth in the First Year's Budget.

All policies of physical damage insurance shall contain, to the extent obtainable, waivers of subrogation and waivers of any defense based on (i) co-insurance, (ii) other insurance, (iii) invalidity arising from any acts of the insured or (iv) pro rata reduction of liability, and shall provide that such policies may not be cancelled or substantially modified without at least 30 days' prior written notice to the Condominium Board and to all of the insureds, including all Unit Owners and Permitted Mortgagees who have requested the same from the Condominium Board in writing. Duplicate originals or certificates of insurance of all policies of physical damage insurance and of all renewals thereof, together with proof of payment of premiums, shall be delivered to all Unit Owners and Permitted Mortgagees, who have requested the same from the Condominium Board in writing. Renewals shall be obtained at least 10 days prior to the expiration of the then current policies.

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

Any insurance maintained by the Condominium Board may provide for such deductible amounts as the Condominium Board may determine. The premiums for all insurance referred to above shall be a General Common Expense. For so long as Sponsor owns at least 1 Unsold Unit, unless Sponsor's prior written consent is obtained, the Condominium Board must maintain, at a minimum, the types and coverage amounts of insurance set forth in the First Year's Budget.

All Unit Owners are required to obtain casualty and liability insurance for their own benefit covering their Units, any Residential Limited Common Element appurtenant thereto and any Storage Locker. All such policies shall contain waivers of subrogation, if available, and the liability of the carriers issuing insurance obtained by the Condominium Board shall not be affected or diminished by reason of such additional insurance carried by any Unit Owner.

Liability of the Condominium Board and Unit Owners

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

Reports to Unit Owners

An annual report of the receipts and expenditures of the Condominium, certified by an independent certified public accountant, shall be submitted by the Condominium Board to all Unit Owners approximately 4 months after the end of each fiscal year.

Amendments to Condominium Documents

Generally, subject to certain exceptions concerning, among other things, Sponsor and the Community Facility Unit Owner, and any Development Rights Owner, solely with respect to utilization, sale or transfer of Excess Development Rights, and provided that required consents of the Mortgage Representatives, if any, are obtained (if applicable), any provision of the Declaration, By-Laws or Residential Rules and Regulations affecting the (i) General Common Elements or all Units may be amended, modified,

added to or deleted by affirmative vote of at least 66 2/3% in number and in Common Interest of all Unit Owners, and (ii) the Residential Common Elements or all Residential Units may be amended, modified, added to or deleted by the affirmative vote of at least 66 2/3% in number and Residential Common Interest of all Residential Unit Owners; provided, however, that the Common Interest appurtenant to each Unit may not be altered without the written consent of all Unit Owners directly affected thereby.

No amendment, modification, addition or deletion of the terms of the Declaration, By-Laws or Residential Rules and Regulations, other than those required by Law, shall be effective (a) against Sponsor or any Unsold Unit unless Sponsor has given its written consent thereto, or (b) against the holder of any mortgage, pledge or other lien or security interest covering any Unsold Unit unless such holder has given its prior written consent thereto, or (c) against any Community Facility Unit Owner and/or any Community Facility Unit without the prior written consent of the affected Community Facility Unit Owner.

Termination of Condominium

The Condominium shall continue and the Property shall not be subject to an action for partition (unless terminated by casualty loss, condemnation or eminent domain as provided in the By-Laws) until such time as the Property shall be withdrawn from the provisions of the Condominium Act as a result of the vote to do so of each of the Community Facility Unit Owner and at least 80% in number and in Residential Common Interest of all Residential Unit Owners. Such vote shall not be effective, however, without the written consent (which consent shall not be unreasonably withheld, conditioned, or delayed) of the Permitted Mortgagees representing at least fifty-one (51%) percent of the Common Interests of all Units which are subject to Permitted Mortgages or by a majority of the Mortgage Representatives, if any.

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

Residential Units Acquired by Condominium Board

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

The purchase of any Residential Unit by the Condominium Board on behalf of the Residential Unit Owners, may be made from the funds deposited in the capital and/or expense accounts of the Condominium Board. If the funds in such account are insufficient to effectuate any such purchase, the Condominium Board may levy an assessment against each Residential Unit Owner in proportion to the Common Interest, as a Common Charge and/or the Condominium Board may, in its discretion, finance the acquisition of such Residential Unit; provided, however, that financing may only be obtained when permitted by the By-Laws and that no such financing may be secured by an encumbrance or hypothecation of any portion of the Property other than the Unit to be purchased together with its Common Interest.

Procedure to Review Real Estate Tax Assessments

The Condominium Board, on behalf of and as agent for all Residential Unit Owners, will be authorized to commence, pursue and settle certiorari proceedings to obtain reduced real estate tax assessments with respect to Residential Units (other than Unsold Residential Units, as to which Sponsor reserves the right to pursue independent proceedings, at Sponsor's sole discretion). All Residential Unit Owners will share the costs in connection therewith and the benefits derived therefrom based on their

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

Mechanics' Liens

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

Easements

In order to facilitate the operation and maintenance of the Building and the sale or leasing of Units therein, each of the Units will be subject to certain easements including easements in favor of Sponsor, other Unit Owners and the Condominium Board. These easements, which are more particularly set forth in the Declaration, include an easement of support and necessity in favor of all other Units and their appurtenant Residential Limited Common Elements and the Common Elements, and an easement in favor of each Unit Owner to use, operate, maintain, repair, alter, rebuild, restore and replace the Common Elements provided that such easements shall be exercised in such a manner as will not unreasonably interfere with the use of the Units for their permitted purposes. In addition, as set forth in Articles 10 and 11 of the Declaration, Sponsor and the Community Facility Unit Owner have been granted certain easements with respect to the use and operation of their respective Units.

Sponsor and its contractors, subcontractors, agents and employees will have a right of access to each Unit and to all of the Common Elements (including Storage Lockers) for the purpose of exercising Sponsor's rights, fulfilling Sponsor's obligations under the Plan and performing Sponsor's Work and certain alterations and repairs in or about the Units and Common Elements. Sponsor will use commercially reasonable efforts in order to exercise such access in such a manner as will not unreasonably interfere with the use of any Unit for its permitted purposes.

The Declaration and the By-Laws

A copy of the Declaration and a copy of the By-Laws are set forth in Part II of the Plan.

REAL ESTATE TAXES

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

The real estate taxes for the First Year of Condominium Operation running from January 1, 2021 – December 31, 2022, cover the final six months of the 2020/2021 tax year and the first six months of the 2021/2022 tax year. It is anticipated that the Building will be taxed as a building still under construction for the 2020/2021 tax year and as a completed structure for the 2021/2022 tax year. Such real estate taxes have been estimated by Sponsor's Real Estate Tax Counsel, Marcus & Pollack LLP, to be as follows based upon their estimated assessed valuations and tax rates: Residential Units $ 493,008; Community Facility Unit: $ 62,375, assuming (a) a transitional assessed valuation for the Residential Units of $ 3,894,194 for the final six months of the 2020/2021 tax year and a transitional assessed valuation for the Residential Units of $ 4,011,020 for the first six months of the 2021/2022 tax year; (b) a transitional assessed valuation for the Community Facility Unit of $ 534,806 for the final six months of the 2020/2021 tax year and a transitional assessed valuation for the Community Facility Unit of $ 550,850 for the first six months of the 2021/2022 tax year, (c) a tax rate of 12.473 per $100 of assessed valuation for all Units for the final six months of the 2020/2021 tax year; and (d) a tax rate of 12.473 per $100 of assessed valuation for the Residential Units and a commercial tax rate of 10.537 per $100 of assessed valuation for the Community Facility Unit for the first six months of the 2021/2022 tax year. No representation is made or assurance given as to what the actual tax rate or assessed valuation will be for such period. Real estate taxes for the Residential Units in the second year of condominium operation will be higher, reflecting twelve months of taxes to be assessed on a fully renovated building in operation.

The information set forth above after completion of the renovation is based upon an estimate of the assessed valuation and estimated tax rates. As more fully explained in the Opinion re: Real Estate Tax Projection set forth in Part I of the Plan, New York provides that the aggregate of the assessment of the Units plus their Common Interests shall not exceed the total valuation of the Property were the Property assessed as one parcel. As more fully explained in the Opinion re: Real Estate Tax Projection set forth in Part I of the Plan, New York provides that the aggregate of the assessment of the Units plus their Common Interests shall not exceed the total valuation of the Property were the Property assessed as one parcel.

The Property previously received partial tax exemption benefits under Real Property Tax Law Section 421-a ("Section 421-a Benefits") pursuant to a Preliminary Certificate of Eligibility issued by the New York City Department of Housing Preservation and Development. According to Sponsor's Real Estate Tax Counsel, the 421-a Benefit period and the 421-a Benefits expired on June 30, 2019 ("421-a Benefits Expiration Date"). **Following the 421-a Benefits Expiration Date, Residential Units which become vacant will no longer be subject to the Rent Laws. Residential Units which are occupied on such date will be subject to the Rent Laws only until the expiration date of the respective lease for such Residential Unit.** Tenants should consult with counsel to ascertain their rights, if any, under the Rent Laws in light of the 421-a Expiration Date, such as any potential rights to remain rent stabilized if provided deficient renewal leases. Purchasers should refer to the Opinion re: Real Estate Tax Projection prepared by the Real Estate Tax Consultant set forth for further discussion regarding the 421-a program and the applicability of such program to this project. Sponsor is in the process of ascertaining the status of the Final Certificate of Eligibility from HPD. The estimated real estate taxes set forth in Schedule A, are based on the assumption that the 421-a partial exemption will **not** be in effect for the First Year of Condominium Operation, and that there will not be any change in the taxable status of the Property. Notwithstanding the foregoing, no warranty or guarantee is made as to the amount of any tax exemption

that will actually be received. In addition, no warranty or guarantee is made, that the real estate taxes will be allocated among Units in proportion to their Common Interests or Schedule A purchase prices.

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

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

SPONSOR MAKES NO REPRESENTATION THAT THE ASSESSED VALUE OF THE PROPERTY OR THE TAX RATE(S) WILL NOT BE CHANGED.

The By-Laws provide that the Condominium is entitled to execute and deliver documents necessary in connection with proceedings to obtain reduced real estate tax assessments with respect to Residential Unit Owners, for the benefit and on behalf of (i) all Residential Unit Owners (excepting Sponsor if Sponsor elects not to be included), or (ii) for individual Residential Unit Owners, provided that each such Residential Unit Owner indemnifies the Condominium from and against all claims, costs and expenses (including, without limitation, reasonable attorneys' fees) resulting from such proceedings.

The Unit Power of Attorney which each Purchaser shall be required to sign at Closing, the form of which shall be substantially as set forth in Part II of the Plan, authorizes the Condominium Board to commence, pursue, appeal, settle and/or terminate administrative and certiorari proceedings to obtain reduced real estate tax assessments with respect to the Residential Units, including retaining counsel and taking any other actions which the Condominium Board deems necessary or appropriate in accordance with the By-Laws.

As of the Filing Date of the Plan, tax certiorari proceedings are pending for the reduction of real estate taxes with respect to the Property for the 2018/2019 and 2019/2020 tax years. Such pending proceedings are brought at Sponsor's sole cost and expense and any refunds received as a result of such proceedings shall inure solely to Sponsor's benefit. Pursuant to the By-laws, each Residential Unit Owner, by acceptance of a deed or otherwise succeeding to title to a Residential Unit, shall be deemed to have irrevocably nominated, constituted and appointed as such Unit Owner's attorney in-fact, coupled with an interest and with power of substitution, the Persons who shall from time to time constitute the Condominium Board, jointly, to, among other things: employ counsel for purposes of protesting the New York City real property tax assessments with the Tax Commission and commencing, pursuing, appealing, settling and/or

terminating administration and tax certiorari proceedings on behalf of the Residential Unit Owners for the reduction of the assessed valuation of their Residential Units, such Residential Unit Owners agreeing not to protest said assessments and bring such tax certiorari proceedings at their own initiative and on their own behalf.

REAL ESTATE TAX EXEMPTION BENEFITS (421-A)

As more fully explained in the Opinion re: Real Estate Tax Projection set forth in Part I of the Plan, the Residential Units of the Property previously received partial real estate tax exemption benefits under Section 421-a of the Real Property Tax Law of the State of New York ("421-a Benefits"). The New York City Department of Housing Preservation and Development ("HPD") issued a preliminary certificate of eligibility ("PCE") and the 421-a Benefits have been fully implemented. Sponsor is in the process of ascertaining the status of the Final Certificate of Eligibility from HPD. The PCE was issued without any requirement for affordable rental units in the Building.

According to Sponsor's Real Estate Tax Counsel, the 421-a Benefit period and the 421-a Benefits expired on June 30, 2019 ("421-a Benefits Expiration Date"). **Following the 421-a Benefits Expiration Date, Residential Units which become vacant will no longer be subject to the Rent Laws. Residential Units which are occupied on such date will be subject to the Rent Laws only until the expiration date of the respective lease for such Residential Unit.** Tenants should consult with counsel to ascertain their rights, if any, under the Rent Laws in light of the 421-a Expiration Date, such as any potential rights to remain rent stabilized if provided deficient renewal leases.

Neither Sponsor, Sponsor's Attorney, Sponsor's Real Estate Tax Counsel, Selling Agent, Managing Agent, nor any other person makes any warranty as to the amount of the real estate taxes which will be assessed against any Residential Unit or the amount of real estate taxes payable at any time by any Residential Unit Owner. Purchasers should refer to the Opinion re: Real Estate Tax Projection and the Section of the Plan entitled "Real Estate Taxes" for further information.

The tax projections found in Schedule A are merely estimates and cannot be construed as an assurance of the actual amount of real estate taxes that will be assessed against any Unit.

INCOME TAX DEDUCTIONS TO RESIDENTIAL UNIT OWNERS AND TAX STATUS OF THE CONDOMINIUM

The following discussion of certain income tax consequences of the ownership of Residential Units by Purchasers who use such Residential Units as a personal residence was prepared by Sponsor based, in part, upon the Attorney's Income Tax Opinion prepared by Olshan Frome Wolosky LLP, tax counsel to Sponsor ("Income Tax Counsel"), a copy of which is set forth in this Part I of the Plan.

OLSHAN FROME WOLOSKY LLP IS INCOME TAX COUNSEL TO SPONSOR AND NOT TO THE UNIT OWNERS. EACH UNIT OWNER, EACH POTENTIAL UNIT OWNER, AND THE CONDOMINIUM SHOULD SEEK ADVICE BASED ON ITS PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

Income Tax Deductions to Unit Owners

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

Subject to certain exceptions and limitations that are more particularly discussed in the Attorney's Income Tax Opinion, it is the opinion of Income Tax Counsel that a Residential Unit Owner who uses his or her Residential Unit exclusively as a personal residence and itemizes his or her deductions will, under current U.S. Federal, New York State and New York City income tax Law, be entitled to a deduction for mortgage interest and state and local real property taxes in the year paid in the case of cash basis taxpayers or accrued in the case of other taxpayers. Purchasers should note that interest paid on a mortgage secured by a personal residence generally is deductible only with respect to indebtedness that is incurred in acquiring or substantially improving a principal or secondary personal residence and, for taxable years beginning after December 31, 2017 and before January 1, 2026, only up to an aggregate indebtedness of $750,000 (or $375,000 in the case of a married individual filing a separate return)[2]. Interest on mortgage indebtedness that does not satisfy these requirements, such as home equity indebtedness, or is in excess of these limitations, is not deductible. In addition, special limitations also apply to the deductibility of points and other prepaid interest, if any, on their mortgage loans and to the overall allowance of itemized deductions. Purchasers should further note that, for a taxable year beginning after December 31, 2017 and before January 1, 2026, the aggregate deduction for state and local real property taxes, state and local personal property taxes, state and local, and foreign, income, war profits, excess profits taxes, and general sales taxes (if elected) for any tax year is limited to $10,000 ($5,000 in the case of a married individual filing a separate return).

With respect to a Residential Unit Owner who is subject to the alternative minimum tax, no deduction is allowed for real property taxes paid by such Residential Unit Owner and a deduction for mortgage interest is allowed to the same extent described above.

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[2] 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).

Subject to certain limitations for high income taxpayers, the amount of mortgage interest and real property taxes described above, that are deductible for U.S. federal income tax purposes should also be allowable as deductions for New York State and New York City income tax purposes to a resident individuals all as more particularly discussed in the Attorney's Income Tax Opinion.

Tax Status of the Condominium

If the Condominium meets the requirements for qualification as a "homeowners association" under Section 528 of the Internal Revenue Code, which requirements are discussed in the Attorney's Income Tax Opinion, it may elect not to be subject to Federal income tax on amounts received as membership dues, fees or assessments from Unit Owners. If such an election is made, the Condominium will remain liable for Federal income tax on any taxable income it may have from other sources, such as income from assessments from Unit Owners and interest earned on any reserve funds (less expenses directly connected with the production of such income).

Sponsor anticipates that the Condominium will qualify as a homeowners association. If the Condominium does not qualify as a homeowners association, or if it does but chooses not to make the election noted above, the present state of the law is uncertain as to the tax treatment of any income of the Condominium in excess of appropriate deductions and credits. As discussed in the Attorney's Income Tax Opinion, the tax authorities may take the position that the Condominium is a separate taxable entity and that some or all of such income (including the nonmembership, and possibly membership, income described above less expenses related to such income) is subject to Federal corporate income tax, New York State Corporation Franchise Tax and New York City Corporate Franchise or Unincorporated Business Tax. Alternatively, it is possible that some or all of such income might be reportable directly by the Unit Owners or otherwise treated. The tax treatment of the Condominium may be affected by certain United States Treasury Department regulations relating to entity classification. Schedule B, First Years Budget for Condominium Operation, does not contemplate any substantial income which might be taxable and accordingly does not budget any amounts for taxes for nonmembership or membership.

The qualification of an organization as a homeowners association is determined annually at the close of each taxable year, and it is possible that if the Condominium does not qualify in one year it may nevertheless qualify in one or more future years.

No warranties are given that the Internal Revenue Service, the New York State Department of Taxation and Finance or the Finance Administration of the City of New York will allow the aforementioned deductions for mortgage interest and real property taxes. There is also no assurance that the tax laws or the regulations or rulings issued thereunder, or any judicial interpretation thereof, upon which Income Tax Counsel bases its opinion, will not change. In no event will Sponsor, Income Tax Counsel, Selling Agent, Managing Agent, or any other Person connected with this offering be liable if at any time it is held that the Unit Owners, or any of them, are not entitled to such income tax deductions. In addition, none of the aforesaid give any warranties with respect to the tax consequences of this Plan or the tax consequences of ownership of any Units offered under the Plan, and no one has been authorized to give any warranties.

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

STARR ASSOCIATES LLP
ATTORNEYS AT LAW

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www.starr-lawfirm.com

Dated: May 27,2020

DS 531 E. 12th Owner LLC
114 East 13th Street, Front 1
New York, NY 10003

Re: The Avant
531-533 East 12th Street
New York, NY 10009 ("Property")

Ladies and Gentlemen:

You have requested our opinion regarding the allocation of Common Interests to the Units at the Property as required by NYCRR Section 23.3(aa)(5). Except where otherwise indicated, the terms used in this opinion shall have the same meaning as set forth in the Condominium Offering Plan ("Plan") for the Property.

In connection with the rendering of this opinion we have reviewed the determination of Common Interests as shown on Schedule A of the Plan and the Declaration establishing the Condominium. We have also considered the relevant sections of the New York State Condominium Act and such other materials as we deemed relevant. Our opinion is also based upon the factual determinations made by Halstead Manhattan LLC ("Real Estate Broker") set forth in its opinion contained in the Plan as required by NYCRR Section 23.3(i). We have made no independent investigation of the truth or accuracy of the factual determinations of Real Estate Broker. Accordingly, in the event that facts presented by the Real Estate Broker were or prove incorrect in no event will Starr Associates LLP be liable.

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

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

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

Very truly yours,

STARR ASSOCIATES LLP

Shaun Pappas

By: _____
Name: Shaun W. Pappas
Title: Partner

ATTORNEY'S INCOME TAX OPINION

OLSHAN

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May 27, 2020

DS 531 E. 12th Owner LLC
114 East 13th Street, Front 1
New York, NY 10003

Re: **The Avant Condominium (531-533 East 12th Street), New York, NY**

Ladies and Gentlemen:

In connection with the offering of condominium units under a plan entitled Condominium Offering Plan for The Avant Condominium (the "Plan"), you have requested our opinion as Income Tax Counsel to the Plan concerning certain tax matters. Specifically, you have requested our opinion as to the deductibility for U.S. federal, New York State and New York City income tax purposes of payments of mortgage interest and real property taxes by individual Residential Unit Owners. You have also asked for our opinion as to the tax status of the condominium association.

All capitalized terms not otherwise defined herein shall have the same meaning ascribed to them in the Plan.

We understand that under the Plan each Residential Unit Owner will hold title to his Residential Unit and an undivided interest in the Common Elements of the Property in fee simple. Under New York State law, each Unit and its interest in the Common Elements will be taxed as a separate parcel for real property tax purposes. Each Residential Unit Owner may place a separate mortgage on his Residential Unit and, by doing so, incur direct liability for the interest payable on such mortgage.

This opinion addresses certain of the U.S. federal, New York State and New York City income tax consequences that would result from the ownership of a Residential Unit by an individual who is a resident of New York City for tax purposes, who purchased such Residential Unit on or after the date hereof, and who uses the Residential Unit as a qualified residence. It does not address, among other things, the tax consequences of ownership of a Unit other than a Residential Unit by any person or entity; a Storage Locker License or a Residential Unit by corporations, other entities or foreign persons, or individuals who are not residents of New York City, or, except as specifically discussed, by an individual taxpayer in connection with his or her trade or business, for investment, or for the production of income.

In our opinion under present law, subject to the limitations discussed in the following paragraph, interest on a mortgage secured by a Residential Unit paid or accrued by the owner of such Residential Unit who is liable for the interest payment on such mortgage and who uses the Residential Unit exclusively as his personal residence will be deductible for U.S. federal income

tax purposes in the appropriate year according to his method of accounting, provided that he itemizes his deductions. In rendering this opinion we assume that such interest is not prepaid, that the mortgage proceeds were used by the Residential Unit Owner to purchase the Residential Unit, that the Residential Unit is the owner's principal residence and that the Residential Unit Owner is an individual.

Except as provided below, residential mortgage interest is deductible if paid or accrued during the taxable year on indebtedness which is secured by either the taxpayer's principal residence, as defined for purposes of exclusion of gain on sale under Internal Revenue Code ("Code") Section 121, or on certain designated second homes. However, a ceiling is placed on the amount of indebtedness which may be taken into account for purposes of this deduction. In general, with respect to indebtedness incurred in purchasing a Residential Unit, this ceiling is $750,000, or $375,000 in the case of a married individual filing a separate return. [1] However, special limitations may apply to the deductibility of points and prepaid interest if any.

It is also our opinion under present law that real property taxes assessed against a Residential Unit Owner's Unit which are paid or accrued by such owner will be deductible for U.S. federal income tax purposes in the appropriate year according to his method of accounting, provided that he itemizes his deductions. Pursuant to changes in the 2017 Tax Cuts and Jobs Act, for a taxable year beginning after December 31, 2017 and before January 1, 2026, the aggregate deduction for state and local real property taxes, state and local personal property taxes, state and local, and foreign, income, war profits, excess profits taxes, and general sales taxes (if elected) for any such taxable year is limited to $10,000 ($5,000 in the case of a married individual filing a separate return).

We note that, with respect to a Residential Unit Owner who is subject to the alternative minimum tax, no deduction is allowed for real property taxes paid by such Residential Unit Owner and a deduction for mortgage interest is allowed to the same extent as described above.

Subject to certain limitations for high income taxpayers, the amount of mortgage interest and real property taxes described above that are deductible for U.S. federal income tax purposes should also be allowable as deductions for New York State and New York City income tax purposes to a resident individual.

We have reviewed various documents included as exhibits in the Plan relating to the organization of the Condominium Board of The Avant Condominium (the "Association"),

[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).

including the Declaration of Condominium and By-Laws of the Condominium (which are the instruments which will create the Association).

Our opinion has been requested as to whether the Association will be eligible to qualify as a tax-exempt organization for U.S. federal income tax purposes. In order for the Association to qualify as an exempt organization for U.S. federal income tax purposes under Code Section 528, it must meet the following six conditions:

(1) The Association must be organized and operated to provide for the acquisition, construction, management, maintenance, and care of the Association's property.

(2) Sixty percent (60%) or more of the Association's gross income for the taxable year must consist solely of amounts received as membership dues, fees or assessments from owners of residential units.

(3) Ninety percent (90%) or more of the expenditures of the Association for the taxable year must be expenditures for the acquisition, construction, management, maintenance, and care of the Association's property.

(4) No part of the net earnings of the Association may inure to the benefit of any private shareholder or individual, other than by acquiring, constructing, or providing management, maintenance, and care of the Association's property and other than by a rebate of excess membership dues, fees, or assessments.

(5) The Association must qualify as a "condominium management association," which is an organization meeting the requirements of condition (1), above, with respect to a condominium project substantially all the units of which are used by individuals for residences.

(6) The Association must properly elect to have Code Section 528 apply for the taxable year.

"Substantially all the units" of a condominium management association will be considered as used by individuals for residences if at least eighty-five percent (85%) of the total square footage of all Units within the project is used by individuals for residential purposes. Units that are used for purposes auxiliary to residential use are considered as used for residential purposes. These auxiliary purposes include laundry areas, storage rooms, and areas used by maintenance personnel. A special limitation is established for transient use. No building or Unit will be considered as used for residential purposes if, for more than one half the days in the Association's taxable year, such Unit or building is occupied by a person or series of persons each of whom occupies the Unit or building for less than thirty days.

You have advised us that more than 85% of the total square footage of the Units will be used by individuals for residential purposes and that no person may rent his Residential Unit for a period of less than thirty (30) days. Accordingly, the "substantially all" test should initially be met.

Our review of the documents referred to above indicates that the Association meets all the organizational tests described above for qualification for exemption. Assuming the Plan is consummated in accordance with its provisions and that the Association, in its actual operation, meets the other tests set forth above, it is our opinion that the Association will be eligible to elect, on an annual basis, tax-exempt status under Code Section 528. If such exempt status is properly elected, it is our opinion that the Association will not be subject to U.S. federal income tax for the taxable years in which such election is in effect, except as noted in the following paragraph.

An effective election will exempt from U.S. federal income taxation all amounts received by the Association as exempt function income. This consists of amounts received as membership dues, fees, or assessments from owners of Residential Units. However, the Association will be subject to tax on income which is not exempt function income to the extent such income exceeds expenses properly allocable to such income. Examples of income which is not exempt function income are interest earned on reserve funds, amounts received from persons who are not members of the Association, amounts received for work done on privately owned property which is not Association property, and amounts received from members for special use of the Association's facilities, the use of which is not available to all members as a result of having paid the dues, fees, or assessments required to be paid by all members.

If the Association fails to qualify as a "homeowners association", or if it does but chooses not to make the necessary election, the present state of the law is uncertain as to the tax treatment of any income of the Association in excess of appropriate deductions and credits. Tax authorities may take the position that the Association is a separate taxable entity and that some or all of its income (including the non-membership, and possibly membership, income described above less expenses related to such income) is subject to U.S. federal corporate income tax, New York State Corporation Franchise Tax and New York City Corporate Franchise or Unincorporated Business Tax. Alternatively, it is possible that some or all of such income might be reportable directly by the Residential Unit Owners. The tax treatment of the Association may be affected by certain United States Treasury Department regulations relating to entity classification.[2]

This opinion deals only with the specific tax matters discussed above, which do not necessarily comprise all tax matters which may be significant to purchasers of Residential Units. We express no views as to any U.S. federal, New York State or New York City tax consequences other than as explicitly discussed in this opinion or as to the tax status or tax consequences of the Plan under the laws of any foreign jurisdiction. Accordingly, it is recommended that each prospective purchaser of a Residential Unit consult with his own tax advisor concerning the U.S. federal, New York State, and New York City tax consequences of the purchase and ownership of a Residential Unit.

This opinion is based solely on the facts and documents referred to above. No warranties are made that the tax laws upon which counsel bases this opinion will not change. In no event

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[2] To remove doubt in the area, the Association may be able to elect to be treated as a corporation for U.S. federal income tax purposes if it files Form 8832 with the IRS within 75 days of its formation.

will the Sponsor, counsel to Sponsor, Income Tax Counsel to the Sponsor, the Association, or any other person be liable if, by reason of future changes in fact or applicable law, regulations, decisional law, or Internal Revenue Service rulings, the tax consequences described previously should change.

ALL UNIT OWNERS, POTENTIAL RESIDENTIAL UNIT OWNERS, THE ASSOCIATION AND THE CONDOMINIUM ARE HEREBY INFORMED THAT (I) ANY TAX ADVICE CONTAINED IN THIS OPINION IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, FOR THE PURPOSE OF AVOIDING PENALTIES UNDER THE INTERNAL REVENUE CODE, (II) THE ADVICE IS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED IN THE PLAN, AND (III) EACH RESIDENTIAL UNIT OWNER, EACH POTENTIAL RESIDENTIAL UNIT OWNER, THE ASSOCIATION AND THE CONDOMINIUM SHOULD SEEK ADVICE BASED ON ITS PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

Sincerely yours,



OLSHAN FROME WOLOSKY LLP

OPINION RE: REAL ESTATE TAX PROJECTION

MARCUS & POLLACK LLP
ATTORNEYS AT LAW
INCLUDING PROFESSIONAL CORPORATIONS

JOEL R. MARCUS
ROBERT M. POLLACK

GLENN BORIN
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BRUCE A. BRASKY

EMILY N. BLATT
TAMAR TOLEDANO

May 28, 2020

DS 531 E. 12th Owner LLC
c/o Delshah Capital
114 East 13th Street, Frnt 1
New York, NY 10003

Re: 531-533 East 12th Street
Manhattan Block 406 Lot 48

Dear Sir/Madam:

You have requested that we project the real estate tax liability for the mixed-use condominium building to be created at 531-533 East 12th Street for which you are the Sponsor under the Offering Plan.

The total Actual (target) and Transitional Assessed Valuations for the existing tax lot that makes up the existing property for the most recent tax years and as of the tax year 2020/21 final assessment roll are set forth as follows:

Tax Year	Actual Assessment	Transitional Assessment
2018/19	$5,060,250	$4,231,160
2019/20	$5,211,000	$4,684,400
2020/21	$5,401,350	$5,032,700

You have advised us of the following facts regarding this project:

1. DS 531 E. 12th Owner LLC will renovate the existing 8-story building at 531-533 East 12th Street and establish a residential and commercial condominium. The renovation will consist of new finishes, flooring, and the merger of smaller apartments to form twenty-six (26) residential units. Upon completion there will be twenty-six (26) separately assessed residential condominium dwelling units and a community facility component that may consist of one or two units. The New York City Department of Finance records show the total gross square footage of the building to be 29,960 square feet. The total gross square footage of the whole condominium building upon completion of the renovation will be approximately 29,960 gross square feet including residential, community facility, accessory, amenity, and mechanical areas. This letter covers the approximately 29,960 total gross square footage of the whole building. You have advised us that the above-grade space consists of 27,564 square feet.

2. The site which comprises the subject property currently consists of the tax lot identified on the New York City Department of Finance ("DOF") records as Block 406 Lot 48 in Manhattan.

3. The renovation of the building is projected to commence in October 2019 and the renovation is projected to be completed on or about August 1, 2020. As the estimated completion date would occur prior to the taxable status date for tax year 2021/22, (i.e. January 5, 2021) for purposes of this analysis, we estimated that the property will be assessed as complete on January 5, 2021, the taxable status date for tax year 2021/22. We estimated the 2021/22 tax year to be the first tax year in which the City's assessment roll fully reflects the value of the fully renovated building.

4. Once the renovation has been completed, the property will consist of a single condominium building with separately assessed condominium tax lots for each residential apartment and community facility unit.

5. The first year of condominium operation is projected to extend from January 1, 2021 through December 31, 2021. As this period corresponds with the City's 2020/21 and 2021/22 fiscal tax assessment years, real estate taxes due for the first year of condominium operation will therefore be based on the assessed value of the tax lot for six (6) months of tax year 2020/21 and six (6) months of tax year 2021/22.

There are three recognized appraisal methods which are employed by the DOF to determine the full market value of real property. These methods are the original cost method, capitalization of income approach and the sales price comparison method.

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 significant indicator of value with respect to new buildings. Relevant data used in the cost method includes material and labor ("hard") costs, and financing, engineering, architectural, testing and professional fees and construction period taxes ("soft") 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 a competing investment, yields an estimate of the market value of the property. In the past the DOF has also utilized gross income multipliers to value residential property.

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. However, the addition of sale prices of individual units may not be the basis for arriving at the assessed valuation of a residential condominium or cooperative housing corporation.

Real Property Tax Law §581 requires that the DOF assess residential condominiums without regard to their form of ownership. This requirement has been interpreted to mean that cooperatives and condominiums are to be assessed as if they were rental properties, thus requiring a valuation based upon the capitalization of income utilizing rents imputed from comparable rental properties.

You have advised us that, based upon current market rent, the estimated annual total gross income is $1,353,745 and the estimated pre-tax expense is $172,758. The estimated total pre-tax net income is $1,180,987.

We observe that DOF's estimates of gross income are often substantially less than actual market rents, especially where the applicable rents would be near the top of the market. This produces values substantially less than those that would be obtained by conventional application of the income approach as used in appraisals for private purposes. In the event DOF adopts a market rent for the building, the resultant assessed values may be significantly greater than as projected herein.

In arriving at the assessed valuation for each unit in the condominium, the building is first assessed in its entirety. This overall assessment is then apportioned among the respective units, each of which will be assigned a tax lot designation once the Condominium Declaration has been recorded with the City Register. In the past, the apportionment was based in part upon the proportion of the projected selling price presented in the Offering Plan for each residential unit bears to the gross sellout price for all residential units available for purchase in the project (hereinafter, "Proportionate Valuation"), and in part upon extrinsic indicia of value, including location, square footage, amenities, income producing potential, and existing leases, if any, on particular units. However, more recently, the DOF had enunciated a policy which has allocated assessed values for the residential units within a condominium by utilizing each unit's respective percent interest in the common elements.

We make no representation that the DOF will use any particular method to apportion assessed valuation among the units for the purpose of computing the portion of the condominium building's total assessed valuation that will be allocated to the units within the condominium building.

Reconciliation of the three approaches to valuation discussed above, for recently constructed and renovated residential apartment buildings throughout Manhattan in addition to the capitalization of the estimated pre-tax net income of $1,180,987, justifies an estimated overall Actual Assessed Valuation for the entire condominium building (including "land" and "building") upon completion of construction of $4,561,870 and we estimate the Transitional Assessed Value to be $4,622,604. The estimated Taxable Assessed Value upon completion is $4,561,870. We project that the assessed value of the completed condominium building would first be reflected on the City's 2021/22 tax assessment roll.

For our projections, we have placed greatest weight on the comparable assessment study method. The comparable assessment studies generally indicate that the City's assessment of newly constructed condominiums is often lower than what would normally be indicated by the capitalization of income method based upon market rents. These comparable assessment studies enabled us to ascertain the current assessing policies of the City of New York with regard to newly constructed residential buildings. However, there are no assurances that these policies will remain unchanged or that the indicators of market value will not be adjusted prior to the completion of the project resulting in an assessment differing from the estimates contained herein.

The most recent and currently available tax rate for residential real property is 12.473% and for commercial property the tax rate is 10.537%. For purposes of the following projections, we have assumed that these overall rates will remain in effect for the 2020/21, 2021/22 and 2022/23 tax years. The estimated taxes payable during tax years 2020/21, 2021/22 and 2022/23 for the residential apartments and community facility units, as defined above, are projected as follows:

Estimated Real Estate Taxes Payable Tax Year 2020/21 – During Construction:

The final assessment roll for tax year 2020/21 shows the total Actual Assessed Value to be $5,401,350 and the Transitional Assessed Value to be $5,032,700 and that the property is not yet subdivided into separate condominium tax lots. Based upon current market rent provided by the Sponsor and assuming a reduction of the 2020/21 assessment, we estimated that for tax year 2020/21, the reduced total Actual Assessed Value will be $4,429,000 and the reduced total Transitional Assessed Value will be $4,656,030. The estimated reduced 2020/21 Taxable Assessed Value of $4,429,000 will be multiplied by the estimated 2020/21 residential Class 2 tax rate of 12.473% to arrive at the estimated 2020/21 real estate taxes.

Estimated Real Estate Taxes Payable Tax Year 2021/22 – Upon Completion:

For purposes of this analysis, we have estimated that, as of January 5, 2021, the taxable status date governing the 2021/22 assessment roll, the property will be assessed as a completed building. We estimated that for tax year 2021/22 the total Actual Assessed Value of 531-533 East 12th Street, inclusive of the twenty-six (26) residential condominium units and the community facility units, will be $4,561,870 and the total Transitional Assessed Value will be $4,622,604. The estimated 2021/22 Taxable Assessed Value is $4,561,870.

Estimated Real Estate Taxes Payable Tax Year 2022/23 – After Completion:

For purposes of this analysis, we have estimated that as of January 5, 2022, the taxable status date governing the 2022/23 assessment roll, the total Actual Assessed Value of 531-533 East 12th Street, inclusive of the twenty-six (26) residential condominium units and the community facility units, will be $4,698,726 and the total Transitional/Taxable Assessed Value will be $4,609,969.

Allocation of Assessed Value

For purposes of this analysis, we project that the estimated assessed values will be allocated among the residential units and the community facility units based upon the percentage ratio of the common elements for the residential apartments section and the community facility section of the building. For purposes of this analysis, we estimated that, starting in tax year 2021/22, the property will be assessed with separately assessed condominium tax lots for each residential apartment and community facility unit. The estimated allocated assessed values and fiscal year taxes are as follows:

RESIDENTIAL APARTMENTS SECTION: 87.9249% PERCENTAGE RATIO					
Tax Year	**Estimated Taxable Assessment**	**Estimated Tax Rate**	**Estimated Fiscal Year Taxes**	**January 1, 2021 through December 31, 2021 Estimated Taxes for First Year of Condominium Operation**	**January 1, 2022 through December 31, 2022 Estimated Taxes for Second Year of Condominium Operation**
2020/21	$3,894,194	12.473%	$485,723	$242,861	
2021/22	$4,011,020	12.473%	$500,294	$250,147	$250,147
2022/23	$4,053,311	12.473%	$505,569		$252,785
			Total:	**$493,008**	**$502,932**

COMMUNITY FACILITY SECTION: 12.0751% PERCENTAGE RATIO					
Tax Year	**Estimated Taxable Assessment**	**Estimated Tax Rate**	**Estimated Fiscal Year Taxes**	**January 1, 2021 through December 31, 2021 Estimated Taxes for First Year of Condominium Operation**	**January 1, 2022 through December 31, 2022 Estimated Taxes for Second Year of Condominium Operation**
2020/21	$534,806	12.473%	$66,706	$33,353	
2021/22	$550,850	10.537%	$58,043	$29,022	$29,021
2022/23	$556,658	10.537%	$58,655		$29,328
			Total:	**$62,375**	**$58,349**

Estimated Real Estate Taxes for First Year of Residential Apartments Section Operation January 1, 2021 through December 31, 2021:

For the first year of condominium operation covering the period of January 1, 2021 through December 31, 2021, we projected that the real estate taxes will be based on six (6) months of tax year 2020/21 and on six (6) months of tax year 2021/22. Thus, for the first year of residential apartments section operation, the estimated real estate tax liability will be as follows:

January 1, 2021 to June 30, 2021 (6 months of tax year 2020/21, when it is estimated that the residential section will be assessed as Tax Class 2 for residential use.)	and	July 1, 2021 to December 31, 2021 (6 months of tax year 2021/22, when it is estimated that the residential section will be assessed as Tax Class 2 for residential use.)
$3,894,194 x 12.473%/ 12 x 6 = $242,861		$4,011,020 x 12.473%/ 12 x 6 = $250,147

For the first year of residential apartments section operation, the total estimated real estate taxes will be $493,008.

Estimated Real Estate Taxes for the First Year of Community Facility Section Operation January 1, 2021 through December 31, 2021:

For the first year of condominium operation covering the period of January 1, 2021 through December 31, 2021, we projected that the real estate taxes will be based on six (6) months of tax year 2020/21 and on six (6) months of tax year 2021/22. Thus, for the first year of community facility section operation, the estimated real estate tax liability will be as follows:

January 1, 2021 to June 30, 2021 (6 months of tax year 2020/21, when it is estimated that the community facility section will be assessed as Tax Class 2 for residential use.)	and	July 1, 2021 to December 31, 2021 (6 months of tax year 2021/22, when it is estimated that the community facility section will be assessed as Tax Class 4 for commercial use.)
$534,806 x 12.473%/ 12 x 6 = $33,353		$550,850 x 10.537% / 12 x 6 = $29,022

For the first year of community facility section operation, the total estimated real estate taxes will be $62,375.

Real estate taxes for the residential apartments in the second year of operation will be higher, reflecting twelve (12) months of taxes to be assessed on a fully renovated building in operation.

The above estimates do not take into account any uptrends in value and/or future increases in the level of assessed valuation applied to the property or any increases in the real estate tax rate.

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. No government agency has passed upon these figures or estimates contained in the Offering Plan and we offer no warranties on real estate taxes for any period. We have not passed upon the accuracy of any figures or estimates contained in the Plan and offer no warranties of the amount of any tax liabilities for any period.

Prospective purchasers are advised that while there is a formula which has been utilized by the DOF in assessing such properties in the past, it has not been employed consistently, and it is therefore not possible to estimate or determine the post-construction assessed valuation of this property with any degree of certainty. There are wide variations in valuation estimates made by DOF for similar buildings. Accordingly, the assessments and taxes actually imposed on this condominium may be significantly greater or less than as projected herein. However, the estimates presented below are based upon our interpretation of the current policies and practices of that department. All prospective purchasers are further advised that although the estimate of assessed valuation upon completion of construction is a good-faith estimate, such assessed valuation, when actually made, may be significantly more or less than as estimated herein.

The projections expressed above are based on our interpretation of the Real Property Tax Law, Administrative Code of the City of New York, and the applicable rules and regulations, policies and practices of the DOF in effect as of the date hereof. While we believe our projections are well founded, they are not intended, and should not be construed as representations or warranties.

You should be aware that the laws, regulations and practices of the DOF upon which this projection is predicated may in the future be revised in a manner adverse to your interests, or that there may be an adverse interpretation of the law or regulations by one or more agencies of the City of New York, or Courts of competent jurisdiction.

The foregoing analysis is based upon our experience with the DOF and the Tax Commission of the City of New York, and their assessment policies regarding newly constructed properties held in the condominium form of ownership. Application of a particular approach to valuation by an individual assessor may yield a substantially different result.

We hereby consent to the inclusion of this letter in the Offering Plan.

Very truly yours,

Marcus & Pollack LLP

MP: md

WORKING CAPITAL FUND AND APPORTIONMENTS

Each Purchaser of a Residential Unit shall be required to make a non-refundable contribution at the Closing to the working capital fund of the Condominium ("Working Capital Fund") in an amount equal to 2 months' Common Charges with respect to the Residential Unit based on the Condominium budget in effect at the time of Closing. The payment of the Working Capital Fund contribution shall be required of all Purchasers of Residential Units, whether purchased from Sponsor or purchased from a Residential Unit Owner on a resale. No payment to the Working Capital Fund will be made by the Condominium Board as Purchaser of the Resident Manager's Unit.

At or subsequent to the First Closing, Sponsor will apportion with the Condominium the following items as of midnight of the day preceding the First Closing, to the extent applicable:

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

(2) deposits with utility companies, if any, and fees for assignable permits and licenses, if any.

(3) charges for electricity and other utilities for the Common Elements.

(4) cost of fuel on hand (plus sales tax), if any.

(5) charges and receipts in connection with service, maintenance and concession contracts.

(6) water charges and sewer rents on the basis of the fiscal or calendar year for which assessed (unless separately assessed to individual Units).

(7) cost of building supplies on hand at Sponsor's cost (including sales tax).

(8) premiums for transferable insurance policies, if any.

(9) janitorial service fees, if any.

(10) management fees.

(11) building supplies (including, but not limited, to uniforms, cleaning supplies, carts, luggage).

(12) other customary closing adjustments including, without limitation, any out-of-pocket costs incurred by Sponsor relating to the operation of the Condominium not listed above.

If any of the foregoing items to be apportioned cannot be adjusted at the First Closing because they are not fully ascertainable, they shall be apportioned and adjusted to the extent reasonably possible at the First Closing, and final adjustment will be made as soon thereafter as the undetermined amounts are ascertained. Except as set forth above, the customs in respect to title closings adopted by the Real Estate Board of New York, Inc., as amended, shall apply to apportionments and the other matters mentioned above.

If the result of Closing adjustments is a net credit in favor of the Condominium, Sponsor will contribute the amount of such net credit to the Working Capital Fund. If the result of Closing adjustments is a net credit in favor of Sponsor, the payment of any net credit shall be evidenced by an unsecured, negotiable promissory note, without interest, to be executed by the Condominium Board and delivered to Sponsor at the First Closing to be repaid on the first anniversary of the First Closing. The promissory note may be prepaid by the Condominium in full at any time, or in part from time to time, without penalty.

The Working Capital Fund will be used for working capital, a reserve for repairs or for such other appropriate purposes as will be determined by the Condominium Board and may be augmented by allocations from the monthly Common Charges. While Sponsor controls the Condominium Board, the Working Capital Fund will not be used to reduce Common Charges. (See the Section of the Plan entitled "Control By Sponsor" for details.)

The Condominium Board will be able to utilize the funds in the Working Capital Fund at any time and, accordingly, no representation 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 Common Charges attributable to Unsold Residential Units. In addition, within 3 months following the end of the Sponsor Control Period, Sponsor shall deliver to the Condominium Board a statement from an officer of Sponsor, certifying in reasonable detail as to any changes in the amount of the Working Capital Fund which have occurred since the First Closing.

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, including repairs, replacements or major improvements, for the first or any subsequent year of Condominium operation. If additional funds are required over and above the Working Capital Fund to cover expenses of the Building operation, it may be necessary to increase Common Charges or make Special Assessments. Neither the Department of Law nor any other government agency has passed upon the adequacy of the Working Capital Fund.

RESERVE FUND

The New York City Council enacted Local Law 70 which amended Chapter 51 of the Administrative Code of the City of New York ("Reserve Fund Law"), the full text of which is set forth in Part II of the Plan. The Reserve Fund Law requires the sponsor of an offering plan for the conversion of a building from rental to condominium status to establish a reserve fund ("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 be provided by Sponsor and shall be in addition to any Working Capital Fund established.

Sponsor shall, within 30 days after the First Closing, establish and transfer to the Condominium Board, a Reserve Fund in an amount equal to either:

(i) 3% of the sum of the cost of all Residential Units offered for sale pursuant to the Plan at the last price which was offered to tenants in occupancy of the Building prior to the Effective Date of the Plan regardless of the number of sales made ("Total Price"), or

(ii) (A) 3% of the actual sales prices of all Residential Units offered for sale pursuant to the Plan which are sold by Sponsor at the Effective Date, provided, however, that if such amount is less than 1% of the Total Price, then the Reserve Fund shall be established as a minimum of 1% of the Total Price; plus

(B) supplemental contributions to be made by Sponsor at a rate of 3% of the actual sales price of Residential Units for each Residential Unit held by Sponsor and sold to Bona Fide Purchasers subsequent to the Effective Date of the Plan and within 5 years of the First Closing notwithstanding that the total amount contributed may exceed 3% of the Total Price; and provided, further, that if 5 years from 30 days after the First Closing, the total contributions by Sponsor to the Reserve Fund are less than 3% of the Total Price, Sponsor shall pay the difference between the amount contributed and 3% of the Total Price. The supplemental contributions made under this subparagraph (B) shall be made within 30 days of each sale of a Residential Unit under the Plan.

If Sponsor decides to fund the Reserve Fund using option (ii) above, the amount of the Reserve Fund contribution may be substantially more than calculated, as prices can be increased over time. In such circumstance, Sponsor will not be entitled to a refund or allowance at the conclusion of the five year period.

The Reserve Fund may not be reduced by closing apportionments but Sponsor may receive credit against the mandatory initial contribution for the actual cost of capital replacements begun after the Plan is submitted for filing 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 1% of the Total Price. The Plan will be amended to disclose any items to be replaced and the actual or estimated cost thereof. It is presently contemplated that Sponsor will make improvements to the sprinkler system and the condition of the roof of the Building. Sponsor may also improve or replace the HVAC, wiring, windows, elevator and/or plumbing throughout the Building. Sponsor's Architect estimates that the remaining useful life of the boiler is 8-10 years. See the Section of the Plan entitled "Description of Property and Improvements" for details.

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 2% of the Total Price. No Purchaser will be entitled to rescind a 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 the Plan and until the First Closing to post and maintain in a prominent place accessible to tenants in the

Building a list of all violations of record against the Building as determined by the Buildings Department and the Department of Housing Preservation and Development. All newly issued violations must be posted within 48 hours of their issuance or will be made available by the Managing Agent at the Building for inspection by tenants.

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, all Purchasers will be given 15 days after receipt of an amendment disclosing such repeal of the Reserve Fund Law to rescind their Purchase Agreements and be refunded all monies paid thereunder. 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 the Plan notwithstanding such repeal.

No assurance can be given that the Reserve Fund will be adequate to pay for the replacement of capital items, and if additional monies are required over and above the Reserve Fund, it may be necessary to increase Common Charges or levy a Special Assessment against the Unit Owners. While Sponsor is in control of the Condominium Board, the Reserve Fund may only be used for capital expenditures and replacements and may not be used to reduce Common Charges.

THE PROPERTY IS BEING OFFERED IN ITS CURRENT CONDITION "AS IS," WITH NO REPRESENTATIONS OR UNDERSTANDINGS EXCEPT AS EXPRESSLY SET FORTH HEREIN. SPONSOR OR THE SELLING AGENT WILL HAVE NO OBLIGATION TO MAKE ANY REPAIRS OR IMPROVEMENTS EXCEPT AS MAY BE SPECIFICALLY SET FORTH IN THE 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.

MANAGEMENT AGREEMENT

At the First Closing, Sponsor will assign, and the Condominium Board will assume, the Management Agreement for the Condominium between Sponsor and FirstService Residential ("Managing Agent"), having an office at having an address at 622 3rd Avenue, 15th Floor, New York, NY 10017 ("Management Agreement"). Sponsor may, in the alternative, have the Condominium Board enter into the Management Agreement directly with Managing Agent.

The Management Agreement will provide for an initial term commencing on the date of the First Closing ("Commencement Date") and continuing until the first anniversary of the last day of the month in which the Commencement Date falls unless the Commencement Date is the first day of a calendar month, in which case the Management Agreement shall continue until the first anniversary of the Commencement Date. Thereafter, the Management Agreement will renew for one (1) year periods, but may be cancelled by either party without cause, effective as of the end of any calendar month, upon not less than 60 day's prior written notice.

Managing Agent will receive an annual fee, payable in equal monthly installments during the initial term of the Management Agreement as follows: $35,000 per annum. The management fee is comparable to the rate for similar services in comparable buildings. In addition, for services rendered to Residential Unit Owners (other than Sponsor), in connection with processing applications to (i) sell, lease or otherwise transfer Residential Units and obtaining necessary waivers of the right of first refusal by the Condominium Board, (ii) mortgage or refinance of an existing mortgage on a Residential Unit and (iii) alter or renovate a Residential Unit, Managing Agent shall receive a fee from the Residential Unit Owner in such amounts as shall be determined, time to time, by the Condominium Board.

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

(1) billing and collecting Common Charges.

(2) causing the Common Elements to be maintained, repaired and altered in the manner deemed advisable by the Condominium Board.

(3) contracting for necessary services and repairs and purchasing all supplies necessary to properly maintain and operate the Building and its Common Elements.

(4) checking all bills received in connection with the maintenance and operation of the Common Elements and causing all such bills and other expenses to be paid.

(5) supervising, hiring, discharging and paying employees necessary for the proper maintenance and operation of the Building.

(6) rendering monthly statements of receipts and disbursements to Sponsor or other designated entity, upon request.

(7) maintaining payroll records and filing withholding tax statements for employees.

(8) maintaining accurate sets of books for the Condominium Board.

(9) cooperating with the Condominium Board's accountants in preparing and submitting annually to the Condominium Board an operating budget of the anticipated income and expenses for the ensuing year.

(10) attending meetings of the Condominium Board and Unit Owners, and preparing agendas and sending notices relating to such meetings.

(11) causing to be obtained and maintained insurance for the Condominium in amounts deemed advisable by the Condominium Board.

(12) processing applications of Unit Owners for permission to alter the Residential Units.

(13) processing applications for waivers of the right of first refusal.

(14) generally, doing all things deemed reasonably necessary or desirable by the Condominium Board for the proper management of the Building.

Managing Agent, at the expense of the Condominium, will be insured during the term of the Management Agreement under a fidelity insurance policy in favor of the Condominium for any loss resulting from fraudulent or dishonest acts committed by Managing Agent, its directors, officers or employees.

The Management Agreement provides that the Condominium Board shall indemnify Managing Agent with respect to claims in connection with Managing Agent's carrying out the provisions of the Management Agreement or acting under the express or implied directions of the Condominium Board, unless arising from the gross negligence, bad faith or willful misconduct of Managing Agent in carrying out its duties.

To the extent applicable, Sponsor shall comply the provisions of New York General Business Law § 352-eeee(3), which provides as follows: "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 condominium association shall assume responsibility for the provision of all services and facilities required by law on a non-discriminatory basis."

Sponsor reserves the right during the Sponsor Control Period to designate any other reputable managing agent to perform all of the duties and services to be performed by Managing Agent under the Plan and if Sponsor does so, Sponsor will cause such other managing agent to accept employment on terms substantially similar to the terms specified above. The Management Agreement may not be assigned by Managing Agent without the prior written approval of the Condominium Board. The Condominium Board may not assign the Management Agreement.

There are presently no service contracts binding on the Condominium.

IDENTITY OF PARTIES

Sponsor

DS 531 E. 12th Owner LLC is a limited liability company organized under the laws of the State of Delaware, with an office at 114 East 13th Street, Front 1, New York, NY 10003 ("Sponsor").

The principal of Sponsor who will be actively involved in this offering is Michael Shah, having an office address c/o Sponsor at 114 East 13th Street, Front 1, New York, NY 10003.

Michael Shah is the founder of Delshah Capital, a vertically integrated New York City-based real estate private equity and asset management firm that invests in real estate equity and debt investments. Since its inception in 2006, Mr. Shah has overseen all aspects of company operations including acquisitions, legal strategy, asset management and property management. Utilizing his legal expertise, he personally directs the course of action though many of the complex investments in which Delshah participates. Prior to establishing Delshah, Mr. Shah was an attorney in the mergers and acquisitions group at Wachtell Lipton Rosen & Katz in New York City. Mr. Shah specialized in complex deal structuring, negotiations, and bankruptcies. Mr. Shah graduated first in his class from Harvard Law School, earning him the 2003 fay diploma. He has a Master of Science in finance and economics from the London School of Economics and a Bachelor of Arts magna cum laude in chemistry from Harvard University.

Prior Offerings

The principal of Sponsor has not taken part in any prior public offerings which were initially offered during the past 5 years except Mr. Shah is also a principal of the sponsor of the condominium offering at 221-225 West 17th Street Condominium, which offering plan was assigned file number CD15-0004 and accepted for filing on June 30, 2015. Mr. Shah is current in his obligations under such offering plan.

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

The principal of Sponsor resides in New York. Sponsor has designated the New York Secretary of State for service of process.

Attorneys for Sponsor

Sponsor has retained the law firm of Starr Associates LLP, having an office at 220 East 42 Street, Suite 3302, New York, New York 10017 to represent it in connection with the Plan and to serve as Escrow Agent. Shaun W. Pappas, Esq. participated in and supervised the preparation of the Plan. Starr Associates LLP will serve as Escrow Agent and will represent Sponsor in connection with matters relating to the sale and closing of Residential Units. Starr Associates LLP's dual role as Escrow Agent and counsel to Sponsor in no way affects the legal and contractual obligations of Escrow Agent pursuant to the Purchase Agreement or governing law, with respect to the maintenance or release of Purchaser's Deposits.

Sponsor has retained the law firm of Olshan Frome Wolosky LLP, having an office at 1325 Avenue of the Americas, New York, NY 10019 to prepare the Income Tax Opinion for the Condominium and Unit Owners under the direction of Warren Gleicher, Esq.

Sponsor has retained the law firm of Marcus & Pollack LLP, having an office at 633 Third Avenue, 9th Floor, New York, NY 10017, to provide the Real Estate Tax Projection Opinion set forth in Part I of the Plan.

Selling Agent

Selling Agent for the Condominium will be Halstead Manhattan LLC, having an address at 499 Park Avenue New York, New York 10022. Selling Agent, a licensed real estate broker, was founded in 1984.

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.

Managing Agent

Managing Agent for the Condominium will be FirstService Residential, having an office at having an address at 622 3rd Avenue, 15th Floor, New York, NY 10017. Managing Agent is a licensed real estate brokerage and management firm, which has been engaged in the management of residential real estate for over 25 years. It currently provides property management services for many residential cooperatives and condominiums.

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

Construction Professionals

Architect of Record

Bluarch, having an office at 9 Madison Avenue, 8th Floor New York, NY 10016 is the architect of record for the Building ("Architect"). The Architect prepared the "Description of Property and Building Condition" and the Floor Plans of the Units set forth in Part II of the Plan and will prepare the Floor Plans which will be filed with the Division of Land Records of the New York City Department of Finance required in order to create the Condominium. Architect has also examined the physical condition of the Building and has rendered its report thereof and a Certification which is set forth in Part II of the Plan. Architect's firm was founded in 2004, and its founder has been providing architectural services for twenty-five years. Architect has been the architect of many commercial and residential buildings in Manhattan, Queens, Miami and abroad.

Condominium Budget Expert

Sponsor has engaged FirstService Residential, having an address at 622 3rd Avenue, 15th Floor, New York, NY 10017, as Sponsor's Budget Expert. The Budget Expert estimated all amounts of income and expenses in "Schedule B - Estimated Budget for Projected First Year of Condominium Operation" in consultation with Sponsor. The Budget Expert has rendered a certification as to the adequacy of the First Year's Budget and a certification as to the adequacy of the Common Charges payable by the Community Facility Unit Owner, which may be found in Part II of the Plan.

Related Parties

Sponsor and its principal have no affiliation with Selling Agent, Managing Agent, Sponsor's Attorneys, the Architect, the Budget Expert, the Construction Professionals, or any person or firm who will provide services to the Condominium subsequent to the First Closing. Neither the Condominium Budget Expert, the Construction Professionals nor the Attorneys have any financial interest in the Property, the Units, the Condominium, or this offering, except for their fees for services rendered.

No Pre-Sales

Neither Sponsor nor its principal have entered into contracts or agreements, written or oral, or accepted any Deposits or advances of funds for the purchase of Units as of the Filing Date of the Plan.

SPONSOR'S PROFIT

Sponsor acquired the Property on November 1, 2018 from 533 East 12th Street LLC and Hershey Farm Company L.P. Sponsor expects to sell many Residential Units at full market value (to other than Tenant-Purchasers) from time to time as they become vacant and to generate profits therefrom. The exact profit to be realized by Sponsor cannot now be determined and may increase or decrease substantially depending upon variable factors such as the uncertainty of future market conditions including the availability and cost of money, the length of time required to sell the Residential Units, losses or expenses arising from obligations assumed or waived by Sponsor under this Plan and other contingencies.

REPORTS TO UNIT OWNERS

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

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

2. At least 30 days' prior notice of the annual Unit Owners' meeting.

3. A copy of the proposed annual budget of the Condominium at least 30 days prior to the date set for adoption thereof by the Condominium Board. While Sponsor is in control of the Condominium Board, such budget shall be certified in compliance with the regulations of the Department of Law.

DOCUMENTS ON FILE

Pursuant to the provisions of Section 352-e of the New York General Business Law, copies of the Plan, all documents referred to herein and all Exhibits submitted to the Department of Law in connection with the filing of the Plan shall be kept on file and available for inspection by Purchasers and their attorneys without charge, and for copying at a reasonable charge, at Sponsor's office for a period of 6 years after the First Closing. In addition, a set of Floor Plans showing the layout, locations and approximate dimensions of each Unit and its Unit number designation and tax lot number, certified by the appropriate governmental authority of The City of New York as conforming to the official tax lot number for each such Unit, will be filed in the Register's Office following the recording of the Declaration, and an additional set will be furnished to the Condominium Board.

The Declaration and the By-Laws will be recorded in the Register's Office in advance of or concurrently with the First Closing. The recording of all deeds conveying individual Units will also be recorded in the Register's Office.

GENERAL

The purpose of the Plan is to set forth in detail all material facts relating to the offering by Sponsor. The Plan does not knowingly omit any material fact or knowingly contain any untrue statement of any material fact. Sponsor believes that the Plan contains a fair summary of the material provisions of the documents referred to in the Plan, including those documents contained in Part II of the Plan. Copies are contained in Part II of the Plan of the forms of Declaration, By-Laws, Purchase Agreement, Unit Deed, Power of Attorney and other documents (which forms may be revised prior to their recordation or the First Closing, as applicable). Statements made in Part I of the Plan as to the provisions of such documents or any other document referred to in the Plan, copies of which are on file with Sponsor, are not necessarily complete. Each such statement is qualified in all respects by the contents of such documents and, in the case of any such document executed by or with the written consent of a Purchaser pursuant to the Plan, any rider or separate agreement changing or adding provisions to such document.

There are no lawsuits or other legal proceedings now pending, or any judgments outstanding, which could materially and adversely affect this offering, the Purchasers of Units, the Property, the Condominium or the operation thereof, which are not covered by insurance.

No party other than Purchasers shall have any right or benefit herein or herefrom, including without limitation, the right to insist upon or enforce against Sponsor the performance of all or any of Sponsor's obligations hereunder and no such third party shall be deemed to have received any benefit as a result of any of the provisions of the Plan.

Sponsor reserves the right, from time to time prior to the First Closing, without obtaining the consent of Purchasers or others, to substantially revise the terms and conditions upon which the Residential Units are to be sold, including changes affecting the rights, obligations and liabilities of Sponsor and Purchasers. However, Sponsor may not unilaterally cancel a Purchase Agreement which is in effect, except as therein provided, as in the case of an uncured default, nor unilaterally change the Purchase Price or payment terms contained in such Purchase Agreement. All substantive or material revisions will be contained in a duly filed amendment to the Plan. If there is a substantial amendment to the Plan that materially and adversely affects Purchasers, except as otherwise provided herein, Purchasers will have a right of rescission which may only be exercised within 15 days from the Presentation Date of such amendment. Sponsor shall promptly return all Deposits, together with any interest earned thereon to Purchasers who rescind, except that Sponsor shall retain all Deposits of any Purchaser who is in default under the Purchase Agreement beyond any applicable grace period.

In accordance with the provisions of the Laws of the State of New York, neither Sponsor nor any selling agent engaged by Sponsor will discriminate against any person in the sale of Units offered by the Plan or in the leasing of any such Residential Units because of such person's race, creed, color, sex, sexual orientation, disability, marital status, age, ancestry, national origin or other ground proscribed by Law.

Unless the context otherwise requires, words used in the singular in Part I of the Plan include the plural and vice versa, and a reference herein to any one gender, masculine, feminine or neuter, includes the other two.

No person has been authorized to make any statement or representation or furnish any information not expressly contained herein. Any information, data, or representations not contained herein or in the documents and exhibits referred to herein must not be relied upon. The Plan may not be changed or modified orally.

The Property has not been the subject of a prior public offering.

RESERVATION OF AIR AND DEVELOPMENT RIGHTS

Sponsor has been advised that there are no Excess Development Rights as of the Filing Date of the Plan. However, if the applicable provisions of the Zoning Resolution change in the future, such changes may generate transferable Excess Development Rights which will not be included in the Property and shall be the exclusive property of Sponsor. Sponsor cannot represent the amount of transferable Excess Development Rights that could result from such changes. Neither the Condominium Board nor any Unit Owner (other than Sponsor or a Development Rights Owner) shall have any right or interest in any Excess Development Rights. If any Excess Development Rights are transferred to an adjoining premises, the light and air of the Building and views from Units and/or Terraces may be affected. Notwithstanding the foregoing, Excess Development Rights may not be used to expand the size, height, bulk or density of any portion of the Property after the recording of the Declaration.

SPONSOR'S STATEMENT OF BUILDING CONDITION

Sponsor has obtained a report on the condition of the Property, a copy of which is set forth in Part II of the Plan. Sponsor is not an architect or engineer, but hereby adopts such report and, believes and hereby represents that the "Description of Property and Building Condition" with additional information by Sponsor, if any, as indicated, set forth in Part II of the Plan, represent accurately the present Building condition. The firm preparing the "Description of Property and Building Condition" has no financial interest in the Property, Sponsor, the Condominium, Selling Agent, any affiliates thereof, or any other party interested in this transaction, except for the fee for services rendered.

According to Sponsor's Architect, due to the fact that the Building was constructed in 2008, the New York City Department of Buildings does not require an investigation into the presence of ACM in the Building. Sponsor's obligations under the Plan do not include an obligation to remove any ACM and Sponsor makes no representation as to the existence or non-existence of ACM in any specific locations in the Building. (See the Section of the Plan entitled "Rights and Obligations of Sponsor" under the subsection "Sponsor's Obligations with respect to Asbestos" for further details.)

Sponsor represents that, it has no knowledge of any material defects or need for major repairs to the Building requiring corrective work as of the date of acceptance of the Plan, except: (a) exterior façade maintenance pursuant to FISP report, including correcting cracked brickwork at the rear façade on the 8th fl., efflorescence on the face of bricks above window lintels, and rusting perimeter steel framing along exterior balconies at the rear façade; and (b) the roof assembly, which will be replaced. The foregoing corrective work will be performed by Sponsor at its own cost and expense. However, the combustion air intake for the Building's heating unit is too small, which Sponsor will repair or replace, as necessary at its cost and expense, which is not a major repair or replacement. See the "Description of Property and Building Condition" in Part II of the Plan for further detail. The Buildings Department issued a Permanent Certificate of Occupancy No. 104350051F dated October 2, 2008 for the Building. The following open violations exist against the Building as of October 24, 2019:

Number:	Issued:	Type:
V 081512EACC101033	8/15/2012	Elevator
V 062619E9027/654299	6/26/2019	Elevator

Sponsor has engaged an elevator contractor to remedy the elevator violations. Once completed, the elevator will be inspected by the DOB and the violation will be removed of record at Sponsor's cost and expense. Sponsor shall resolve same as expeditiously as possible, but in no event later that the issuance of the PCO.

The Residential Units and their appurtenant Common Elements are being sold "as is" to Tenant-Purchaser in the condition in which such Residential Units exist on the date each respective Purchase Agreement is entered into, subject to ordinary wear and tear and further subject to Sponsor's obligation to maintain the Building until the First Closing and further subject to Sponsor's obligation to make repairs, improvements or decorations as may be otherwise set forth in the Plan. The Residential Units and their appurtenant Common Elements are being sold to all Purchasers of Vacant Residential Units "as is" in the condition in which they exist on the Closing Date of such Residential Unit. As Residential Units become vacant, Sponsor may sell such Residential Unit "as is" or may renovate such Residential Unit. In the event that Sponsor discovers that the layout or dimensions of any Residential Unit that becomes vacant varies materially from the corresponding Floor Plan in Part II of this Plan, Sponsor will amend the Plan to correct such Floor Plan. 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 (within reasonable tolerances) and layout of each Residential Unit. While the Floor Plans are meant to reflect existing conditions, the actual layout of an occupied Residential Unit may have been altered by the tenant; accordingly, each Residential Unit should be inspected prior to purchase to determine its actual dimensions, layout and physical condition. The signing of the Purchase Agreement signifies Purchaser's acceptance of the

condition of the Property (as represented by Sponsor in the Plan) including, but not limited to, the Residential Unit, the Storage Lockers, the Building and all Common Elements contained in the Building. Sponsor has no obligation to make any repairs, improvements or decorations in or to the Property, the Residential Units, the Storage Lockers, the Building or the Common Elements, except as may otherwise be set forth in the Plan.

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

Notwithstanding the foregoing, Sponsor intends to perform certain renovations, capital improvements and capital replacements to the Common Elements, subject to Force Majeure, as described in the definition of Sponsor's Work in the "Rights and Obligations of Sponsor" Section of the Plan. Sponsor presently anticipates that these renovations and capital improvements will be substantially completed prior to the First Closing. Any further work to the Building that is not disclosed in the Plan shall be disclosed in a duly filed Amendment. All Residential Units sold by Sponsor will comply with New York City Building Code as of the date of Closing.

The Buildings Department issued a Certificate of Occupancy No. 104350051F dated October 2, 2008 for the Building. Sponsor's Architect has advised that the Certificate of Occupancy will need to be amended or may be changed to a Temporary Certificate of Occupancy as a result of the renovation to the Building. It is anticipated that for a significant period of time following the First Closing through, including and beyond the Closing to any Residential Unit, work should be expected to be undertaken and performed by or on behalf of Sponsor to complete renovation of the Building, including without limitation: (i) the renovation of Residential Units 2A, 2B, 2C, 2D, 3B, 3C, 3D, 4A, 4B, 4C, 4D, 5A, 5D, 6B, 6C, 6D, 7A, 7B, 7C, 7D, PHA and PHB (including, without limitation, the combination of vacant Residential Units and/or incorporation of Common Elements into such Residential Units); (ii) replacement of existing 12th street ingress/egress door with new metal doors; (iii) extensive build up of the roof to add new protection board, drainage board, waterproofing membrane and insulation; (iv) upgrades to existing sprinkler system; (v) existing individual HVAC units in renovated Residential Units will be replaced to the extent not in good working order; and (vi) certain decorative, fixture and finishing changes to the residential lobby, corridors, elevator finishes and other portions of the Building, including installing light fixtures, painting, or laying carpeting (collectively "Sponsor's Work"). See the Section of the Plan entitled "Rights and Obligations of Sponsor" for a list of "Sponsor's Work" that may be performed requiring an amended or Temporary Certificate of Occupancy.

Except as otherwise expressly provided in the Plan, Sponsor's obligation to make repairs in any Residential Unit shall cease upon the Closing to such Residential Unit. Sponsor will, however, maintain and operate the Building until the First Closing in substantially the same manner and condition as on the Filing Date of the Plan (subject to ordinary wear and tear) except to the extent that Sponsor is precluded from so doing by acts of God, fire or other casualty, storm, strikes, lockouts, labor difficulties, acts of terrorism, riots, insurrection, inability to obtain materials, equipment or labor, governmental restrictions, inability to gain access after reasonable notice or any other acts over which Sponsor is reasonably unable to exercise control. If for any of the reasons set forth in the preceding sentence, other than fire or other casualty, Sponsor is prevented from so maintaining the Building and the Common Elements (or causing the same to be maintained), Sponsor shall make or cause to be made, within a reasonable period of time after such act ceases to exist, subject to Sponsor's ability to gain access for such repairs, after reasonable notice) any repairs subsequent to the First Closing that it was obligated to make prior to the First Closing.

Under applicable Federal and local law, lead-based paint can no longer be used in the construction of a building. Under Federal Law, Sponsor must provide Purchasers with all available records and material pertaining to lead-based paint and/or lead-based hazards in the Building. Sponsor will comply with applicable

Law concerning the use of lead-based paint and/or lead-based paint hazards. Set forth as an Exhibit in Part II of the Plan is a copy of the booklet issued by the United States Environmental Protection Agency, EPA 747-K-95-001, which details certain information regarding lead-based paint. In accordance with the terms of the rider annexed to the Purchase Agreement, Purchasers have the right to inspect their Residential Units for the presence of lead-based paint. While Sponsor has, to the best of its knowledge, received no specific reports regarding lead-based paint in the Building, other than those set forth in Part II of the Plan, given the age of the Building and the widespread use of lead-based paint in preceding decades, it can be assumed that there is lead-based paint present in the Building. In addition, there are numerous layers of paint on the walls of the original building. Sponsor does not make any representation as to the existence or non-existence of lead-based paint within the walls. Purchasers are advised that, in the event they remove sheetrock at any time in the future, they may be responsible for removing and abating lead-based paint in accordance with applicable Law at their sole cost and expense.

PART II

CONDOMINIUM OFFERING PLAN

THE AVANT
531-533 EAST 12TH STREET
NEW YORK, NY 10009

DESCRIPTION OF PROPERTY AND BUILDING CONDITION

The Avant

533 East 12th Street - New York, New York 10009

May 26, 2020

The report that follows, which is based on construction drawings and a visual inspection of the Building on 10/2/18, is intended to outline generally the nature of the work, materials and equipment to indicate the contemplated character of the Building.

(a) Location and Use of Property

(1) The project consists of one existing building located at 533 East 12th Street, in the borough of Manhattan, City of New York, on the north side of 12th Street. Renovation work is planned throughout the building which, at completion, will be comprised of the same number of floors as follows: one sub-cellar level, one cellar level, and eight levels above grade the first of which contains ingress to the property at 12th Street.

The following is a description of each floor and the spaces therein as delivered at completion of the mentioned renovation.
The sub-cellar level contains a storage room with sixteen storage cages, the boiler room, the electrical room, the antenna room, the trash and recycle room, the telephone room.
The cellar contains a Community Facility space with one bathroom and two convenience stairs.
The first floor contains a Community Facility space [connected to the cellar via the convenience stairs] with one bathroom, the residential lobby, the bicycle parking.
The second floor contains one Community Facility unit with a terrace, and three residential units.
The third floor contains four residential units [two of which have a terrace at North].
Floors four to seven contain four residential units [two of which have a balcony at North].
The eighth floor [a.k.a. penthouse floor] contains two residential units with a balcony at North and two terrace at South. Each unit has access to a further dedicated limited common element terrace at the roof level via a spiral staircase located at one of the terraces [one per unit].
The roof level contains a communal recreation area at the disposal of each unit owner and equipped with a sink, a BBQ grille and various furnishings.

(2) The Building is situated on Block No. 406, Lot No. 48. NYC Zoning map 12C locates this parcel in an R8B zoning district.

(3) The approximate lot area of the property is 5,162.50 square feet. After development, there will be no residual residential development rights.

(4) The legal uses proposed will be as per the approved Department of Buildings application to be filed. The proposed use is general residential. Uses permitted as-of-right within the R8B district include use groups 1 + 2 (single and multiple-family residences), and use groups 3 + 4 (community facilities).

(5) The completed project will comply with the requirements of the New York City Building Code, and with ANSI A117.1 as modified by the New York City Building Code and the Rules of the City of New York as they apply to the renovation of existing buildings occupied prior to 1991.

(6) The site is not subject to review by the New York City Landmarks Preservation Commission.

(7) The Certificate of Occupancy states that the Building was originally developed according to Quality Housing Program parameters per ZR Article 2, Chapter 8. The Building provides all mandatory Quality Housing Program elements and certain elective elements according to the underlying zoning district.
The mandatory elements includeRefuse Storage and Disposal [ZR 28-12], Required Recreation Space [ZR 28-21]. The elective elements provided areLaundry Facilities [ZR 28-13], Density per Corridor [ZR 28-31], Daylight in Corridors [ZR28-14] limited to floor 8.Planting Areas [ZR 28-23] and Parking for Quality Housing [ZR 28-40] do not apply to the zoning district in which the Building lies. All provided Quality Housing Elements whether mandatory or elective, are in compliance with ZR Article 2, Chapter 8

(b) Status of Construction

(1) The project site is currently occupied by a mixed-use [residential and community facility] building constructed in 2008. It occupies nearly 65% of the site, with the exception of a rear yard. The building is currently occupied.

(2) This building can most generally be described as an eight-storey structure with a cellar and a sub-cellar below grade. Its current certificate of occupancy (104350051F, dated 10.02.2008) list its construction as a Class 1-C building. The drawings filed with and approved by the NYC Dept. of Buildings show the existing floor construction as a composite deck supported by a steel frame fireproofed with a gypsum board assembly. The project is more specifically described in outline form in this report, which is based on a visual inspection of the premises, and a review of the construction documents prepared by Bluarch LLC, to be filed with the New York City Department of Buildings The scope of work included in the drawings produced by the Architect and filed with the DOB contemplate 2-hour assemblies at exterior walls, at floors and roof assemblies, at interior partitions separating common corridors from residential units, at the egress stairs, at the elevator, at the lobby. All partitions which are within residential units are 1-hour rated.

The Sponsor will perform renovation work according to the approved applications filed with the NYC Department of Buildingon 06.28.19 and approved on 07.30.19. Alteration plans were filed for general construction, mechanical, plumbing, and sprinkler work [OT, MH, PL work types under application # 123757336, SP work type under application # 123707587]. Permits were issed for work types OT, MH, PL on 08.21.19. Renovation work began in September 2019, and substantial completion of renovations is currently anticipated during the summer of 2020, unless delayed by weather, strikes, lockouts, force majeure, shortages of or inability to obtain materials, equipment or labor, governmental restrictions or preemption, damage by fire or the elements or any other cause over which the Sponsor has no control.

(3) Project work will conform to all applicable regulations of the "1968 Building Code" of the City of New York [or "the Code"], except, where necessary, to all applicable regulations of the “2014 Building Code", or “the Code”. Drawings will be filed with the Department of Buildings and other regulatory agencies as required. The construction class of the building will continue as indicated on Certificate of Occupancy (104350051F, dated 10.02.2008) as a Class 1-C [per 1968 Code] non-combustible, partially sprinklered, 2-hour protected building, as per the 1968 edition of the Building Code, and as per the Certificate of Occupancy (104350051F, dated 10.02.2008)

(4) This project is filed with the DOB via professionally certified applications by the Architect of Record.

(5) The building is classified as HAEA by the New York State Multiple Dwelling Law, and is being developed subject to the applicable regulations of the same classification.

(6) Certificate of Occupancy: After completion of construction, the Sponsor will apply for a Certificate of Occupancy (preceded, if appropriate, by Temporary Certificates of Occupancy) for the Building from the Department of Buildings of the City of New York. A Temporary Certificate of Occupancy will be obtained prior to the closing of the first Unit. The Sponsor anticipates that a Permanent Certificate of Occupancy will be issued for the Building within 2 years after the First Closing. The mentioned Certificate of Occupancy will be necessary to amend the Use Group and the Occupancy Group of areas of the second floor.
Sponsor’s Architect has advised that the Certificate of Occupancy will need to be amended or may be changed to a Temporary Certificate of Occupancy as a result of the renovation to the Building, including changing the use at the second floor from Rectory use to three (3) apartments plus one [1] community facility unit.

(7) Exterior work will be reviewed and approved by the New York City Department Of Buildings.

(8) Where materials, appliances, equipment, fixtures, and/or other construction or design details are specified, Sponsor reserves the right to substitute in each instance items of substantially equal or better quality as recognized by industry standards for performance, efficiency, longevity, and/or classifications, as applicable.

(c) Site

(1) Size: The lot dimensions are approximately 50.0' x 103.3' yielding an approximate lot area of 5,162.50 square feet. The building footprint of approximately 3,327.89 square feet is, approximately, 65% of the lot area, the maximum permitted lot coverage in this R8B zoning district.

(2) Number of Buildings and Use: The proposed development will consist of the renovation of a single building and will be comprised of 26 dwelling units in addition to a community facility unit. The building entrance is on center of the main facade.

(3) Streets owned and maintained by the project:
(i) The existing 12th Street pavement consists of asphalt and the sidewalks are concrete. The street curb is concrete. There will be no change to the sidewalks, street, or drainage. The streets are neither owned nor operated by the project.
(ii) 12th Street is presently pitched to drain through existing catch basins into the New York City storm water drainage system.
(iii) The present New York City street lighting is provided by pole-mounted fixtures, which appear to be in good condition. There are no light poles within the sidewalks adjacent to the Building.
(iv) The above items are in conformity with local fire district and city building codes.

(4) Drives, Sidewalks and Ramps:
(i) The existing poured concrete sidewalk and curb are in good condition and are scheduled to remain. The condominium will be responsible for maintaining the sidewalk as per NYC regulations.
(ii) The two existing sidewalk trees will remain.
(iii) All sidewalks will comply with the requirements of the New York City Highways, Buildings, and Fire Departments.

(d) Utilities:

(1) Electricity:
(i) Electrical service to the building will be provided by Con Edison. The electric service *is* distributed throughout the building to various loads and will be directly metered by Utility Company. The electricity consumed by each individual Unit shall be metered separately: each unit will be provided with a dedicated meter. Each Unit Owner shall be solely responsible for the cost of their own individual electric bill.Meters for the base building and tenants are located in the cellar electrical switchgear room

(ii) Common areas and House loads Lighting, Compactor, Elevator, Elevator Machine Room, Boiler Room, Water Service Room, Electrical Service Room, Laundry, Storage Pumps, Exhaust Fans, and Miscellaneous small building electrical loads) shall be commonly metered and the cost billed to all Unit Owners, including the community facility, as a Common Expense.

(2) Gas:
The existing gas service to the building is existing and will remain.The gas service to the building is provided by Con Edision. The gas service is distributed throughout the building to various loads and will be directly metered by the Utility Company. All gas consumed by the loads of the building (both those associated with the individual tenants and those associated with the community facility) will be metered through one building gas meter

(3) Domestic Water and Sewer Service:

Water supply and combined sewer servicing the Building are existing. Water will be collectively metered for the entire building, and the cost of water use measured thereby with any sewer changes, shall be a Common Expense of all of the Unit Owners.

(4) Telephone:
"Local" telephone service will be available for all Units & provided by Verizon, Spectrum, Optimum and/or another service provider. Every Unit Owner will be required to pay their individual telephone charges and initial charges for activating individual outlets in the Unit. The telephone charges with respect to the public areas of the Building (such as maintenance offices, fire alarm and elevator, etc.) will be borne as Common Expense by all of the Unit Owners.

(5) Cable / Television:
Cable / Television services will be available for all Units, provided by Spectrum, Optimum or Verizon FIOS (or alternate cable TV company). All charges for cable television service (including installation and subscription charges) will be paid by each Unit Owner who subscribes directly to the cable TV company. In each Unit, a Cable TV outlet will be provided as indicated on the plans. Smart Home: living rooms will be prewired for multimedia TV installation.

(6) Internet Service:
High speed internet service will be available for all Units provided by Spectrum, Optimum or Verizon FIOS. It is the responsibility of the Unit Owner to obtain such service from an internet service provider servicing the Condominium, and the cost of such service shall be paid by the respective Unit Owner.

(e) Sub-soil Conditions
- The sub-cellar level presents unevenness at certain areas that are currently clad with flooring due to the unevenness of the concrete work. Following an investigation, this is not a structural issue, sono corrective measure is needed.

-A prior visual observation revealed evidence of moisture in two locations at the cellar levels [the compactor room and the stairwell]. A subequent visual observation on November 4, 2019 revelead no evidence of moisture. No current corrective measures needed except continued monitoring, which may result in the necessity of corrective measures.

(1) Existing foundations and soils underlying the cellar and sub-cellar will not be affected by project work. The building foundation consists of poured concrete isolated spread footing for individual columns and concrete foundation walls on continuous wall footing along the perimeter, cellar floor consists of concrete slab on grade.No new boring was performed to verify soil condition or its capacity. However there is no evidence of settlement observed at the sub-basement level.

(2) There have been no test borings taken to determine subsurface condition, as no work is planned that would affect construction below the cellar slab. The building is relatively new (foundation was installed in 2006) there is no anticipated underpinning work.

(3) No work is scheduled for the existing building walls below grade.

(4) The existing cellar and levels do not show any signs of ground water intrusion, so no additional foundation or sub-slab drainage systems will be installed. FIRM Map 3604970086F and Preliminary FIRM Map 3604970086G locate the site in Zone X, outside the 0.2% annual chance floodplain.

(5) There is a noise and air quality "e" designation on the property, but no hazardous materials "e" designation. As to noise, no action needs be taken currently. If any windows inside a residential unit needs

replacement in the future (which cost shall be borne by such residential unit owner), the new windows must comply with the noise “e” designation. Since natural gas is used in the building, the building is already compliant with the air quality “e” designation, so no corrective or other action is required.

(f) Landscaping & Enclosures

(1) Grass cover: none.

(2) Plantings: Open space around the existing building is limited to the rear yard. The east and west courts will retain their existing concrete pavement. There is no scope envisioned at the rear yard which will remain paved.

(3) Trees:none aside from the existing two street trees and pits which will remain

(4) Fencing: none

(5) Gates: none

(6) Garden Walls: none

(7) Retaining Walls: none

(8) Display pools and fountains: none

(g) Building Size

(1) The height of the Building will be unchanged, at a height of approximately 75 feet to the bottom of the parapet above the average sidewalk elevation. The gross floor area of the existing Building, including the cellar and sub-cellar, will be unchanged, at approximately 32,965 square feet.

(2) There are no crawl spaces.

(3) There are 8 stories (including the ground floor), as well as a cellar and sub-cellar.

(4) Ceiling heights will vary according to the existing construction of the building. Exclusive of dropped ceiling areas at kitchens; bathrooms; halls; soffits; mechanical equipment including ducts, sprinkler systems, plumbing elements, and structural offsets; and at boxed-out structural beams, ceiling heights in living rooms and bedrooms will be at approximately 8’above the finish floor.

(5) Equipment Rooms: Equipment rooms are located at the cellar and sub-cellar levels, consisting of boiler room, electrical, water, and sanitary systems, a telephone / communications room, an antenna room, and a pump room.

(6) Parapets: All roofs and terraces have a parapet or railing, each of which will be a minimum of 3’-6” in height above the roof.

(h) Structural System

The Building's existing foundation will remain. The building's existing structural steel will remain.The building structure consists of steel frame system. Elevated floors consist of light concrete on 1½” metal deck supported on structural steel beams with various sizes spaced at ±6-feet on center. The beams span between steel girders which in turn supported between steel columns. Waterproofing for foundation walls is unknown and cannot be examined due to the fact that the perimeter of the building is backfilled to the ground level. There is, however, no evidence of moisture or water intrusion through the foundation walls. Waterproofing underside existing poured slab on grade is not accessible for inspection. Waterproofing in general is not

required except if the property is located on a site with high water table. Based on visual examination of the slab grade, no evidence of water intrusion or water damage was found.

The entire Building will retain its non-combustible construction classification. Interior demising walls separating Units from core elements will be 2-hour fire rated, and 1-hour rated between Units.

(1) Building Exterior

(i) Exterior Walls: The Building exterior consists of a primary facade facing 12th Street, and a rear facade at north. The primary facade is faced principally with red brick. Both facades are cavity non bearing walls, they are constructed with concrete and brick veneer fascia, both brick and block are supported directly on the floor slab.Window openings are formed with galvanized steel lintels and precast concrete sills. The masonry in this façade appears to be in good condition, and will not be affected by the proposed construction. The rear facade generally matches the facade at 12th Street.A visual observation of the window steel lintels and sills throughout front and rear facadesdid not present signs of forthcoming issues.

As this Building is over six stories high it is subject to the New York City Façade Inspection Safety Program, formerly known as Local Law 11/1998, which requires façade inspections under the direction of a licensed architect or engineer every five years.

A SWARMP (Safe with repair and maintenance) report in connection with the condition of exterior facades was filed on November 01, 2018.The report recommended facade repairs to be completed by August 31, 2021. Maintenance items include cracked brickwork at the rear façade on the 8th fl., efflorescence on the face of bricks above window lintels, and rusting perimeter steel framing along exterior balconies at the rear façade.
Owner has retained Alnour consulting engineering PC to prepare detailed drawings of exterior elevations which would include location and nature of required repairs, It is anticipated that the repairs required will be performed during the summer of 2020. An amended report will be filed as safe once the work is completed.
Exterior mass walls are comprised of CMU which will be further assembled of continuous insulation with R-11.4 [minimum] and approximately 2 inches of thickness.

(ii) Windows: The existing two-lite and three-lite-slider windows are to remain. Manufacturer is unknown as is the existence of any warranties. Assembly of the windows and existence of thermal break cannot be verified. Windows are furnished without screens. There are no lot line windows. A visual observation of these items did not present signs of forthcoming issues.

(iii) Landmark status: none

(2) Parapets and Coping: Existing parapets will remain. They are brick construction, capped with manufactured concrete copings above and steel tube railings which exhibits rust and peeling paint will be repaired during the façade repair program.
Bulkhead roof edges are terminated with manufactured concrete copings. The bulkheads are an extension of the stair and elevator shafts constructed with masonry block in the inside and brick veneer on the outsideA visual observation of the bulkheads structuredid not present signs of forthcoming issues.

(3). Chimneys and Caps:

(i) The mechanical room is vented to the roof through the existing flue. This item will remain. A visual observation of the masonry chimney did not present signs of forthcoming issues. The chimneys in the boiler room and trash compactor are made of metal liner and are housed in two wythe brick chimneys which provide sufficient fire rating required by the code.

(ii) There will be no incinerators or fireplaces in the building.

(iii) A trash chute accessed from a common corridor on each floor is connected to a trash compactor at the cellar level. These items will remain.

(4) Balconies and Terraces:

(i) The existing ten balconies at rear will remain. A balcony is a section of floor slab which projects beyond the building's exterior façade.The four roof terraces at floors 7 and 8 associated with each of the Units facing 12th Street will also remain. A terrace is part of the floor slab which is not enclosed by walls or roof. A roof terrace accessible to all Building occupants is present and will remain. Rusting steel observed underside concrete balconies will be scraped and painted during the façade repair program.

(ii) There is a stone tile finish on the floor and existing metal pipe railing to remain and be repaired as needed. There is stone coping at the curbs of the terraces which will remain. And there is no curb nor coping provided at the balconies. Existing aluminum framed glass doors to access all terraces and balconies from each unit will remain. They appear in good condition and no future issues are, at this time, foreseeable. The concrete roof pavers will withstand daily foot traffic and will not affect warranties delivered with the new roofing assembly.

(iii) The railings were observed at the terraces perimeter and at the exterior balconies, The railing consists of 2½"metal pipe posts spaced at 6-feet on center and fastened to the top of the precast stone coping above the brick parapet. The railing height was measured 42" above the floor of the terraces and the floor of the balconies. The vertical bars between the bottom and top horizontal pipes are spaced at 4" on center in compliance with the NYC code. The railing are painted, some sections have peeling paint which will be addressed during the facace repair program.No ladder effect is present.

(v) No soffits appear to be under the balconies . The underneath of the balconies are finished in stucco.

(vi) The existing swing doors accessing balconies and terraces are in acceptable conditions and will remain. Manufacturer is unknown as is the existence of any warranties. Assembly of the doors and existence of thermal break cannot be verified. A visual observation of these items did not present signs of forthcoming issues.

(5) Exterior Entrances:

(i) Exterior Doors: The existing 12th Street entry door will be replaced with new metal doors furnished with a latch system. The door will be of glass and its frame are of blackened stainless steel. There are two sidelights of unframed tempered glass. The locking system is electrical and released via a card key. The manufacturer of said door will be a local fabricator yet to be selected, but will be fabricated for this project.

(ii) Vestibule doors and frames: none

(iii) Exterior stairs: none

(iv) Railings and Canopies: none

(v) Mail Boxes: Existing mailboxes in the entry lobby, compliant with USPS standards, will remain. These are type 4B according to USPS standards.

(vi) Exterior lighting will remain at the exterior entrances in compliance with the New York State Multiple Dwelling Law. Surface-mounted exterior lighting will also be provided roof level.

(vii) Drainage: Paved surfaces at the main exterior door are pitched away from the doors to ensure adequate protection against water intrusion.

(viii) There are three existing wall sconces at the front facade. They are to remain and appear to be in good working order.

(6) Service Entrance: none

(7). Roof and Roof Structures

(i) Type of roofs for all areas: the sponsor will replace the existing roofing assembly to install one anew by JM Johns Manville per the approved ALT2 application.

(a) Material: The new roof assembly is comprised of an asphalt primer and waterproofing, 2 layers of roofing membrane and a cap sheet.

(b) Insulation: The continuous insulation performing at R-38 will be placed at the underside of the deck.

(c) Surface finish: The decking at the main roof will be concrete pavers suitable for daily foot traffic which will not affect the warranties delivered with the new roofing.

(d) Bond or guarantee: 10 years, which will be assignable to the condominium. The warranty will commence after roofing installation which is anticipated to be in or about April 2020.

(e) Flashing materials including counter flashing: Aluminum.

(f) Roof will be of composite construction and has a liquid membrane roofing system.

(g) Roof will be a two-ply granular, SBS modified bituminous membrane roof or equivalent system

(h) All exterior metals, including fasteners, shall be corrosion resistant.

(i) It is anticipated that the roof will be tiled as before. The roofing system will be suitable for foot traffic under the warranty provided by the manufacturer.

(ii) Parapet Finishes: Interior surfaces of parapets will be repaired and re-pointed where required. The flat cast stone coping will be retained.

(iii) Drains: Roof drains and overflow drains will collect storm water from all roof surfaces. The roof drainage system includes several cast iron roof drains, with the associated cast iron drainage piping directing flow to the lower level for discharge into the NYC combined sanitary/storm sewer system. No gutters or similar types of roof drainage system components were noted.There is no further requirement for storm water retention. Storm water will be delivered into the combined sewer system that services the sanitary and roof drainage needs of the building. Street drainage outside the site is collected in existing city catch basins which discharge into the New York City sewer and storm system mains. Storm water leaders are all inside the building, and are to be cast iron.

(iv) Bulkheads:

(a) Exterior face of existing passenger elevator bulkhead consists of solid brick construction. It is anticipated that interior of the wall is block. The bulkhead is in acceptable condition and will remain as is.

(b) Stair Bulkheads: Existing stair bulkheads are in acceptable conditions and will remain. Bulkhead's exterior walls are made with brick.

(v) Metal Work at Roof Level

(a) Railings:

The railing were observed at the terrace perimeter and at the exterior balconies, The railing consists of 2½"metal pipe posts spaced at 6-feet on center and fastened to the top of the precast stone coping above the brick parapet. The railing height was measured 42" above the floor of the terrace and the floor of the balconies. The vertical bars between the bottom and top horizontal pipes are spaced at 4" on center in compliance with the NYC code. The railing exhibits peeling paint and rusting, to be corrected by Sponsor during façade repair program.

(b) Hatches to Roof: There is no roof hatch

(c) Concrete pads: none

(d) Steel dunnage: none

(e) Bulkhead access: access to bulkhead is provided by galvanized steel stair fixed to the bulkhead walls.

(f) All exterior metals and fastenings will be corrosion resistant or protected by a corrosion resistant coating.

(vi) Roof Top Facilities: There is a common rooftop recreation area for the use of all Building occupants, consisting of approximately 1,110 square feet of paved areaaccessed via the elevator and egress stairs. The common roof terrace area is compliant with FC504.4 as it provides unobstructed access to the building rooftop, including unobstructed passage across the building parapet, perimeter fence or other obstructions, and a safe landing for fire operations.

(a) No occupiable roof area will be larger than 1110 sf: At 15 sf per person the calculated occupant load of any paved roof area will be no more than 74 people.

(b) Two means of egress are provided

(c) The perimeter is protected by a railing or parapet at least 42 inches above the walking surface.

(d) Walking surface is non-combustible.

(e) Mechanical Equipment: none

(8) Fire escapes: none

(9) Yards and Courts:

(i) There is a rear yard which will remain paved. It is currently fitted with steel railings. Steps are present to reach a lower. The yard is abutting a building at one side and is protected by railings on the others. Rear yard will remain paved. It is found in an acceptable condition and no corrective work is required according to engineer.

(10) Interior Stairs:

(i) Egress Stairs: The egress stairs are in acceptable condition and will remain. Two existing egress stairs provide fire egress from the floors of the Building. Both stairs extend from roof to sub-cellar. They are built

in a steel assembly with concrete treads, and are fitted with one steel railing.The stairs are housed in concrete block shaft which extends to roof bulkhead.

(ii) There are existing, winding convenience stairs connecting the first floor and the cellar of the Community Facility Unit that are not New York City Building Code compliant. The Sponsor plans no work to retrofit or otherwise modify these stairs. However, compliant stairways are already provided in the Building; the winding stairs are additional for the convenience of the Community Facility Unit.

(11) Interior Doors and Frames:

(i) The existing lobby vestibule door is in acceptable condition. It is made of metal and glass and will remain. The manufacturer is unknown but unit entrance doors are 1.5-hour fire-rated metal doors with metal frames. These doors are acceptable per the NYC Building Code, furnished with the required hardware and security devices.(ii) Unit interior doors will be replaced by doors made of solid construction, with flat wood or composite panels. Door casings will be painted white. Doors will be of-the-shelf market-rate as can be found in large hardware establishments such as Home Depot. These doors are not fireproof.

(iii)Corridor doors are in acceptable conditions and will remain. The manucfaturer is unknown but they are 1.5-hour fire-rated metal doors with metal frames per the NYC Building Code, furnished with the required hardware and security devices, and will remain.

(iv) Stair hall doors are in acceptable conditions and will remain. The manucfaturer is unknown but they are 1.5-hour fire-rated metal doors with metal frames per the NYC Building Code, furnished with the required hardware and security devices.

(v) Roof doors: Roof doors and basement doors are in acceptable conditions and will remain. The manufacturer is unknown but they are 1.5-hour fire-rated metal doors with metal frames per the NYC Building Code, furnished with the required hardware and security devices.

(12) Elevators

(i) The one existing passenger elevator (no service elevator exists) serves all levels of this building with the inclusion of the main roof The elevator machine room is located on top of the elevator bulkhead above the main roof. It is a 2000lb capacity traction elevator with sliding doors The elevator is manufactured by Orion Elevator, and is original to the building having been installed in 2006 at the time of construction with machine room at roof level, will be retained and consists of the elevator motor (20 HP), controller, and all other power and control components. This elevator was surveyed by CBA Elevator Consultants in 2017, and was found to be in generally good condition. Additional characteristics and specifications include:

- Automatic selective collective (type of control) Delta Drive VVVF
- AC motor-generator REULAND
- Overhead traction
- Geared machine
- 4x 0.5in cable
- Control board is Elevator System Inc.

(13) Passenger Elevator Cab

(i) Floor Material is tile.

(ii) The wall finish is a combination of wood veneer and stainless steel

(iii) The cab lighting isLED type.

(iv) The existing elevator doors and frames are stainless steel with wood laminate panel finish, and ceiling is stainless steel panel with recessed down-lights. Existing stainless steel flat bar handrail will remain. And there are tiles on the floor.All finishes are in good condition and no work is in scope.

(v) Elevator recall and operation under emergency and alarm conditions comply with NYC Building Code requirements. Code required emergency call button, emergency stop, fire department operational controls and elevator car recall were identified as present.

(i) Auxiliary Facilities

(1) Laundry

(i) Each renovated Unit will be furnished with a laundry room or closet containing a clothes washer and ventless electric condensing dryer.

(2) Refuse Disposal

(i) Incinerators: None

(ii) Compactor: Royal model CK, type Lcompactor will remain. The capacity of this unit is 1650 pounds per hour [In good condition. Sponsor to perform simple maintenance work; paint and replace light.]

(iii) Chute: existing and accessed at each floor from the common corridor through refuse closet

(iv) Storage Location: A trash storage room is located at the sub-cellar.

Pick-up schedule:
Sunday = regular garbage
Tuesday= recycling andregular garbage)
Thursday = black bags (regular garbage)

(3) Storage: 16 storage units are available for sale to residents at the sub-cellar level. The enclosure is a metal grate with an operable door which the owner will secure via a padlock. Units 01 thourgh 08 are 3’ x 3’-9” in plan and 7’ tall. Units 09 thourgh 16 are 3’ x 4’ in plan and 7’ tall. The 16 storage units are in a room with a 1.5-hour fire rated self-closing door.
There is a further storage room at the South-East corner of the sub-cellar level that is for the exclusive use of the building staff via a keyed door.
The two storage rooms at the cellar level are for the exclusive use of the building staff via a keyed door.

(4) Fitness: none

(5) Toilet Rooms: none

(6) Superintendent’s office: none

(7) Package Room: none

(8) Bicycle storage: The building will provide approximately 13 bicycle parking racks in a room with a keyed door. The racks are of steel construction and allow for each user to store the bycicle vertically and secure it with a personal padlock. The bicycle racks will be available to unit owners on a first-come, first- served basis.

(j) Plumbing and Drainage:

(1) Water Supply:

(i) There is (1) existing 3-inch domestic water service in the Building. Domestic water supply to the Building from street water main will be metered by 1 meter and is served by a main service valve located in the cellar mechanical room. After the water meter assembly, water is pumped from a duplex constant pressure booster pump to all plumbing fixtures and equipment in the Building from the Cellar level to the roof. The booster pump system rated at150 GPM, 1125ft. head, 7.5 hp. Pump is manufactured byGouldsor, has had one motor replaced within the last six months and the other replaced within the last one to two years. The remaining useful life of the pump is estimated at 5-10 years.

(ii). Water Piping:
-Service piping - AWWA ductile iron class 52 and 104.
-Above ground – Copper type "L" ASTM B-88.

(2) Fire Protection System:

(i) There is existing sprinkler system in the Building that Sponsor is modifying by the relocation of heads where needed. The incoming service or piping is not changing. Existing 40 HP sprinklerbooster pump, jockey pump, main flow control valve / switch is located in the Building water service room. Sprinkler risers located within the stairs & trash chute: (1) existing riser – within stair A core, (1) existing riser – within stair B core, (1) existing 2” riser – within trash chute core. Sprinkler system is and will be as per New York City Building Code. All Units (except bathrooms and closets), all common spaces, and below grade spaces are to be fully sprinkler protected.

(ii) Sprinkler Head: UL and MEA approved quick response, pendant, upright and sidewall sprinkler heads. Location: Provided throughout the Building. Entire Building is protected by sprinklers, except in areas not required to be sprinklered by Code.
(iv) Existingsiamese connection: located as per NYC Building Department requirements at the 1st floor facade. The finish to be Polished Bronze or Brass with caps painted green.

(3) Water Storage Tank: No water storage tank exists on this building

(4) Water Pressure and How It Is Maintained:

(i) The Building from the cellar level and above is furnished with separate duplexconstant pressure booster system to feed one zone of water supply for entire Building.The booster pump system rated at 150 GPM, 1125ft. head, 7.5 hp. Pump is manufactured by Gouldsor, has had one motor replaced within the last six months and the other replaced within the last one to two years. The remaining useful life of the pump is estimated at 5-10 years.

(ii) The Hydrant flow test provided by NYC DEP dated 06/23/2017 indicates a static pressure of 58 PSI with a residual pressure of 54 PSI with 500 GPM flowing.

(iii) Hose bib in the water service room, boiler room, and trash compactor room of the first floor will operate on street pressure.
(iv) The domestic water pressure within the apartments will be maintained by the booster pump systems between approximately 80 PSI max at the ground floor and 33 PSI min at the roof.

(v) Maximum pressure at any fixture will be 83 PSI as required by NYC code.

(vi) All domestic water piping including cold, hot and hot water return is copper, insulated and sized as required by Code. Mosthot water pipe is insulated with 1.5-inch thick Armaflexinsulation.

(vii) Pipe sizing isas per New York City Building Code.

(5) Building Sanitary Sewage system

(i) Permit as required for DEP Site connection proposal for a existing combined sewer shall be required including special inspections for control flow storm water retention.

(ii) Sewer piping materials shall be E.H.C.I. pipe hub & spigot ASTM 74; sanitary waste gravity discharge to street combined sewer, sized as required.

(iii) Building will have multiple stacks and vent system with all areas above grade flowing by gravity to adjacent sewers in street.

(iv) Sewer will be discharge into New York City sewer system. The existing sanitary system is in very good condition.

(6) Permits Required:

(i) DEP approval and permit are not required for Site sewer connection proposal. The existing 6" service line will be retained.

(ii) DEP approval and permit are not required for Domestic water and Fire services backflow preventer devices. The existing 3" domestic water service will be retained

(7) Storm Drainage System existing to remain.

(i) The existing combined storm water/sanitary system, discharging into the NYC sewer system is existing and will remain. The storm water piping is normal weight cast iron, with the combined sanitary/storm main, at the point of discharge from the building, sized at 6". No sump or ejector pumps were found to exist.

(k) Heating Systems:

(1) The heating system is designed to maintain an indoor temperature of 72° F indoors when outside temperature is 15° F. The system was found to be in very good condition.

(2) Heating for all units is provided from a gas fired LAARS PW0715IN09 modular hot water boiler system with an integral gas train (gas boilers do not have burners like oil fired boilers) located in the basement. The boiler system was manufactured in 2007, has an efficiency of 80%, a capacity of 8,640 Mbh and an estimated useful life of 8-10 years. Hydronic hot water is circulated from the cellar boiler room throughout the building to individual hot water coils in each tenant space *PTAC unit. Taco circulators (duplex), expansion tanks, check valves and makeup water valves are included as part of the overall system*. *The heating unit is original to the building and was installed in 2006 at the time of construction, with piping insulated with R4 insulation.* The combustion air intake is too small and does not meet the requirements of the NYC Mechanical Code, Section MC 703. The combustion air intake must be sized at 62" x 62" and located at 12" below the ceiling.

(3) Domestic hot water for all Units is provided by the existing Hydro Therm MRL1800B gas fired boiler serving an indirect hydronic coil located within an AO Smith 119 Galstorage tank with hot water recirculation. The water heater was manufactured in 2007, has an efficiency of 81%, a capacity of 579 Mbh and an estimated remaining life of 8-10 years. The system will have circulation pumps and hot water return piping to maintain the temperature of the hot water circulated to fixtures as per NYC code. There are no instantaneous hot water heaters in the Units.*The domestic hot water system is original to the building and was installed in 2006 at the time of construction*

(4) Air Handler units:

(i) Heating for the renovated Units will be provided from the gas fired boiler in the basement circulating hot water though a coil in the exterior wall room PTAC unit.

(6) Hot Water and refrigerant water piping is Type K, Type L, copper for sizes less than 3" and schedule 40 steel for sizes 3" and above

(7) Ductwork, Hot and Cold Water, Refrigerant Piping insulation has an R-value in compliance with NYC Energy Conservation Code

(8) Valves are rated for the temperatures and pressures of the system they serve.

(l) Gas Supply: The existing gas fixtures in the Building will remain. The existing natural gas system appears to be in very good condition, with sch 40 black pipe for distribution, a 3" service main entering the building and two rotary meters (one for the kitchen gas distribution and one for the heating/hot water gas distribution).

(m) Air Conditioning:

(1) The air conditioning systems are designed to maintain an indoor temperature of 75°F DB inside when 89°F DB/ 76°F WB outside. A year-round heating and cooling system consisting of Soleusair PTAC units will be provided ineach renovated Unit (existing PTAC units in good working order will remain; otherwise, to be replaced, as necessary). The manufacturer of the PTAC units is unknown but each PTAC unit shows the same specification and performance. The existing wall sleeves were unaccessible so insulation could not be verified. These units are rated at a COP of 3.06, 11,800 Btuh, 10 amps with an estimated useful life of 15-20 years. Some Unit air handlers have ducted air distribution inside Units. The ducts are located within a hard ceiling and were not accessible to verify insulation type or R value.Refrigerant pipes are constructed of copper and insulated. Piping consists of a hydronic hot water system. Units inside the Units have the ability to either provide heating or cooling. Each indoor air handler unit has its own heating and cooling thermostat and function per the programmed sequence of operation. The thermostat has the ability to control the fan and mode of operation automatically based on room conditions. Thermostats are integral to the PTAC unit and allow for heating/cooling selection along with control of temperature and fan speed.The PTAC units function to heat and cool each individual room. All piping was found to be properly insulated with R4 where accessible. No additional exterior condensers were found at the site.

(i) Warranty: Soleusair Standard Warrant-for parts only 1 year from installation or 18 months from shipment. Compressors are cc for 7 years for parts only with the same time stipulation as the warranty.

(2) Common stairs and corridors will not be cooled. Nothing beyond the individual residential units will be provided with air conditioning.

(n) Ventilation:

(1) Bathrooms are provided with individual toilet exhaust fan ducted type at the NYC code required intermittent rate of 50 CFM/toilet or ventilated via operable windows.

(2) All Unit kitchens are ventilated via mechanical ventilation at the NYC code required intermittent rate of 100 cfm or continuous rate of 25 cfm.

(3) Units are also ventilated via operable windows.

(4) All common spaces & corridors are not ventilated. Stairs are not ventilated. The 1968 NYC Building Code lists no ventilation requirements for these non-occupiable spaces.

(o) Electrical System:

(1) Electrical System: Electrical service will be provided into main electric room in the Cellar level. Service from Con Edison shall be sized as per building's electrical loads in accordance with the New York City Electrical Code. Service to the building will be 120/208 volt, 3- phase, 4 wire and distributed to individual Residential Units and base Building electrical systems via power and lighting panels. Dedicated service and electrical equipment for individual Units and base Building distribution systems are sized based on their respective loads. The electrical system was found to be in very good condition. Most wiring was inaccessible and could not be observed. No generator was noted and no provisions for the installation of one were noted.

(2) Main electrical room consolidating individual Units and common electrical equipment is located in the Cellar level of the Building. Local distribution equipment for Units is situated in their respective spaces. Power for Units is distributed from meter banks and disconnect switches in main electrical room.

(3) Service to individual Residential Units from meter banks include dedicated feeders that run to each Residential Unit and terminates at the apartment panel boards. Unit feeders are sized as required by load and voltage drop. Each Unit feeder is protected by individual overcurrent protective device at the meter bank location consisting of: - 2p-70A C/B for all Units

(4) Unit Electrical Service: The residential panel board will be rated to comply with the New York City Electrical Code, and takes into account all equipment provided in Units such as dishwashers, microwaves, air conditioning equipment, etc.

(5) All Units will be supplied with 120/208V, 1 phase, 3 wire + ground, 12 pole power panels with single and double pole circuit breakers in each unit. Lighting fixtures in each unit are ceiling recessed type with integral LED lamps. These fixtures are located within each room, including kitchens and bathrooms.

(6) Common Areas:
Power and Lighting panels will be provided to distribute electricity to the loads in all common areas and to be circuited from the dedicated electrical house meter. Individual branch circuit protection will be sized and rated based on the connected loads and requirements of the code, which shall include lighting, receptacles, air conditioning and heating etc.

(7) Fire Detection Alarm Systems:

(i) Smoke detection and sprinkler fire alarm system is provided as required in accordance with NYC code including water flow and tamper switchesas required for the sprinkler-fire alarm system and elevator recall.

(ii) Protection type smoke alarms and combination CO detector, hard wired, with battery backup, 120 volt provided in each Unit as required by Code. Maintenance of safety and warning devices is the responsibility of the Unit Owner.

(8) Adequacy: Residential:

(i) Service: Capacity provided for each Unit will be in accordance with Code requirements, sized at 120/208V, 1 phase, 3 wires: - 2p-70A C/B for all apartments. Service will be adequate to meet normal Unit appliance, lighting and air conditioning loads.

(ii) Lighting and Fixtures: Shall be in accordance with Architectural reflected ceiling plan and lighting fixture schedule.

(iii) Convenience Outlets: Receptacles will be provided in all rooms to meet the New York City Electrical Code. All receptacles in Units will be protected with AFCI (Arc Fault Circuit Interrupting) type circuit breakers, except as otherwise required by NYC Electrical Code.

(iv) Appliance Outlets: Appliance receptacles will be provided in kitchens. Dedicated appliance receptacles will be provided for individual loads such as cooking range. Ground fault receptacles will be provided in all bathrooms, kitchens, and at Residential Unit terraces.
a) 20 amps, 120V circuits are provided to handle lighting and general purpose receptacles.
b) 20 amps, 120V circuits are provided in the kitchen area for 120V kitchen appliances. Each appliance outlet above counter will be GFCI type.
c). 20 amps, 120V circuits in the bedrooms area are provided with AFCI type circuit breakers in the apartment panels.
d) 20 amps, 120V single phase circuit for dishwashing machine and microwave are provided
e) 20 amps, 120V single phase circuit for refrigerator are provided.
f) 2p-20 amps, 208V, 1 phase service are provided to all PTAC units.
h) Public area lighting complies with Housing Maintenance Code and Multiple Dwelling Laws.

(p) Telephones, Intercom and Security Systems:

(1) Telephone services enters the building from 12th Street and is fed to a telecom room located in the Sub-Cellar Level. It is then be distributed throughout the Building through risers and sleeves. Each Unit receives telephone service.

(2) Wiring is installed in each Unit to enable the Unit Owner to obtain telephone and cable television service at the Unit Owner's Expense.

(3)New Intercom System. . [The new intercom system that will be installed is Butterflymx. The model is Butterfly 7" Touch Screen Video Entrance Panel. Butterflymx is an internet based system working with IP high speed internet line and a business class router and a phone line. Unit owners will be able to control entrances and admittal via their smart phone.

(4) High speed internet service will be available for all Units provided by Spectrum, Optimum or Verizon FIOS.

(5) There will be no security system in the building.

(q) Public area lighting: Lighting fixtures are provided in the Building lobby, common corridors, and utility rooms with power density that conforms to the energy code. Most fixtures will have LED luminaire and will be of decorative nature with diffusers and supports.

(r) Garage and Parking Area: none

(s) Swimming Pool / Hot Tubs: None.

(t) Tennis Court and Outdoor Space: No tennis courts are provided. A roof terrace space is provided as an amenity and in compliance with ZR 28-21 and ZR 28-22. The former zoning resolution requires that a minimum of 581 SF of recreation space be provided. The Building accommodates approximately 1,630 SF of which 785 SF comply with the minimum dimensional standards per ZR 28-22. The outdoor recreation space at the terrace level further provides several several seating arrangements at the residents' disposal. These are chaise longue, lounge chairs, tables, etc. Also available is the following electrical grill:Electri-Chef 4400 Series 32-Inch Built-In Electric Grill.
The occupant load at the recreational roof terrace allows 24 seated occupants and 27 standees [per BC table 1004.1.1].

(u) Permits and Certificates: The following Permits and Approvals will be obtained as required. Additionally, Special Inspections will be performed while alteration work is in progress and as mandated by the NYC Building Code.

(1) New York City Department of Buildings:

(i) Demolition

(ii) Temporary sidewalk protection

(iii) General Construction, and Plumbing Permits.

(iv) Façade repair

(2) NYC Metropolitan Transit Authority: Letter of No Impact will not be required

(3) NYC Fire Department - not required

(4) NYC DEP: Site Connection – not required

(5) NYC DOT: Builders Paving Plan- not required
[The following mandatory and recurring inspections will be performed once the building is in operation: NFPA 80, Sprinkler, Elevator/Safety, Boiler/Safety, Fire Alarm, Backflow Preventer and FISP].

(v) Violations

(1) Any open violations must be removed by the Sponsor prior to issuance of a permanent Certificate of Occupancy.

(2) Current open violations:

(i) V 081512EACC101033 and V 062619E9027/654299- elevator**:** Sponsor engaged an elevator contractor to remedy the elevator violation. Once completed, the elevator will be inspected by DOB and the violations will be removed from the record.

(w) Unit Information

(a) Floor Plans depicting layouts of Units and the Storage Lockers appear in Part II of the Plan. Each Unit is measured horizontally from the exterior side of the exterior walls to the centerline of the partitions separating one Unit from another Unit, or separating one Unit from corridors, stairs, elevators and other mechanical equipment spaces or any Common Elements not within a Unit or to the exterior side of the opposite exterior walls; provided, however, that all columns, mechanical pipes, shafts, shaftways, chases, chaseways and conduits are not deducted from measurement of each Unit. Each Unit is measured vertically from the top of the floor (located under the finished flooring and sub-flooring materials) to the underside of the ceiling.

(b) The following residential units are being renovated: 2A, 2B, 2C, 2D, 3B, 3C, 3D, 4A, 4B, 4C, 4D, 5A, 5D, 6B, 6C, 6D, 7A, 7B, 7C, 7D, PHA and PHB. The remaining units are currently occupied. Accordingly, such occupied units are not being renovated at this time and Sponsor is unable to identify the fixtures, finishes, appliances, cabinets, countertops, equipment or the condition. The scope of work for the units being renovated includes the following:

(i) The partitions within the units will be 5/8” gypsum wallboard on metal studs. No sulfide-containing drywall will be used in this project. Partitions between residential units, utility rooms, and egress passageways will be 1-hour fire rated construction consisting of one layer of 5/8” gypsum wallboard (each side) over metal studs filled with acoustic batt insulation, or 1 hour rated CMU. A third and fourth

layer of 5/8” gypsum wallboard will be installed on frame partitions where additional sound separation is required. The perimeter walls of the units will be finished with gypsum wallboard.

(ii) Dropped ceilings are 5/8” gypsum wallboard on furring channels on cross channels hung on black iron as per New York City Department of Buildings requirements. All drywall exposed in finished construction will be primed and painted. Where dropped ceilings are not required, existing plaster ceilings applied to the underside of structure will be repaired and repainted.

(iii) All bathrooms and kitchen areas will be finished with ceramic, porcelain, or stone tile. All other areas will be painted with at least two finish coats of flat latex paint over a primer coat. Finished ceilings shall be painted with at least two finish coats of flat latex paint over a primer coat.

(iv) The residential floor finishes will be 3/4” engineered wood flooring with a white oak wear layer.The manufacturer of the engineered wood flooring has not been selected nor a decision made with respect to flooring type at this time. Typical floor construction will be composed of the existing concrete floor slab topped by an acoustic underlayment, two layers of wood subfloor, and a finish floor of 3/4” hardwood or engineered wood flooring, yielding an STC of not less than 50 when tested in accordance with ASTM E90. Warranty shall match that provided by supplier. All wood finishes to be installed in the renovated units will be new.

(v) Bathroom floors and base will be finished with ceramic, porcelain, or stone tile or equal.

(vi) Powder Room floors and base will be ceramic, porcelain, or stone tile or equal.

(vii) Kitchen floors will be solid white oak or engineered white oak wood flooring as above. Kitchen countertops will be a sintered stone [a.k.a. quartz stone]. The kitchen cabinets are melamineand the doors MDF. Kitchen finishes and appliances will be new.

(viii) Unit laundry room floors will be ceramic, porcelain, or stone tile or equal with painted gypsum wallboard walls and ceilings

(ix) Residential stairs will be clad in wood, with treads and risers to match floor finishes. Guards will be clad in wood with wood or polished nickel handrails.

(x) Bathroom Fixtures to be featured in the renovated units: (All fixtures to be equal or better than those listed below)

Item	**Manufacturer**	**Model #**
Toilet	Kohler	K-75790
Vanity with Sink	Fresca	FCB8006
Sink Faucet	Delta	553LF
Bathtub	Kohler	K-1121
Shower Head	Delta	RP52159
Tub Filler	Delta	RP53419
Hand Held Shower	Delta	55530
Custom Glass Shower Partition	N/A	N/A
TP Holder	Delta	77750
Towel Bars	Delta	77724
Robe Hook	Delta	77736

(xi) Kitchen Appliances and Fixtures to be featured in the renovated units: (All new appliances to be equal or better than those listed below)

Appliance Model Kitchen Type

Item	Manufacturer	Model #
Refrigerator/Freezer [24-INCH] in studios and 1-bedroom units	Bosch	B09IB81NSP
Refrigerator/Freezer [36-INCH] in 2-bedroom	Bosch	B36IT800NP
Cooktop	Bosch	NGM8046UC
Range Hood	Broan	RMP17004
Speedoven	Bosch	HMC80242UC
Dishwasher	Bosch	SHV863WD3N
Sink	Elkay	ELGUAD2519PD
Faucet	Delta	9159-CZ-DST

(xii) Laundry Appliances to be featured in renovated units: (to be equal or better than those listed below)

Residential Washer: Bosch [Model: WAT28400UC]
Residential Electric Dryer: Bosch [Model: WTG86400UC]

(x) Information about Public Spaces
(1) Finishes of Public Spaces (to be equal or better than those listed below):

Space	Floor	Wall	Base	Ceiling
Lobby	CT	PT/CT	PT	PT
Egress Stairs	CON	PT	N/A	PT
Elevator Lobbies	CPT	PT	PT	PT
Cellar Public Corridors	CT	PT	CT	PT
Mechanical Spaces	CT	PT	PT	PT
Residential hallway	CT	PT/CT	PT/CT	PT
Sub-Cellar	CT	PT	CT	PT
Storage Room	CT	PT	CT	PT
Bicycle parking	CT	PT	CT	PT

(v) The Community Facility is being delivered as a raw space and aside from the demolition in scope no additional finishes are being delivered.

(2) Abbreviations for Finishes
CON Concrete
CPT Carpet
CT Ceramic or Porcelain Tile
PT Paint

(y) Safety and Warning Devices:
(1) Per NYC Building Code, combination smoke and carbon monoxide detectors will be located in all Units near the sleeping rooms. All sprinkler loops are monitored by tamper and water flow switches. Smoke detectors will be located in the trash room and in the mechanical and electrical rooms.

(z) Additional Information: See attached drawings for site plans and unit plans
(aa). Additional Testing: none required

(ab). Further development: This development will be constructed to the limit permitted by NYC zoning regulations. No additional development is planned.

(ac). Asbestos: The code does not require asbestos investigation as the building was built after April 1st, 1987.

(ad) Lead Paint: Building was built in 2008 after lead paint was banned in 1978. It is assumed there is no lead paint in the building.

(ae). Tenant Protection Plan: To be filed with NYC Department of Buildings.

(af) Commissioning Agent: the work of a commissioning agent has not been included in this project.

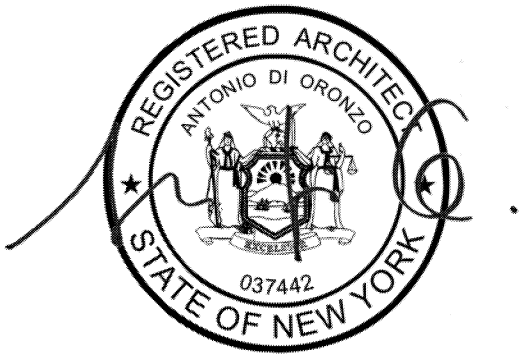
I hereby affirm that the above description of the property and specifications are an unbiased professional opinion arrived at without inducements of any kind.

To the best of my knowledge, belief and professional judgment, these plans and specifications are in compliance with the Energy Conservation Construction Code of New York State (Chapter 8).

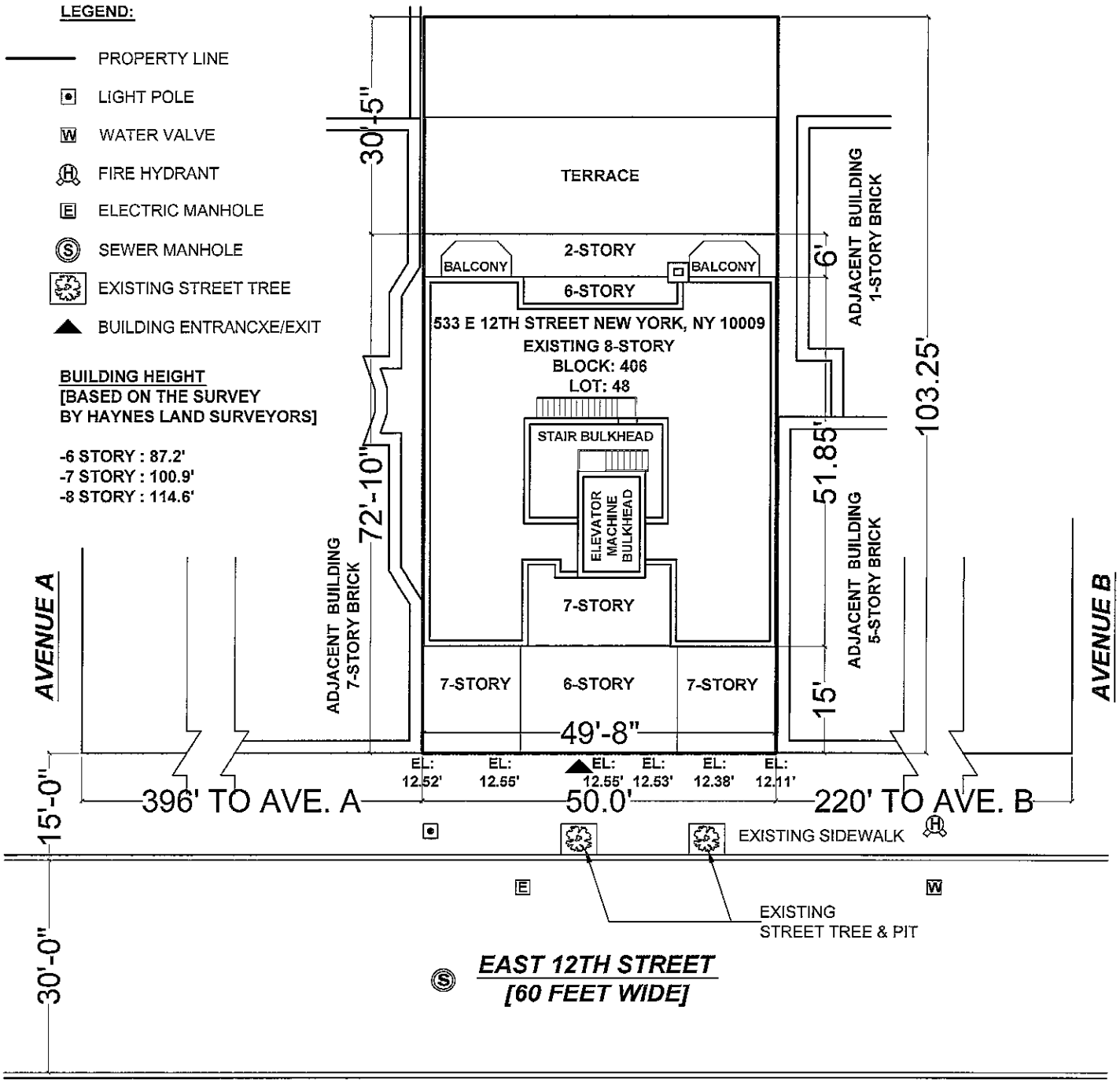
By: Antonio Di Oronzo

SIGN AND SEAL

- End of Report –



FLOOR PLANS



533 EAST 12TH STREET CONDOMINIUM

NEW YORK, NEW YORK

SITE PLAN

N E W S

SCALE: N.T.S.

ADDITIONAL INFORMATION - DIMENSIONS OF UNITS

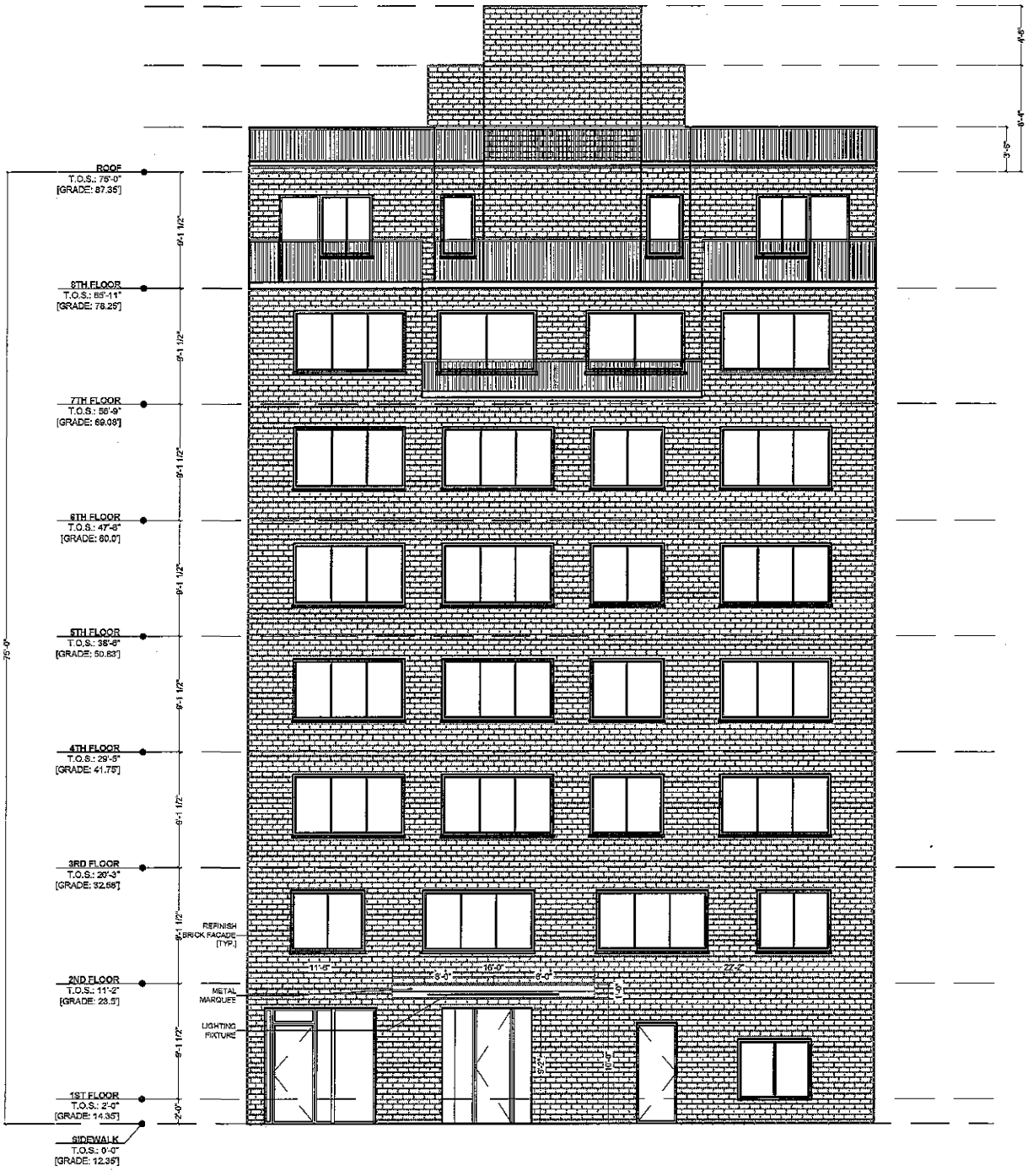
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FRONT FACADE ELEVATION

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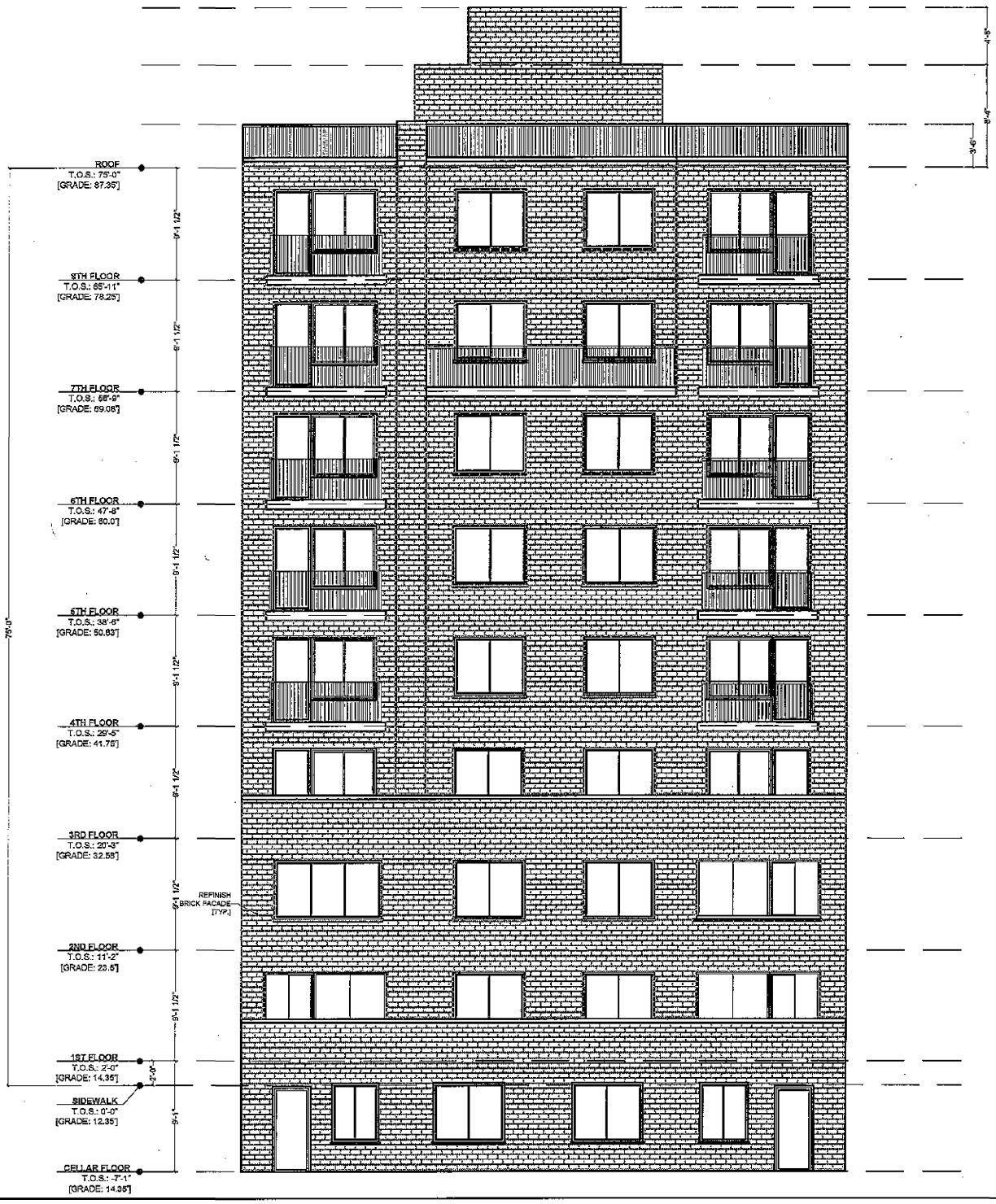
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REAR FACADE ELEVATION



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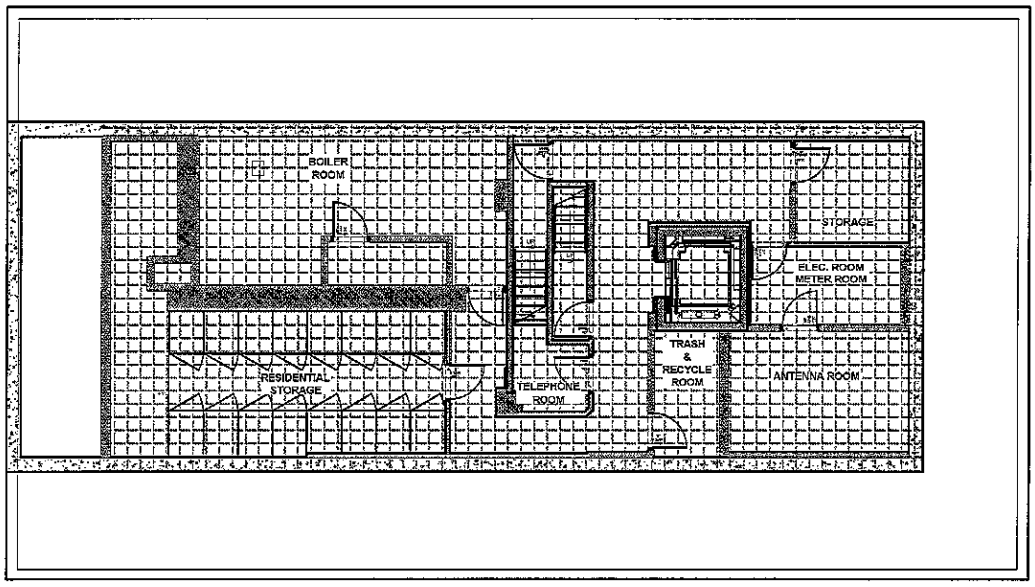
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SUB-CELLAR GENERAL PLAN

E S N W

SCALE: 1/16" = 1'-0"

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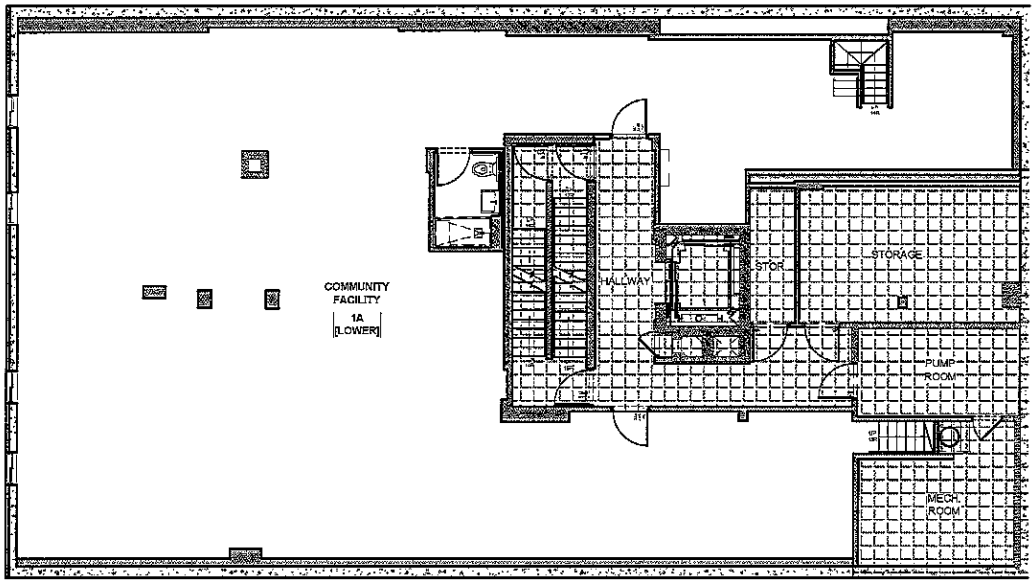
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COMMON ELEMENTS

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CELLAR GENERAL PLAN

SCALE: 1/16" = 1'-0"

ADDITIONAL INFORMATION - DIMENSIONS OF UNITS

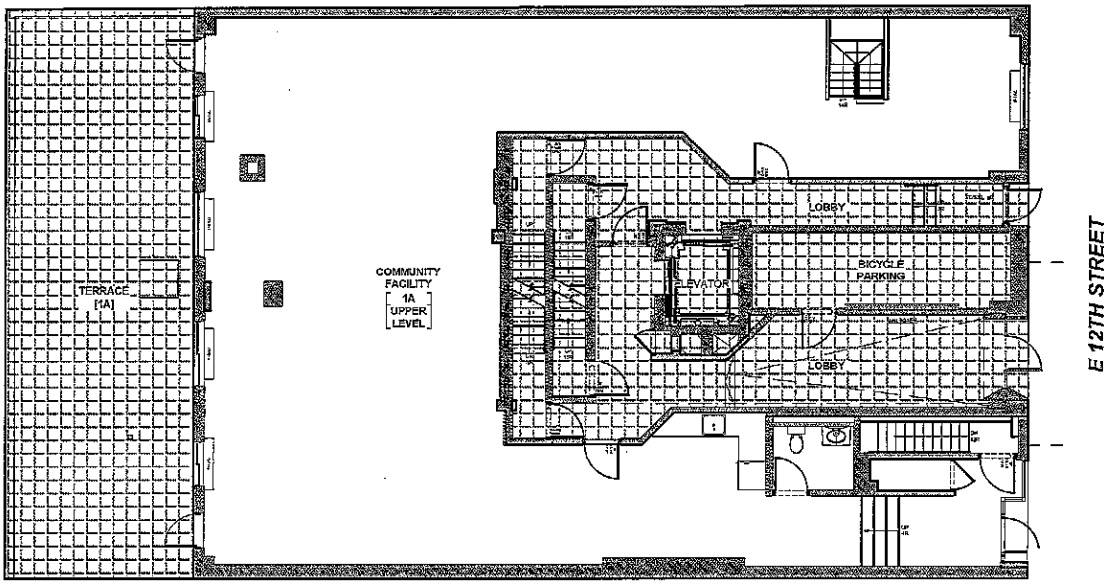
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FIRST FLOOR GENERAL PLAN

SCALE: 1/16" = 1'-0"

ADDITIONAL INFORMATION - DIMENSIONS OF UNITS

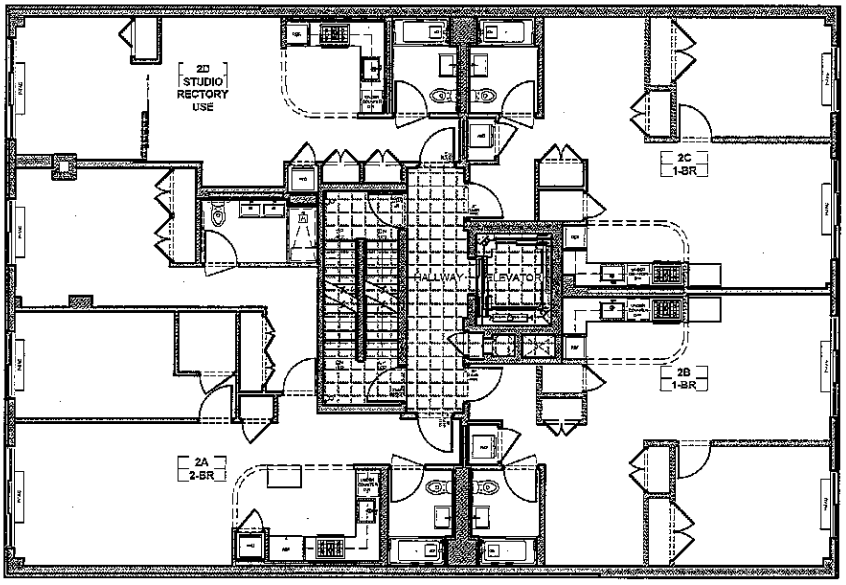
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SECOND FLOOR GENERAL PLAN



SCALE: 1/16" = 1'-0"

ADDITIONAL INFORMATION - DIMENSIONS OF UNITS

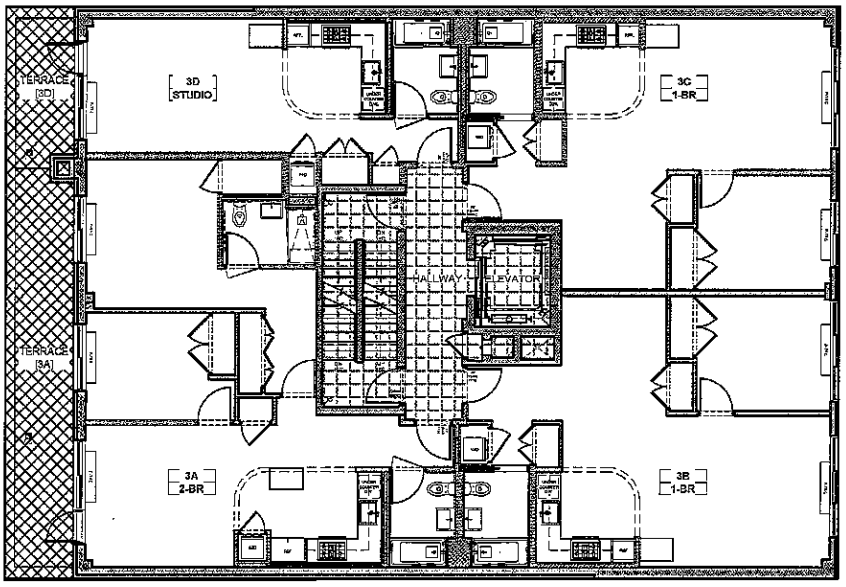
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THIRD FLOOR GENERAL PLAN

SCALE: 1/16" = 1'-0"

ADDITIONAL INFORMATION - DIMENSIONS OF UNITS

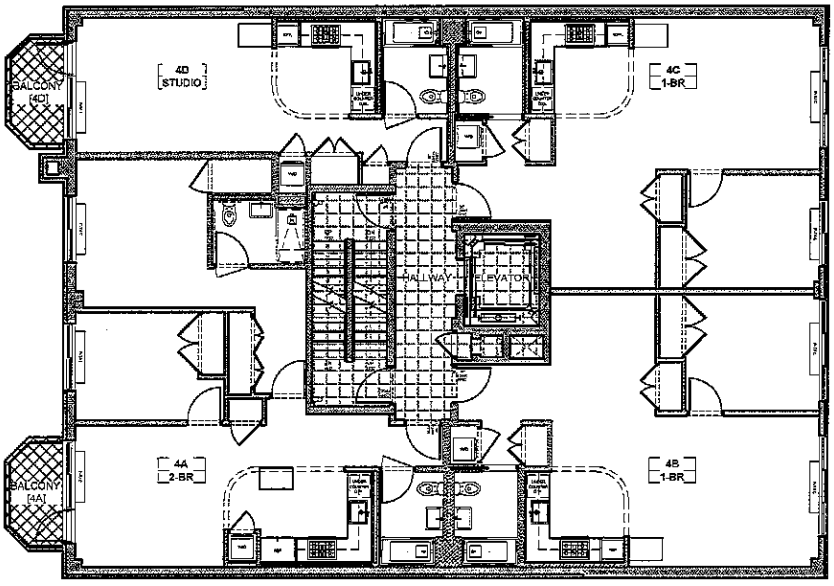
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FOURTH FLOOR GENERAL PLAN

SCALE: 1/16" = 1'-0"

ADDITIONAL INFORMATION - DIMENSIONS OF UNITS

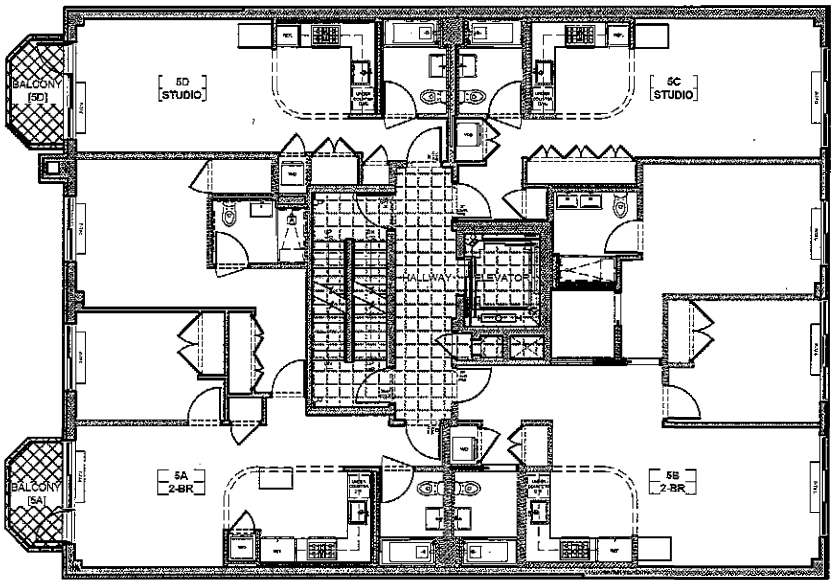
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FIFTH FLOOR GENERAL PLAN



SCALE: 1/16" = 1'-0"

ADDITIONAL INFORMATION - DIMENSIONS OF UNITS

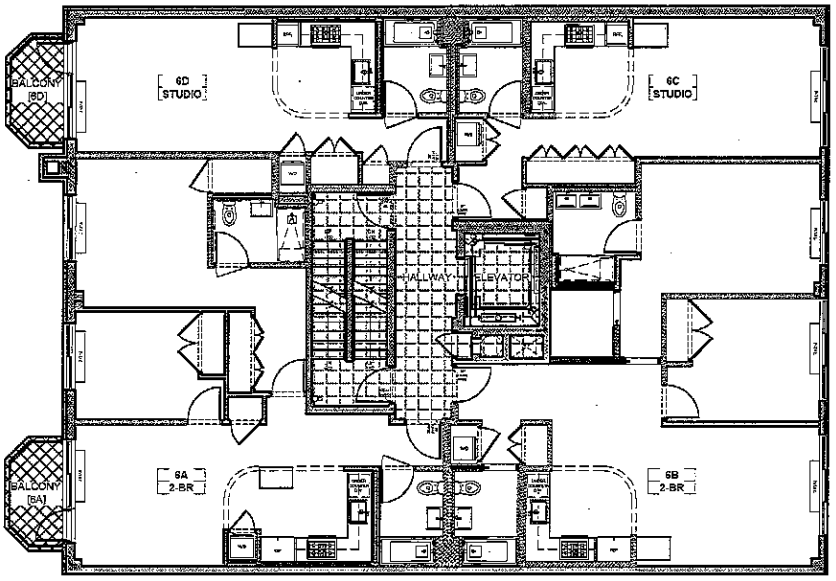
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SIXTH FLOOR GENERAL PLAN

SCALE: 1/16" = 1'-0"

ADDITIONAL INFORMATION - DIMENSIONS OF UNITS

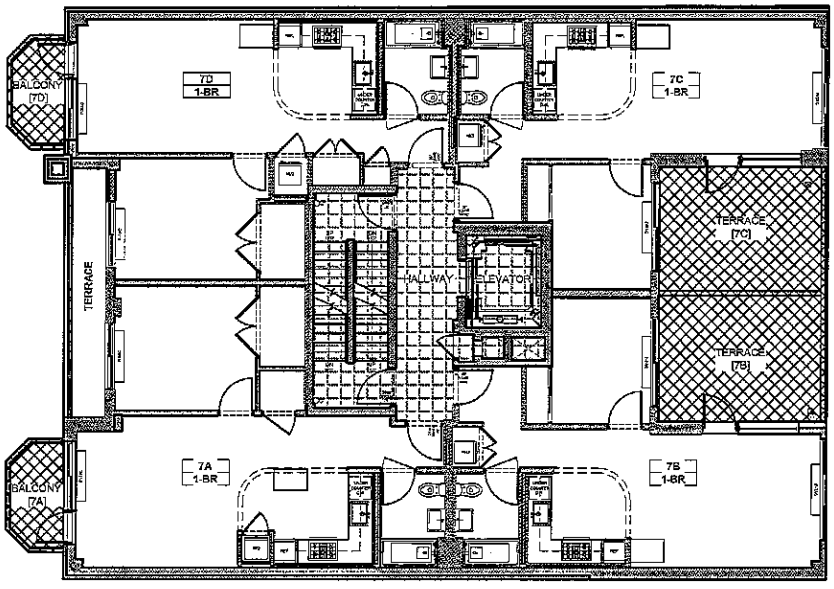
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SEVENTH FLOOR GENERAL PLAN

E S N W

SCALE: 1/16" = 1'-0"

ADDITIONAL INFORMATION - DIMENSIONS OF UNITS

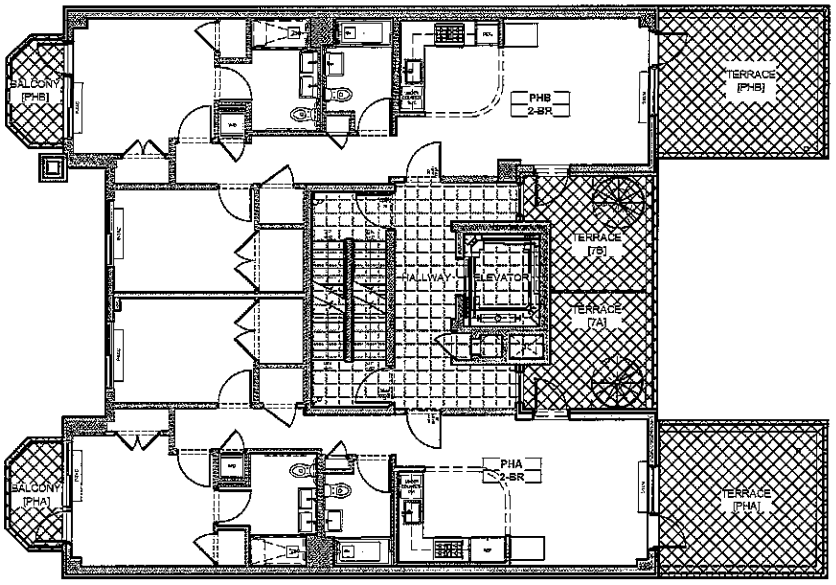
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SCALE: 1/16" = 1'-0"

ADDITIONAL INFORMATION - DIMENSIONS OF UNITS

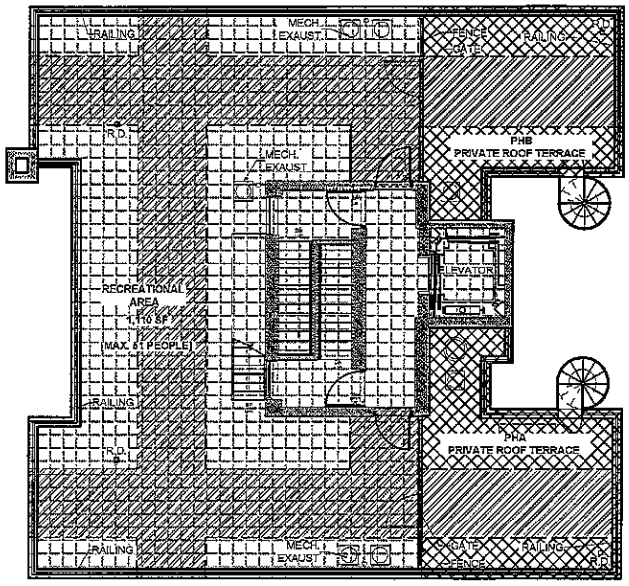
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- LIMITED COMMON ELEMENTS
- COMMON ELEMENTS
- 5'-0" F.D.N.Y. CLEAR PATH

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NEW YORK, NEW YORK

ROOF GENERAL PLAN



SCALE: 1/16" = 1'-0"

ADDITIONAL INFORMATION - DIMENSIONS OF UNITS

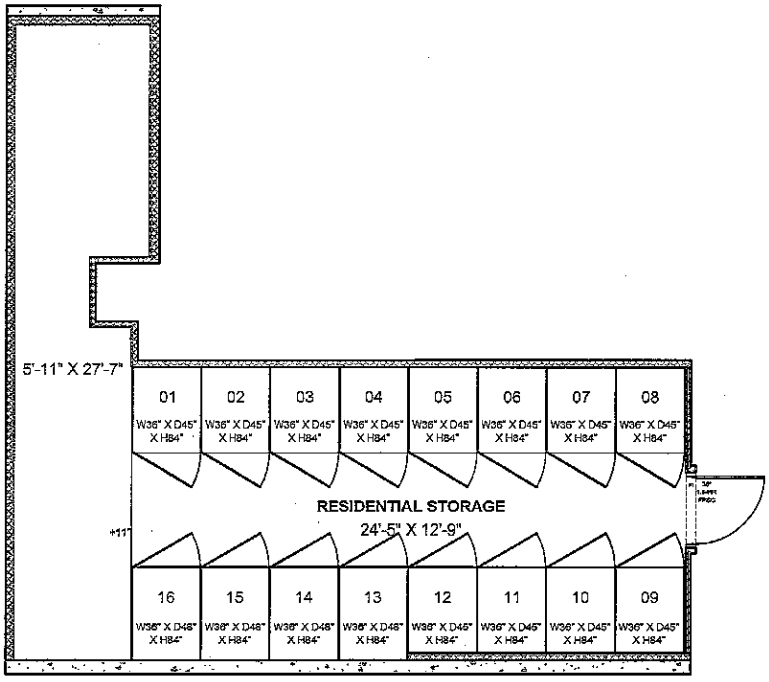
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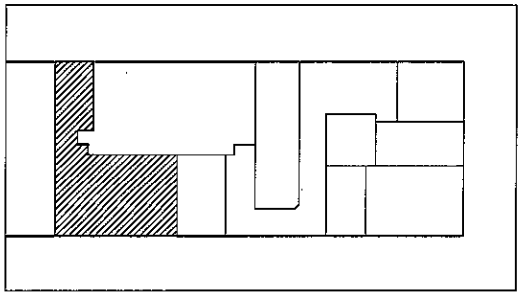
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SUB-CELLAR KEY PLAN

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NEW YORK, NEW YORK

SUB-CELLAR RESIDENTIAL STORAGE

APPROXIMATE AREA 502 SF



SCALE: N.T.S.

ADDITIONAL INFORMATION - DIMENSIONS OF UNITS

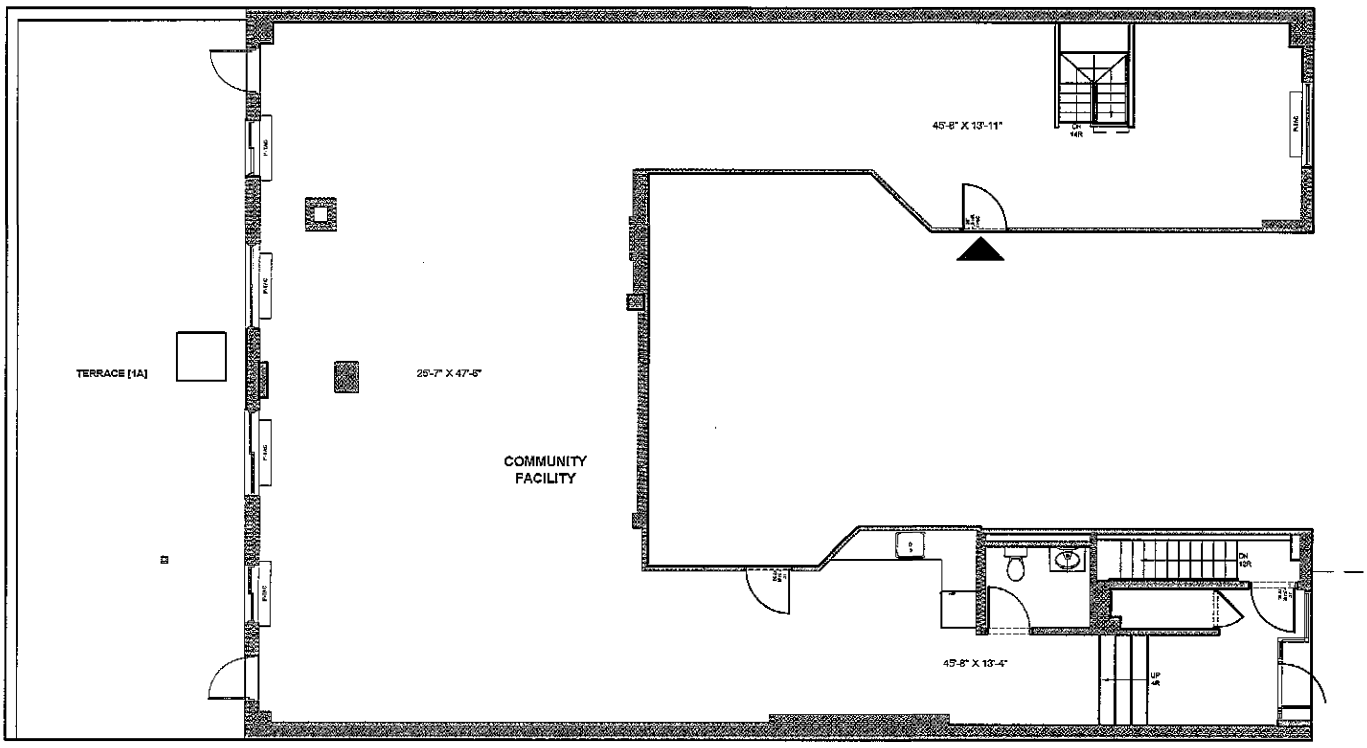
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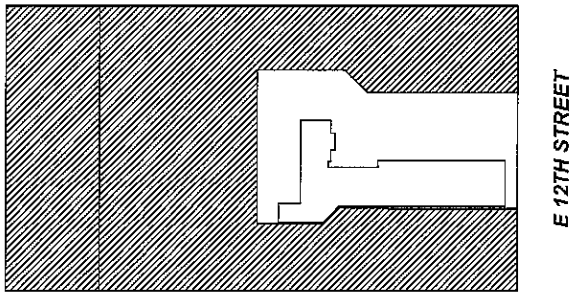
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FIRST FLOOR KEY PLAN

533 EAST 12TH STREET CONDOMINIUM

NEW YORK, NEW YORK

FIRST FLOOR UNIT 1A [COMMUNITY FACILITY]

APPROXIMATE AREA 2600 SF [DUPLEX - UPPER LEVEL]
APPROX TERRACE AREA 816 SF

ADDITIONAL INFORMATION - DIMENSIONS OF UNITS

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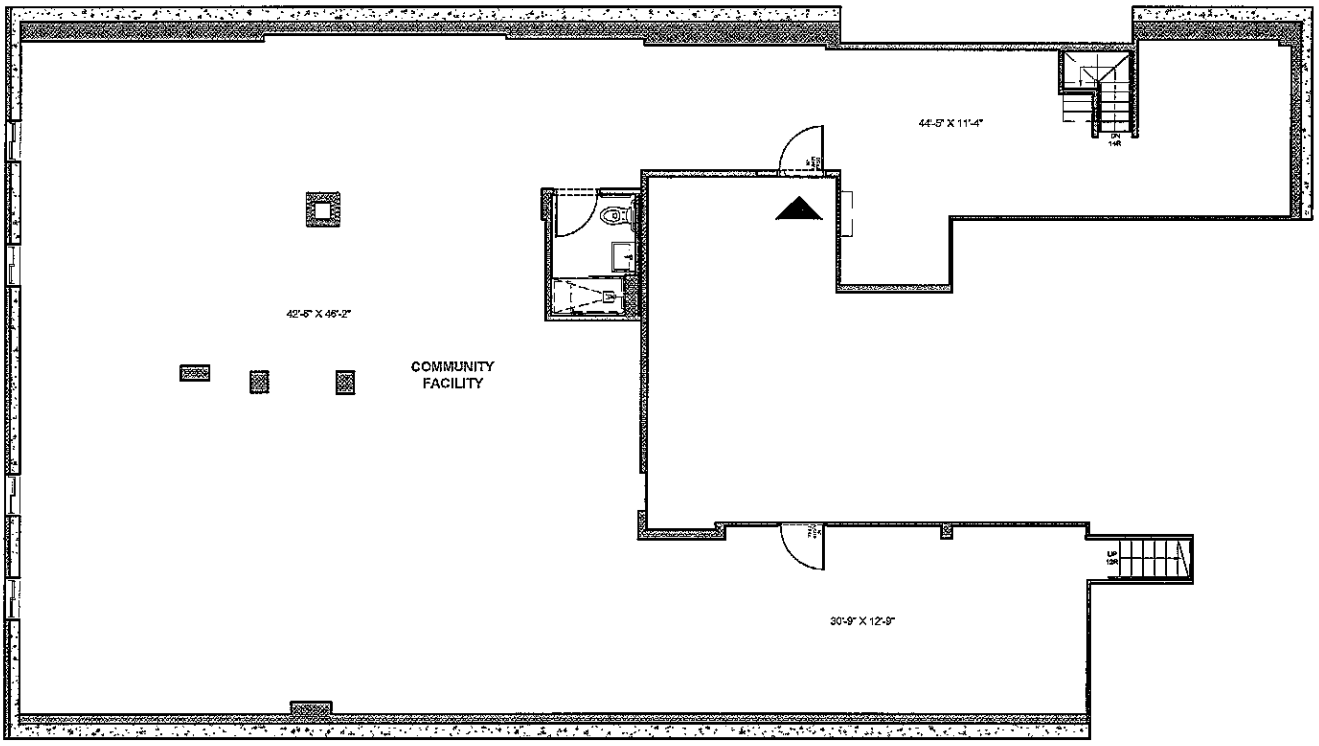
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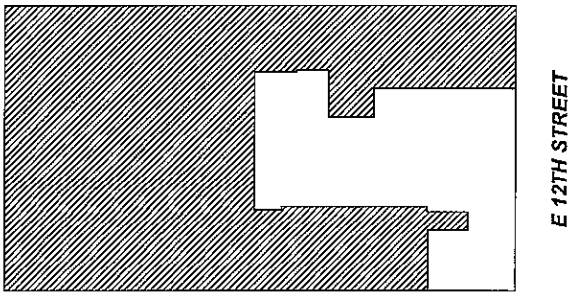
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CELLAR KEY PLAN

533 EAST 12TH STREET CONDOMINIUM

NEW YORK, NEW YORK

CELLAR UNIT 1A [COMMUNITY FACILITY]

APPROXIMATE AREA 3249 SF [DUPLEX - LOWER LEVEL]

SCALE: N.T.S.

ADDITIONAL INFORMATION - DIMENSIONS OF UNITS

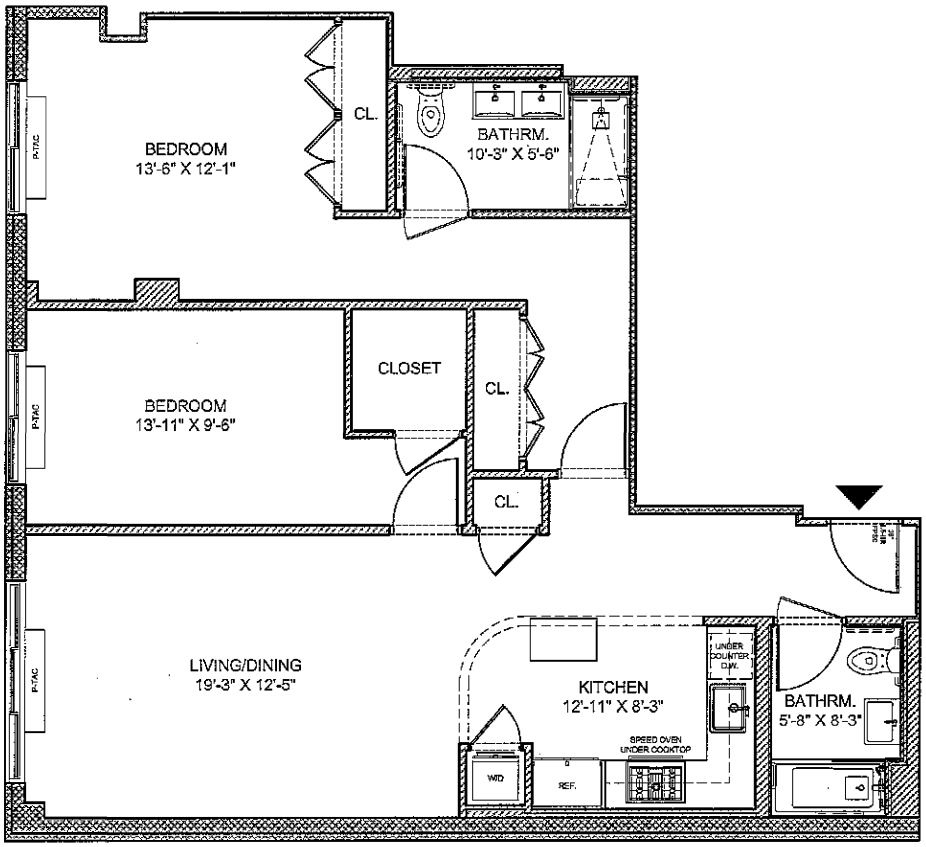
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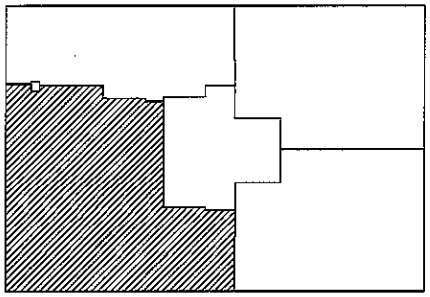
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SECOND FLOOR KEY PLAN

533 EAST 12TH STREET CONDOMINIUM

NEW YORK, NEW YORK

SECOND FLOOR UNIT 2A

2 BEDRM 2 BATHRM APPROXIMATE AREA 1141 SF



SCALE: 1/8" = 1'- 0"

ADDITIONAL INFORMATION - DIMENSIONS OF UNITS

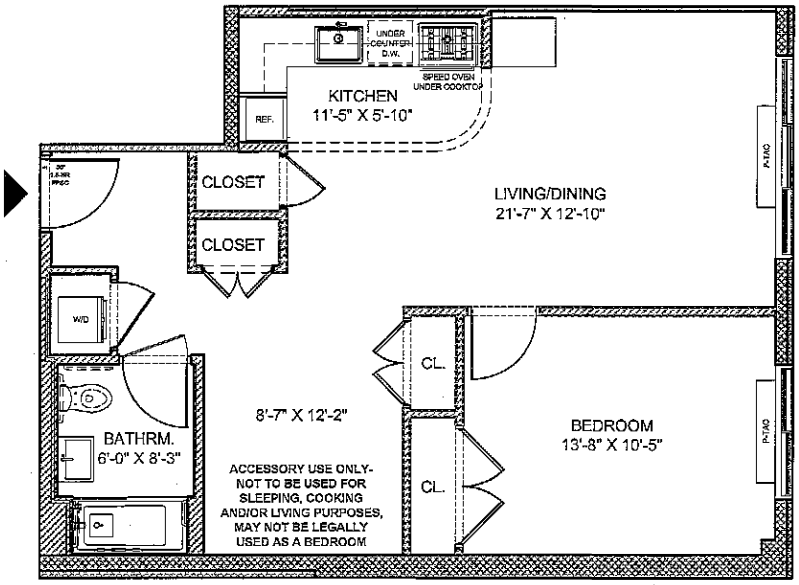
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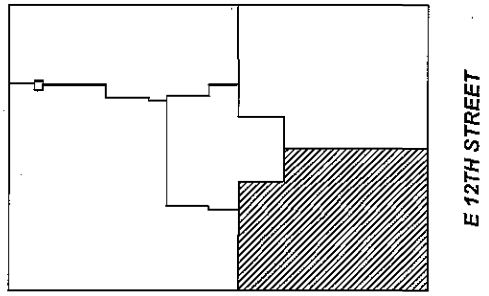
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SECOND FLOOR KEY PLAN

533 EAST 12TH STREET CONDOMINIUM

NEW YORK, NEW YORK

SECOND FLOOR UNIT 2B

1 BEDRM 1 BATHRM APPROXIMATE AREA 766 SF

ADDITIONAL INFORMATION - DIMENSIONS OF UNITS

EACH UNIT IS MEASURED HORIZONTALLY FROM THE EXTERIOR SIDE OF THE EXTERIOR WALLS TO THE CENTERLINE OF THE PARTITIONS SEPARATING ONE UNIT FROM ANOTHER UNIT, OR SEPARATING ONE UNIT FROM CORRIDORS, STAIRS, ELEVATORS AND OTHER MECHANICAL EQUIPMENT SPACES OR ANY COMMON ELEMENTS NOT WITHIN A UNIT OR TO THE EXTERIOR SIDE OF THE OPPOSITE EXTERIOR WALLS; PROVIDED, HOWEVER, THAT ALL COLUMNS, MECHANICAL PIPES, SHAFTS, SHAFTWAYS, CHASES, CHASEWAYS AND CONDUITS ARE NOT DEDUCTED FROM MEASUREMENT OF EACH UNIT. EACH UNIT IS MEASURED VERTICALLY FROM THE TOP OF THE FLOOR (LOCATED UNDER THE FINISHED FLOORING AND SUB-FLOORING MATERIALS) TO THE UNDERSIDE OF THE CEILING.



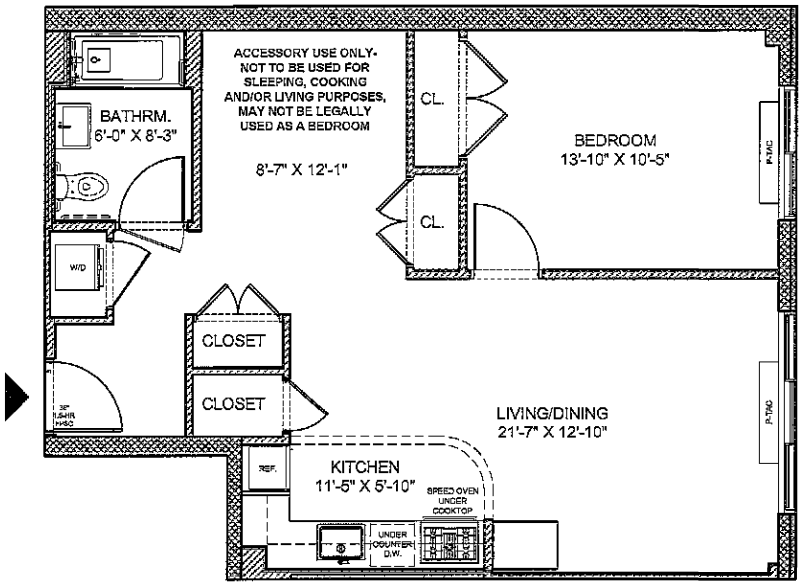
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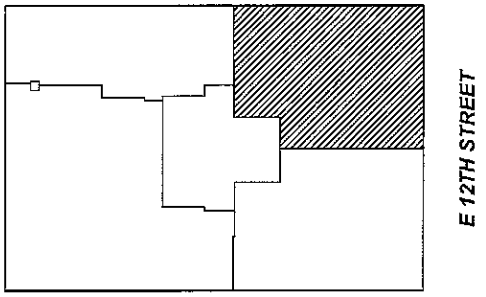
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SECOND FLOOR KEY PLAN

533 EAST 12TH STREET CONDOMINIUM

NEW YORK, NEW YORK

SECOND FLOOR UNIT 2C

1 BEDRM 1 BATHRM APPROXIMATE AREA 774 SF



SCALE: 1/8" = 1'- 0"

ADDITIONAL INFORMATION - DIMENSIONS OF UNITS

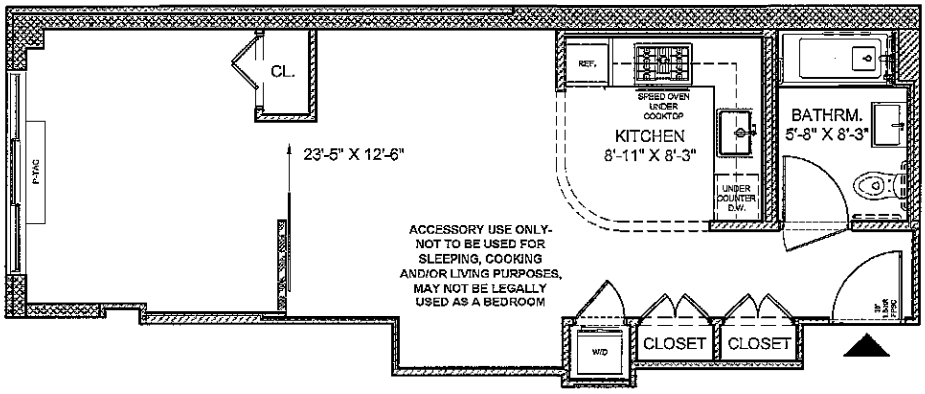
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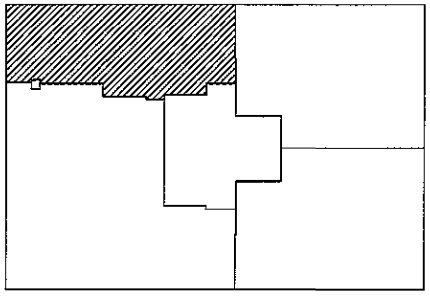
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SECOND FLOOR KEY PLAN

533 EAST 12TH STREET CONDOMINIUM

NEW YORK, NEW YORK

SECOND FLOOR UNIT 2D - RECTORY USE

STUDIO UNIT APPROXIMATE AREA 587 SF



SCALE: 1/8" = 1'- 0"

ADDITIONAL INFORMATION - DIMENSIONS OF UNITS

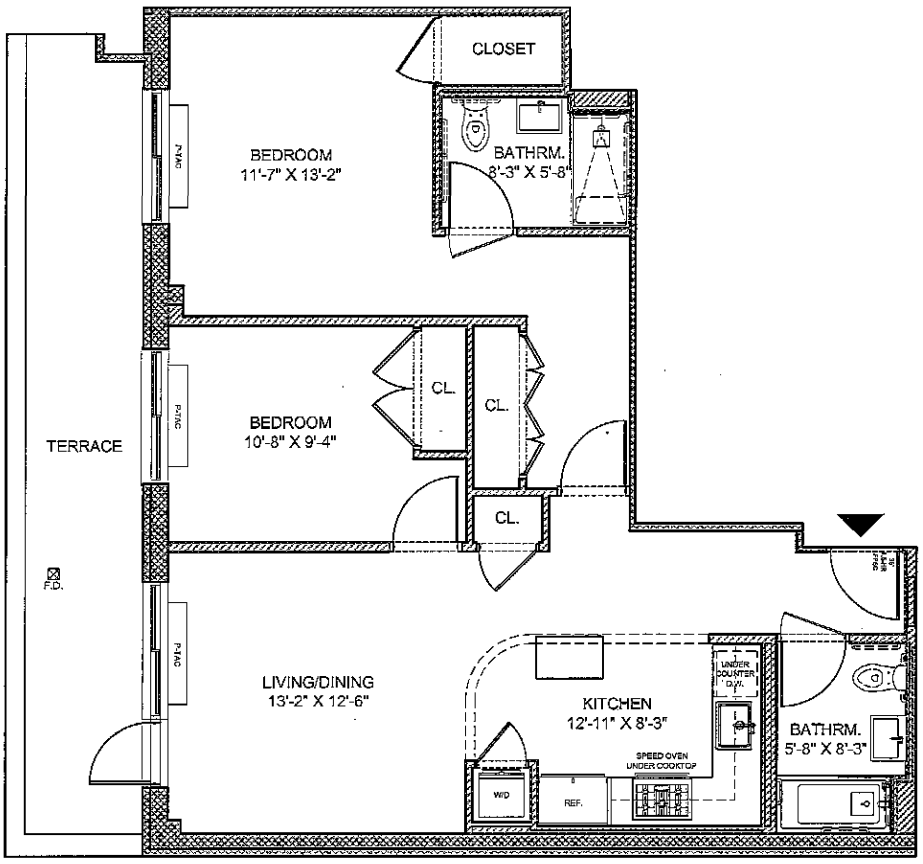
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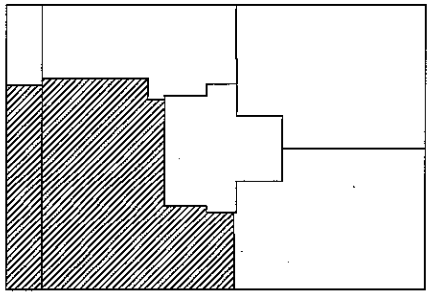
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THIRD FLOOR KEY PLAN

533 EAST 12TH STREET CONDOMINIUM

NEW YORK, NEW YORK

THIRD FLOOR UNIT 3A

2 BEDRM 2 BATHRM APPROXIMATE AREA 955 SF
APPROX TERRACE AREA 214 SF

ADDITIONAL INFORMATION - DIMENSIONS OF UNITS

EACH UNIT IS MEASURED HORIZONTALLY FROM THE EXTERIOR SIDE OF THE EXTERIOR WALLS TO THE CENTERLINE OF THE PARTITIONS SEPARATING ONE UNIT FROM ANOTHER UNIT, OR SEPARATING ONE UNIT FROM CORRIDORS, STAIRS, ELEVATORS AND OTHER MECHANICAL EQUIPMENT SPACES OR ANY COMMON ELEMENTS NOT WITHIN A UNIT OR TO THE EXTERIOR SIDE OF THE OPPOSITE EXTERIOR WALLS; PROVIDED, HOWEVER, THAT ALL COLUMNS, MECHANICAL PIPES, SHAFTS, SHAFTWAYS, CHASES, CHASEWAYS AND CONDUITS ARE NOT DEDUCTED FROM MEASUREMENT OF EACH UNIT. EACH UNIT IS MEASURED VERTICALLY FROM THE TOP OF THE FLOOR (LOCATED UNDER THE FINISHED FLOORING AND SUB-FLOORING MATERIALS) TO THE UNDERSIDE OF THE CEILING.



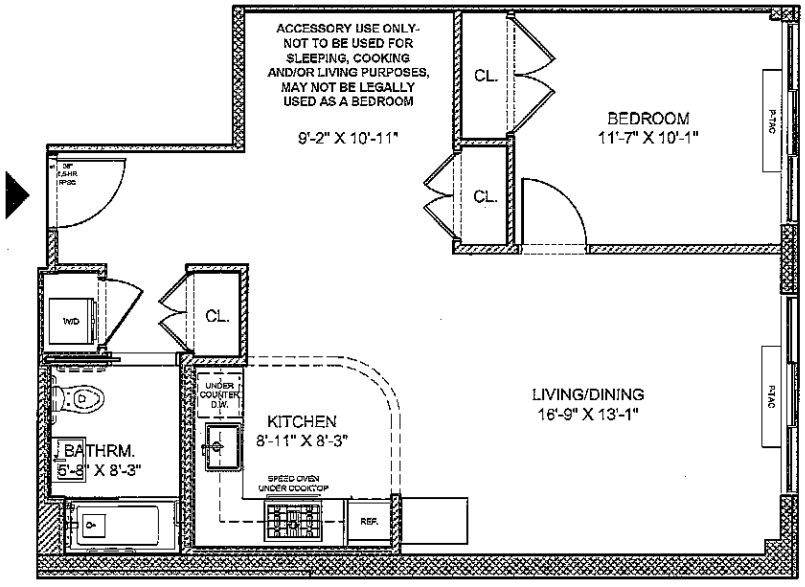
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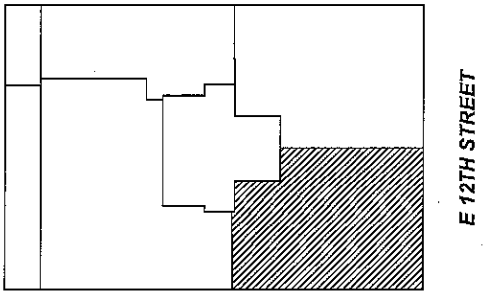
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THIRD FLOOR KEY PLAN

533 EAST 12TH STREET CONDOMINIUM

NEW YORK, NEW YORK

THIRD FLOOR UNIT 3B

1 BEDRM 1 BATHRM APPROXIMATE AREA 770 SF



SCALE: 1/8" = 1'- 0"

ADDITIONAL INFORMATION - DIMENSIONS OF UNITS

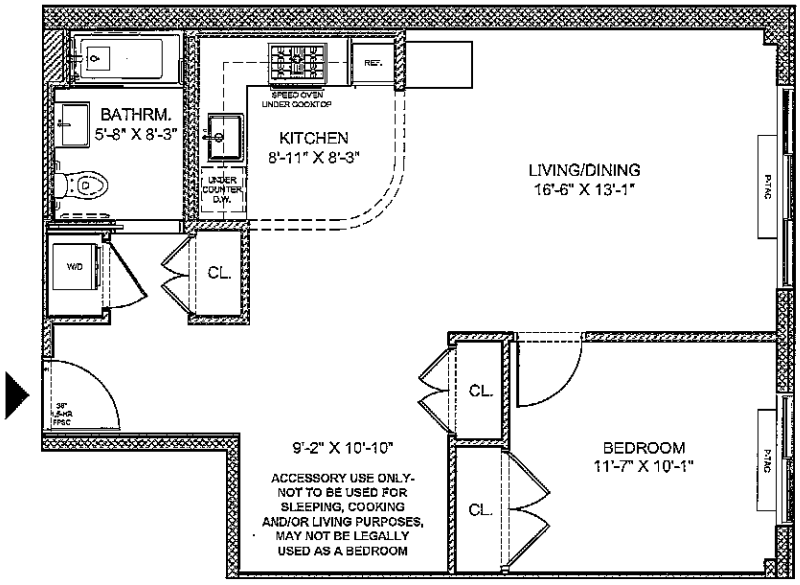
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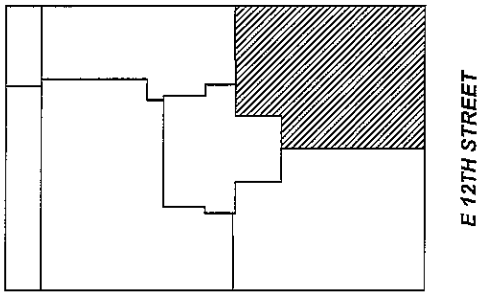
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THIRD FLOOR KEY PLAN

533 EAST 12TH STREET CONDOMINIUM

NEW YORK, NEW YORK

THIRD FLOOR UNIT 3C

1 BEDRM 1 BATHRM APPROXIMATE AREA 769 SF



SCALE: 1/8" = 1'- 0"

ADDITIONAL INFORMATION - DIMENSIONS OF UNITS

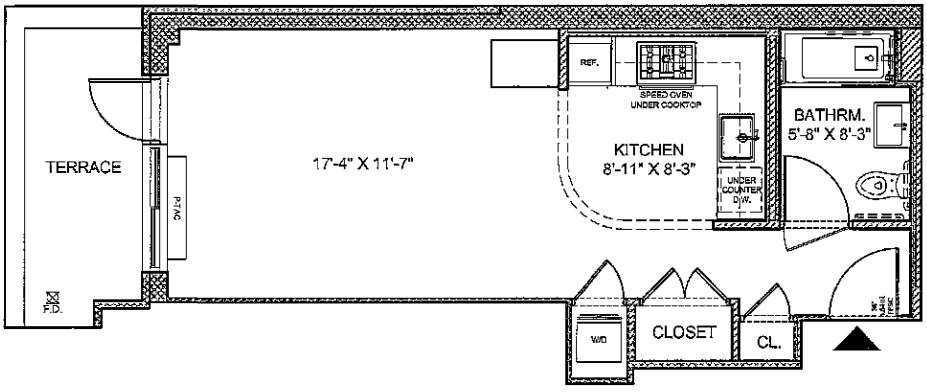
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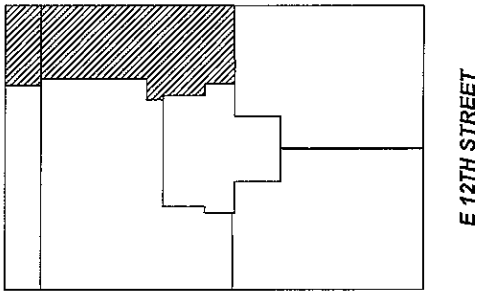
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THIRD FLOOR KEY PLAN

533 EAST 12TH STREET CONDOMINIUM

NEW YORK, NEW YORK

THIRD FLOOR UNIT 3D

STUDIO UNIT APPROXIMATE AREA 472 SF
APPROX TERRACE AREA 84 SF

ADDITIONAL INFORMATION - DIMENSIONS OF UNITS

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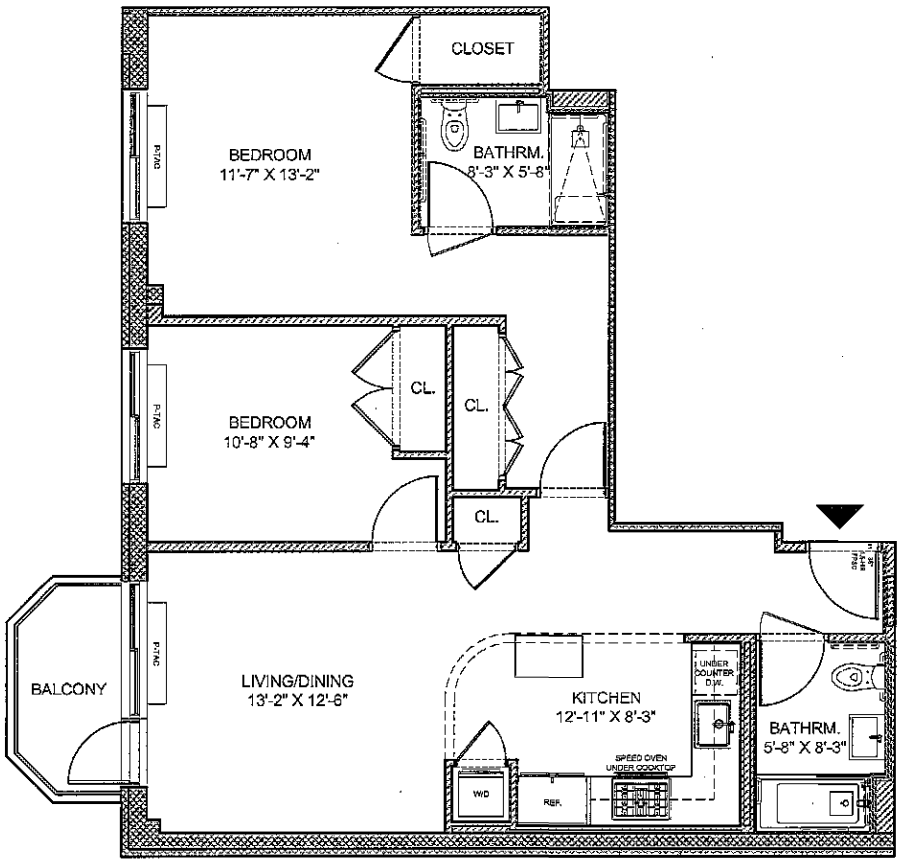
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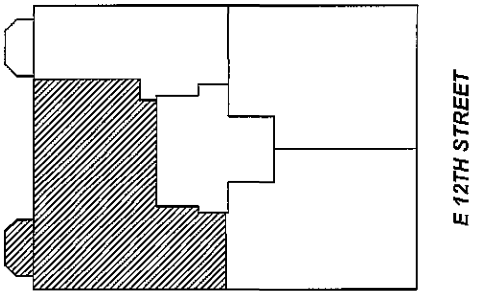
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FOURTH FLOOR KEY PLAN

533 EAST 12TH STREET CONDOMINIUM

NEW YORK, NEW YORK

FOURTH FLOOR UNIT 4A

2 BEDRM 2 BATHRM APPROXIMATE AREA 955 SF
APPROX. BALCONY AREA 45 SF

ADDITIONAL INFORMATION - DIMENSIONS OF UNITS

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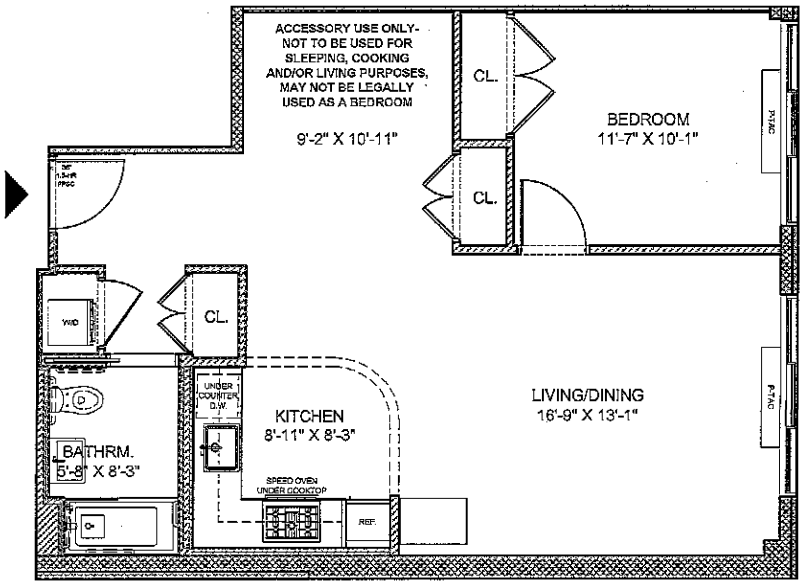
SCALE: 1/8" = 1'- 0"

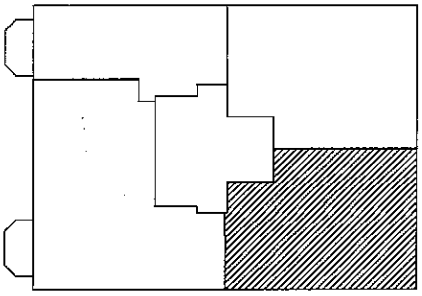
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FOURTH FLOOR KEY PLAN

533 EAST 12TH STREET CONDOMINIUM

NEW YORK, NEW YORK

FOURTH FLOOR UNIT 4B

1 BEDRM 1 BATHRM APPROXIMATE AREA 770 SF

SCALE: 1/8" = 1'- 0"

ADDITIONAL INFORMATION - DIMENSIONS OF UNITS

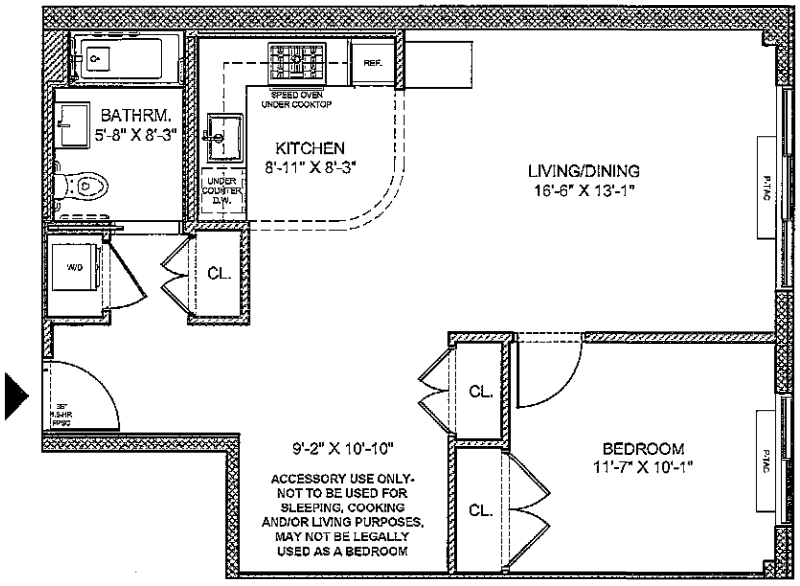
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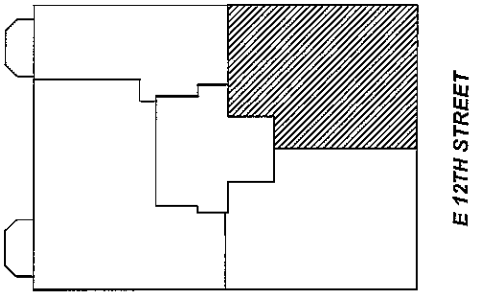
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FOURTH FLOOR KEY PLAN

533 EAST 12TH STREET CONDOMINIUM

NEW YORK, NEW YORK

FOURTH FLOOR UNIT 4C

1 BEDRM 1 BATHRM APPROXIMATE AREA 769 SF

SCALE: 1/8" = 1'- 0"

ADDITIONAL INFORMATION - DIMENSIONS OF UNITS

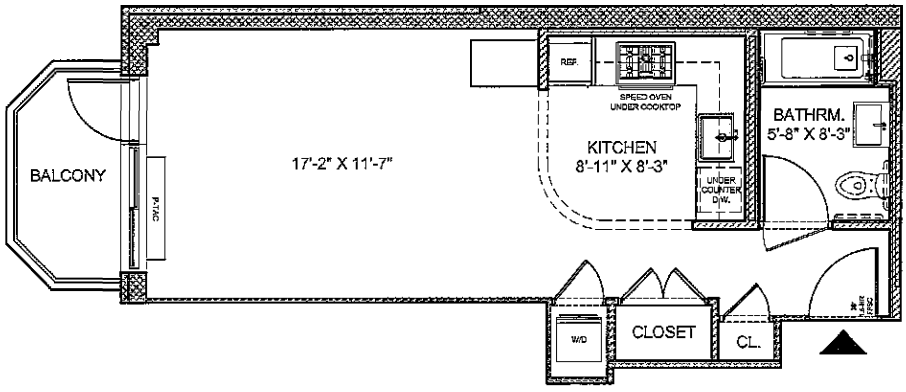
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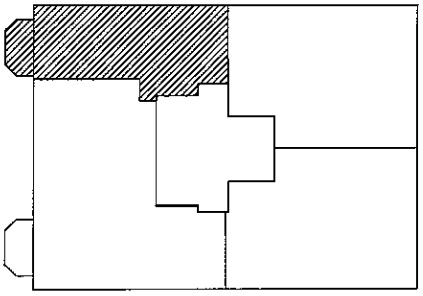
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FOURTH FLOOR KEY PLAN

533 EAST 12TH STREET CONDOMINIUM

NEW YORK, NEW YORK

FOURTH FLOOR UNIT 4D

STUDIO UNIT APPROXIMATE AREA 472 SF
APPROX. BALCONY AREA 45 SF

ADDITIONAL INFORMATION - DIMENSIONS OF UNITS

EACH UNIT IS MEASURED HORIZONTALLY FROM THE EXTERIOR SIDE OF THE EXTERIOR WALLS TO THE CENTERLINE OF THE PARTITIONS SEPARATING ONE UNIT FROM ANOTHER UNIT, OR SEPARATING ONE UNIT FROM CORRIDORS, STAIRS, ELEVATORS AND OTHER MECHANICAL EQUIPMENT SPACES OR ANY COMMON ELEMENTS NOT WITHIN A UNIT OR TO THE EXTERIOR SIDE OF THE OPPOSITE EXTERIOR WALLS; PROVIDED, HOWEVER, THAT ALL COLUMNS, MECHANICAL PIPES, SHAFTS, SHAFTWAYS, CHASES, CHASEWAYS AND CONDUITS ARE NOT DEDUCTED FROM MEASUREMENT OF EACH UNIT. EACH UNIT IS MEASURED VERTICALLY FROM THE TOP OF THE FLOOR (LOCATED UNDER THE FINISHED FLOORING AND SUB-FLOORING MATERIALS) TO THE UNDERSIDE OF THE CEILING.



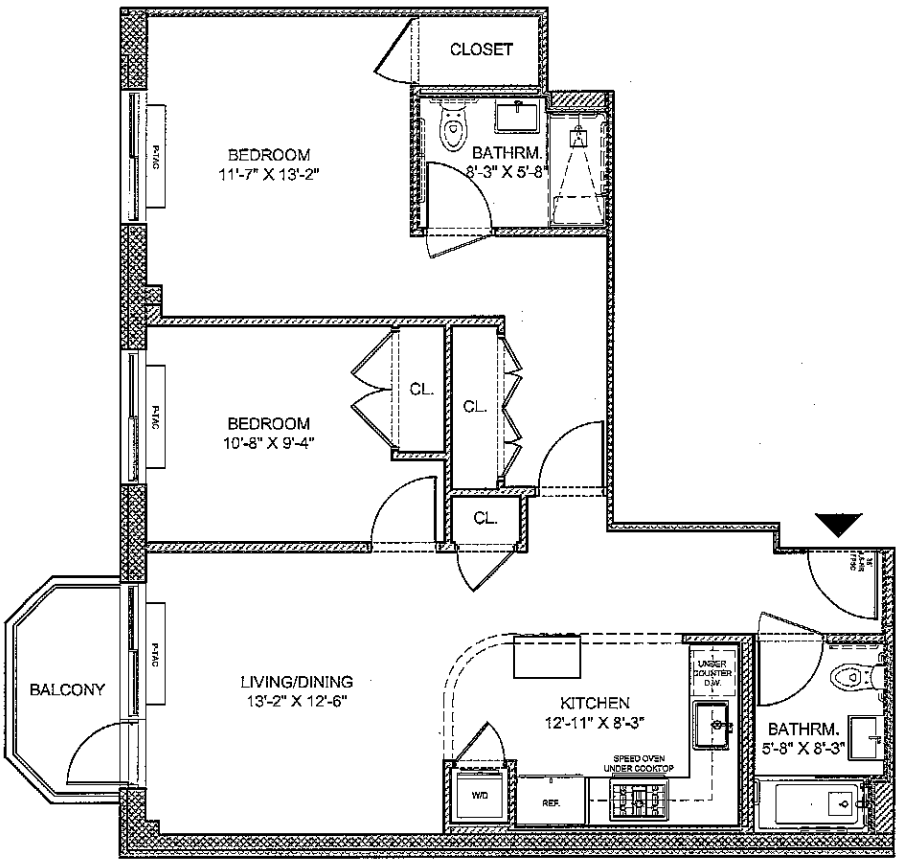
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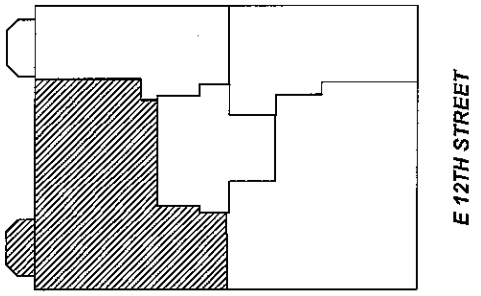
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FIFTH FLOOR KEY PLAN

533 EAST 12TH STREET CONDOMINIUM

NEW YORK, NEW YORK

FIFTH FLOOR UNIT 5A

2 BEDRM 2 BATHRM APPROXIMATE AREA 955 SF
APPROX. BALCONY AREA 45 SF

ADDITIONAL INFORMATION - DIMENSIONS OF UNITS

EACH UNIT IS MEASURED HORIZONTALLY FROM THE EXTERIOR SIDE OF THE EXTERIOR WALLS TO THE CENTERLINE OF THE PARTITIONS SEPARATING ONE UNIT FROM ANOTHER UNIT, OR SEPARATING ONE UNIT FROM CORRIDORS, STAIRS, ELEVATORS AND OTHER MECHANICAL EQUIPMENT SPACES OR ANY COMMON ELEMENTS NOT WITHIN A UNIT OR TO THE EXTERIOR SIDE OF THE OPPOSITE EXTERIOR WALLS; PROVIDED, HOWEVER, THAT ALL COLUMNS, MECHANICAL PIPES, SHAFTS, SHAFTWAYS, CHASES, CHASEWAYS AND CONDUITS ARE NOT DEDUCTED FROM MEASUREMENT OF EACH UNIT. EACH UNIT IS MEASURED VERTICALLY FROM THE TOP OF THE FLOOR (LOCATED UNDER THE FINISHED FLOORING AND SUB-FLOORING MATERIALS) TO THE UNDERSIDE OF THE CEILING.



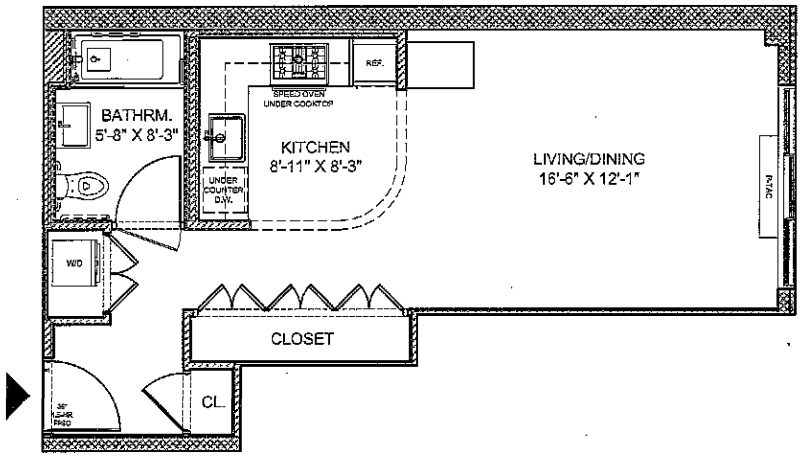
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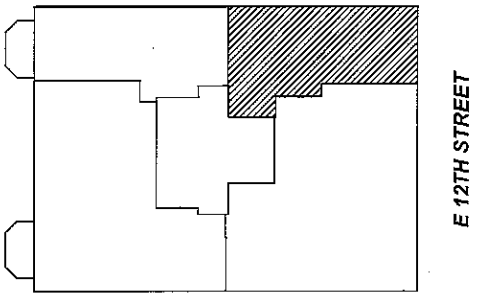
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FIFTH FLOOR KEY PLAN

533 EAST 12TH STREET CONDOMINIUM

NEW YORK, NEW YORK

FIFTH FLOOR UNIT 5C

STUDIO UNIT APPROXIMATE AREA 505 SF

SCALE: 1/8" = 1'- 0"

ADDITIONAL INFORMATION - DIMENSIONS OF UNITS

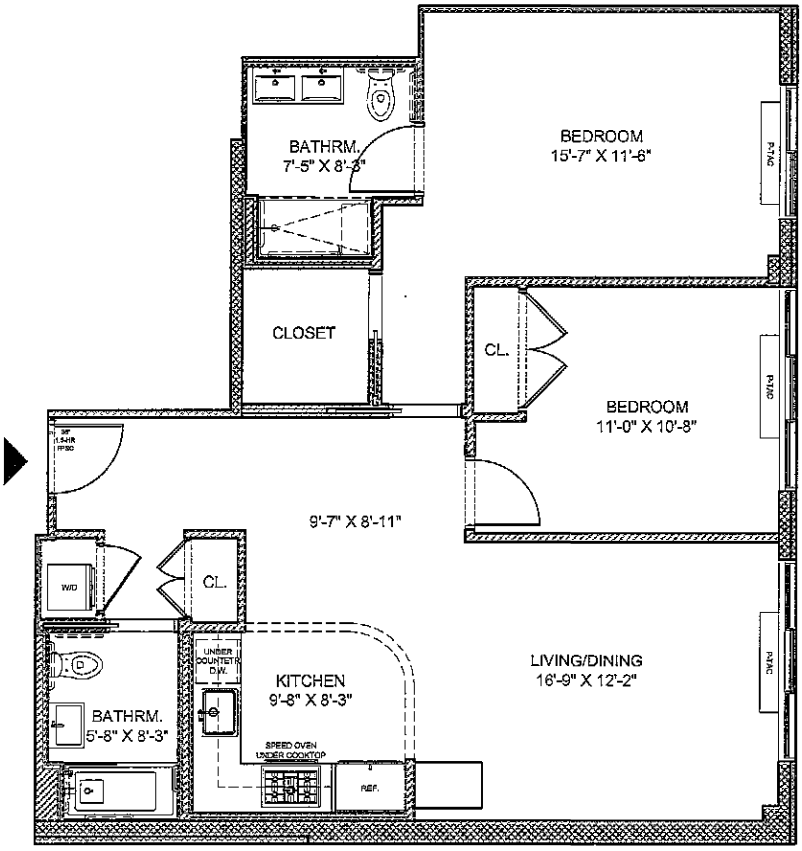
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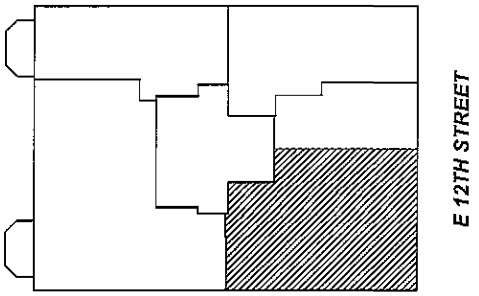
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FIFTH FLOOR KEY PLAN

533 EAST 12TH STREET CONDOMINIUM

NEW YORK, NEW YORK

FIFTH FLOOR UNIT 5B

2 BEDRM 2 BATHRM APPROXIMATE AREA 1034 SF



SCALE: 1/8" = 1'- 0"

ADDITIONAL INFORMATION - DIMENSIONS OF UNITS

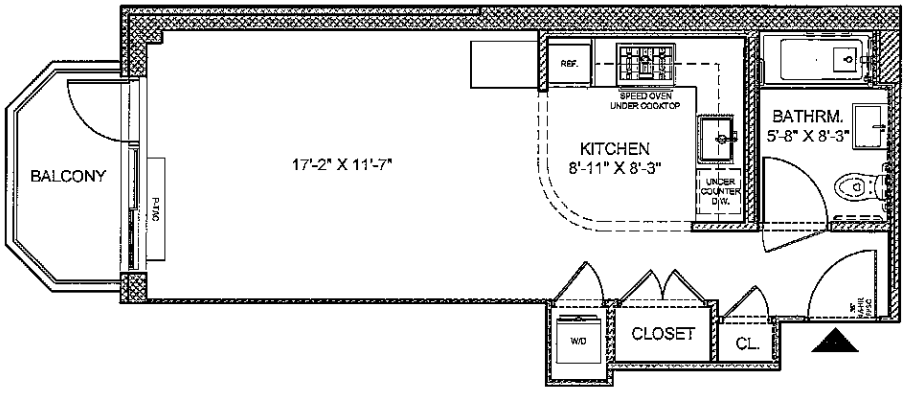
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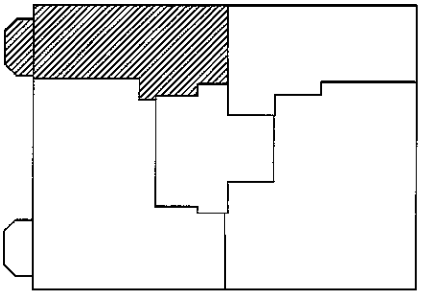
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FIFTH FLOOR KEY PLAN

533 EAST 12TH STREET CONDOMINIUM

NEW YORK, NEW YORK

FIFTH FLOOR UNIT 5D

STUDIO UNIT APPROXIMATE AREA 472 SF
APPROX. BALCONY AREA 45 SF

ADDITIONAL INFORMATION - DIMENSIONS OF UNITS

EACH UNIT IS MEASURED HORIZONTALLY FROM THE EXTERIOR SIDE OF THE EXTERIOR WALLS TO THE CENTERLINE OF THE PARTITIONS SEPARATING ONE UNIT FROM ANOTHER UNIT, OR SEPARATING ONE UNIT FROM CORRIDORS, STAIRS, ELEVATORS AND OTHER MECHANICAL EQUIPMENT SPACES OR ANY COMMON ELEMENTS NOT WITHIN A UNIT OR TO THE EXTERIOR SIDE OF THE OPPOSITE EXTERIOR WALLS; PROVIDED, HOWEVER, THAT ALL COLUMNS, MECHANICAL PIPES, SHAFTS, SHAFTWAYS, CHASES, CHASEWAYS AND CONDUITS ARE NOT DEDUCTED FROM MEASUREMENT OF EACH UNIT. EACH UNIT IS MEASURED VERTICALLY FROM THE TOP OF THE FLOOR (LOCATED UNDER THE FINISHED FLOORING AND SUB-FLOORING MATERIALS) TO THE UNDERSIDE OF THE CEILING.



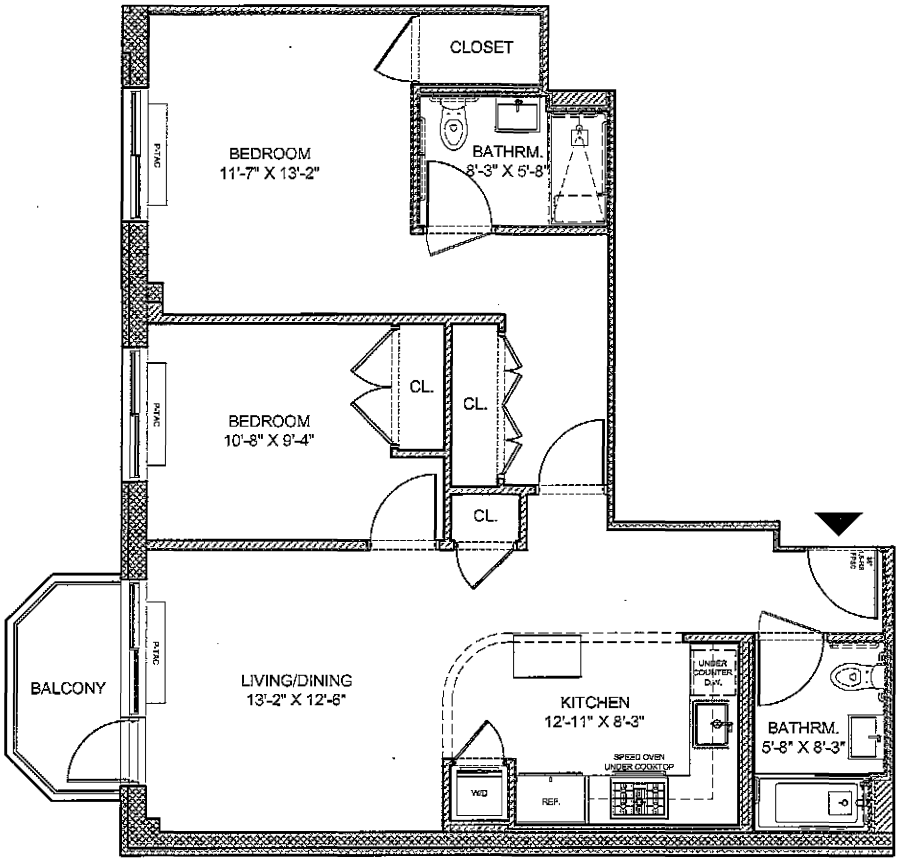
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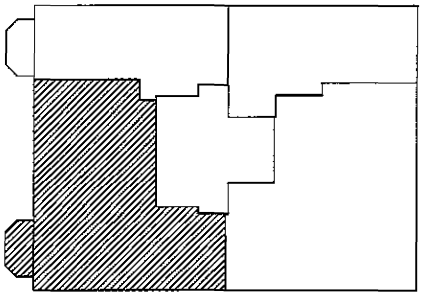
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SIXTH FLOOR KEY PLAN

533 EAST 12TH STREET CONDOMINIUM

NEW YORK, NEW YORK

SIXTH FLOOR UNIT 6A

2 BEDRM 2 BATHRM APPROXIMATE AREA 955 SF
APPROX. BALCONY AREA 45 SF

ADDITIONAL INFORMATION - DIMENSIONS OF UNITS

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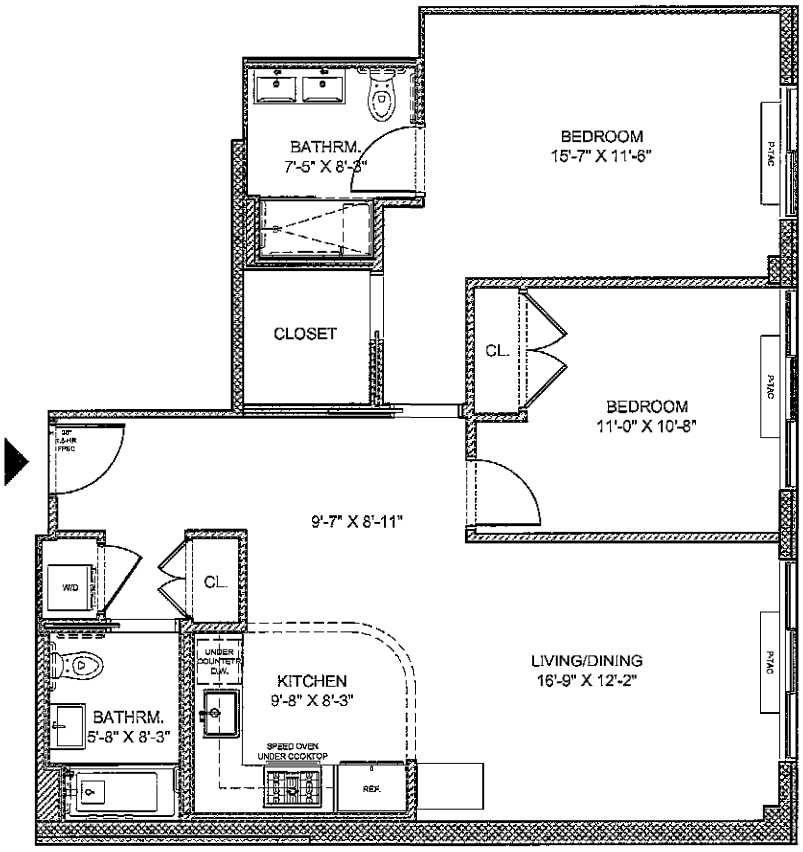
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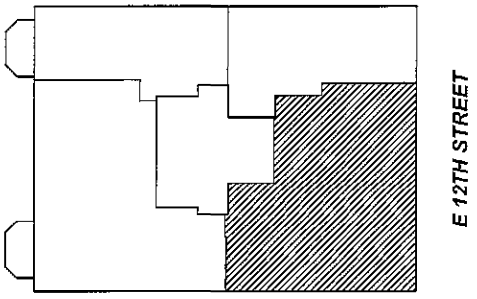
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SIXTH FLOOR KEY PLAN

533 EAST 12TH STREET CONDOMINIUM

NEW YORK, NEW YORK

SIXTH FLOOR UNIT 6B

2 BEDRM 2 BATHRM APPROXIMATE AREA 1034 SF



SCALE: 1/8" = 1'- 0"

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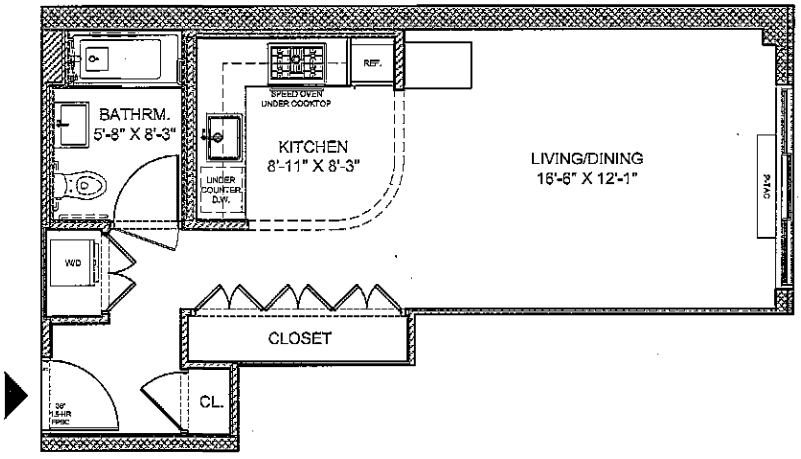
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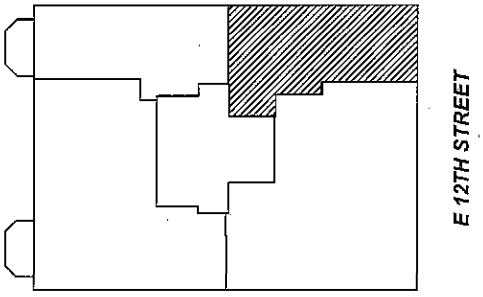
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SIXTH FLOOR KEY PLAN

533 EAST 12TH STREET CONDOMINIUM

NEW YORK, NEW YORK

SIXTH FLOOR UNIT 6C

STUDIO UNIT APPROXIMATE AREA 505 SF



SCALE: 1/8" = 1'- 0"

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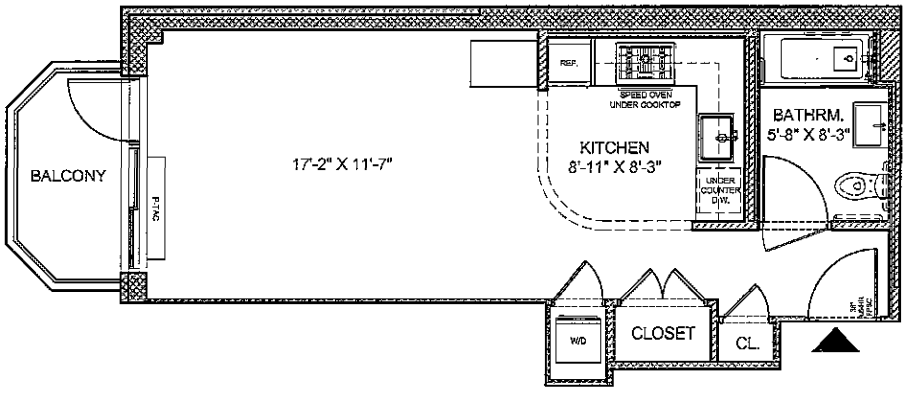
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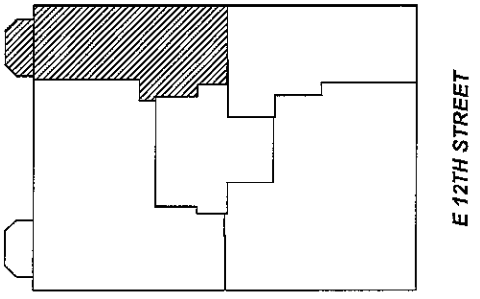
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SIXTH FLOOR KEY PLAN

533 EAST 12TH STREET CONDOMINIUM

NEW YORK, NEW YORK

SIXTH FLOOR UNIT 6D

STUDIO UNIT APPROXIMATE AREA 472 SF
APPROX. BALCONY AREA 45 SF

ADDITIONAL INFORMATION - DIMENSIONS OF UNITS

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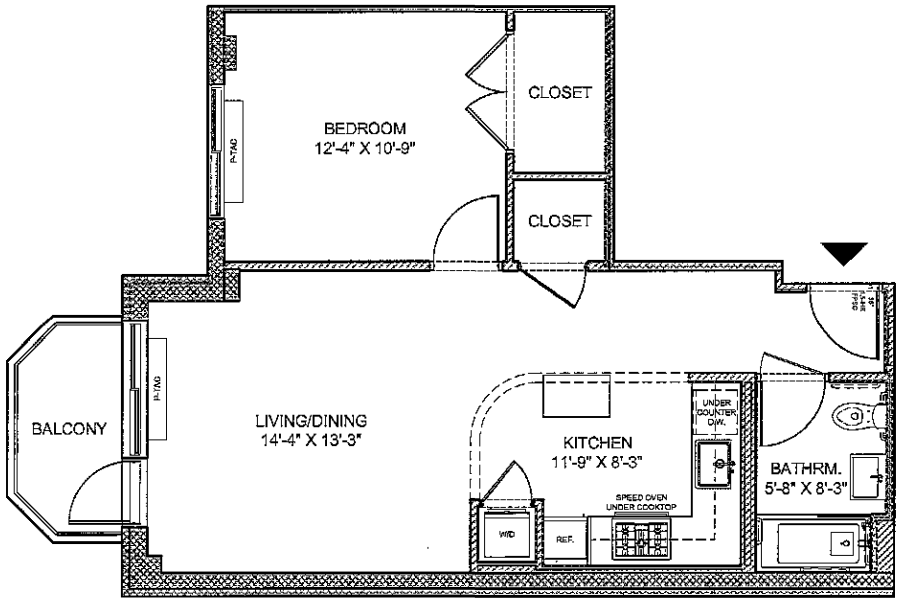
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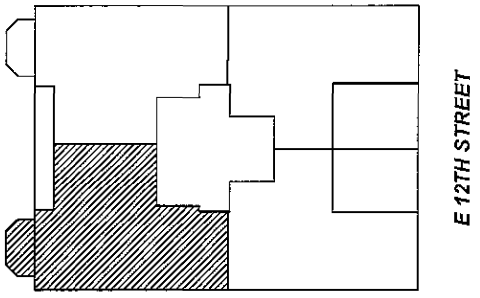
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SEVENTH FLOOR KEY PLAN

533 EAST 12TH STREET CONDOMINIUM

NEW YORK, NEW YORK

SENVENTH FLOOR UNIT 7A

1 BEDRM 1 BATHRM APPROXIMATE AREA 685 SF
APPROX. BALCONY AREA 45 SF

ADDITIONAL INFORMATION - DIMENSIONS OF UNITS

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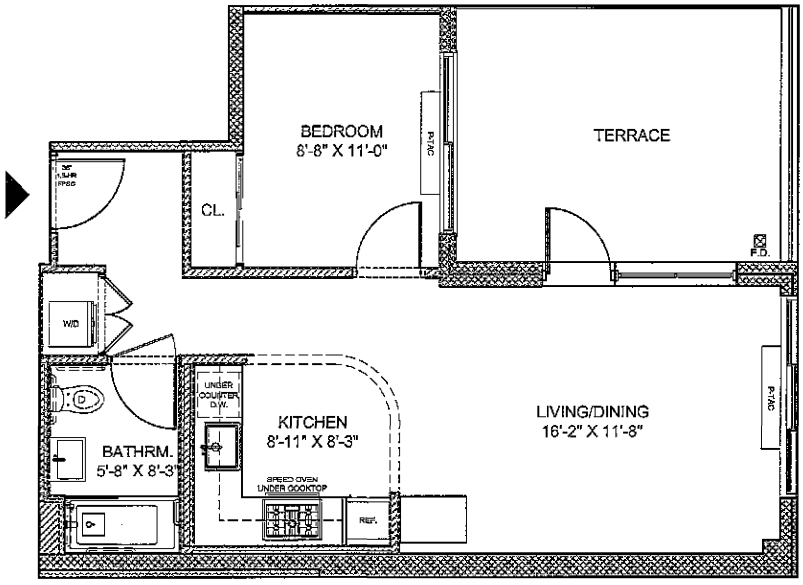
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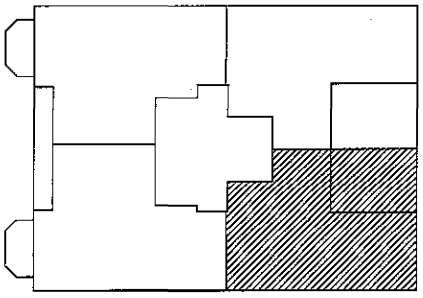
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SEVENTH FLOOR KEY PLAN

533 EAST 12TH STREET CONDOMINIUM

NEW YORK, NEW YORK

SEVENTH FLOOR UNIT 7B

1 BEDRM 1 BATHRM APPROXIMATE AREA 602 SF
APPROX TERRACE AREA 166 SF

ADDITIONAL INFORMATION - DIMENSIONS OF UNITS

EACH UNIT IS MEASURED HORIZONTALLY FROM THE EXTERIOR SIDE OF THE EXTERIOR WALLS TO THE CENTERLINE OF THE PARTITIONS SEPARATING ONE UNIT FROM ANOTHER UNIT, OR SEPARATING ONE UNIT FROM CORRIDORS, STAIRS, ELEVATORS AND OTHER MECHANICAL EQUIPMENT SPACES OR ANY COMMON ELEMENTS NOT WITHIN A UNIT OR TO THE EXTERIOR SIDE OF THE OPPOSITE EXTERIOR WALLS; PROVIDED, HOWEVER, THAT ALL COLUMNS, MECHANICAL PIPES, SHAFTS, SHAFTWAYS, CHASES, CHASEWAYS AND CONDUITS ARE NOT DEDUCTED FROM MEASUREMENT OF EACH UNIT. EACH UNIT IS MEASURED VERTICALLY FROM THE TOP OF THE FLOOR (LOCATED UNDER THE FINISHED FLOORING AND SUB-FLOORING MATERIALS) TO THE UNDERSIDE OF THE CEILING.



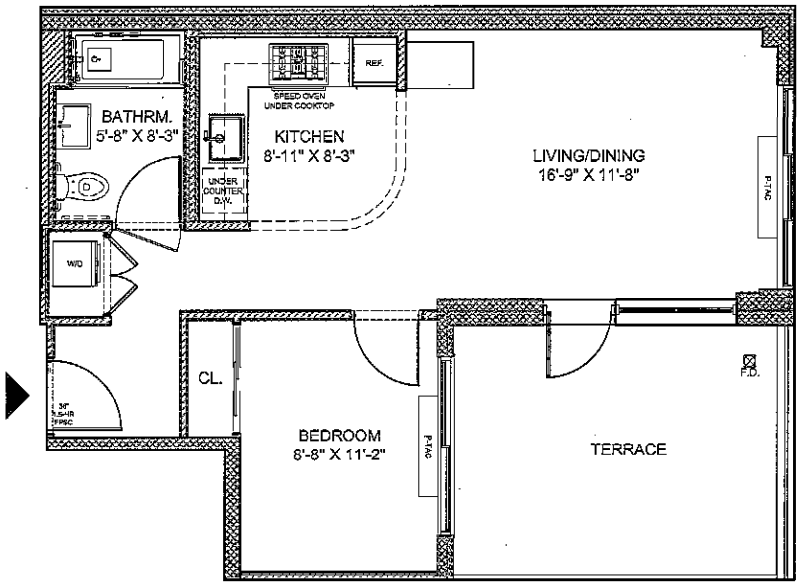
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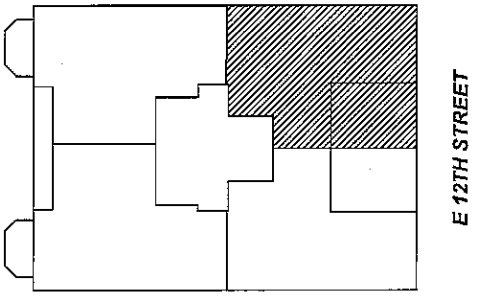
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SEVENTH FLOOR KEY PLAN

533 EAST 12TH STREET CONDOMINIUM

NEW YORK, NEW YORK

SEVENTH FLOOR UNIT 7C

1 BEDRM 1 BATHRM APPROXIMATE AREA 607 SF
APPROX TERRACE AREA 165 SF

ADDITIONAL INFORMATION - DIMENSIONS OF UNITS

EACH UNIT IS MEASURED HORIZONTALLY FROM THE EXTERIOR SIDE OF THE EXTERIOR WALLS TO THE CENTERLINE OF THE PARTITIONS SEPARATING ONE UNIT FROM ANOTHER UNIT, OR SEPARATING ONE UNIT FROM CORRIDORS, STAIRS, ELEVATORS AND OTHER MECHANICAL EQUIPMENT SPACES OR ANY COMMON ELEMENTS NOT WITHIN A UNIT OR TO THE EXTERIOR SIDE OF THE OPPOSITE EXTERIOR WALLS; PROVIDED, HOWEVER, THAT ALL COLUMNS, MECHANICAL PIPES, SHAFTS, SHAFTWAYS, CHASES, CHASEWAYS AND CONDUITS ARE NOT DEDUCTED FROM MEASUREMENT OF EACH UNIT. EACH UNIT IS MEASURED VERTICALLY FROM THE TOP OF THE FLOOR (LOCATED UNDER THE FINISHED FLOORING AND SUB-FLOORING MATERIALS) TO THE UNDERSIDE OF THE CEILING.



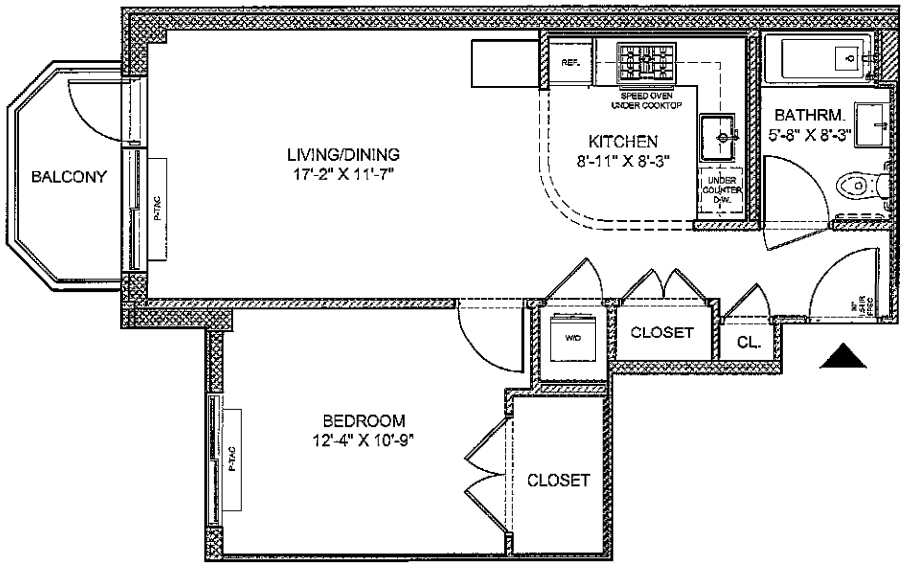
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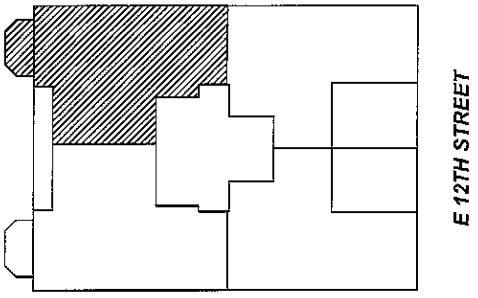
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SEVENTH FLOOR KEY PLAN

533 EAST 12TH STREET CONDOMINIUM

NEW YORK, NEW YORK

SEVENTH FLOOR UNIT 7D

1 BEDRM 1 BATHRM APPROXIMATE AREA 664 SF
APPROX. BALCONY AREA 45 SF

ADDITIONAL INFORMATION - DIMENSIONS OF UNITS

EACH UNIT IS MEASURED HORIZONTALLY FROM THE EXTERIOR SIDE OF THE EXTERIOR WALLS TO THE CENTERLINE OF THE PARTITIONS SEPARATING ONE UNIT FROM ANOTHER UNIT, OR SEPARATING ONE UNIT FROM CORRIDORS, STAIRS, ELEVATORS AND OTHER MECHANICAL EQUIPMENT SPACES OR ANY COMMON ELEMENTS NOT WITHIN A UNIT OR TO THE EXTERIOR SIDE OF THE OPPOSITE EXTERIOR WALLS; PROVIDED, HOWEVER, THAT ALL COLUMNS, MECHANICAL PIPES, SHAFTS, SHAFTWAYS, CHASES, CHASEWAYS AND CONDUITS ARE NOT DEDUCTED FROM MEASUREMENT OF EACH UNIT. EACH UNIT IS MEASURED VERTICALLY FROM THE TOP OF THE FLOOR (LOCATED UNDER THE FINISHED FLOORING AND SUB-FLOORING MATERIALS) TO THE UNDERSIDE OF THE CEILING.



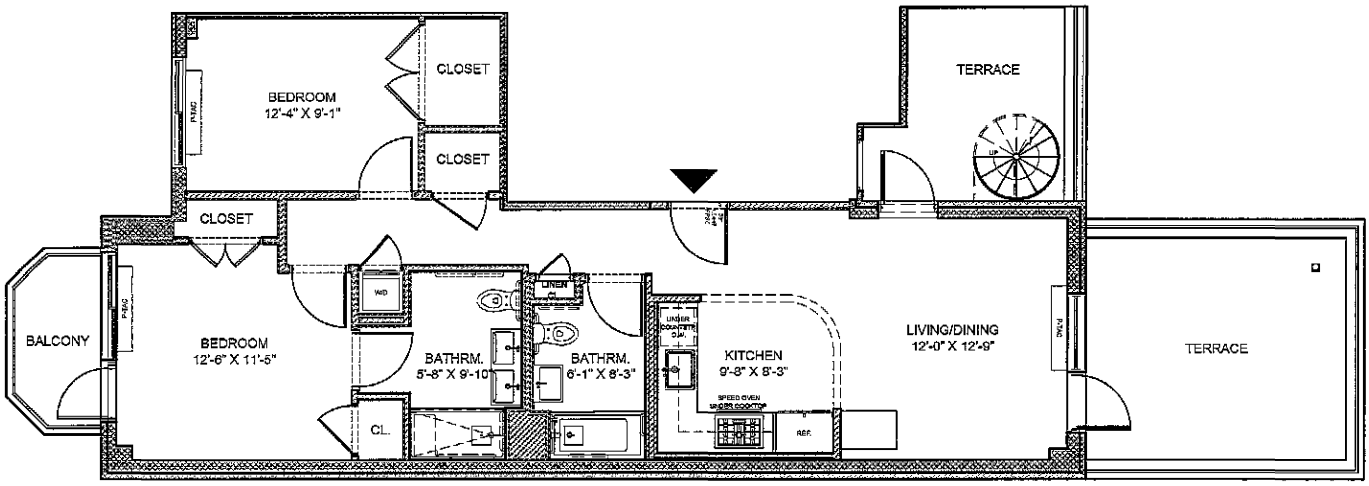
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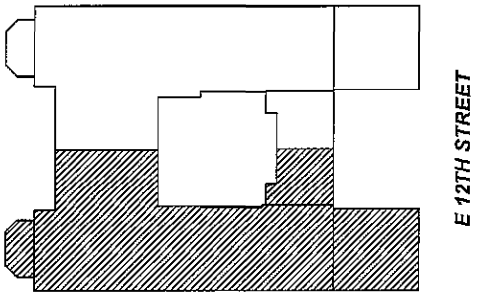
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EIGHTH FLOOR KEY PLAN

533 EAST 12TH STREET CONDOMINIUM

NEW YORK, NEW YORK

PH [8TH] FLOOR UNIT PHA

2 BEDRM 2 BATHRM APPROXIMATE AREA 935 SF
APPROX. BALCONY AREA 45 SF, TERRACE AREA 310 SF

ADDITIONAL INFORMATION - DIMENSIONS OF UNITS

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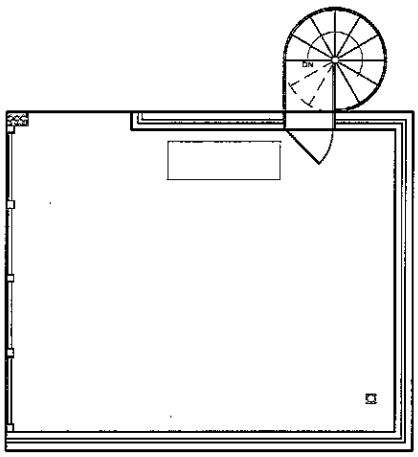
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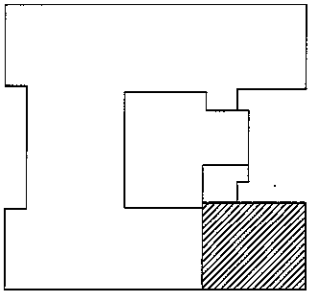
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E 12TH STREET

ROOF KEY PLAN

533 EAST 12TH STREET CONDOMINIUM

NEW YORK, NEW YORK

ROOF TERRRACE PHA

APPROXIMATE TERRACE AREA 259 SF



SCALE: 1/8" = 1'- 0"

ADDITIONAL INFORMATION - DIMENSIONS OF UNITS

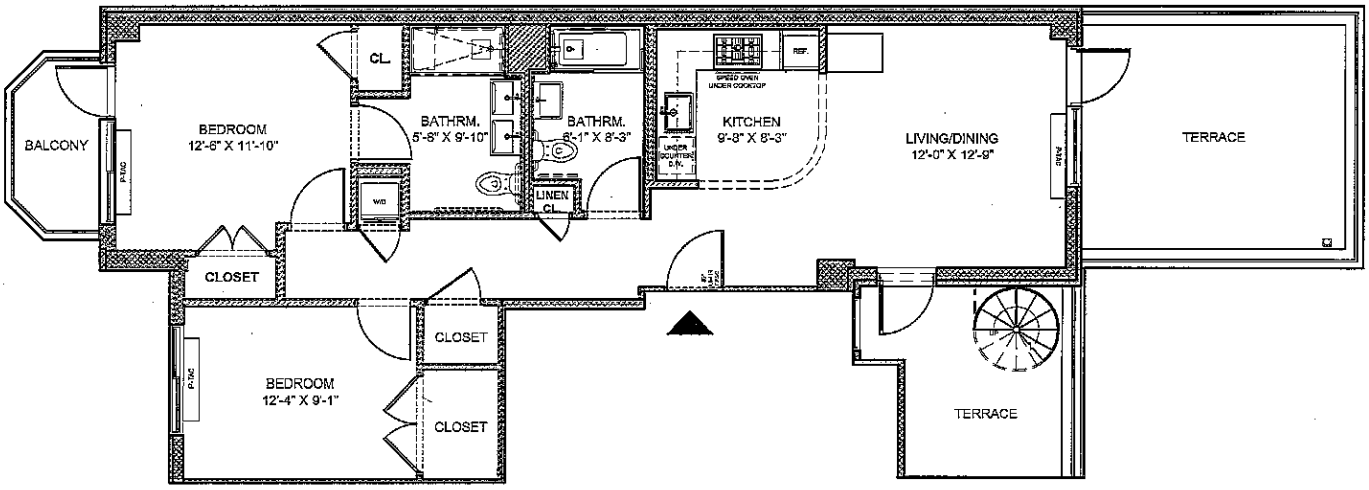
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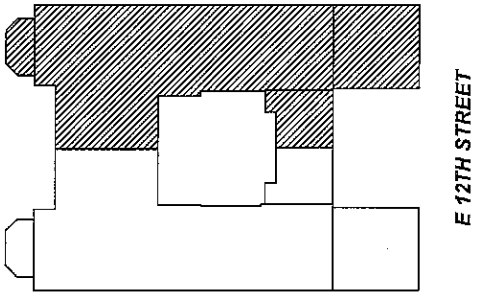
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EIGHTH FLOOR KEY PLAN

533 EAST 12TH STREET CONDOMINIUM

NEW YORK, NEW YORK

PH [8TH] FLOOR UNIT PHB

2 BEDRM 2 BATHRM APPROXIMATE AREA 958 SF
APPROX. BALCONY AREA 45 SF, TERRACE AREA 313 SF

ADDITIONAL INFORMATION - DIMENSIONS OF UNITS

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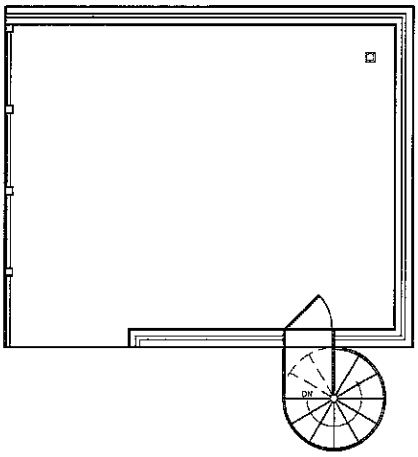
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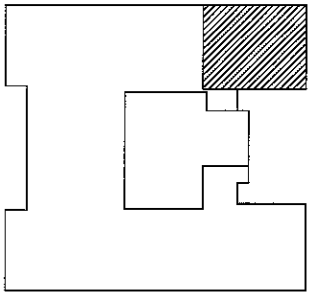
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E 12TH STREET

ROOF KEY PLAN

533 EAST 12TH STREET CONDOMINIUM

NEW YORK, NEW YORK

ROOF TERRRACE PHB

APPROXIMATE TERRACE AREA 261 SF



SCALE: 1/8" = 1'- 0"

ADDITIONAL INFORMATION - DIMENSIONS OF UNITS

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PURCHASE AGREEMENT

PURCHASE AGREEMENT

DS 531 E. 12TH OWNER LLC

Sponsor

With

_____

Purchaser

Residential Unit Number _____

THE AVANT
531-533 EAST 12TH STREET
NEW YORK, NY 10009

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PURCHASE AGREEMENT

RESIDENTIAL UNIT NUMBER _____

THE AVANT
531-533 EAST 12TH STREET
NEW YORK, NY 10009

AGREEMENT, made as of _____, _____, between Sponsor and Purchaser (defined below).

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 Avant 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 is not a Tenant, Purchaser understands that 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 Initial Deposit to Selling Agent. The Plan is incorporated herein by reference and made a part hereof with the same force and effect as if set forth at length. In the event of any inconsistency between the provisions of this Agreement and the Plan, the provisions of the Plan will govern and be binding. Purchaser hereby adopts, accepts and approves the Plan (including, without limitation, the Declaration, By-Laws and Residential Rules and Regulations contained therein) and agrees to abide and be bound by the terms and conditions thereof, as well as all amendments to the Plan duly filed by Sponsor.

2. DEFINITIONS

Terms used herein which are also used in the Plan shall have the same meanings as they do in the Plan, unless the context requires otherwise.

2.1 "Sponsor" means DS 531 E. 12th Owner LLC, having an address at 114 East 13th Street, Front 1, New York, NY 10003. Sponsor's taxpayer identification number is [Sponsor Tax ID____].

2.2. "Purchaser" means _____ having an address at _____, _____, _____. Purchaser's social security number / EIN is: _____.

2.3 "Attorney for Sponsor" means Starr Associates LLP, having an address at 220 East 42 Street, Suite 3302, New York, New York 10017; Attention: Shaun Pappas, Esq. Telephone number: (212) 620-2684. Fax number: (212) 696-5013. E-mail address: spappas@starr-lawfirm.com.

2.4 "Attorney for Purchaser" means _____, having an address at _____, _____, _____. Attention: _____, Esq. Telephone number: (_____) _____. Fax number: (_____) _____. E-mail address: _____.

2.5 "Selling Agent" means Halstead Manhattan LLC, having an address at 499 Park Avenue New York, New York 10022. Telephone number: (212) 508-7272.

2.6 "Co-Broker" means _____.

2.7 "Escrow Agent" means Attorney for Sponsor.

2.8 "Title Company" means Kensington Vanguard National Land Services, having an address at 39 West 37th Street, 3rd Floor, New York, NY 10018. Telephone number: (212) 532-8686.

3. THE UNIT

Upon and subject to the terms and conditions set forth herein, Sponsor agrees to sell and convey, and Purchaser agrees to purchase, the Unit designated as Unit _____ in the Declaration, ("Unit"), together with its undivided _____% interest in the Common Elements appurtenant to such Unit.

4. PURCHASE PRICE

4.1 The Purchase Price of the Residential Unit ("Purchase Price") is $_____.

The Purchase Price is payable as follows:

(a) $_____ ("Initial Deposit") due upon Purchaser's signing and delivering this Agreement; and

(b) $_____ ("Balance of the Purchase Price") due upon the delivery of the deed to the Unit.

4.2 Purchaser must deliver the payment of any Deposit or the Balance of the Purchase Price by official bank check unless Sponsor offers, in Sponsor's sole discretion, to accept a wire transfer. All instruments (a) in payment of any Deposit shall be made payable directly to the order of "Starr Associates LLP, 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 DS 531 E. 12th Owner LLC or wired to one or more accounts as directed by Sponsor. All instruments shall be accepted subject to collection. All checks must be drawn on or issued by a bank or trust company which is a member of the New York Clearinghouse Association. A return of any check delivered in payment of the Initial Deposit, for insufficient funds or for any other reason, shall constitute a non-curable default under this Agreement, rendering this Agreement void *ab initio* and of no further force or effect, in which event Purchaser and Sponsor shall each be released and discharged of all further liability and obligations under this Agreement and the Unit may be sold to another as though this Agreement had never been made. 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. DEPOSITS TO BE HELD IN TRUST

All Deposits made pursuant to this Agreement are subject to the requirements of Sections 352-e(2)(b) and 352-h of the New York General Business Law and the Attorney General's regulations promulgated pursuant thereto. All monies received from Purchaser towards a Deposit shall be delivered to Escrow Agent and shall be held in accordance with the Section of the Plan entitled "Escrow and Trust Fund Requirements" a copy of which is annexed hereto as Schedule D and made a part hereof. By signing this Agreement, Purchaser will not object and will be deemed to have agreed, without the need for a further written agreement, to the release of all Deposits to Sponsor in the event Sponsor and Purchaser close title under this

Agreement. In the event Sponsor cannot convey title to the Unit to Purchaser by reason other than Purchaser's default, all Deposits shall be returned to Purchaser, within 30 business days of Sponsor's notification to Purchaser that it cannot convey title.

6. CLOSING DATE AND PLACE

6.1 The Closing shall be held at the offices of Starr Associates LLP, 220 East 42 Street, Suite 3302, New York, New York 10017 (or such other place in the City and State of New York as Sponsor may designate to Purchaser) and on such date and hour as Sponsor may designate to Purchaser on not less than 30 days' prior notice ("Initial Closing Notice"). After the Initial Closing Notice, Sponsor may, from time to time, adjourn and reschedule the date and hour for Closing at any time on notice to Purchaser, which new Closing notice shall fix a new date, hour and place for the Closing. The rescheduled Closing shall not be earlier than: (a) the date set forth in the Initial Closing Notice or, (b) 5 days from the date of Sponsor's Closing adjournment notice. These notice provisions may be modified or waived by an agreement signed by Sponsor and Purchaser. If Sponsor consents to close at any other location as an accommodation to Purchaser, Purchaser shall pay to Attorney for Sponsor at Closing, an extra fee as set forth in the Plan.

6.2 The term "Closing Date" "Closing" "Closing" or words of similar import, whenever used herein, shall mean the conveyance of title to the Unit from Sponsor to Purchaser.

6.3 The Closing shall only occur with or after compliance with the prerequisites to Closing and the Section of the Plan entitled "Terms of Sale."

7. CLOSING DOCUMENTS

7.1 At the Closing, Sponsor shall deliver to Purchaser a bargain and sale deed with covenant against grantor's acts conveying fee simple title to the Unit to Purchaser. The deed shall be prepared by Sponsor substantially in the form set forth in Part II of the Plan and shall be executed and acknowledged by Sponsor in form for recording. Purchaser shall pay all New York State and New York City real property transfer taxes, and Sponsor and Purchaser shall duly complete and execute before a notary public the New York City and New York State Transfer Tax Return Forms and any other forms then required by Law, all of which shall be prepared by Sponsor.

7.2 At the Closing, Purchaser shall execute and acknowledge a power of attorney to the Condominium Board and Sponsor prepared by Sponsor substantially in the form set forth in Part II of the Plan.

7.3 At the Closing, Sponsor shall deliver to Purchaser a certification stating that Sponsor is not a foreign person in compliance with IRS Section 1445 as amended, or any successor provision or regulation promulgated thereunder.

7.4 At the Closing, Sponsor and Purchaser shall execute and acknowledge in form for recording such other documents that are reasonably necessary or customary in connection with the conveyance of a condominium unit, including, but not limited to, title affidavits, transfer tax forms, reporting information in respect of real estate transactions, smoke detector affidavit and window guard notices.

7.5 The executed deed, transfer tax forms and power of attorney shall be delivered at the Closing to the representative of the Title Company insuring Purchaser's title (or, if no such representative is present, then to the Attorney for Sponsor) for recording in the Office of the City Register, which recording shall be at Purchaser's expense. After being recorded the deed shall be returned to Purchaser and the power of attorney shall be returned to the Condominium Board.

7.6 If Purchaser is a tenant or occupant of the Unit or another Unit in the Building pursuant to a lease or Use and Occupancy Agreement, Purchaser shall executed and deliver to Sponsor a surrender of such lease or Use and Occupancy Agreement.

7.7 Purchaser's payment of the Balance of the Purchase Price and acceptance of a deed to the Unit shall constitute Purchaser's recognition that Sponsor has satisfactorily performed those obligations stated in the Plan and this Agreement to be performed by Sponsor prior to closing. However, nothing herein contained shall excuse Sponsor from performing those obligations (if any) expressly stated herein or in the Plan to be performed subsequent to the Closing, and nothing herein shall be in derogation of the rights of purchasers under Article 23-A of the General Business Law, the Plan, and Part 23 of the Regulations issued by the Department of Law.

8. STATUS OF TITLE

8.1 At the Closing, Sponsor shall convey to Purchaser and Purchaser shall accept such fee simple title to the Unit as the Title Company will insure without additional premium to Purchaser, provided that the only liens and encumbrances affecting title shall be those set forth in Schedule A annexed hereto and made a part hereof and those expressly agreed to by Purchaser. Any lien and encumbrance or condition which is not set forth in Schedule A annexed hereto shall not be an objection to title if (a) the instrument required to remove it of record is delivered at or prior to Closing to the Title Company, together with the attendant recording or filing fee, if any, or (b) the Title Company (or such other title insurance company Purchaser may utilize), is or would be willing, in a fee policy issued by it to Purchaser, to insure Purchaser that it will not be collected out of the Unit if it is a lien, or will not be enforced against the Unit if it is not a lien. Sponsor shall not be obligated to cause Purchaser's title company to omit any exceptions if the Title Company is willing to insure, without additional premium, Purchaser's title with such exception.

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

8.3 If, subsequent to the Closing, Purchaser claims that Sponsor did not convey fee simple title to the Unit in accordance with the Plan, Purchaser must first seek recovery against Purchaser's title insurance company before proceeding against Sponsor. Sponsor and Purchaser agree that Sponsor's liability will be limited to any loss or damage not covered by Purchaser's title insurance company. If Purchaser did not obtain title insurance at the Closing, for purposes of this subparagraph, the amount and coverage which Purchaser could have obtained from Purchaser's title insurance company shall be deducted from the loss or damage collectable against Sponsor. Nothing contained in this subparagraph shall be construed to waive any of Purchaser's rights or abrogate any of Sponsor's obligations under the Plan or Article 23-A of the General Business Law. This provision shall survive Closing.

9. CLOSING ADJUSTMENTS

9.1 The following adjustments shall be made as of midnight of the day preceding the Closing Date with respect to the Unit:

(a) real estate taxes and assessments, if any (including water charges and sewer rents, if separately assessed), on the basis of the period for which assessed;

(b) Common Charges (if Common Charges have been assessed by the Condominium Board) and assessments for the month in which title closes; and

(c) if Purchaser is a tenant or occupant or is permitted to occupy the Unit or another Unit in the Building prior to Closing, accrued rent or use and occupancy charges and any other charges pursuant to a lease or Use and Occupancy Agreement, if any, covering such Unit.

9.2 If the Unit has been separately assessed for real estate taxes but the Closing occurs before the tax rate is fixed, adjustment of real estate taxes shall be based upon the latest tax rate applied to the most recent applicable assessed valuation. Installments for real estate tax assessments due after the Closing, if any, shall be paid by Purchaser and shall not be considered a defect in title. If the Unit has not been separately assessed for real estate taxes as of the Closing Date for the then current tax period, the adjustment under subsection 9.1(a) hereof shall be based upon the assessment for the Property and the percentage interest in the Common Elements appurtenant to the Unit. In addition, Purchaser shall pay the Unit's proportionate share of real estate taxes for the next ensuing tax period and Sponsor or the Condominium will pay such real estate taxes directly to the City of New York. Sponsor shall not be obligated to reimburse Purchaser after the Closing on account of any difference between the amount of real estate taxes for the then current tax period paid by Purchaser at Closing calculated according to the above formula and the amount of real estate taxes subsequently billed by the City of New York to such Purchaser (as Unit Owner).

9.3 Purchaser agrees that, if Sponsor obtains a refund for real estate taxes paid (or a credit for such real estate taxes to be paid) on Purchaser's Unit, Purchaser and Sponsor will apportion the refund (as well as the costs and/or fees for obtaining the refund or credit) based on the percentage of time for which the refund or credit is obtained during which each party hereto owned the Unit in question. The provisions of this subsection shall survive the Closing.

9.4 Provided Sponsor is ready, willing and able to close title in accordance with this Agreement, if Purchaser fails for any reason to close title to the Unit on the originally scheduled Closing Date subject to Sponsor's rights under Section 13.2 of this Agreement, (a) the Closing apportionments described in Section 9.1 of this Agreement will be made as of midnight of the day preceding the originally scheduled Closing Date, regardless of when the actual Closing occurs, and (b) Purchaser will be required to pay to Sponsor, as a reimbursement of Sponsor's increased carrying costs for the Unit by virtue of the delay, and in addition to the other payments to be made to Sponsor under this Agreement and the Plan, an amount equal to 0.03% of the Purchase Price for each day starting from (and including) the originally scheduled Closing Date to (and including) the actual Closing Date. If, through no fault of Purchaser, Sponsor postpones the originally scheduled Closing Date, these provisions shall apply to the rescheduled Closing Date if Purchaser fails for any reason to close title to the Unit on the rescheduled Closing Date.

9.5 Adjustments and apportionments shall be calculated on the basis of the actual number of days in the period for which payments were made or are due, as the case may be. The "Customs in Respect of Title Closings" recommended by The Real Estate Board of New York, Inc., as amended to date, shall apply to the adjustments and other matters therein mentioned except as otherwise provided herein in the Plan.

9.6 Any errors or omissions calculating apportionments at Closing shall be corrected and, any payment shall be made to the proper party promptly after discovery. This provision shall survive the Closing.

10. MORTGAGE TAX CREDIT

10.1 In the event a mortgage recording tax credit becomes available pursuant to Section 339-ee(2) of the New York Condominium Act, it is specifically understood that such credit shall inure to the benefit of Sponsor. Accordingly, at Closing, a Purchaser who elects mortgage financing will be responsible to pay the full amount (but not in excess thereof) of the mortgage recording tax chargeable on the entire

amount being financed. At the Closing, Sponsor will be reimbursed by Purchaser to the extent of any mortgage tax credit allowed.

10.2 In the event that (i) Sponsor is ineligible for a mortgage recording tax credit, (ii) Purchaser obtains mortgage financing and (iii) Sponsor has an outstanding mortgage at the time of Closing, then, as more particularly described in the section of the Plan entitled "Closing Costs and Adjustments," Purchaser shall (x) advise its lender of this provision and make a good faith effort to cooperate with Sponsor and Sponsor's Lender to facilitate a partial assignment of Sponsor's mortgage to Purchaser's lender, and (y) cause its title company (if such title company is different from the Title Company named in the Plan) to cooperate with Sponsor's Title Company in effectuating and keeping record of the partial mortgage assignments.

11. CLOSING COSTS

In addition to those costs and adjustments described in Articles 9 and 10 herein, Purchaser shall be required to pay the other closing costs which are Purchaser's responsibility as more particularly described in the Section of the Plan entitled "Closing Costs and Adjustments." All such Closing Costs shall be paid by Purchaser, at Closing, by Purchaser's unendorsed personal certified check or by official bank check, in either event drawn upon a bank that is a member of the New York Clearing House Association.

12. AGREEMENT NOT A LIEN OR ENCUMBRANCE

No lien or encumbrance shall arise against the Property or the Unit as a result of this Agreement or any monies deposited hereunder, except as hereinafter set forth. In furtherance and not in limitation of the provisions of the preceding sentence, Purchaser agrees that the provisions of this Agreement are and shall be subject and subordinate to the lien of any mortgage heretofore or hereafter made, including, but not limited to, any construction or Building loan mortgage, and any advances heretofore or hereafter made thereon and any payments or expenses made or incurred or which hereafter may be made or incurred, pursuant to the terms thereof, or incidental thereto, or to protect the security thereof, to the full extent thereof, without the execution of any further legal documents by Purchaser. This subordination shall apply in all cases, regardless of the timing of, or cause for, the making of advances of money or the incurring of expenses. Sponsor shall, at its option, either satisfy such mortgages or obtain a release of the Unit and its undivided interest in the Common Elements from the lien of such mortgages on or prior to the Closing Date. The existence of any mortgage or mortgages encumbering the Property, or portions thereof, other than the Unit and its undivided interest in the Common Elements, shall not constitute an objection to title or excuse Purchaser from completing payment of the Purchase Price or performing all of Purchaser's other obligations hereunder or be the basis of any claim against, or liability of, Sponsor, provided that any such mortgage(s) is subordinated to the Declaration.

13. DEFAULT BY PURCHASER

13.1 The following shall constitute "Events of Default" hereunder:

(i) Purchaser's failure to close title to the Unit on the scheduled Closing Date; or

(ii) Purchaser's failure to pay when due, or the dishonor of any check delivered by Purchaser to Sponsor in payment of the Balance of the Purchase Price, or any closing adjustment, closing cost or fee, including, without limitation, attorneys' fees required to be paid by Purchaser as set forth in the Plan or in this Agreement; or

(iii) Purchaser's failure to pay, perform or observe any of Purchaser's other obligations under this Agreement or the Plan; or

(iv) if Purchaser is a tenant or occupant or is permitted to occupy the Unit or another Unit in the Building, Purchaser's failure to pay rent or use and occupancy charges when due, or otherwise comply with another lease or occupancy obligation; or

(v) Purchaser's assignment or transfer of any of Purchaser's property for the benefit of creditors, or Purchaser's filing a voluntary petition in bankruptcy; or

(vi) if a non-bankruptcy trustee or receiver is appointed over Purchaser or Purchaser's property, or an involuntary petition in bankruptcy is filed against Purchaser; or

(vii) if a judgment or tax lien is filed against Purchaser and Purchaser does not pay or bond the judgment or lien; or

(viii) Purchaser's assignment or transfer of this Agreement without the prior written consent of Sponsor; or

(ix) Purchaser's listing the Unit for sale or rental with any broker prior to Closing, placing or authorizing any listing in any broker's listing system or any other listing service or advertising or otherwise offering, promoting or publicizing the availability of the Unit for sale or rental without Sponsor's prior written consent, which consent may be withheld, conditioned, or delayed in Sponsor's sole and absolute discretion; or

(x) an Event of Default by Purchaser beyond any applicable grace period under a Purchase Agreement between Purchaser and Sponsor for another Unit at the Property.

(xi) Purchaser's failure to (i) execute and return to the Purchaser Affidavit set forth in either Schedule E-1 or Schedule E-2 (re-execution thereof) to Sponsor, as and when required or requested by Sponsor of the Department of Law; (ii) deliver any and all additional information the Department of Law may require or request; and (iii) otherwise cooperate in any inquiry the Department of Law may initiate into the intended occupancy of the Unit.

13.2 **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. Upon the occurrence of an Event of Default, Sponsor, in its sole discretion, may elect by notice to Purchaser to either: (i) cancel this Agreement or (ii) seek specific performance. If Sponsor elects to cancel, Purchaser shall have 30 days from the giving of notice of cancellation to cure the specified default. If the default is not cured within such 30 days, TIME BEING OF THE ESSENCE, then this Agreement shall be deemed cancelled, and Sponsor shall have the right to retain, as and for liquidated damages (a) all Deposits and any interest earned thereon, and (b) Special Work Funds.

Upon the cancellation of this Agreement, Purchaser and Sponsor will be released and discharged of all further liability and obligations hereunder and under the Plan, and the Unit may be sold to another as though this Agreement had never been made, without any obligation to account to Purchaser for any of the proceeds of such sale, and Sponsor shall be permitted to retain the Initial Deposit and any Special Work Funds (to the extent they have been expended by Sponsor). In the event special work has been commenced and there is an Event of Default, Sponsor shall be entitled to commence an action against Purchaser to recover the cost of restoration of the Unit to its condition prior to the performance or installation of any special work, but only to the extent actually incurred by Sponsor.

If Sponsor elects to seek specific performance, then Purchaser shall have 30 days from the giving of notice of Sponsor's election to close title to the Unit in accordance with this Agreement, without prejudice to Sponsor's right to recover from Purchaser all damages, losses, costs, expenses and all other lawful sums to which Sponsor is entitled under the Purchase Agreement (including, but not limited to, attorneys' fees, disbursements and costs of collection).

14. AGREEMENT SUBJECT TO PLAN BEING EFFECTIVE

The performance by Sponsor of its obligations under this Agreement is contingent upon the Plan having been declared effective in accordance with the terms and provisions of the Plan. The Plan may be withdrawn or abandoned by Sponsor only under certain conditions and at certain times, as set forth in the Plan. If the Plan is abandoned or if, after being declared effective, the Plan is not consummated for any reason and Purchaser is not in default under this Agreement beyond any applicable grace period, this Agreement shall be deemed cancelled and all Deposits, together with any interest earned thereon, shall be returned to Purchaser within 30 days from the filing date of the amendment abandoning the Plan. Upon such return, neither party shall have any further rights, obligations or liability to or against the other and the parties shall be released and discharged from all obligations and liability under this Agreement and the Plan.

15. SPONSOR'S INABILITY TO CONVEY THE UNIT

If Sponsor is unable to deliver title to the Unit to Purchaser in accordance with the provisions of this Agreement and the Plan by reason of a defect in title, substantial damage or destruction of the Building by fire or other casualty, or the taking of any material portion of the Property by condemnation or eminent domain, Sponsor shall not be obligated to bring any action or proceeding or otherwise incur any cost or expense of any nature whatsoever in excess of its obligations set forth in the Plan in order to cure such inability. If Sponsor is not so obligated under the Plan and notifies Purchaser of its election or inability to cure such title defect, and if Purchaser is not in default hereunder, Purchaser's sole remedy shall be to either (a) take title to the Unit subject to such title defect (without any abatement in, or credit against, the Purchase Price, or any claim or right of action against Sponsor for damages or otherwise) or (b) terminate this Agreement. If Purchaser so elects to terminate this Agreement, Sponsor shall, within 30 days after receipt of notice of termination from Purchaser, return to Purchaser all Deposits and all other sums deposited by Purchaser hereunder, together with interest earned thereon, if any. Upon making such payment, this Agreement shall be terminated and neither party hereto shall have any further rights, obligations or liability to or against the other under this Agreement or the Plan. The foregoing remedy must be exercised by notice of Purchaser in writing to Sponsor within 15 days after the giving of Sponsor's notice of election not to cure such inability, failing which it shall be conclusively deemed that Purchaser elected the remedy described in clause (a) above (i.e., to acquire title subject to such inability).

16. FIXTURES, APPLIANCES AND PERSONAL PROPERTY

Only those fixtures, appliances and items of personal property which are described in the Plan as being included in the Unit are included in this sale. No portion of the Purchase Price shall be attributable to such items.

17. CONDITION OF PROPERTY

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 Common Elements, the Unit 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 (with respect to Non-Tenant Purchasers), or the Filing Date of the Plan (with respect to Tenant-Purchasers), and delivery of the deed to Purchaser. Purchaser acknowledges having read the Description of Property, which sets forth a description of the physical condition of the Building set forth in Part II of the Plan and having been given the opportunity to review the Section of the Plan entitled "Sponsor's Statement of Building Condition." Purchaser understands that Sponsor has no obligation to make any repairs, improvements or decorations in or to the Property, the Building, the Unit or the Installations, except as may otherwise be set forth in the Plan.

Sponsor has agreed in the Plan to maintain the Building and the Common Elements 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), unless prevented from doing by reason of acts or events beyond Sponsor's control, as more particularly set forth in the Plan. Subject to rights of existing tenants and occupants, Non-Tenant-Purchasers shall be given a reasonable opportunity to examine the Unit prior to Closing and it is recommended that Purchasers make a careful examination at such time.

18. RENOVATION [FOR VACANT UNITS]

18.1 The renovation of the Unit, if applicable, including the materials, equipment and fixtures to be installed therein, shall be in accordance with the Plan, subject to the right of Sponsor 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). With respect to a combined unit, the issuance of a letter of completion or similar document issued by the Buildings Department reflecting the combined Unit, if required, shall be deemed presumptive evidence that the Unit has been fully completed in accordance with the Plan.

18.2 The renovation of the Unit and the correction of any defects in the renovation thereof to the extent required under the Plan are the sole responsibility of Sponsor. Purchaser acknowledges and agrees that Sponsor will not be liable for, and will have no obligation to correct, certain variations from the Plan, as indicated in the Section of the Plan entitled "Rights and Obligations of Sponsor," and will only be responsible to correct any defects in the Unit to the extent, and on the terms and conditions, set forth in such Section.

18.3 The Closing shall occur only after, or concurrently with, compliance with the prerequisites set forth under "Terms of Sale" in Part I of the Plan. As a result, if all such prerequisites are met, Purchaser shall be obligated to close and complete payment of the full Purchase Price (without provision for escrow), notwithstanding any construction items noted on Purchaser's Inspection Statement (as herein defined) remaining for Sponsor to complete and/or correct in accordance with its obligation under the Plan, and notwithstanding the incomplete construction and/or decoration of any other portions of the Building or the Unit.

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

19. INSPECTION OF THE UNIT [FOR VACANT UNITS]

19.1 Upon receipt of the Closing Notice, Purchaser shall arrange an appointment with a representative of Sponsor to inspect the interior of the Unit within the 7 days prior to the Closing Date fixed by the Closing Notice. Purchaser or Purchaser's duly authorized agent shall attend such inspection and shall complete, date and sign the Inspection Statement (in the form set forth as Schedule C to this Agreement) and deliver same to Sponsor's representative at the conclusion of the inspection. Failure of Purchaser either to arrange such appointment or to inspect the interior of the Unit within 7 days prior to the Closing Date fixed

by the Closing Notice or to so sign and deliver the completed Inspection Statement shall not excuse Purchaser from appearing at the Closing, paying the Balance of the Purchase Price when due and shall constitute Purchaser's full acceptance of the Unit as is. However, nothing herein shall relieve Sponsor of its obligations as set forth in the Section of the Plan entitled "Rights and Obligations of Sponsor."

19.2 Any work set forth on the Inspection Statement shall be completed by Sponsor as agreed in writing and shall not be grounds for delaying the Closing. Purchaser will be obligated to provide Sponsor and its contractors, subcontractors, agents and employees, unfettered access to the Unit and any Residential Limited Common Elements appurtenant thereto after Closing in order to complete the work on the Inspection Statement, failing which Sponsor shall be relieved of its obligations to complete the work set forth on the Inspection Statement. Sponsor has no obligation under the Plan to deposit any monies in escrow at Closing as a result of any work set forth on the Inspection Statement.

20. DAMAGE TO THE UNIT

If between the date of this Agreement and the Closing the Unit is damaged by fire or other casualty, the following shall apply:

20.1 If Purchaser is the existing tenant or occupant of the Unit, or if Purchaser is given possession of the Unit prior to Closing pursuant to a Use and Occupancy Agreement or otherwise, then Purchaser shall be solely responsible for any damage to, or loss or other condition in, the Unit resulting from Purchaser's use or occupancy, and Sponsor shall not be obligated to make any repairs to the Unit or its Installations. However, until Closing Sponsor will remain responsible to make those repairs required of it as landlord under any existing lease or Use and Occupancy Agreement and, after Closing, the Condominium Board will be responsible to make those repairs required of it under the Condominium Declaration and By-Laws. If Purchaser is not the existing tenant or occupant of the Unit, or if Purchaser is not given possession of Unit prior to Closing pursuant to a Use and Occupancy Agreement or otherwise, the risk of loss to the Unit by fire or other casualty until the earlier of Closing or possession of the Unit by Purchaser is assumed by Sponsor; provided that Sponsor shall have no obligation or liability to repair or restore the Unit. If Sponsor elects to repair or restore the Unit (which election shall be made within 60 days of the damage to the Unit), this Agreement shall continue in full force and effect, Purchaser shall not have the right to reject title or receive a credit against, or abatement in, the Purchase Price and Sponsor shall be entitled to a reasonable period of time within which to complete the repair or restoration. Any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss shall, subject to the rights of the Condominium Board and other Unit Owners if the Declaration has theretofore been recorded, belong entirely to Sponsor and, if such proceeds are paid to Purchaser, Purchaser shall promptly upon receipt thereof turn them over to Sponsor. The provisions of the preceding sentence shall survive the Closing.

20.2 In the event Sponsor notifies Purchaser that it does not elect to repair or restore the Unit (which election shall be made within 60 days of the damage to the Unit), or, if the Declaration has been recorded prior thereto, the Unit Owners do not resolve to make such repairs or restoration pursuant to the By-Laws, this Agreement shall be deemed cancelled and of no further force and effect and Sponsor shall return to Purchaser all Deposits delivered pursuant to this Agreement, together with interest earned thereon, if any, and neither party hereto shall have any further rights, obligations or liability to or against the other hereunder or under the Plan, except that if Purchaser is then in default hereunder (beyond any applicable grace period), Sponsor shall retain all Deposits and other such sums deposited by Purchaser hereunder, together with any interest earned thereon, as and for liquidated damages.

21. NO REPRESENTATIONS

Purchaser acknowledges that Purchaser has not relied upon any architect's plans, sales plans, selling brochures, advertisements, representations, warranties, statements or estimates of any nature whatsoever, whether written or oral, made by Sponsor, Selling Agent or otherwise, including, but not limited to, any relating to the description or physical condition of the Property, the Building or the Unit, or the size or the dimensions of the Unit or the rooms therein contained or any other physical characteristics thereof, the services to be provided to Unit Owners, the estimated Common Charges allocable to the Unit, the estimated real estate taxes on the Unit, the right to any income tax deduction for any real estate taxes or mortgage interest paid by Purchaser, the right to any income tax credit with respect to the purchase of the Unit, or any other data, except as specifically represented herein or in the Plan. Purchaser has relied solely on Purchaser's own judgment and investigation in deciding to enter into this Agreement and purchase the Unit. No person has been authorized to make any representations on behalf of Sponsor except as herein or in the Plan specifically set forth. No oral representations or statements shall be considered a part of this Agreement. Sponsor does not make any representation or warranty as to the work, materials, appliances, equipment or fixtures in the Unit, the Common Elements or any other part of the Property other than as set forth herein or in the Plan. Except as otherwise set forth in the Plan, Purchaser agrees (a) to purchase the Unit, without offset or any claim against, or liability of, Sponsor, whether or not any layout or dimension of the Unit or any part thereof, or of the Common Elements, as shown on the Floor Plans is accurate or correct, and (b) that Purchaser shall not be relieved of any Purchaser's obligations hereunder by reason of any immaterial inaccuracy or error. The provisions of this Article shall survive the Closing.

22. PROHIBITION AGAINST ADVERTISING

Purchaser is prohibited for a period of twelve (12) months from the First Closing from taking any of the following actions without Sponsor's prior written consent, which consent may be withheld, conditioned, or delayed, in Sponsor's sole and absolute discretion: (i) listing the Unit for sale with any broker, (ii) placing or authorizing any listing of the Unit for sale in any broker's listing system or other listing service, or (iii) advertising or otherwise offering, promoting or publicizing the availability of the Unit for sale. The provisions of this Article shall survive the Closing.

23. BROKER

Purchaser represents to Sponsor that Purchaser has not dealt with any broker in connection with this transaction other than the Selling Agent and the Co-Broker, if any, named in this Agreement, whose commissions shall be paid by Sponsor. Purchaser shall pay the commission of any broker with whom Purchaser may have dealt, other than the Selling Agent and the Co-Broker. Purchaser agrees that, should any claim be made against Sponsor for commissions by any broker, other than the Selling Agent or the Co-Broker, on account of any acts of Purchaser or Purchaser's representatives, Purchaser will indemnify and hold Sponsor free and harmless from and against any and all liabilities and expenses in connection therewith, including legal fees. The provisions of this Article shall survive the Closing.

24. 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, conditioned, 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. If Sponsor, in its sole discretion, consents to a Purchaser's request for an assignment of this Agreement, or for the addition, deletion or substitution of names on this Agreement, then Purchaser shall have such right, provided that (i) Purchaser designates such assignee at least 10 business days

prior to the Closing Date; (ii) Purchaser delivers to Attorney for Sponsor the fee set forth in the Plan for its services required in connection with the preparation of the assignment and assumption agreement; (iii) the Closing is not delayed as a result of such assignment, (iv) the assignee of this Agreement assumes in writing, by an instrument prepared by Attorney for Sponsor, the obligations of Purchaser under this Agreement and (v) the assignment is made without consideration. Any purported assignment by Purchaser in violation of this Agreement shall be a default by Purchaser, entitling Sponsor to the default remedies set forth in this Agreement, and shall be voidable at the option of Sponsor.

25. SALE SUBJECT TO EXISTING TENANCY

25.1 The following is applicable to Purchaser of Units occupied by others:

Complete the following only if Purchaser is not the tenant of the Unit:

Unit is Vacant: Yes ( ) No ( )

If Unit is Occupied:

Monthly Rent: $_____

Current Lease Term Expires: _____
or month-to-month ( )

Rent Security: $_____

Unit is Occupied by a Non-Purchasing Tenant: Yes ( ) No ( )

25.2 Purchaser acknowledges that the Unit 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 Law ("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.

25.3 Purchaser further acknowledges as set forth in the Plan, that if a Non-Purchasing Tenant is in possession of the Unit 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 Common Charges established from time to time by the Condominium Board) and the obligation to repair and maintain the Unit (including its equipment and appliances) for the benefit of the existing tenant. From and after delivery of the deed, Purchaser alone will bear the entire costs and expenses of owning the Unit (including, but not limited to, any legal fees and litigation expenses incurred in enforcing the lease and obtaining possession of the Unit).

25.4 Purchaser acknowledges that if the tenant of the Unit 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 Unit, 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, 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.

25.5 Purchaser hereby irrevocably appoints the Managing Agent of the Condominium (which managing agent may be replaced from time to time by the Condominium Board) as Purchaser's 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 Unit 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 of not less than an amount equal to two months Common Charges 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 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 relinquishes control of the Condominium Board and Purchaser will indemnify Sponsor for all costs expended by Sponsor on Purchaser's behalf. The provisions of this paragraph shall survive the Closing.

26. TENANT-PURCHASER'S RIGHT TO BENEFIT FROM IMPROVED TERMS

If prior to the First Closing, Sponsor amends the terms and conditions of the Plan to be more favorable to Tenant-Purchasers, then if Purchaser is a Tenant-Purchaser who executed and delivered this Agreement and the Initial Deposit for the Unit which the Tenant-Purchaser occupied on the Filing Date before Sponsor amended the terms of the Plan, such Tenant-Purchaser shall benefit from the more favorable terms and conditions.

27. PURCHASER'S REPRESENTATIONS

27.1 If Purchaser was a tenant in occupancy of a Unit 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 repurchase agreement or other discriminatory inducement.

27.2 If the Unit to which this Agreement relates is not occupied by Purchaser, Purchaser shall duly complete and sign before a notary public the Bona Fide Purchaser Statement of Purchase set forth as Schedule B hereto and deliver a completed, signed and notarized original of same to Selling Agent together with this Agreement.

27.3 (a) In connection with the Plan being declared effective, the New York State Department of Law ("Department of Law") requires an affirmative representation from each Bona Fide Tenant Purchaser and each Bona Fide Non-Tenant Purchaser as a part of the Department of Law's investigative process. Each Bona Fide Tenant Purchaser and each Bona Fide Non-Tenant Purchaser will be required to execute either an affidavit entitled "Affidavit of Bona Fide Tenant Purchaser For Purposes of Declaring Plan Effective" or "Affidavit of Bona Fide Non-Tenant Purchaser For Purposes of Declaring Plan Effective", as applicable (each a "Purchaser Affidavit"). A copy of each Purchaser Affidavit is annexed hereto as Schedule E-1 and Schedule E-2. The Purchaser Affidavit must be executed and returned by Purchaser together with the executed Purchase Agreement. To the extent the Department of Law or Sponsor requires that the Purchaser Affidavit be re-executed thereafter, Purchaser shall have five (5) days to re-execute and return an original to Sponsor. A Bona Fide Tenant Purchaser and a Bona Fide Non-Tenant Purchaser may also be required to submit to the Department of Law additional information concerning the intended occupancy of the Unit which is the subject of the Purchase Agreement and otherwise cooperate with the Department of Law's inquiry into the intended occupancy of the Unit. Any Bona Fide Tenant Purchaser or Bona Fide Non-Tenant Purchaser who fails to (i) execute and return the Purchaser Affidavit (or re-execution thereof) to Sponsor, 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, will be deemed to have committed an Event of Default (as defined in Paragraph 13 of the Purchase Agreement set forth in Part II of the Plan) under the Purchase Agreement. Bona Fide Tenant Purchasers and Bona Fide Non-Tenant Purchasers are advised that 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 Deposit and any interest earned on the Deposit, as set forth below, or, in the alternative, the right to

commence an action for specific performance, in which case the Bona Fide Tenant Purchaser or Bona Fide Non-Tenant Purchaser may be compelled by a court of law to fulfill all obligations concerning the Purchaser Affidavit.

(b) Purchasers are advised to seek the advice of an attorney before executing a Purchaser Affidavit. The submission of any misinformation to the Department of Law, including a false instrument, shall be deemed a violation of the Martin Act, and may also subject both Sponsor and Purchaser to both civil and criminal liability.

(c) The Department of Law reserves the right to request additional information from Sponsor and any and all Purchasers used for purposes of declaring the Plan effective. Failure to provide such information to the Department of Law within the timeframe requested may result in the rejection of Sponsor's effectiveness amendment. Furthermore, the submission of any misinformation to the Department of Law, including a false instrument, shall be deemed a violation of the Martin Act, and may also subject both Sponsor and Purchaser to both civil and criminal liability.

27.4 (a) Purchaser is not now, nor shall at any time prior to or at the Closing, be a Person with whom a United States citizen, entity organized under the laws of the United States or its territories or entity having its principal place of business within the United States or any of its territories (collectively, a "U.S. Person"), is prohibited from transacting business of the type contemplated by this Agreement, whether such prohibition arises under United States law, regulation, executive orders and lists published by the Office of Foreign Assets Control, Department of the Treasury ("OFAC") or otherwise. Neither Purchaser nor any Person who owns an interest in Purchaser, is now nor shall be at any time prior to or at the Closing, be a Person with whom a U.S. Person, including a "financial institution" as defined in 31 U.S.C. 5312 (a)(z), as periodically amended, (i) is prohibited from transacting business; or (ii) with whom U.S. Persons may only, subject to the imposition of significant fines and/or penalties, transact business of the type contemplated by this Agreement, whether such prohibition arises under United States law, regulation, executive orders and lists published by OFAC or otherwise.

(b) Purchaser has taken, and until the Closing shall continue to take, such measures as are required by applicable Law to assure that the funds used to pay to Sponsor the Purchase Price are derived: (i) from transactions that do not violate United States law, and to the extent such funds originate outside the United States, do not violate the laws of the jurisdiction in which they originated; and (ii) from permissible sources under United States law and to the extent such funds originate outside the United States, under the laws of the jurisdiction in which they originated. Purchaser is, and at Closing will be, in compliance with any and all applicable provisions of the USA PATRIOT Act of 2001, Pub. L. No. 107-56, the Bank Secrecy Act of 1970, as amended, 31 U.S.C. Section 5311 et. seq., the Trading with the Enemy Act, 50 U.S.C. App. Section 1 et. seq., the International Emergency Economic Powers Act, 50 U.S.C. Section 1701 et. seq.; and the International Emergency Economic Powers Acts, 50 U.S.C. Section 1701 et. seq., and the sanctions and regulations promulgated pursuant thereto by OFAC, as well as laws relating to prevention and detection of money laundering in 18 U.S.C. Sections 1956 and 1957, as amended from time to time.

(c) The provisions of this Section 27 shall survive the Closing to the Unit or the earlier termination of this Agreement.

28. BINDING EFFECT

28.1 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 the Attorney for Purchaser. If this Agreement is not accepted within 30 days from the delivery to Sponsor of this Agreement executed by Purchaser together with the Initial Deposit by the delivery to Purchaser of a fully executed counterpart, this Agreement shall be deemed to have

been rejected and cancelled and the all Deposits shall be returned to Purchaser within 30 days thereafter. Upon such refund being made, neither party shall have any further rights, obligations liability to or against the other hereunder or under the Plan. Prior to Sponsor's countersigning and returning this Agreement to Purchaser, and at any time thereafter, Purchaser agrees upon request to provide Sponsor with written information about Purchaser's employment, financial and rental/ownership history. Such information obtained prior to countersignature may be used to determine Purchaser's qualification to purchase and own the Unit, but does not constitute a reservation or binding obligation on either the applicant or Sponsor. Sponsor has the right, without incurring any liability, to reject this Agreement without cause or explanation to Purchaser. This Agreement may not be rejected due to Purchaser's race, creed, color, sex, sexual orientation, disability, marital status, age, ancestry, national origin or other ground proscribed by Law.

28.2 Notwithstanding the above, this Agreement shall be binding on Sponsor provided (i) Purchaser is a bona fide Tenant-Purchaser in good standing under the lease for the Unit; (ii) the Unit is the Unit occupied by the Tenant-Purchaser on the Filing Date of the Plan; (iii) the Agreement has not been altered, is complete and has been executed by all Tenant-Purchasers whose names are listed as tenants on the lease for the Unit or by one or more such tenants provided any other tenants whose names are listed as tenants on the lease for the Unit have waived their right to purchase the Unit in writing; (iv) the executed Agreement is accompanied by the Initial Deposit; and (v) the executed Agreement is delivered to Sponsor or Selling Agent during the time within which the Tenant-Purchaser has the exclusive right to purchase the Unit.

29. NOTICES

29.1 Any notice, election, demand, request, letter, consent or other communication hereunder or under the Plan shall be in writing and either delivered in person, via electronic transmission (e-mail) or sent, postage prepaid, by registered or certified mail return receipt requested or by Federal Express or other reputable overnight courier, with receipt confirmed to the Attorney for Purchaser at the address given at the beginning of this Agreement with a copy by regular mail delivered to Purchaser at the address given at the beginning of this Agreement and to the Attorney for Sponsor at the address given at the beginning of this Agreement, with a copy by regular mail delivered to Sponsor 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 sent via electronic transmission (e-mail), 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. Any notice either of the parties hereto receives from the other party's attorneys shall be deemed to be notice from such party itself.

29.2 Sponsor hereby designates and empowers both the Selling Agent and Attorney for Sponsor, as Sponsor's agents to give any notice to Purchaser under this Agreement (including, without limitation, a notice of default) in Sponsor's name, which notice so given shall have the same force and effect as if given by Sponsor itself.

29.3 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.

30. 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.

31. LIABILITY OF SPONSOR

Sponsor shall be excused from performing any obligation or undertaking provided for in this Agreement for so long as such performance is prevented, delayed or hindered by an act of God, weather, fire, flood, explosion, war, riot, sabotage, epidemics, quarantine, acts of terrorism, freight embargos, inability to procure or general shortage of energy, labor, equipment, facilities, materials or supplies in the open market, failure of transportation, governmental restrictions, preemptions or approvals, strike, lockout, action of labor unions, or any other cause (whether similar or dissimilar to the foregoing) not within the control of Sponsor. Sponsor's time to perform such obligations or undertaking shall be tolled for the length of the period during which such performance was excused.

32. 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.

33. AGREEMENT NOT CONTINGENT UPON FINANCING

The terms and provisions of this Agreement and Purchaser's obligations hereunder are not contingent upon Purchaser securing financing of the Purchase Price (or any portion thereof), and Purchaser understands and agrees that Purchaser's failure to obtain such financing will not relieve Purchaser of Purchaser's obligations hereunder. Purchaser further understands and agrees that if Purchaser chooses to finance the purchase of the Unit through a lending institution and obtain a commitment therefrom, neither a subsequent change in the terms of such commitment, the expiration or other termination of such commitment, the imposition by the lender of any additional fees or charges, nor any change in Purchaser's financial status or condition shall release or relieve Purchaser of Purchaser's obligations pursuant to this Agreement and Sponsor shall have no liability as a result of any scheduling or adjournment of the Closing beyond the expiration of the loan commitment.

34. COSTS OF ENFORCING AND DEFENDING AGREEMENT

Purchaser shall be obligated to reimburse Sponsor for any and all legal fees, court costs, disbursements and related expenses, incurred by Sponsor in defending Sponsor's rights under this Agreement or, in the event Purchaser defaults under this Agreement, beyond any applicable grace period, in canceling this Agreement or otherwise enforcing Purchaser's obligations hereunder, whether or not litigation or an adversarial proceeding is brought that arises from or relates to this Agreement and whether the litigation or adversarial proceeding arises between Purchaser and Sponsor or between a third party and either Sponsor, or Sponsor and Purchaser. Notwithstanding the foregoing, Purchaser shall not be obligated to pay Sponsor's legal fees or disbursements in any action brought pursuant to the Plan or the Purchase Agreement where Purchaser is the prevailing party in such action pursuant to a final non-appealable order of a court of competent jurisdiction.

35. 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.

36. 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.

37. WAIVER OF JURY

Except as prohibited by law, the parties shall, and they hereby do, expressly waive trial by jury in any litigation arising out of, or connected with, or relating to, this Agreement or the relationship created hereby or in the Plan. With respect to any matter for which a jury trial cannot be waived, the parties agree not to assert any such claim as a counterclaim in, nor move to consolidate such claim with, any action or proceeding in which a jury trial is waived.

38. ENTIRE AGREEMENT

This Agreement, together with the Plan, supersedes any and all understandings and agreements between the parties and constitutes the entire agreement between them with respect to the subject matter hereof.

39. CERTAIN REFERENCES

A reference in this Agreement to any one gender, masculine, feminine or neuter, includes the other two, and the singular includes the plural, and vice versa, unless the context otherwise requires. The 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.

40. 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.

41. SUCCESSORS AND ASSIGNS

The provisions of this Agreement shall bind and inure to the benefit of Purchaser and Purchaser's heirs, legal representatives, successors and permitted assigns and shall bind and inure to the benefit of Sponsor and its successors and assigns.

42. CONFIDENTIALITY

Sponsor and Purchaser hereby acknowledge and agree to keep all of the terms and conditions of this Agreement confidential, except that Sponsor shall be permitted to disclose that a Purchase Agreement has been executed for the Unit and the purchase price thereunder, but not the identity of Purchaser or its principals. Sponsor and Purchaser agree that any information which is required to be disclosed to the parties' respective lawyers, brokers, architects/engineers, accountants, Escrow Bank and individuals who "need to

know" or governmental agencies shall not be deemed to be a breach by Sponsor or Purchaser of the parties undertaking of confidentiality contained in this Agreement. Any failure by Purchaser to keep the terms and conditions of this Agreement confidential shall be a default by Purchaser, entitling Sponsor to the default remedies set forth in this Agreement.

43. 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.

44. 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.

45. COUNTERPARTS

Except for the "Bona Fide Statement of Purchase" set forth in Schedule B, an original of which is required to be executed and delivered to Sponsor, 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.

46. GOVERNING LAW/JURISDICTION AND VENUE/AGENT FOR SERVICES OF PROCESS

46.1 This Agreement was negotiated in the State of New York and the Unit to be conveyed pursuant hereto is located in the State of New York, which State the parties agree has a substantial relationship to the parties and to the underlying transaction embodied hereby, and in all respects, including matters of construction, validity and performance, this Agreement and the obligations arising hereunder shall be governed by, and construed in accordance with, the laws of the State of New York applicable to contracts made and performed in such State and any applicable law of the United States of America. Purchaser hereby unconditionally and irrevocably waives any claim to assert that the law of any other jurisdiction governs this Agreement and this Agreement shall be governed by and construed in accordance with the laws of the State of New York.

46.2 Any legal suit, action or proceeding against Sponsor or Purchaser arising out of or relating to this Agreement shall be instituted in any federal or state court in New York County, New York and Purchaser waives any objection which it may now or hereafter have to the laying of venue of any such suit, action or proceeding, and Purchaser hereby irrevocably submits to the jurisdiction of any such court in any suit, action or proceeding. Purchaser does hereby designate and appoint Attorney for Purchaser as its authorized agent to accept and acknowledge on its behalf service of any and all process which may be served in any such suit, action or proceeding in any federal or state court in New York, New York, and agrees that service of process upon said agent at said address and written notice of said service of Purchaser mailed or delivered to Purchaser in the manner provided herein shall be deemed in every respect effective service of process upon Purchaser (unless local law requires another method of service), in any such suit, action or proceeding in the State of New York. Purchaser (i) shall give prompt notice to Seller of any changed address of its authorized agent hereunder, (ii) may at any time and from time to time designate a substitute authorized agent with an office in New York, New York (which office

shall be designated as the address for service of process), and (iii) shall promptly designate such a substitute if its authorized agent ceases to have an office in New York, New York or is dissolved without leaving a successor.

47. WAIVER OF DIPLOMATIC OR SOVEREIGN IMMUNITY.

47.1 The provisions of this Article shall survive the Closing or the termination of this Agreement for the purpose of any suit, action, or proceeding arising directly or indirectly, out of or relating to this Agreement or the Condominium Documents.

47.2 If Purchaser is a foreign government, a resident representative of a foreign government or such other person or entity otherwise entitled to diplomatic or sovereign immunity, Purchaser expressly and voluntarily waives such immunity and consents to any suit, action or proceeding arising out of or relating to this Agreement or the Condominium Documents being brought in any State or Federal suit, action or proceeding in the State of New York based on, arising out of or connected with this Agreement or the Condominium Documents, and hereby designates and authorizes a lawful agent to receive process for and on behalf of Purchaser in any state or Federal suit, action or proceeding in the State of New York based on, arising out of or connected with this Agreement or the Condominium Documents.

47.3 If Purchaser is a foreign mission, as such term is defined under the Foreign Missions Act, 22 MAY BE APU.S.C. Section 4305, Purchaser shall notify the United States Department of State prior to purchasing a Unit and provide a copy of such notice to Sponsor. Sponsor shall not be bound under this Agreement unless and until the earlier to occur of: (i) a notification of approval is received from the Department of State; or (ii) sixty (60) days after Purchaser's notice is received by the Department of State.

48. CERTIFICATION OF SPONSOR AND PRINCIPAL

Consistent with a recent First Department decision, the principal of Sponsor expressly disclaims the existence of any private right of action for contract claims by individual unit owners (or a board on their behalf) in connection with or arising solely from its execution of the Certification of Sponsor and Principal, absent liability under another statute or under an alter-ego or other veil-piercing theory. See Board of Managers of 184 Thompson Street Condominium v. 184 Thompson Street Owner LLC, et al. 106 A.D. 3rd 542 (1st Dept. May 16, 2013).

49. SMOKING POLICY

The smoking policy of the Condominium is set forth below, which policy may be amended from time to time by the Condominium Board:

"No person may carry or smoke any kind of lighted pipe, cigar, cigarette, tobacco, or any other lighted smoking apparatus, equipment or product, including but not limited to electronic cigarettes, (collectively, "Smoking Apparatus") in any area of the Building, whether indoors or outdoors, at any time. Smoking shall be prohibited in all common areas of the Building whether indoor or outdoor. Although smoking shall be permitted in any Unit or Limited Common Element appurtenant thereto, including a private Terrace, no person may smoke or otherwise use any Smoking Apparatus in a manner, which causes smoke to be a nuisance, create odors or annoyance to any other resident of the Condominium. In addition, no person may smoke or otherwise use any Smoke Apparatus within twenty-five (25) feet of any outside entrance to the Building or within twenty-five (25) feet of any outdoor air intake or operable window opening in the Common Elements or Units."

50. FINANCIAL CRIMES ENFORCEMENT NETWORK

In the event that this transaction falls within the scope of the Geographic Targeting Order ("Order") issued by the Financial Crimes Enforcement Network of the U.S. Department of Treasury (as may be amended from time to time), Purchaser shall deliver to the Title Company at Closing all documents and information requested by the Title Company in order to comply with the requirements set forth in the Order. Any failure by a Purchaser to perform its obligations under this paragraph shall be deemed an Event of Default under the Purchase Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

PURCHASER(S):

_____
(signature)

_____
(signature)

SPONSOR:

DS 531 E. 12TH OWNER LLC

By: _____
Name: Michael Shah
Title:

SCHEDULE A

PERMITTED ENCUMBRANCES

1. Building restrictions and zoning and other regulations, resolutions and ordinances and any amendments thereto now or hereafter adopted.

2. Any state of facts which an accurate survey or personal inspection of the Property would show, provided such state of facts would not render title uninsurable without additional premium to Purchaser and would not prevent the use of the Unit for dwelling purposes.

3. The terms, burdens, covenants, restrictions, conditions, easements and Residential Rules and Regulations, all as set forth in the Declaration, the By-Laws (and the Residential Rules and Regulations made thereunder), the Power of Attorney from the Purchaser to the Condominium Board, and the Floor Plans as all of the same may be amended from time to time.

4. Consents by Sponsor or any former owner of the Land for the erection of any structure or structures on, under or above any street or streets on which the Property may abut.

5. Any easement or right of use in favor of any utility company for construction, use, maintenance or repair of utility lines, wires, terminal boxes, mains, pipes, cables, conduits, poles and other equipment and facilities on, under and across the Property.

6. Revocability of licenses for vault space, if any, under the sidewalks and streets.

7. Any easement or right of use required by Sponsor or its designee to obtain a temporary, permanent or amended Certificate of Occupancy for the Building or any part of same.

8. Encroachments of stoops, areas, cellar steps or doors, trim, copings, retaining walls, bay windows, balconies, sidewalk elevators, fences, fire escapes, cornices, foundations, footings and similar projections, if any, on, over, or under the Property or the streets or sidewalks abutting the Property, and the rights of governmental authorities to require the removal of any such projections and variations.

9. Leases and service, maintenance, employment, concessionaire contracts and Storage Locker Licenses, if any, of other Units or portions of the Common Elements.

10. The lien of any unpaid Common Charge, real estate tax, water charge or sewer rent, or vault charge, provided the same are adjusted at the Closing.

11. The lien of any unpaid assessment payable in installments (other than assessments levied by the Condominium Board), except that Sponsor shall pay all such assessments due prior to the Closing Date (with the then current installment to be apportioned as of the Closing Date) and the Purchaser shall pay all assessments due from and after the Closing Date.

12. Any declaration or other instrument affecting the Property which Sponsor deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution or requirement of the Buildings Department, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the demolition, construction, alteration, repair or restoration of the Building.

13. Any encumbrance as to which the Title Company (or such other New York State Land Title Association member title insurance company which insures the Purchaser's title to the Unit) would be willing, in a fee policy issued by it to the Purchaser, to insure the Purchaser that such

encumbrance (a) will not be collected out of the Unit if it is a lien or (b) will not be enforced against the Unit if it is not a lien.

14. Any other encumbrance, covenant, easement, agreement, or restriction against the Property other than a mortgage or other lien for the payment of money, which does not prevent the use of the Unit for dwelling purposes.

15. Any lease covering the Unit(s) made from Sponsor to the Purchaser.

16. Any violation against the Property (other than the Unit) which is the obligation of the Condominium Board, or another Unit Owner to correct.

17. Standard printed exceptions contained in the form of fee title insurance policy then issued by the Title Company.

18. Any TCO or PCO for the Building, so long as the same permits, or does not prohibit, use of the Unit for its stated purposes.

19. Any encumbrance, covenant, easement, agreement, or restriction against the Property set forth in the form of Unit Owner's Specimen Title Policy prepared by the Title Company set forth in Part II of the Plan, as the same may be updated from time to time prior to the Closing.

SCHEDULE B

BONA FIDE PURCHASER STATEMENT OF PURCHASE

ORIGINAL DOCUMENT MUST BE EXECUTED AND DELIVERED WITH PURCHASE AGREEMENT

STATE OF NEW YORK)
) ss.:
COUNTY OF New York)

Re: Unit _____ ("Unit")
The Avant
531-533 East 12th Street
New York, NY 10009

The undersigned Purchaser(s) represent that Purchaser(s) intend that Purchaser(s) or one or more specified members of Purchaser(s) immediate family intend to occupy the Unit when it becomes vacant.

PURCHASER(S):

_____
(signature)

_____
(signature)

Sworn to before me
this _____ day of _____, _____

_____
Notary Public

INTENDED OCCUPANT(S):

_____
Print Name

_____
Print Name

SCHEDULE C

INSPECTION STATEMENT

Date: _____

DS 531 E. 12th Owner LLC
114 East 13th Street, Front 1
New York, NY 10003

Re: Residential Unit No: _____ ("Unit")
The Avant
531-533 East 12th Street
New York, NY 10009 ("Condominium")

Ladies and Gentlemen:

1. On the date hereof, the undersigned purchaser(s) ("Purchaser") inspected the Unit which Purchaser is acquiring from Sponsor and have found the Unit to be in good condition, except as otherwise noted below:

_____

_____

_____

2. In the event Purchaser performs work in the Unit of any kind affecting any of the areas or items listed above after the Closing, Sponsor will be relieved of any and all obligations related to the items listed herein.

PURCHASER(S):

_____
(signature)

_____
(signature)

_____
Sponsor's Representative

SCHEDULE D

RIDER TO PURCHASE AGREEMENT RE: ESCROW PROVISIONS

This Rider is made as of _____, _____ between Sponsor, Purchaser and Escrow Agent.

Re: Residential Unit No: _____ ("Unit")
The Avant
531-533 East 12th Street
New York, NY 10009 ("Condominium")

1. ESCROW AND TRUST FUND REQUIREMENTS

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

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

Any provision of any contract or agreement, whether oral or in writing, by which a Purchaser purports to waive or indemnify any obligation of Escrow Agent holding trust funds is absolutely void. The provisions of the Attorney General's regulations concerning escrow/trust funds shall prevail over any conflicting or inconsistent provision in the Plan or in the escrow agreement or Purchase Agreement. Purchasers shall not be obligated to pay any legal or other expense of Sponsor in connection with the establishment, maintenance or defense of obligations arising from the handling or disposition of trust funds.

All Deposits made by Purchasers prior to the Closing of each individual transaction will be placed in a segregated special escrow account of Starr Associates LLP, the escrow agent ("Escrow Agent"), whose address is 220 East 42 Street, Suite 3302, New York, New York 10017 and whose telephone number is (212) 620-2680. As of the date of this Rider, the attorneys who are signatories on these accounts authorized to withdraw funds, acting singly, are: Allan Starr, Esq., Andrea L. Roschelle, Esq., Samantha Sheeber, Esq. and Adam Kriegstein, Esq. ("Authorized Signatories"). All Authorized Signatories are admitted to practice law in the State of New York. Neither the Escrow Agent nor any Authorized Signatory is Sponsor, Selling Agent, Managing Agent, or any principal thereof, or have any beneficial interest in any of the foregoing.

Escrow Agent has established an escrow account entitled "Starr Associates LLP, Escrow Account" ("Escrow Account") at Signature Bank located at 261 Madison Avenue, New York, NY 10016 ("Escrow Bank"). Escrow Bank is authorized to do business in the State of New York.

All instruments to be deposited into the Escrow Account shall be made payable directly to the order of "Starr Associates LLP, as Escrow Agent" or wired directly to the Escrow Account, as applicable, and shall be accepted subject to collection. Endorsed instruments will not be accepted. All checks must be drawn on or issued by a bank or trust company which is a member of the New York Clearinghouse Association. A return of any check delivered in payment of the Initial Deposit, for insufficient funds or for any other reason, shall constitute a non-curable default under the Purchase Agreement, rendering the Purchase Agreement void *ab initio* and of no further force or effect, in which event Purchaser and Sponsor shall each be released and discharged of all further liability and obligations under the Purchase Agreement and the Plan and the Unit may be sold to another as though the Purchase Agreement had never been made.

With respect to wire transferred funds, any wiring fees charged by the initiating and/or receiving bank shall be paid by Purchaser.

Deposits properly delivered to Escrow Agent will be placed in the Escrow Account within 5 business days after delivery by Purchaser to Sponsor or Selling Agent.

All Deposits will be placed initially in the non-interest bearing portion of the Escrow Account. Each Purchaser is required to deliver, in addition to any other documents required by the Escrow Bank or any governmental agency, 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 Attorneys for Sponsor (or Escrow Agent) at the time Purchaser signs and delivers the Purchase Agreement and the Initial Deposit. If a Deposit is accompanied by a completed and signed Form W-9 or Form W-8, and any other additional documentation required by the Escrow Bank or any governmental agency, the Deposit 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 FormW-8 or any other additional documentation required by the Escrow Bank or any governmental agency, the Deposit will remain or may be moved back into the non-interest bearing portion of the Escrow Account. Each Purchaser will be required to comply with the requirements of the Escrow Bank and/or any governmental agency at any time, failing which the Deposit shall remain in (or may be moved back into) the non-interest bearing portion of the Escrow Account. At such time as any Deposit is released, such Deposit 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 Deposits, except for Special Work Funds, 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 such Deposits as per GBL § 352-h.

Special Work Funds will initially be placed in the Escrow Account. However, Purchasers should note that such Special Work Funds may be released from the Escrow Account by Escrow Agent to Sponsor to pay, or to reimburse Sponsor, for such special work. As a result, in the event that (a) Sponsor cancels the Purchase Agreement, (b) Purchaser is entitled to rescind the Purchase Agreement in accordance with the Plan, or (c) Sponsor abandons or withdraws the Plan, the Special Work Funds will be returned to Purchaser, to the extent not expended. Escrow Agent shall be under no duty to verify that Sponsor used or committed such funds for special work. (See the Section of the Plan entitled "Escrow and Trust Fund Requirements" for details.)

The sub-escrow account number and the initial interest rate, if any, will be disclosed to each Purchaser, as appropriate, in a letter from Escrow Agent to each Purchaser sent within 10 business days after the delivery of the Initial Deposit. If Purchaser does not receive notice that the Initial Deposit has been placed in the Escrow Account within 15 business days after delivery of the Initial Deposit, Purchaser may cancel the Purchase and rescind the Purchase Agreement so long as the right to rescind is exercised within 90 days after delivery or crediting of the Initial Deposit 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 Initial Deposit was timely deposited and requisite notice was timely mailed to Purchaser in conformity with the Attorney General's regulations. However, Escrow Agent will not be required to send the aforementioned letter to Purchaser in connection with any subsequent Deposits delivered by Purchaser after the Initial Deposit, including, without limitation, any funds in connection with any changes in the interest rate.

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

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

All Deposit delivered subsequent to the Initial Deposit may be delivered by Purchaser to Sponsor or Selling Agent by either personal delivery, delivery by messenger or courier service or mailed by certified mail, return receipt requested, overnight courier or express mail service. A Deposit shall be deemed delivered by Purchaser on the date it is actually received by Sponsor or Selling Agent.

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

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

The checking account portion of the Escrow Account will not be interest-bearing. The sub-escrow account portion of the Escrow Account will be interest-bearing. All interest will be credited to Purchaser at such time as: (i) there is a closing under the Purchase Agreement, or (ii) Purchaser is entitled to a return all Deposits. 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 commits an Event of Default. The interest rate to be earned will be the prevailing rate for these accounts. As of April 1, 2019, the interest rate for the Escrow Bank is 0.3%. 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 Deposit is cash or cash equivalent, or (y) 5 business days, if the Deposit is other than cash or cash equivalent, of the transfer of the Deposit 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 Deposit clears.

Sponsor or its agents, including any selling agents, shall deliver to Escrow Agent all Deposits within two (2) business days of delivery of any such Deposits 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 Deposits 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 Deposits if so directed:

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

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

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

If the Deposits are not released pursuant to this paragraph and Escrow Agent receives a request by Sponsor or Purchaser to release the Deposits, Escrow Agent shall give both parties prior written notice of not fewer than 30 days before releasing the Deposits. If Escrow Agent has not received notice of objection to the release of the Deposits at the expiration of the 30 day period, the Deposits shall be released and Escrow Agent shall provide further written notice to both parties informing them of the release of the Deposits. If Escrow Agent receives a written notice from either party objecting to the release of the Deposits within the 30 day period set forth in the notice, Escrow Agent shall continue to hold the Deposits 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 Deposits with the clerk of a court in the county in which the Unit is located and shall give written notice to both parties of such deposit.

Sponsor will not object to the release of the Deposits to:

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

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

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

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

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

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

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

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

Sponsor has agreed to indemnify Escrow Agent from all claims, losses, judgments, costs, expenses and damages, including those brought by third-parties, including purchasers, incurred in connection with or arising out of the escrow agreement or the performance or non-performance of Escrow Agent's duties under the Escrow Agreement, except with respect to actions or omissions taken or suffered by Escrow Agent in bad faith or in willful disregard of the Escrow Agreement or involving gross negligence of Escrow Agent. This indemnity includes, without limitation, professional fees, including attorneys' fees, court costs and disbursements, either paid to retain attorneys or representing the value of all legal services rendered by Escrow Agent to itself and any and all attorneys' and professional fees, court costs, expenses and disbursements incurred by Escrow Agent in connection with a bankruptcy case filed by Sponsor for protection under the United States Bankruptcy Code, the enforcement of any rights, or defense of any claims against Escrow Agent in any bankruptcy proceeding, or any other matter arising in or in connection with Sponsor's bankruptcy case.

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

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

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:

DS 531 E. 12TH OWNER LLC

By: _____
Name: Michael Shah
Title:

ESCROW AGENT:

Executed solely in connection with the provisions set forth in this Escrow Rider.

STARR ASSOCIATES LLP

By: _____
Name:
Title:

SCHEDULE E1

AFFIDAVIT OF BONA FIDE TENANT PURCHASER FOR PURPOSES OF DECLARING OFFERING PLAN EFFECTIVE

AFFIDAVIT OF BONA FIDE TENANT PURCHASER
FOR PURPOSES OF DECLARING OFFERING PLAN EFFECTIVE

[insert name of tenant purchaser(s)]

The Avant
531-533 East 12th Street
New York, NY 10009

File No. _____

Unit No. [insert unit number(s)]
Purchase Price: [insert purchase price]
Deposit: [insert down payment]

STATE OF NEW YORK)
: SS.:
COUNTY OF _____)

I/We, a purchaser[s] under the Offering Plan for the above-referenced Condominium hereby affirm, under the penalty of perjury, the following information:

1. I/We [am/are] [a] bona fide purchaser[s] as defined by the New York General Business Law § 352-eeee (the "Martin Act") because I/we am/are: [a] tenant[s] in occupancy at the above-referenced property.

2. I/we represent that I/we am/are not purchasing the Unit as an accommodation to, or for the account or benefit of the Sponsor or the principal of Sponsor.

3. I/we have duly executed a Purchase Agreement and have paid the deposit as required in the Plan and any amendment thereto.

4. The Purchase Agreement I/we have executed for the above-referenced Unit 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 Unit does not permit the assignment or transfer of the rights afforded therein.

   [If a tenant in occupancy has assigned the Purchase Agreement, include the following, and 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:

   (a) The Purchase Agreement has been signed by Purchaser as a Bona Fide Tenant in occupancy in the above-referenced property; and

   (b) The 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; and

   (c) I/we have obtained an assignee affidavit.]

6. I/We signed the Purchase Agreement for the above-referenced Unit in good faith, without fraud and with no discriminatory repurchase 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.

_____
[Tenant Purchaser]

Sworn to before me this _____
day of _____, 20_____

_____
NOTARY PUBLIC

SCHEDULE E2

AFFIDAVIT OF BONA FIDE NON-TENANT PURCHASER FOR PURPOSES OF DECLARING OFFERING PLAN EFFECTIVE

AFFIDAVIT OF BONA FIDE NON-TENANT PURCHASER
FOR PURPOSES OF DECLARING OFFERING PLAN EFFECTIVE

[insert name of non-tenant purchaser(s)]

The Avant
531-533 East 12th Street
New York, NY 10009

File No. _____

Unit No. [insert unit number(s)]
Purchase Price: [insert purchase price]
Deposit: [insert down payment]

STATE OF NEW YORK)
: SS.:
COUNTY OF _____)

I/We, a purchaser[s] under the Offering Plan for the above-referenced condominium hereby affirm, under the penalty of perjury, the following information:

1. I/We [am/are] [a] Bona Fide Purchaser[s] as defined by the New York General Business Law § 352-eeee (the "Martin Act") because I/we am/are [a] Purchaser[s] who intends that I/we or one or more members of my immediate family members intends to occupy the Unit when it becomes vacant;

2. I/we represent that I/we are not purchasing the unit as an accommodation to, or for the account or benefit of the Sponsor or the principal of Sponsor;

3. I/we have duly executed a Purchase Agreement and have paid the deposit as required in the Plan and any amendment thereto;

4. The Purchase Agreement I/we have executed for the above-referenced Unit 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 Unit does not permit the assignment or transfer of the rights afforded therein,

   [unless the assignment is for purposes of transferring the rights to an ownership entity such as an LLC or trust on behalf of the purchaser. In such cases, state so];

6. I/We signed the Purchase Agreement for the above-referenced unit in good faith, without fraud and with no discriminatory repurchase 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.

_____
[Non-Tenant Purchaser or Authorized Signatory]

Sworn to before me this _____
day of _____, 20_____

_____
NOTARY PUBLIC

SCHEDULE F

RIDER TO PURCHASE AGREEMENT
RE: STORAGE LOCKER

This Rider is made as of _____, _____ between Sponsor and Purchaser.

Re: Residential Unit No: _____ ("Unit")
The Avant
531-533 East 12th Street
New York, NY 10009 ("Condominium")

1. STORAGE LOCKER LICENSE

1.1 Sponsor agrees to sell and Purchaser agrees to purchase Storage Locker #_____ for a Purchase Price of $_____. At Closing, Purchaser shall enter into a Storage Locker License to use the specific Storage Locker designated by Sponsor, the form of which is set forth in Part II of the Plan.

1.2 The Purchase Price is payable as follows:

(a) $_____, ("Initial Deposit"), due upon Purchaser's signing and delivering this Agreement; and

(b) $_____, ("Balance of the Purchase Price"), due upon the delivery of the deed to the Unit.

2. RE-DESIGNATION OF STORAGE LOCKER

Sponsor reserves the right at or prior to Closing to designate a different Storage Locker in lieu of the Storage Locker set forth above, provided the new Storage Locker is equal to or greater in size and has the same Purchase Price.

3. TEMPORARY CERTIFICATE OF OCCUPANCY [ACCESS]

Purchaser will be required to consummate the purchase of the Unit and the Storage Locker simultaneously at Closing, even though a Temporary Certificate of Occupancy has not been issued, and access may not be available for the Storage Locker Area of the Building. In such event, the proceeds from the sale of the Storage Locker License will be held in escrow ("Storage Locker Escrow") by Escrow Agent until such time as access is available to the Storage Locker Area in which the Storage Locker is located. The Storage Locker Escrow will not be held in an interest bearing escrow account, and, therefore, Purchaser will earn no interest on the Storage Locker Escrow.

4. DAMAGE TO THE STORAGE LOCKER AREA

If there is a fire or other casualty to the Storage Locker Area and Sponsor does not elect to repair or restore such area following such fire or casualty, then the Purchase Agreement shall be deemed modified to provide for the Closing with respect to the Unit only. In such event, the Balance of the Purchase Price of the Unit shall be reduced by the amount of the Deposit paid pursuant to the terms of this Rider.

5. WITHDRAWAL OF STORAGE LOCKER

As set forth in the Plan, Sponsor reserves the right to withdraw the offering of the Storage Locker. The withdrawal of the offering of the Storage Locker will be disclosed by Sponsor in an amendment to the Plan and Purchaser shall only be relieved of Purchaser's obligation to purchase the Storage Locker, but shall remain obligated to purchase the Unit. At Closing, Purchaser will receive a credit against the Balance of the Purchase Price equal to the amount allocated to the withdrawn Storage Locker, to the extent any such money has been delivered to Sponsor.

6. DEFINITIONS

All capitalized terms used in this Rider not defined herein shall have the same meanings ascribed to them in the Purchase Agreement to which this Rider is annexed or in the Plan.

7. CONFLICTS

In the event of any inconsistency between the provisions of this Rider and those contained in the Purchase Agreement to which this Rider is annexed, the provisions of this Rider shall govern and be binding.

8. FULL FORCE AND EFFECT

Except as set forth in this Rider, all of the terms and conditions of the Purchase Agreement remain unchanged and in full force and effect.

PURCHASER(S):

_____
(signature)

_____
(signature)

SPONSOR:

DS 531 E. 12TH OWNER LLC

By: _____
Name: Michael Shah
Title:

SCHEDULE G

RIDER TO PURCHASE AGREEMENT

RE: USE OF UNIT

This Rider is made as of _____, between Sponsor and Purchaser.

Re: Residential Unit No: _____ ("Unit")
The Avant
531-533 East 12th Street
New York, NY 10009 ("Condominium")

1. USE OF UNIT

As of the date of this Agreement, Purchaser represents that it is purchasing the Unit as:

____ Purchaser's primary residence

____ Purchaser's secondary residence

____ an investment

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.

PURCHASER(S):

_____
(signature)

_____
(signature)

SPONSOR:

DS 531 E. 12TH OWNER LLC

By: _____
Name: Michael Shah
Title:

UNIT DEED

UNIT DEED

THIS INDENTURE, made the ____ day of _____, ____, between DS 531 E. 12th Owner LLC, having an office at 114 East 13th Street, Front 1, New York, NY 10003 ("Grantor") and _____ having an address at _____ ("Grantee").

W I T N E S S E T H :

That the Grantor, in consideration of Ten and 00/100 ($10.00) Dollars and other good and valuable consideration paid by the Grantee, does hereby grant and release unto the Grantee, the heirs or successors and assigns of the Grantee, forever:

The Condominium Unit ("Unit") known as Residential Unit No. ____ in the building ("Building") known as The Avant ("Condominium") and by the street number 531-533 East 12th Street, Borough of Manhattan, County of New York, City and State of New York, said Unit being designated and described by the above Unit number in a certain declaration dated [DECLARATION DATE], made by Grantor pursuant to Article 9-B of the Real Property Law of the State of New York ("Condominium Act") establishing a plan for condominium ownership of the Building and the land ("Land") upon which the Building is situate (which Land is more particularly described in Exhibit A annexed hereto and by this reference made a part hereof), which declaration was recorded in the Office of the Register of The City of New York of the County of New York ("Register's Office") on [DEC RECORDING DATE], as CRFN# [DEC CRFN #] ("Declaration"). The Unit is also designated as Tax Lot 48 in Block 406 of the Borough of Manhattan on the Tax Map of the Division of Land Records of The City of New York and on the Floor Plans of the Building, certified by Bluarch on [ARCHITECT CERT DATE], and filed with the Division of Land Records of The City of New York on [FP FILING DATE], as Condominium Plan No. [CONDO PLAN #] and also filed in the Register's Office on [FP RECORDING DATE], as Condominium Map No. [FP MAP #];

TOGETHER with an undivided _____% interest in the Common Elements (as such term is defined in the Declaration);

TOGETHER with the appurtenances and all the estate and rights of the Grantor in and to the Unit;

TOGETHER with, and subject to, the rights, obligations, easements, restrictions and other provisions set forth in the Declaration and the By-Laws of the Condominium ("By Laws"), as the same may be amended from time to time, all of which constitute covenants running with the Land and shall bind any person having at any time any interest or estate in the Unit, as though recited and stipulated at length herein.

SUBJECT also to such other liens, agreements, covenants, easements, restrictions, consents and other matters of record as pertain to the Unit, to the Land and/or to the Building (which Land and Building are collectively referred to as the "Property").

TO HAVE AND TO HOLD the same unto the Grantee and the heirs or successors and assigns of the Grantee forever.

If any provision of the Declaration or the By-Laws is invalid under, or would cause the Declaration or the By-Laws to be insufficient to submit the Property to, the provisions of the Condominium Act, or if any provision which is necessary to cause the Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from the Declaration or the By-Laws, or if the Declaration and the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, the applicable provisions of the Declaration shall control.

Except as otherwise specifically permitted by the Condominium Board or provided in the Declaration or the By-Laws, the Unit is intended for residential use only.

Grantor represents that the Grantor is the same party as the Grantee of the Property under (a) deed dated November 1, 2018 and recorded in the Register's office on November 16, 2018 as CRFN 2018000380424, and (b) deed dated November 1, 2018 and recorded in the Register's office on November 16, 2018 as CRFN 2018000380425.

Grantor covenants that the Grantor has not done or suffered anything whereby the Unit has been encumbered in any way whatever, except as set forth in the Declaration and the By-Laws (and any Residential Rules and Regulations adopted under the By-Laws).

Grantor, in compliance with Section 13 of the Lien Law of the State of New York, covenants that the Grantor will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund for the purpose of paying the cost of the improvement and will apply the same first to the payment of the cost of the improvement before using any part of the same for any other purposes.

Grantee accepts and ratifies the provisions of the Declaration and the By-Laws (and any Residential Rules and Regulations adopted under the By-Laws) and agrees to comply with all the terms and provisions thereof.

This conveyance is made in the regular course of business actually conducted by the Grantor.

The term "Grantee" shall be read as "Grantees" whenever the sense of this indenture so requires.

All capitalized terms used herein which are not separately defined herein shall have the meanings given to those terms in the Plan, the Declaration or the By-Laws of the Condominium.

* * * * *

IN WITNESS WHEREOF, the Grantor and the Grantee have duly executed this Indenture as of the day and year first above written.

GRANTOR:

DS 531 E. 12TH OWNER LLC

By: _____
Name: Michael Shah
Title:

GRANTEE:

_____
(signature)

_____
(signature)

(ACKNOWLEDGEMENTS)

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On the _____ day of _____, in the year _____, before me, the undersigned, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of whom the individual(s) acted, executed the instrument.

_____
Notary

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On the _____ day of _____, in the year _____, before me, the undersigned, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of whom the individual(s) acted, executed the instrument.

_____
Notary

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On the _____ day of _____, in the year _____, before me, the undersigned, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of whom the individual(s) acted, executed the instrument.

_____
Notary

EXHIBIT A
TO RESIDENTIAL UNIT DEED

DESCRIPTION OF THE LAND

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, County of New York, City and State of New York, bounded and described as follows:

[See the Schedule A – Description of the Land in the Specimen Title Report set forth in Part II of the Plan.]

USE AND OCCUPANCY AGREEMENT

USE AND OCCUPANCY AGREEMENT

This use and occupancy agreement ("Use and Occupancy Agreement") for Unit _____ ("Unit") at The Avant, located at 531-533 East 12th Street, New York, NY 10009 ("Premises") is made as of _____, 20___ between DS 531 E. 12th Owner LLC ("Sponsor") and _____ ("Purchaser") (collectively the "Parties").

B A C K G R O U N D

A. Sponsor is the sponsor of an offering plan to convert the Premises to condominium ownership ("Offering Plan").

B. Purchaser was, as of the filing date of the Offering Plan by the New York State Department of Law ("DOL"), and is as of the date hereof, a "Bona Fide Tenant in Occupancy" (as defined in the Offering Plan) of a Residential Unit of the Premises; **[OR]** Purchaser was not, as of the filing date of the Offering Plan by the New York State Department of Law ("DOL"), and is not as of the date hereof, a "Bona Fide Tenant in Occupancy" (as defined in the Offering Plan) of a Residential Unit in the Premises.

C. The Parties executed a Purchase Agreement for Unit_____ ("the Unit") dated _____, 20___ as the same may be amended from time to time ("Purchase Agreement").

D. **[For a Tenant-Purchaser of Tenant's Unit]:** In connection with the Purchase Agreement, the Parties executed a Surrender of Lease Agreement pursuant to which Purchaser surrendered the lease to the Residential Unit the Purchaser occupied on the Filing Date of the Plan ("Tenant's Unit") and was granted the right to enter into a Use and Occupancy Agreement and obtain occupancy of the Tenant's Unit until the Closing of the Tenant's Unit or the termination of the Purchase Agreement **[OR]** [**For a Tenant-Purchaser of a vacant Unit**] In connection with the Purchase Agreement, the Parties executed a Surrender of Lease Agreement pursuant to which Purchaser surrendered the lease to the Residential Unit the Purchaser occupied on the Filing Date of the Plan ("Tenant's Unit") and was granted the right to enter into a Use and Occupancy Agreement and obtain pre-closing occupancy of the Tenant's Unit or the vacant Unit (as applicable) until the Closing to the vacant Unit or the termination of the Purchase Agreement **[OR]** [**For Non-Tenant Purchasers**] In connection with the Purchase Agreement, the Purchaser was granted the right to enter into a Use and Occupancy Agreement and obtain occupancy of the Unit until the Closing of the Unit or the termination of the Purchase Agreement.

NOW THEREFORE, it is agreed by the Parties as follows:

1. All capitalized terms used in this Use and Occupancy Agreement shall have the same meanings ascribed to them in the Offering Plan, the Purchase Agreement and Rider as amended.

2. The term ("Term") of the Use and Occupancy Agreement shall commence on _____, 20___ ("Occupancy Date") and end on a date occurring on the earlier of (a) the Closing to the Unit pursuant to the terms of the Purchase Agreement, unless such date is extended in accordance with the terms of this Agreement or (b) _____,201___,unless such date is extended in accordance with this Agreement, or (c) the date that either Sponsor or Purchaser cancels the Purchase Agreement in accordance with the terms thereof.

3. Purchaser shall pay to Sponsor payments (each a "Payment") in the amount of $_____ per month to be paid on the first day of each month of the Term. If this Use and Occupancy Agreement terminates as result of the Closing to the Unit, any Payment received by Sponsor for the month in which the Closing takes place shall be adjusted between Sponsor and Purchaser at Closing.

4. **[For a Tenant-Purchaser of Tenant's Unit]** During the Term, Purchaser shall keep the Tenant's Unit clean and in good condition and no other persons other than Purchaser and Purchaser's Family Members may occupy the Tenant's Unit and the Tenant's Unit may not be sublet, and/or occupied by any other person without the express prior written consent of Sponsor. Purchaser shall not be permitted to harbor any pets in the Tenant's Unit without Sponsor's prior written consent. Purchaser shall not be permitted to perform any alterations, modifications, renovations and/or repairs to or in Tenant's Unit without Sponsor's prior written consent.

5. **[For a Tenant-Purchaser of a vacant Unit or for a Non-Tenant Purchaser]** Purchaser warrants that the Unit has been inspected and examined and Purchaser shall accept title to the Unit at Closing in the same condition "as is" on the Occupancy Date, except for any items set forth on the Inspection Statement executed by Purchaser and Sponsor prior to the Occupancy Date, if any.

6. It is specifically understood and agreed that Sponsor (and the Condominium Board, if this Agreement is executed after the Condominium Declaration is recorded) shall be exempt from any and all liability for any damage or injury to persons or property or arising from any cause or happening whatsoever in, on, or to the Unit from and after the Occupancy Date, except if caused by the willful, affirmative acts on the part of Sponsor, the Condominium Board (if applicable) or their respective agent(s). Commencing on the Occupancy Date and throughout the Term, Purchaser shall obtain and maintain (i) comprehensive personal liability insurance against any and all claims for bodily injury, death or property damage (including, but not limited to, loss due to water damage) occurring in, upon, or from the Residential Unit or any part thereof, with minimum combined single limits of liability of $300,000 arising out of any one occurrence, (ii) umbrella liability insurance with minimum combined single limit of $1,000,000 and (iii)"special causes of loss" property insurance in respect of property damage occurring in, upon, or from the Residential Unit or any part thereof (including, but not limited to appropriate coverage for additions, alterations, improvements and betterments). Such insurance shall name Sponsor (and the Condominium Board, if applicable) as additional insureds and may not be cancelable without prior notification to Sponsor. Purchaser shall indemnify, defend and hold Sponsor (and the Condominium Board, if applicable) harmless from and against any and all expenses, liabilities and/or obligations (including, without limitation, reasonable attorneys' fees and disbursements) arising therefrom except if caused by the willful, affirmative acts on the part of Sponsor or the Condominium Board or their respective agents.

7. It is specifically understood and agreed that nothing contained herein shall waive or modify the rights of Sponsor or Purchaser under the Purchase Agreement in the event the parties hereto fail to close title in accordance with the terms of the Purchase Agreement.

8. The Parties acknowledge that this Use and Occupancy Agreement is not a lease and that a landlord/tenant relationship is not established by virtue of Purchaser's occupancy of the Unit, which occupancy is provided as an accommodation to Purchaser only.

9. In the event (i) that Purchaser commits an Event of Default under the terms of this Use and Occupancy Agreement which default is not cured within 10 days of notice, or (ii) that the term of

this Use and Occupancy Agreement expires, Purchaser agrees to vacate and deliver possession of the Unit to Sponsor in broom-clean condition within 10 days of written notice from Sponsor or its attorney ("Vacate Date"). Any furnishings or property of whatever kind or nature left by Purchaser in the Premises after the Vacate Date will be conclusively deemed abandoned by Purchaser, and the same may be removed, discarded or dealt with by Sponsor in any manner the Sponsor deems fit without liability of any nature or kind to Purchaser. Simultaneously with the execution of this Use and Occupancy Agreement, Purchaser has signed a "stipulation", which document is incorporated and made a part of this Use and Occupancy Agreement. Purchaser agrees that Sponsor may commence a summary holdover proceeding in the Civil Court of the City of New York, County of New York, against Purchaser seeking a judgment of possession and issuance of the warrant, and submit a fully executed copy of the stipulation as proof of its entitlement to a surrender and warrant. Purchaser shall consent to the jurisdiction of the Court and the Purchaser's counsel, _____, having an address at _____, shall accept service of all papers. Purchaser expressly waives the service of any preliminary notices, agrees not to interpose any defenses, denials or counterclaims in response or opposition to the holdover proceeding; and waives trial by jury. The petition may be commenced annexing a copy of this Use and Occupancy Agreement and the judgment and warrant shall be entered in accordance with the terms herein. The warrant of eviction shall issue forthwith.

10. In the event Purchaser fails to surrender possession of the Unit to Sponsor in accordance with the terms of this Use and Occupancy Agreement by the Vacate Date:

    a. Purchaser shall pay Sponsor, an additional sum of $1,000.00 per day, as penalty (and not as an occupancy charge), for each day or part thereof that Purchaser remains in possession of the Unit beyond the Vacate Date. At Sponsor's option, such amount may be deducted from the Security Deposit (defined below). This penalty shall be in addition to the Payment and any other charges set forth in this Agreement and all of the Sponsor's remedies under the Purchase Agreement, without limitation; and

    b. Purchaser agrees (i) that Sponsor, without notice, may forthwith commence the summary holdover proceeding in accordance with Paragraph 9 herein for the purpose of enforcing this Use and Occupancy Agreement; (ii) to agree in said holdover proceeding to consent to the personal and subject matter jurisdiction of the court and to waive any and all substantive defenses to the proceeding; and (iii) that Sponsor may file the Stipulation of Settlement (a copy of which is annexed hereto) with a court of competent jurisdiction and prepare a final judgment of possession and execute a warrant of eviction forthwith without any further notices to Purchaser; and

    c. Purchaser shall be liable for any and all actual and incidental costs incurred by Sponsor in recovering possession of the Unit, including, but not limited to, storage and/or disposal fees for Purchaser's belongings and reasonable attorneys' fees. At Sponsor's option, such amounts may be deducted from the Security Deposit, and Purchaser shall be liable for the remainder of such costs in excess of the Security Deposit.

11. As security for the performance of Purchaser's obligations hereunder including, without limitation, attorneys' fees, occupancy charges, repairs to the Unit caused by Purchaser's occupancy, penalties and other incidental costs and expense, Sponsor hereby acknowledges receipt of $_____ ("Security Deposit"). The Security Deposit will be returned to Purchaser (less deductions for any charges, fees outstanding payments or reimbursements permitted under

this Use and Occupancy Agreement) either upon Closing or, if the Purchase Agreement has been terminated, within 15 days after the Unit is surrendered to Sponsor.

12. Any default by Purchaser under the Use and Occupancy Agreement (which is not cured as set forth herein) shall constitute an Event of Default by Purchaser under the Purchase Agreement entitling Sponsor, to exercise any remedies provided for in the Purchase Agreement on account of such Event of Default, provided however that any default by Purchaser under the Purchase Agreement (which is not cured as set forth in the Purchase Agreement) shall constitute a default by Purchaser under the Use and Occupancy Agreement entitling Sponsor, in its sole option, to terminate the Use and Occupancy Agreement in accordance with Law. In addition to the foregoing, simultaneously with the execution of this Agreement, Purchaser shall execute and deliver to Sponsor a stipulation in the form annexed hereto ("Stipulation"), the terms of which are incorporated herein. It is expressly understood that upon any default under this Use and Occupancy Agreement or under the Purchase Agreement beyond their respective cure periods, Sponsor may commence without further notice a summary holdover proceeding in the Civil Court, New York County based on the terms of this Use and Occupancy Agreement. Purchaser consents to the jurisdiction of the Court and to the entry of a judgment of possession in favor of Sponsor and to the immediate entry of a warrant of eviction in accordance with the Stipulation.

13. Purchaser expressly acknowledges Purchaser's obligation to comply with the Condominium Declaration, By-laws and Rules and Regulations, in the event the Condominium Declaration is recorded prior to or during the Term, or to comply with such rules and policies established by Sponsor or the Managing Agent prior to the Filing Date of the Plan, in the event the Condominium Declaration is not recorded prior to the commencement of the Term.

14. The smoking policy of the Condominium is set forth below, which policy may be amended from time to time by the Condominium Board (see the Section of the Plan entitled "Rights and Obligations of Unit Owners" for more details):

"No person may carry or smoke any kind of lighted pipe, cigar, cigarette, tobacco, or any other lighted smoking apparatus, equipment or product, including but not limited to electronic cigarettes, (collectively, "Smoking Apparatus") in any area of the Building, whether indoors or outdoors, at any time. Smoking shall be prohibited in all common areas of the Building whether indoor or outdoor. Although smoking shall be permitted in any Unit or Limited Common Element appurtenant thereto, including a private Terrace, no person may smoke or otherwise use any Smoking Apparatus in a manner, which causes smoke to be a nuisance, create odors or annoyance to any other resident of the Condominium. In addition, no person may smoke or otherwise use any Smoke Apparatus within twenty-five (25) feet of any outside entrance to the Building or within twenty-five (25) feet of any outdoor air intake or operable window opening in the Common Elements or Units."

15. If any Payment due under this Use and Occupancy Agreement is received after the 10th of the month, Purchaser shall pay to Sponsor a $150 per month late fee. If any check delivered by Purchaser to Sponsor is uncollectible for any reason, Purchaser shall pay to Sponsor a $100.000 returned check fee.

16. This Use and Occupancy Agreement shall be governed by and construed and enforced in accordance with the laws of the State of New York.

17. In the event of any inconsistency between the provisions of this Use and Occupancy Agreement and those contained in the Plan, the provisions of the Plan shall govern and be binding.

18. This Use and Occupancy Agreement may be executed in any number of original, 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 Use and Occupancy Agreement.

PURCHASER(S):

_____
(signature)

_____
(signature)

SPONSOR:

DS 531 E. 12TH OWNER LLC

By: _____
Name: Michael Shah
Title:

ATTORNEYS FOR SPONSOR:

By: _____
Name:
Title:

Address: _____
_____
_____
_____

Telephone No.: _____

ATTORNEYS FOR PURCHASER:

By: _____
Name:
Title:

Address: _____
_____
_____
_____

Telephone No.: _____

CIVIL COURT OF THE CITY OF NEW YORK
COUNTY OF

DS 531 E. 12th Owner LLC

Petitioner-Owner/Landlords,

- against -

Premises: Unit _____
The Avant
531-533 East 12th Street

Respondent-Tenant.

L&T Index No. _____

STIPULATION OF SETTLEMENT

SO ORDERED:

_____

WHEREAS, Petitioner DS 531 E. 12th Owner LLC("Petitioner" or "Landlord") is the owner and landlord of condominium unit ____, of The Avant, located at 531-533 East 12th Street (the "Premises"); and

WHEREAS, Respondent _____ ("Respondent") has been occupying the Premises pursuant to a use and occupancy agreement dated _____ ("Use and Occupancy Agreement"); and

WHEREAS, the term under the Use and Occupancy Agreement has expired;

WHEREAS, pursuant to, and subject to, the express terms of the Use and Occupancy Agreement, Respondent has no: (i) legal right, title or interest in and to the Premises; and (ii) legal right or entitlement to occupy the Premises in any capacity or manner; and

WHEREAS, Petitioner commenced this holdover summary proceeding seeking to recover possession of the Premises pursuant to the express terms of the Use and Occupancy Agreement:

IT IS HEREBY STIPULATED AND AGREED, by and between the parties hereto and their respective attorneys, that the above-captioned proceeding is settled upon the following terms and conditions:

1. Respondent hereby appears in this proceeding by and through his attorneys, _____. Further, Respondent consents to the personal and subject matter jurisdiction of this Court and admits due and proper service and the sufficiency of the Notice of Petition and the Petition herein. Further, Respondent waives any and all jurisdictional defenses he may have with respect to the proceeding.

2. Respondent consents to the forthwith entry of a final judgment of possession in favor of the Petitioner and against Respondent granting legal possession of the Premises to Petitioner. The final judgment of possession shall provide for a warrant of eviction to issue forthwith. Petitioner may preserve any predicate notices required for eviction. The final judgment of possession and warrant of eviction may be issued and entered without further notice to either party.

3. This Stipulation along with the Use and Occupancy Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof, and all understandings and agreements heretofore had between the parties shall be merged into the terms of this Stipulation and Use and Occupancy Agreement and shall not survive.

4. This Stipulation incorporates the terms of the Use and Occupancy Agreement by reference. To the extent there is any conflict between the terms of this Stipulation and the Use and Occupancy Agreement, the terms of this Stipulation shall control. This Stipulation may only be modified by an agreement in writing signed by all of the parties hereto

5. This Stipulation of Settlement may be executed in one or more counterparts, each of which, when so executed, shall be deemed to be an original; such counterparts, when so executed together,

shall constitute one and the same agreement and shall be deemed to be an original. Photographic, electronic or faxed copies of such signed counterparts shall constitute originals for the purpose of this Stipulation of Settlement and may be used in lieu of the originals for any purpose.

6. This Stipulation may be "So Ordered" by the Court without notice at the request of any party.

Dated: New York

_____, 20___

ATTORNEYS FOR LANDLORD:

By: _____
Name:
Title:

Address: _____
_____
_____
_____

Telephone No.: _____

ATTORNEYS FOR OCCUPANT:

By: _____
Name:
Title:

Address: _____
_____
_____
_____

Telephone No.: _____

LANDLORD:

By: _____
Name:

OCCUPANT:

By: _____
Name:

STORAGE LOCKER LICENSE

STORAGE LOCKER LICENSE

AGREEMENT made this _____ day of _____, _____ ("Storage Locker License") by and between DS 531 E. 12th Owner LLC, having an office at 114 East 13th Street, Front 1, New York, NY 10003 ("Sponsor"), and the Condominium Board of The Avant on behalf of all Unit Owners, having an address at 531-533 East 12th Street, New York, NY 10009 ("Condominium Board") (Sponsor and the Condominium Board are sometimes collectively referred to as "Licensor") and _____ having an address at _____ ("Licensee");

W I T N E S S E T H :

WHEREAS, The Avant ("Condominium") is governed by a certain Declaration of Condominium recorded in the Office of the Register of the City of New York, County of New York as the same has been or may be amended from time to time ("Declaration"), the by-laws of the Condominium, as the same has been or may be amended from time to time ("By-Laws") and the Rules and Regulations of the Condominium, as the same has been or may be amended from time to time ("Rules and Regulations") ("Declaration," the "By-Laws" and the "Rules and Regulations" are collectively, referred to as the "Condominium Documents"); and

WHEREAS, the Condominium is located at 531-533 East 12th Street, New York, NY 10009 ("Property"); and

WHEREAS, the Storage Locker Area has been installed in a portion of the Property ("Storage Locker Area"); and

WHEREAS, Licensee, owns or simultaneously herewith is acquiring Residential Unit No. _____ in the Condominium; and

WHEREAS, the Condominium Board granted Sponsor the exclusive right to sell, without charge, the storage locker pursuant to a storage locker license and the Condominium will not be entitled to any of the proceeds from such sale; and

WHEREAS, Licensee desires the right to the exclusive use of a storage locker ("Storage Locker") for so long as Licensee owns a Residential Unit in the Condominium;

NOW THEREFORE, in consideration of the sum of $10.00 and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Licensor hereby grants to Licensee, its successors and assigns, a Storage Locker license for the exclusive use of Storage Locker #____ ("Storage Locker License") and Licensee hereby accepts such Storage Locker License from Licensor for a term commencing on the date hereof.

2. Licensee shall pay a monthly fee to Licensor in the amount of $25.00. Any fee and/or Special Assessment due hereunder or imposed by the Condominium Board in the future, shall constitute "additional Common Charges" under the terms of the Condominium Documents. Licensee's failure to pay the fee and/or Special Assessment due hereunder or imposed by the Condominium Board in the future shall constitute a material default under the terms of the Condominium Documents.

3. The Storage Locker may be used only for the storage of personal effects of a Residential Unit Owner and in no event shall any food or perishable items or any flammable or explosive item or any item which would impose a health or safety threat or cause noxious odors, dirt or other sanitary problems or create a nuisance be stored in the Storage Locker.

4. Except for Sponsor and the Condominium Board, a Residential Unit Owner may not own the Storage Locker without also owning a Residential Unit.

5. Licensee shall not (a) store any property outside of the Storage Locker; or (b) allow any other Person to use the Storage Locker except in accordance with the terms hereof.

6. This Storage Locker License may be assigned by Licensee at any time provided that (i) the assignee is a Residential Unit Owner at the Condominium, (ii) the assignee assumes the obligations hereunder in the form annexed hereto, (iii) the assignee delivers notification of the assignment is delivered in writing to the Condominium Board in compliance with its requirements as the same may be modified from time to time, and (iv) the assignee and the Licensee do not owe any outstanding monies to the Condominium. This Storage Locker License shall automatically terminate at such time as Licensee no longer owns a Residential Unit in the Condominium unless this Storage Locker License is assigned to and assumed by another Residential Unit Owner.

7. Licensee represents that Licensee has made a thorough inspection of the Storage Locker and the Storage Locker Area and agrees to take same in its "as is" condition as of the date of this Storage Locker License.

8. Licensee represents that Licensee shall, throughout the term of this Storage Locker License, maintain the Storage Locker with a proper manner of care.

9. Neither Licensor nor Licensor's agents or employees shall be liable for any theft or damage to any property stored in the Storage Locker Area. Licensee acknowledges that the Storage Lockers and the Storage Locker Area will not be serviced by an emergency generator. In the event of a power outage, any resulting loss or damage will be at the sole cost of the Storage Locker Licensee. Licensor, Licensor's agents or employees, and Sponsor shall not be liable for any loss or damage caused by power outages, temperature fluctuations or other causes in the Storage Locker Area.

10. The terms of this Storage Locker License are subject to the terms of the Condominium Documents. Nothing contained herein shall be construed as limiting the rights and obligations of the parties under the Condominium Documents. Any conflict between the provisions of this Storage Locker License and the Condominium Documents shall be resolved in favor of the Condominium Documents.

11. If Licensee defaults in Licensee's obligations under this Storage Locker License or under the Condominium Documents, the Condominium Board may, in its sole discretion, elect by notice to Licensee to cancel this License, in addition to the other rights and remedies that the Condominium Board has under the Condominium Documents. If the Condominium Board so elects, Licensee shall have thirty (30) day period, from the giving of notice of cancellation to cure the specified default. If the default is not cured within such thirty (30) days, TIME BEING OF THE ESSENCE, then this License shall be deemed terminated. Upon the termination of this License, the Condominium Board will be released and discharged of all further liability and obligations under this License, and the Storage Locker may be licensed to another as though this License had never been made, and without any obligation to account to Licensee for any of the proceeds.

12. If Licensee defaults in its obligations hereunder or under the Condominium Documents, the Condominium Board may, in addition to the rights and remedies set forth in the Condominium Documents, (i) deny access to and use of the Storage Locker until Licensee cures such default or (ii) terminate this Storage Locker License upon written notice to Licensee.

13. The Condominium Board or its agents shall have the right, but not the obligation, to open the Storage Locker in an emergency at any time, and, at other reasonable times upon prior notice to Licensee,

to inspect and examine the Storage Locker Area and to make such repairs, replacements and improvements as the Condominium Board shall deem necessary.

14. This Storage Locker License shall constitute a license only and shall not be construed under any circumstances to be a sale of the Storage Locker or conveyance of title thereto. In no event shall a landlord/tenant relationship exist between Licensor and Licensee with respect to this Storage Locker License.

15. Licensee shall indemnify and hold Licensor and their respective officers, directors, shareholders, unit owners, members, agents and employees, harmless from and against any and all liabilities, claims, penalties and judgments, together with any related costs and expenses, including legal fees and expenses, asserted against or sustained by any of them in connection with any act, omission, or negligence of Licensee or Licensee's Family Members, servants, employees, agents, guests and invitees in connection with this Storage Locker License.

16. Licensee shall be obligated at its sole cost and expense to obtain and maintain insurance covering the Storage Locker in amounts sufficient to cover the property located therein.

17. Licensee shall be obligated to reimburse Licensor for any legal fees and disbursements incurred by Licensor in defending the rights of Licensor under this Storage Locker License or, in the event Licensee defaults under this Storage Locker License beyond any applicable grace period, enforcing Licensee's obligations hereunder.

18. Neither this Storage Locker License nor any provision hereof may be waived, amended, discharged or terminated except by an instrument in writing signed by the party against which the enforcement of such waiver, amendment, discharge or termination is sought and then only to the extent set forth in such instrument.

19. It is understood and agreed that all understandings and agreements heretofore had between the parties hereto are merged in this Storage Locker License, which alone fully and completely express their agreement and that this Storage Locker License supersedes any and all such understandings and agreements with respect to the subject matter hereof.

20. If any provision of this Storage Locker License is invalid or unenforceable as against any party or under certain circumstances, the remainder of this Storage Locker License and the applicability of such provision to other parties or circumstances shall not be affected thereby. Each provision of this Storage Locker License, except as otherwise herein or therein provided, shall be valid and enforced to the fullest extent permitted by Law.

21. Either party shall execute, acknowledge and deliver to the other party such instruments and take such other actions, in addition to the instruments and actions specifically provided for herein, as such other party may reasonably request in order to effectuate the provisions of this Storage Locker License or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

22. Any failure by Licensor to insist upon strict performance by Licensee of any of the provisions of this Storage Locker License shall not be deemed a waiver of any of the provisions hereof, irrespective of the number of violations or breaches which may occur, and Licensor, notwithstanding any such failure, shall have the right thereafter to insist upon strict performance by Licensee of any and all of the provisions of this Storage Locker License to be performed by Licensee.

23. Licensee accepts and ratifies the provisions of the Declaration and the By-Laws (and any Residential Rules and Regulations adopted under the By-Laws) and agrees to comply with all the terms and provisions thereof.

IN WITNESS WHEREOF, the undersigned have executed this Storage Locker License as of the day and year first above written.

Agreed to and Acknowledged by:

LICENSOR:

The Avant

By: _____
Name:
Title:

LICENSEE:

_____

_____

SPONSOR:

DS 531 E. 12TH OWNER LLC

By: _____
Name: Michael Shah
Title:

ASSIGNMENT AND ASSUMPTION OF STORAGE LOCKER LICENSE

ASSIGNMENT AND ASSUMPTION OF STORAGE LOCKER LICENSE

THIS ASSIGNMENT AND ASSUMPTION OF STORAGE LOCKER LICENSE made as of the _____ day of _____, _____ by and between _____ ("Assignor"), having an address at _____, and _____ ("Assignee"), having an address at _____.

W I T N E S S E T H :

WHEREAS, Assignor executed a certain Storage Locker License dated _____, _____ ("Storage Locker License") to have the exclusive right to use Storage Locker # ___ ("Storage Locker") located in the Building known as The Avant, located at 531-533 East 12th Street, New York, NY 10009, in accordance with the terms of the Condominium Offering Plan for the Building ("Plan"), as amended; and

WHEREAS, Assignor desires to assign to Assignee all of Assignor's right, title and interest in and to the Storage Locker License; and

WHEREAS, Assignee desires to assume all of the obligations and responsibilities of Assignor in and to the Storage Locker License; and

WHEREAS, the parties hereto wish to set forth their agreements with respect to this Assignment and Assumption of this Storage Locker License.

NOW, THEREFORE, in consideration of the mutual promises herein contained, and other good and valuable consideration, the parties hereto agree as follows:

1. ASSIGNMENT: Assignor hereby assigns to Assignee, from and after the date hereof, all of Assignor's right, title and interest in and to the Storage Locker License, a copy of which is attached hereto and made a part hereof, for a Purchase Price of $_____.

2. ASSUMPTION: Assignee hereby assumes all of the obligations, promises, covenants and responsibilities of Assignor in and to the Storage Locker License as if Assignee had signed the Storage Locker License originally as "Licensee."

3. AUTHORIZATION AND DIRECTION: Assignor and Assignee hereby authorize and direct the Condominium to have the books and records of the Condominium reflect that Assignee has the exclusive right to use the Storage Locker.

4. EFFECTIVE DATE: This Assignment shall not be deemed effective unless and until signed by each of the parties hereto.

5. DEFINED TERMS: All terms not defined herein shall have the meanings ascribed to them in the Plan.

IN WITNESS WHEREOF, Assignor and Assignee have duly executed this Assignment and Assumption of Storage Locker License on the day and year first above written.

ASSIGNOR:

_____
(signature)

ASSIGNEE:

_____
(signature)

APPROVED BY:

The Avant

By: _____
Name:
Title:

DECLARATION OF CONDOMINIUM

DECLARATION

Establishing a Plan for Condominium Ownership of the Premises Known as

THE AVANT

and having a street address of

531-533 EAST 12TH STREET
NEW YORK, NY 10009

Pursuant to Article 9-B of the Real Property Law of the State of New York

Name: **The Avant**

Sponsor: **DS 531 E. 12th Owner LLC**
114 East 13th Street, Front 1
New York, NY 10003

Date of Declaration:

_____, _____

Prepared by:

STARR ASSOCIATES LLP
Attorneys At Law
220 East 42 Street
New York, New York 10017
(212) 620-2680

The land affected by the within instrument lies in Block 406 F/K/A Lot 48, N/K/A Lots _____ - _____ on the Tax Map of the Borough of Manhattan, County of New York, City and State of New York

INDEX TO DECLARATION

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Exhibits

A – DESCRIPTION OF THE LAND

B – DESCRIPTION OF THE UNITS

C – DEFINITIONS

D – BY-LAWS OF THE CONDOMINIUM

E – UNIT POWER OF ATTORNEY

DECLARATION
OF
THE AVANT

(Pursuant to Article 9-B of the Real Property Law of the State of New York)

DS 531 E. 12th Owner LLC, a limited liability company organized under the laws of the State of Delaware, having an office at 114 East 13th Street, Front 1, New York, NY 10003 ("Sponsor"), does hereby declare as follows:

ARTICLE 1
DEFINITIONS

All capitalized terms used in this Declaration that are not otherwise defined in the Articles hereof shall have the meanings set forth in Exhibit C annexed hereto, unless the context in which they are used shall otherwise require. All capitalized terms used in this Declaration that are defined in any of the Articles hereof shall have the meanings ascribed to them in such Articles, unless the context in which the same are used shall otherwise require. Each of the said capitalized terms shall be applicable to singular and to plural nouns, as well as to verbs of any tense.

ARTICLE 2
SUBMISSION OF THE PROPERTY

2.1 Sponsor hereby submits the Property to the provisions of the Condominium Act and pursuant thereto, does hereby establish a regime for the condominium ownership of the Property as more particularly set forth herein and in the By-Laws.

2.2 Excluded from the Property are any Excess Development Rights, which shall be retained by Sponsor, who shall have the exclusive right to utilize, sell or otherwise transfer any Excess Development Rights. Excess Development Rights shall inure solely to the benefit of Sponsor or other Development Rights Owner.

ARTICLE 3
NAME OF THE CONDOMINIUM

The Condominium shall be known as The Avant.

ARTICLE 4
THE LAND

Included in the Property is the Land which is more particularly described in Exhibit A annexed hereto.

ARTICLE 5

THE PROPERTY AND THE BUILDING

5.1 Included in the Property are: 26 Residential Units, 1 Community Facility Unit and 16 Storage Lockers contained in a structure comprising eight (8) above-grade stories, two (2) below-grade levels, and one (1) roof level as reflected on the Tax Lot Drawings of the Building certified by Bluarch.

5.1.1 The Residential Units will be located on Floors 2 through 8.

5.1.2 The Community Facility Unit will be located on the cellar and first Floor.

5.1.3 The Storage Lockers will be located on the subcellar Floor.

5.2 The Building is classified as being of fire proof construction.

ARTICLE 6

THE UNITS

6.1 Exhibit B annexed hereto sets forth the following data with respect to each Unit necessary for the proper identification thereof: Unit designation; tax lot number; approximate location in the Building; approximate square footage; number of rooms; the portions of the Common Elements to which such Unit has immediate access; and the Common Interest appurtenant to such Unit. The precise location of each Unit is shown on the Floor Plans.

6.2 Each Unit is measured horizontally from the exterior side of the exterior walls to the centerline of the partitions separating one Unit from another Unit, or separating one Unit from corridors, stairs, elevators and other mechanical equipment spaces or any Common Elements not within a Unit or to the exterior side of the opposite exterior walls; provided, however, that (i) all columns, mechanical pipes, shafts, shaftways, chases, chaseways and conduits are not deducted from measurement of each Unit. Each Unit is measured vertically from the top of the floor (located under the finished flooring and sub-flooring materials) to the underside of the ceiling.

6.3 Each Unit includes, and each Unit Owner shall be responsible for, the front entrance door and any other entrance doors to the Unit including Terrace doors (including, without limitation, all locks, peepholes, doorknobs and hardware), hallway exclusively serving such Unit (if any), the interior walls, partitions, floors and floor coverings and ceilings affixed, attached or appurtenant to the Unit, smoke/carbon monoxide detectors, window panes, fireplace, firebox, dampers, mantel and flue, all mechanical systems located in the Unit, heating and cooling systems (including HVAC filters and parts), all plumbing, gas and heating fixtures and equipment, including but not limited to, refrigerators, dishwashers, washers and dryers, heating, ventilating and air conditioning Units (including the fans inside the Units), heating equipment, ranges and other appliances, sinks, bathtubs, waterclosets and all other Facilities as may be affixed, attached or appurtenant to the Unit and serving the Unit exclusively. Plumbing, gas and heating fixtures and equipment as used in the preceding sentence shall include exposed gas and water pipes from branch or fixture shut-off valves attached to fixtures, appliances and equipment and the fixtures, appliances and equipment to which they are attached, water spigots located on Terraces, and any special pipes or equipment which a Unit Owner may install within the walls, ceilings, or floors, but shall not include gas, water or other pipes, conduits, wiring or ductwork within the walls, ceilings or floors, unless such installations were made by the Unit Owner after the Unit Owner acquired title to the Unit, in which event Unit Owner shall be responsible for such installations. Each Unit shall also include all lighting and electrical fixtures and appliances within the Unit, including those located on Terraces and any special equipment, fixtures or Facilities affixed, attached or appurtenant to the Unit, to the extent located within a Residential Unit from the electrical panel

(including electrical branch wiring but excluding electrical service riders) and serving or benefiting only that Unit.

6.4 The Community Facility Unit also includes, in addition to the items listed in Section 6.3 above, to the extent located in such Community Facility Unit, and the Community Facility Unit Owner shall be responsible for, any elevator, escalator, staircase, freight or service entrance, driveway, ramp, canopy and all related Facilities servicing such Community Facility Unit exclusively including, outdoor signage for such Community Facility Unit, the exterior side of all windows in or opening from such Community Facility Unit and any loading docks exclusively servicing such Community Facility Unit.

6.5 Any Common Elements located within a Unit shall not be considered a part of such Unit.

6.6 Notwithstanding anything contained in this Article to the contrary, each Unit Owner will have the right, subject to the provisions of the By-Laws, exercisable at any time, to install, at such Unit Owner's sole cost and expense, decorations, fixtures and coverings (including, without limitation, painting, finishing, carpeting, pictures, mirrors, shelving and lighting fixtures) on the surfaces of the walls, ceilings and floors that face the interior of such Unit Owner's Unit and (with respect to Residential Units) to a depth of one inch behind such surfaces for the purposes of installing nails, screws, bolts and the like, provided that no such installation shall impair the consistent exterior appearance, the structural integrity, sound integrity and mechanical and electrical systems of such Unit or of the Building or violate Law.

6.7 As of the date of the filing of this Declaration with the Register's Office, fee simple absolute title shall automatically vest in Sponsor in all Units and Sponsor shall be deemed a licensee with respect to all Storage Lockers, individually and collectively, without the need to execute specific and particular deeds or indentures for each and every Unit.

ARTICLE 7

THE COMMON ELEMENTS

7.1 The Common Elements consist of the entire Property, including the Land and all parts of the Building and improvements thereon other than the Units. The Common Elements are comprised of the General Common Elements, the Residential Common Elements and the Residential Limited Common Elements. The Common Elements do not include any Excess Development Rights, if any, which shall be initially retained by Sponsor.

7.2 The General Common Elements consist of the Land and those rooms, areas, corridors and other portions of the Building (other than the Units), as well as those Facilities therein, either currently or hereafter existing for the common use of the Units or of the Unit Owners or necessary for, or convenient to, the existence, maintenance, management, operation, or safety of the Property. Without intending to limit the generality of the foregoing in any respect, the General Common Elements include:

(i) the Land (including the landscaping appurtenant thereto) and any improvements thereon, together with all easements, rights and privileges appurtenant thereto, except for the Development Rights.

(ii) all foundations, columns, beams, joists, supports, piles, footings, pillars, girders, exterior walls, interior walls, partitions, floor slabs and ceilings, window casements and frames, roofs and ceilings in, on, or under the Building, separating a Unit from a General Common Element, and that portion of all such interior walls, partitions, floors and ceilings separating a General Common Element or the Community Facility Unit from a Residential Unit and/or Residential Common Element and/or a Residential Limited Common Element, from the midpoint of any such wall, partition, floor or ceiling to the boundary line of such General Common Element or the Community

Facility Unit, as the case may be, to the extent that the same are not expressly included as part of the Residential Common Elements pursuant to the terms of Paragraph 7.3 below or the Residential Limited Common Elements pursuant to the terms of Paragraph 7.4 below or a Unit pursuant to the terms of Article 6 hereof.

(iii) all central and appurtenant installations and Facilities for services such as power, light, telephone, intercom, gas, sewer, plumbing, drainage, hot and cold water distribution, heat, garbage disposal, master and cable television and other mechanical and electrical systems, which service both the Residential Units and the Community Facility Unit(s) and/or both the General Common Elements, the Residential Common Elements and the Residential Limited Common Elements, to the extent that the same are not expressly included as a part of the Residential Common Elements pursuant to the terms of Paragraph 7.3 below or the Residential Limited Common Elements pursuant to the terms of Paragraph 7.4 below or a Unit pursuant to the terms of Article 6 hereof.

(iv) the boiler room, telephone room, electrical room, antenna room and electrical room, each of which are located on the sub cellar Floor of the Building.

(v) the pump room and mechanical room which are located on the cellar Floor of the Building.

(vi) all other parts of the Property, and all apparatus and installations now existing or hereafter constructed in the Building or on the Property, either existing for the common use of the Units or the Unit Owners or necessary for, or convenient to, the existence, maintenance, or safety of the Property.

7.3 The Residential Common Elements consist of those portions of the Building, as well as those Facilities therein, either currently or hereafter existing for the exclusive common use of the Residential Units or of the Residential Unit Owners only. Without intending to limit the generality of the foregoing in any respect, the Residential Common Elements include:

(i) all stairways, passenger elevators and their respective bulkheads, shafts, pits and equipment rooms and the residential hallways.

(ii) the trash and recycle room, the building storage room, and the Storage Locker Area, together with all the Storage Lockers therein, located on the subcellar Floor.

(iii) The storage rooms located on the cellar floor.

(iv) the residential lobby, exit corridors, super intendent's office, and restroom each of which are located on the first Floor.

(v) the rooftop Common Terrace and all of the furnishings, structural and decorative elements contained therein, located on the roof of the Building .

(vi) the mechanical rooms, elevator machine room, fans, pumps each of which are located on roof of the Building.

(vii) all masonry walls, partitions, floors and ceilings in, on or under the Building, separating a Residential Unit from another Residential Unit or a Residential Common Element and that portion of all such masonry walls, partitions, floors and ceilings separating a Residential Common Element from a General Common Element or a Community Facility Unit, from the midpoint of any such wall, partition, floor or ceiling to the boundary line of such Residential Common Element.

(viii) all central and appurtenant installations and Facilities for services such as power, light, telephone, intercom, gas, sewer, plumbing, hot and cold water distribution, heat, garbage disposal, master and cable television and other mechanical and electrical systems which serve the Residential Units and/or the Residential Common Elements and/or the Residential Limited Common Elements only.

(ix) all interior portions of the Building and all apparatus and installations now existing or hereafter constructed in the Building or on the Property, either existing for the common use of the Residential Units or the Residential Unit Owners or necessary for, or convenient to the existence, maintenance or safety of the Property, to the extent that the same are not expressly included as part of the General Common Elements pursuant to the terms of Paragraph 7.2 above or the Residential Limited Common Elements pursuant to the terms of Paragraph 7.4 below or a Unit pursuant to the terms of Article 6 hereof.

7.4 The Residential Limited Common Elements consist of all portions of the Land and Building (other than the Units) that are for the use of one or more specified Residential Units to the exclusion of all other Units. Without intending to limit the generality of the foregoing in any respect, the Residential Limited Common Elements include: the Terraces adjoining certain Residential Units more particularly set forth on Exhibit "B" to this Declaration entitled "Description of Units."

7.5 The Non-Residential Limited Common Elements consist of all portions of the Land and Building (other than the Units) that are for the use of one or more specified Community Facility Units to the exclusion of all other Units. Without intending to limit the generality of the foregoing in any respect, the Non-Residential Limited Common Elements include: the Terrace appurtenant to the Community Facility Unit more particularly set forth on Exhibit "B" to this Declaration entitled "Description of Units."

7.6 The Common Elements shall remain undivided, and no Unit Owner or any other Person shall bring, or shall have the right to bring, any action for partition or division thereof, except as is expressly permitted pursuant to the terms of Article 15 hereof and Section 5.5 of the By-Laws.

ARTICLE 8

DETERMINATION OF COMMON INTEREST AND RESIDENTIAL COMMON INTEREST

8.1 The undivided percentage interest of each Unit in the Common Elements is based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit in accordance with subsection (iv).

8.2 The percentage interest of all Residential Units in the Residential Common Elements is apportioned in the same proportion that the Residential Units at the date of this Declaration bear to the then aggregate Common Interests of all of the Residential Units in the Condominium.

ARTICLE 9

USE OF UNITS AND STORAGE LOCKER

9.1 As more particularly set forth in, and subject to the provisions of, the By-Laws, the Residential Units shall be used for residential purposes only (excluding "dormitory," "bed and breakfast" or other transient hotel-type use). A Residential Unit owned or leased by an individual, corporation, partnership, fiduciary, limited liability company or any other entity (including, but not limited to, the federal or state government and any instrumentality thereof and foreign governments and any embassy, consulate, or other

instrumentality thereof, may only be occupied (unless the Condominium Board otherwise consents in writing) by such individual, or by an individual officer, director, stockholder, member or employee of such corporation or limited liability company, or by an individual partner or employee of such partnership, or by such individual fiduciary (including directors, officers, stockholders or employees of corporate fiduciaries and partners or employees of partnership fiduciaries) or by an individual beneficiary of said fiduciary, or an individual principal or employee of such other entity, respectively, or by Family Members or guests of any of the foregoing; however, the foregoing restrictions shall not apply to Unsold Residential Units.

Upon the prior written consent of Sponsor (1) (with respect to Unsold Residential Units) or the Condominium Board (with respect to sold Residential Units), any Residential Unit may be used for any other lawful purposes, subject, however, to (2) the terms and conditions of the then existing TCO or PCO for the Building and the By-Laws, and (3) applicable Law.

9.2 The Community Facility Unit may be used for any purpose permitted by Law.

9.3 The Storage Lockers may be used only for the storage of personal effects of a Residential Unit Owner or its Permitted Users, and in no event shall any food or other perishable item, or any flammable or explosive item, or any item which would impose a health or safety threat or cause noxious odors, dirt or other sanitary problems or create a nuisance, be stored therein. Sponsor shall have the right to use any Unsold Storage Locker for any purpose permitted by Law or to change the permitted use of any Unsold Locker, subject, however, to the provisions of the By-Laws. Except for Sponsor and the Condominium Board, a Storage Locker may not be licensed independently of a Residential Unit.

9.4 The Storage Lockers or Storage Locker Area described under this Article 9 will not be serviced by an emergency generator. In the event of a power outage, any resulting loss or damage will be at the sole cost of the Storage Locker Licensee. The Condominium Board, its agents and employees, and Sponsor shall not be liable for any loss or damage caused by power outages, temperature fluctuations or other causes in the Storage Locker Area.

9.5 Notwithstanding the foregoing or anything contained in the By-Laws or the Residential Rules and Regulations to the contrary, Sponsor may, without the permission of the Condominium Board, (1) use or grant permission for the use of any Unsold Residential Unit as a professional office or for any other purpose, provided such use is permitted by Law, and does not violate the then existing certificate of occupancy for the Building or any other governmental regulations, (2) use any Unsold Residential Units as model Units and offices for the selling, leasing, management, operation and promotion of the Unsold Residential Units or for any other purpose, subject only to compliance with Law, (3) use any Unsold Storage Locker for any purpose permitted by Law, and (4) lease any Unsold Residential Unit to third parties for either long term or short term stays.

ARTICLE 10

EASEMENTS FOR THE ENJOYMENT OF THE COMMON ELEMENTS

10.1 Subject to the terms of this Declaration, the By-Laws and the Residential Rules and Regulations, if applicable, Sponsor, the Unit Owners, the Managing Agent, the Condominium Board and all Permitted Users of the foregoing shall have, in common with all of the others, an easement for ingress and egress through, as well as for the use and enjoyment of, all of the General Common Elements, and the General Common Elements shall be subject to such easement. Notwithstanding the foregoing, however, no Person shall use or enjoy the General Common Elements except in accordance with the reasonable purposes for which they are intended and without encroaching upon the rights of other Persons to do so.

10.2 Subject to the terms of the By-Laws and the Residential Rules and Regulations, if applicable, Sponsor, the Residential Unit Owners, Selling Agent, the Managing Agent, the Condominium

Board and all Permitted Users of the foregoing shall have, in common with all of the others, an easement for ingress and egress through, as well as for the use and enjoyment of, all of the Residential Common Elements, and the Residential Common Elements shall be subject to such easement. Notwithstanding the foregoing, however, no person shall use or enjoy the Residential Common Elements except in accordance with the reasonable purposes for which they are intended and without encroaching upon the rights of other persons to do so.

10.3 The Community Facility Unit Owner and its Permitted Users shall have an easement in, over, under, through or upon the Common Elements or elsewhere on the Property (i) for the purpose of accessing such Community Facility Unit or any portion of the Building servicing such Community Facility Unit, (ii) for the purpose of exiting the Building in the event of an emergency, and (iii) to install, operate, maintain, repair, alter, rebuild, restore and replace any pipes, wires, ducts, vents, cables, conduits or other lines, equipment or Facilities forming a part of or servicing such Community Facility Unit. In addition to the foregoing, the Community Facility Unit Owner and its Permitted Users shall have the right and an easement, as applicable, without the approval of the Condominium Board, Managing Agent, other Unit Owners, or Mortgage Representatives, if any, subject only to Sponsor's prior written consent in each instance for so long as Sponsor continues to own an Unsold Unit, to (i) alter, modify, and/or restore the exterior façade and/or the windows of the Community Facility Unit, including without limitation any storefronts, (ii) create additional means of egress and ingress to such Community Facility Unit, (iii) erect, maintain, repair and replace one or more signs and lighting, of such size and content as such Community Facility Unit Owner shall determine in the windows of the Community Facility Unit, including without limitation any storefronts of such Community Facility Unit, for the purposes of advertising (a) the sale or rental of all or any portion of the Community Facility Unit or (b) the operation of any business for which such Community Facility Unit is used, and (iv) use the sidewalk adjacent to such Community Facility Unit for any purposes permitted by Law.

10.4 Each Residential Unit Owner whose Residential Unit has one or more appurtenant Residential Limited Common Elements shall have an exclusive easement for the use thereof. The Residential Units having the same are indicated on Exhibit B.

10.5 Sponsor and its Permitted Users shall have an easement in, over, under, through and upon the General Common Elements and Residential Common Elements (including but not limited to, residential lobbies, hallways and corridors), to use the same, without being subject to any fee or charge, for all purposes and activities in connection with the alteration, renovation, construction, combination, reconfiguration, sale or renting of Unsold Residential Units including, without limitation, the right to erect, maintain, replace and/or repair any sign and/or lighting permitted by Law on the Property for the purposes of advertising the sale of any Unit, the leasing of space in any Unit or the operation of any business of a tenant or occupant of any Unit.

10.6 In addition to all other easements and rights granted herein, Sponsor, the Managing Agent, and the Condominium Board and each of their respective Permitted Users, shall have an easement in, through and upon the Terraces appurtenant to Units for the purpose of accessing, utilizing, maintaining and replacing, any Building equipment that may be located thereon.

ARTICLE 11

OTHER EASEMENTS

11.1 Subject to the terms of the By-Laws and to the Residential Rules and Regulations, if applicable, each Unit Owner shall have an easement in common with all other Unit Owners to use, maintain, repair, alter and replace all Common Elements located in any of the other Units or elsewhere on the Property which serve such Unit Owner’s Unit, including an easement to connect to existing utilities, including without limitation, utilities for gas, electricity, steam and ventilation. Each Unit (including any Common Elements located therein) shall be subject to an easement in favor of all Unit Owners to use, maintain, repair, alter and

replace all Common Elements located in such Unit or elsewhere on the Property which serve other Units. All easements and rights of access described in this Section shall be exercised by the Condominium Board on behalf of all Unit Owners. The Condominium Board shall have an easement and a right of access to each Unit and to the Common Elements contained therein and appurtenant thereto (including Storage Lockers) to inspect the same, to remove violations therefrom and to install, operate, maintain, repair, alter, rebuild, restore and replace any of the Common Elements located in, over, under, through, adjacent to, or upon the same, and each Unit and the Common Elements shall be subject to such easement and right of access. Such easements and rights of access shall be exercised by the Condominium Board and/or Sponsor, and each of their Permitted Users, as the case may be, to the extent practicable, in such a manner as will not unreasonably interfere with the use of the Units for their permitted purposes. Such entry shall be permitted on reasonable prior notice based on the nature of the repair or replacement but in no event on less than two days' notice, except that no notice will be necessary in the case of an "emergency" (i.e., a condition requiring repair or replacement immediately necessary for the preservation or safety of the Building or for the safety of occupants of the Building, or other persons, or required to avoid the suspension of any necessary service in the Building). Plans and specifications with respect to any such proposed work shall be submitted by the Unit Owner who has requested that the Condominium Board exercise any such easement or right of access, to the Unit Owner whose Unit is to be accessed and all work is to be prosecuted diligently to completion. Notwithstanding any other provision of this Declaration, the By-Laws or the Residential Rules and Regulations, if applicable, any alterations carried out in connection with the easements granted hereinabove shall be such that neither the configuration nor the usable area of the affected Unit shall be materially adversely affected.

11.2 Sponsor for so long as it shall own any Unsold Residential Unit, any Community Facility Unit Owner with respect to a Community Facility Unit and the Condominium Board, on behalf of all Unit Owners, shall have the right to grant such additional electric, gas, steam, cable television, telephone, water, storm drainage, sewer and other utility easements in, or to relocate any existing utility easements to, any portion of the Property as Sponsor, the Community Facility Unit Owner or the Condominium Board, as the case may be, shall deem necessary or desirable for the proper operation and maintenance of the Building or any portion thereof, or for the general health or welfare of the Unit Owners and their Permitted Users, provided that the granting of such additional utility easements or the relocation of existing utilities will not prevent or unreasonably interfere with the normal conduct of business carried on within the Community Facility Unit or with the use of the Residential Units for their permitted purposes, and shall not result in the imposition of any mechanic's lien against any of the Units. Any utility company and its employees and agents shall have the right of access to each Unit or the Common Elements in furtherance of such easement, provided such right of access shall be exercised in such manner as shall not unreasonably interfere with the normal conduct of business or with the use of the Units for their permitted purposes. Notwithstanding any other provision of this Declaration, the By-Laws or the Residential Rules and Regulations, any alterations carried out in connection with the easements granted hereinabove shall be such that neither the configuration nor the usable area of the affected Unit shall be materially adversely affected. In addition, Sponsor reserves the right to install additional fireplace flues and mechanical equipment on the roof of the Building.

11.3 Sponsor and its Permitted Users for so long as Sponsor shall own any Unsold Residential Unit, shall have an easement for ingress and egress through all of the Common Elements and Unsold Units in order to make alterations, additions, or improvements, whether structural or non-structural, interior or exterior, ordinary or extraordinary, in, to and upon the Unsold Residential Units and the Common Elements.

11.4 Each Unit and the Common Elements shall have easements of subjacent support and necessity, and the same shall be subject to such easements in favor of all of the other Units and the Common Elements.

11.5 Sponsor, and its Permitted Users shall have an exclusive easement for so long as Sponsor owns an Unsold Unit to erect, use, lease, maintain, repair, replace and operate (a) antennae, satellite dishes

and other communications equipment, and (b) any pipes, risers, ducts, flues and equipment necessary or desirable to provide heat, air-conditioning, exhaust, or ventilation as required or, as permitted by Law, on any part of the roof and/or façade of the Building and elsewhere on the Common Elements (excluding Terraces and Storage Lockers) and to utilize any risers, conduits, piping, cables, ducts and electrical panels and rooms, telephone/cable panels and rooms in connection therewith. The exercise of the easement and these rights do not require the consent of the Condominium Board or the Unit Owners and shall be without charge to Sponsor. Any obligations of Sponsor under any lease, license or other right of use granted by Sponsor with respect to the roof and/or the façade of the Building shall be the obligation of Sponsor and not of the Condominium, and any rights of Sponsor, including, without limitation, the right to receive rent or other consideration for such lease, license or other right of use, shall be the right of Sponsor, and not of the Condominium or any other Unit Owner. In connection with such easement and related rights, Sponsor and its Permitted Users shall each have, to the extent necessary or advisable for such erection, use, lease, maintenance, repair, replacement and operation, an easement in common with all Unit Owners for ingress, egress and the use of any Common Elements. The Units shall each be subject to such easement.

11.6 Sponsor and any Development Rights Owner shall have an easement for ingress and egress through all of the Common Elements for any purpose in connection with Sponsor's or the Development Rights Owner's utilization, sale or transfer of any Excess Development Rights, including without limitation (i) effecting a zoning lot merger or division; or (ii) creating a Combined Zoning Lot or any enlargement or subdivision thereof; or (iii) effecting a sale or transfer of Excess Development Rights in any manner permitted by Law.

11.7 Subject to the terms of the By-Laws, the Community Facility Unit Owner shall have an easement to install, operate, maintain, repair, alter, rebuild, restore and replace any pipes, wires, ducts, vents, cables, conduits or other lines, equipment or facilities forming a part of or relating to the Community Facility Unit in, over, under, through or upon the Common Elements or elsewhere on the Property; provided that access to the Common Elements or other portions of the Property in furtherance of such easement shall be exercised in such a manner as will not unreasonably interfere with the use of the Common Elements and such other portions of the Property for their permitted purposes.

11.8 The Condominium and Building shall be designated and known as The Avant. Sponsor shall own and control all rights and interest, appurtenant to the name of the Condominium and/or the Building and any intellectual property relating thereto, including without limitation, any logos, marks, websites, trademarks, copyrights or names relating to or referring to the name of the Condominium or the Building, unless otherwise prohibited by Law. Only Sponsor shall have the right to change or assign the name of the Condominium. In addition, Sponsor shall have the right to utilize other names for the Building or portions thereof for marketing and promotional purposes without the consent of the Condominium Board or the Unit Owners. Notwithstanding the foregoing, and only in the event that Sponsor no longer owns a Unit in the Condominium, the Unit Owners may change the name of the Condominium and/or the Building, but only if such change is authorized by the affirmative vote of 80% in number and in Common Interest of all Unit Owners at a Special Meeting duly called for such purpose. Sponsor shall have an exclusive easement for so long as the Condominium shall remain in existence to erect, maintain, repair and replace, from time to time, a plaque and/or sign ("Plaque"), without charge, on the exterior portion of the Building setting forth the name and address of Sponsor, or such other information as Sponsor desires in its sole discretion. Only Sponsor shall have the right to remove the Plaque, unless mandated by Law.

11.9 If (a) any portion of the Common Elements encroaches upon any Unit or upon any other portion of the Common Elements, (b) any Unit encroaches upon any other Unit or upon any portion of the Common Elements or (c) any such encroachment shall hereafter occur as a result of (i) the settling or shifting of the Building, (ii) any alteration, repair or restoration of the Common Elements made by or with the consent (when required by the By-Laws) of the Condominium Board, or made by Sponsor in accordance with this Declaration or the By-Laws or (iii) any alteration, repair or restoration of the Building (or any portion thereof)

or of any Unit or Common Element after damage by fire or other casualty or any taking by condemnation or eminent domain proceedings of all any portion of any Unit or the Common Elements; then, in any such event, a valid easement shall exist for such encroachment and for the maintenance of the same as long as the Building shall stand.

11.10 In addition to the specific easements set forth in this Article 11 and in Article 10 hereof, the Property and every portion thereof shall be subject to all easements made with the City of New York or with any utility companies or other Persons in effect prior to the recording of this Declaration.

ARTICLE 12

ALTERATIONS, ADDITIONS, IMPROVEMENTS AND CHANGES TO UNSOLD RESIDENTIAL UNITS AND COMMUNITY FACILITY UNITS

12.1 Except to the extent prohibited by Law, Sponsor shall have the right, without the approval of the Condominium Board, Managing Agent, other Unit Owners, or Mortgage Representatives, if any:

(a) to make alterations, additions, improvements and/or repairs in or to the interior portions of Unsold Residential Units and their appurtenant Residential Limited Common Elements, whether structural or non-structural, ordinary or extraordinary, including without limitation any alterations with respect to the type, number, or layout of rooms in each Unsold Residential Unit.

(b) to amend the Certificate of Occupancy of the Building with respect to the use or number of the Unsold Residential Units.

(c) without amendment to the Plan, to (i) subdivide and/or combine any Unsold Residential Unit and/or (ii) change any Unsold Residential Units in size by relocating a boundary wall between Unsold Residential Units and/or or (iii) otherwise change the size and/or number of Unsold Residential Units, including incorporating Residential Common Elements (such as a portion of a hallway used exclusively by the occupant(s) of such Unsold Residential Unit) which exclusively benefit an Unsold Residential Unit into such Unsold Residential Unit without changing the percentage of Common Interest of such Unit. In the event of a subdivision, combination, and/or change in size of any Unsold Residential Unit, Sponsor shall additionally have the right to reapportion among the affected Unsold Residential Units their respective Common Interests and to create new Residential Common Elements and/or Residential Limited Common Elements from space previously designated as a Residential Unit, Residential Common Element or Residential Limited Common Elements.

provided, however, that, with respect to any such alteration, addition, improvement, or change in, to, of, or upon any Unsold Residential Unit:

(d) no physical modifications shall be made to any other Unit and the Common Interest and Residential Common Interest (other than Unsold Residential Units), as the case may be, or interior dimensions of any other Units (other than Unsold Residential Units) shall not be changed by reason thereof, unless the owner of such other affected Unit shall consent thereto.

(e) Sponsor shall comply with Law and the terms of this Declaration and the By-Laws.

(f) Sponsor shall agree to hold the Condominium Board and all other Unit Owners harmless from any liability arising therefrom.

(g) such alteration, addition, improvement, repair or change shall not jeopardize the soundness, mechanical systems or structural integrity of any part of the Building or the safety of any tenant or other persons at the Property.

Notwithstanding the foregoing, however, the aggregate amounts of both the Common Interests of all the Units and the Residential Common Interests of all Residential Units shall always remain at 100%, and no reapportionment of the Common Interest or Residential Common Interest appurtenant to any Unit, as the case may be, shall be made unless there is first delivered to the Condominium Board a written certification stating that the new Common Interest and, if applicable, Residential Common Interest of the affected Unit has been based upon the factors set forth in Article 8 hereof. The certification referred to in the preceding sentence shall be delivered by Sponsor or any other Person reasonably acceptable to the Condominium Board. By written permission of the Condominium Board, which permission shall not be unreasonably withheld, conditioned, or delayed, any other Residential Unit Owner may be given with respect to such Residential Unit the same rights and be subject to the same limitations and conditions as are set forth in this Article with respect to Unsold Residential Units. Notwithstanding the other provisions of this Article, no reapportionment of the Common Interests appurtenant to any Residential Unit shall be made unless there is first delivered to the Condominium Board a written certification stating that the new Common Interest of the affected Residential Unit has been based upon the factors set forth in Article 8 hereof. The certification referred to in the preceding sentence shall be delivered by the Residential Unit Owner or any other Person reasonably acceptable to the Condominium Board. The provisions of this Article may not be added to, amended, modified, or deleted without the prior written consent of Sponsor.

12.2 Except to the extent prohibited by Law, the Community Facility Unit Owner and its Permitted Users shall have the right, without the approval of the Condominium Board, Managing Agent, other Unit Owners, or Mortgage Representatives, if any:

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

(b) to amend the Certificate of Occupancy of the Building with respect to the use or number of the Community Facility Units.

(c) without amendment to the Plan, to (i) subdivide and/or combine any subdivided Community Facility Unit and/or (ii) change any subdivided Community Facility Unit in size by relocating a boundary wall between subdivided Community Facility Units. In the event of a subdivision, combination, and/or change in size of any Community Facility Unit, each resulting Community Facility Unit Owner shall additionally have the right to reapportion among the affected Community Facility Units their respective Common Interests and to create new Non-Residential Limited Common Elements from space previously designated as a Community Facility Unit.

(d) subject only to Sponsor's prior written consent in each instance for so long as Sponsor continues to own an Unsold Unit, to (i) alter, modify, and/or restore the exterior façade and/or the windows of the Community Facility Unit, including without limitation any storefronts, and (ii) create additional means of egress and ingress to such Community Facility Unit.

provided, however, that, with respect to any such alteration, addition, improvement, or change in, to, of, or upon the Unit:

(i) no physical modification shall be made to any other Unit, and the Common Interest and Residential Common Interest, as the case may be, or interior dimensions of any other Unit shall not be changed by reason thereof, unless the owner of such other affected Unit shall consent thereto;

(ii) the Community Facility Unit Owner shall comply with Law and the terms of this Declaration and the By-Laws;

(iii) the Community Facility Unit Owner shall agree to hold the Condominium Board and all other Unit Owners harmless from any liability arising therefrom; and

(iv) such alteration, addition, improvement, repair or change shall not jeopardize the soundness, mechanical systems or structural integrity of any part of the Building or the safety of any tenant or other persons at the Property.

Any additional condominium units created as a result of a subdivision of a Community Facility Unit will retain the same rights, privileges, and benefits afforded the original Community Facility Unit Owner and will be subject to the same obligations imposed on the original Community Facility Unit Owner, as set forth in this Declaration and the By-Laws. Notwithstanding the foregoing, in the event of a subdivision of any Community Facility Unit, the Community Facility Unit Owners shall have the right, collectively, to designate only (one) 1 member to the Condominium Board.

Notwithstanding the foregoing, however, the aggregate amounts of the Common Interest of all the Units and the Residential Common Interests of all Residential Units shall always remain at 100%, and no reapportionment of the Common Interest appurtenant to the Community Facility Unit shall be made unless there is first delivered to the Condominium Board a written certification stating that the new Common Interest has been based upon the factors set forth in Article 8 hereof. The certification referred to in the preceding sentence shall be delivered, at the Community Facility Unit Owner's election, by the Community Facility Unit Owner, Selling Agent, the Managing Agent, or any other Person reasonably acceptable to the Condominium Board. The provisions of this Article may not be added to, amended, modified, or deleted without the prior written consent of the Community Facility Unit Owner.

ARTICLE 13

ACQUISITION OF UNIT BY THE CONDOMINIUM BOARD

If (a) any Residential Unit Owner surrenders the Residential Unit, together with its Appurtenant Interests to the Condominium Board pursuant to the terms of the By-Laws or Section 339-x of the Condominium Act, or (b) the Condominium Board, pursuant to the By-Laws or otherwise, either acquires or leases a Unit, together with its Appurtenant Interests, purchases, a Unit, together with its Appurtenant Interests, at a foreclosure or other similar sale, then, in any such event, title to any such Unit and such Appurtenant Interests shall be held by the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective Common Interests. Any lease or sublease of any Unit leased or subleased by the Condominium Board or its designee shall be held by the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective Common Interests.

ARTICLE 14

POWER OF ATTORNEY TO SPONSOR AND THE CONDOMINIUM BOARD

14.1 Each Unit Owner, by acceptance of a deed or otherwise succeeding to title to a Unit, shall be deemed to have irrevocably nominated, constituted and appointed as such Unit Owner's attorney in-fact, coupled with an interest and with power of substitution, Sponsor, to:

(a) amend the Condominium Documents pursuant to the terms thereof, and to effectuate the rights of Sponsor under the Condominium Documents;

(b) effectuate Sponsor's or the Development Rights Owner's utilization, sale or transfer of all or any portion of the Excess Development Rights, as set forth in this Declaration.

(c) execute, acknowledge and deliver (1) any declaration or other instrument affecting the Property which Sponsor deems necessary or appropriate to comply with any Law applicable to the maintenance, demolition, construction, alteration, repair, or restoration of any portion of the Property or (2) any consent, covenant, restriction, easement, or declaration, or any amendment thereto, affecting the Property which Sponsor deems necessary or appropriate or (3) any protest and tax certiorari proceeding documentation affecting Unsold Residential Units.

14.2 In addition to the foregoing Section 14.1, Each Residential Unit Owner, by acceptance of a deed or otherwise succeeding to title to a Residential Unit, shall be deemed to have irrevocably nominated, constituted and appointed as such Unit Owner's attorney in-fact, coupled with an interest and with power of substitution, the Persons who shall from time to time constitute the Condominium Board, jointly, to:

(a) employ counsel for purposes of protesting the New York City real property tax assessments with the Tax Commission and commencing, pursuing, appealing, settling and/or terminating administration and tax certiorari proceedings on behalf of the Residential Unit Owners for the reduction of the assessed valuation of their Residential Units, such Residential Unit Owners agreeing not to protest said assessments and bring such tax certiorari proceedings at their own initiative and on their own behalf;

(b) acquire, lease or license any Residential Unit, together with its Appurtenant Interests whose owner desires to sell, convey, transfer, assign, lease, sublease or surrender the same or acquire any Residential Unit, together with its Appurtenant Interests that becomes the subject of a foreclosure or other similar sale, in the name of the Condominium Board or its designee, corporate or otherwise, on behalf of all Residential Unit Owners;

(c) acquire, mortgage, lease, sublease, license, convey or otherwise deal with (but not to vote the Common Interest, appurtenant to) any Residential Unit so acquired or to sublease any Residential Unit so leased; and

(d) intentionally deleted; and

(e) execute, acknowledge and deliver (1) any declaration or other instrument affecting the Property which the Condominium Board deems necessary or appropriate to comply with any Law applicable to the maintenance, demolition, construction, alteration, repair, or restoration of the Property or (2) any consent, covenant, restriction, easement, or declaration, or any amendment thereto, affecting the Property which the Condominium Board deems necessary or appropriate or (3) any protest and tax certiorari proceeding documentation affecting Residential Units.

14.3 In confirmation of the foregoing power of attorney, each Unit Owner, upon the request of either Sponsor or the Condominium Board, shall duly execute, acknowledge and deliver to the requesting

party, for recording in the Register's Office, a Unit Power of Attorney, substantially in the form set forth as Exhibit E to this Declaration.

ARTICLE 15

TERMINATION OF CONDOMINIUM

The Condominium shall continue and the Property shall not be subject to an action for partition (unless terminated by casualty loss, condemnation or eminent domain, as more particularly provided in the By-Laws) until such time as the Property is withdrawn from the provisions of the Condominium Act is authorized by a vote of the Community Facility Unit Owner and 80% in number and in Residential Common Interest of all Residential Unit Owners. No such vote shall be effective, however, without the written consent (which consent shall not be unreasonably withheld, conditioned or delayed) of the Permitted Mortgagees representing at least fifty-one (51%) percent of the Common Interests of all Units which are subject to Permitted Mortgages or by a majority of the Mortgage Representatives, if any. In the event the withdrawal is authorized as aforesaid, but only in such event, the Property shall be subject to an action for partition by any Unit Owner or lienor as if owned in common, in which event the net proceeds of sale shall be divided among all Unit Owners in proportion to their respective Common Interests; provided, however, that no payment shall be made to a Unit Owner until there has first been paid from out of such Unit Owner's share of such net proceeds all liens on the Unit (other than mortgages which are not Permitted Mortgages), in the order of priority of such liens.

ARTICLE 16

COVENANT OF FURTHER ASSURANCES

16.1 Any Person who is subject to the terms of this Declaration, whether such Person is a Unit Owner, a Member or officer of the Condominium Board or a Permitted User of either or otherwise, shall, upon prior reasonable written request at the expense of any such other Person requesting the same, execute, acknowledge and deliver to such other Person such instruments, in addition to those specifically provided for herein, and take such other action as such other Person may reasonably request to effectuate the provisions of this Declaration or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

16.2 If any Unit Owner, the Condominium Board or any other Person who is subject to the terms of this Declaration fails or refuses, within 10 days (or 60 days, with respect to a Permitted Mortgagee) after request therefor, either (i) to execute, acknowledge or deliver any instrument, or to take any action which the Condominium Board, Unit Owner or other Person is required to execute, acknowledge and deliver or to take pursuant to this Declaration, or (ii) to deliver a written notice to the Person requesting such execution, acknowledgement or delivery, and to the Condominium Board stating the reasons why such Unit Owner, Condominium Board or other Person refuses to execute, acknowledge or deliver such instrument or take such action, then the Condominium Board or other Person is hereby authorized as attorney-in-fact for such Unit Owner, Condominium Board or other Person, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action in the name of such Unit Owner, Condominium Board or other Person and such document or action shall be binding on such Unit Owner, Condominium Board or other Person.

16.3 If any Unit Owner, the Condominium Board or other Person that is subject to the terms of this Declaration fails to execute, acknowledge, or deliver any instrument, or fails or refuses, within 10 days (or 60 days, with respect to a Permitted Mortgagee) after request therefor, to execute, acknowledge or deliver any instrument which such Unit Owner, Condominium Board or other Person is required to execute, acknowledge or deliver pursuant to this Declaration at the request of Sponsor or any Community Facility Unit Owner, or any Development Rights Owner, solely with respect to utilization, sale or transfer of Excess

Development Rights as the case may be, then Sponsor, or any Community Facility Unit Owner or any Development Rights Owner solely with respect to utilization, sale or transfer of Excess Development Rights as the case may be, is hereby authorized, as attorney-in-fact for the Unit Owner, Condominium Board or other Person, coupled with an interest, to execute, acknowledge and deliver such instrument, in the name of the Unit Owner, Condominium Board or other Person, and such instrument shall be binding on the Unit Owner, Condominium Board or other Person. The Condominium Board shall not unreasonably withhold or delay its consent or approval with respect to any matter contained in this Declaration which requires the consent or approval of the Condominium Board.

ARTICLE 17

COVENANTS RUNNING WITH THE LAND

17.1 All provisions of this Declaration, the By-Laws and the Residential Rules and Regulations which are annexed hereto and made a part hereof, including, without limitation, the provisions of this Article, shall to the extent applicable and unless otherwise expressly herein or therein provided to the contrary, be perpetual and be construed to be covenants running with the Land and with every part thereof and interest therein, and all of the provisions hereof and thereof shall be binding upon and inure to the benefit of the owner of all or any part thereof, or interest therein, and owner's heirs, executors, administrators, legal representatives, successors and assigns, but the same are not intended to create, nor shall they be construed as creating, any rights in or for the benefit of the general public. All present and future owners, tenants, subtenants, licensees, and other occupants of Units shall be subject to and shall comply with the provisions of this Declaration, the By-Laws and the Residential Rules and Regulations, as they may be amended from time to time. The acceptance of a deed or conveyance or the entering into of a lease or the entering into occupancy of any Unit shall constitute an agreement that the provisions of this Declaration, the By-Laws and the Residential Rules and Regulations, as they may be amended from time to time, are accepted and ratified by such owner, tenant or occupant, and all of such provisions shall be deemed and taken to be covenants running with the Land and shall bind any person having at any time any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed or conveyance or lease or use and occupancy agreement thereof.

17.2 If any provision of this Declaration or the By-Laws is invalid under, or would cause this Declaration and the By-Laws to be insufficient to submit the Property to the provisions of, the Condominium Act, such provision shall be deemed deleted from this Declaration or the By-Laws, as the case may be, for the purpose of submitting the Property to the provisions of the Condominium Act but shall nevertheless be valid and binding upon and inure to the benefit of the owners of the Property and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part thereof and interest therein under other applicable Law to the extent permitted under such applicable Law with the same force and effect as if, immediately after the recording of this Declaration and the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the Land. If any provision which is necessary to cause this Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from this Declaration or the By-Laws, then such provision shall be deemed included as part of this Declaration or the By-Laws, as the case may be, for the purposes of submitting the Property to the provisions of the Condominium Act.

17.3 Subject to Section 17.2, if this Declaration and the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, the provisions of this Declaration and the By-Laws shall nevertheless be valid and binding upon and inure to the benefit of the owners of the Property, and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part thereof and interest therein under applicable Law to the extent permitted under such

applicable Law with the same force and effect as if, immediately after the recording of this Declaration and the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the Land.

ARTICLE 18

EXCESS DEVELOPMENT RIGHTS

18.1 Any Excess Development Rights shall be retained by Sponsor, who shall have the exclusive right to utilize, sell or otherwise transfer any Excess Development Rights. Excess Development Rights shall inure solely to the benefit of Sponsor or other Development Rights Owner. Neither the Condominium Board nor any Unit Owner (other than Sponsor or a Development Rights Owner) shall have any right or interest in any Excess Development Rights.

18.2 In connection with its utilization of Excess Development Rights, Sponsor or Development Rights Owner, among other rights, may cause the Property to be divided into two or more parcels which collectively are referred to as the "Combined Zoning Lot."

18.3 Each Unit Owner by accepting a deed or otherwise succeeding to title to a Unit, and the Condominium Board, shall be deemed to have consented to and agreed that, if Sponsor or a Development Rights Owner seeks to enlarge the Combined Zoning Lot by adding other parcels of real property ("Additional Parcels") so as to create an enlarged Combined Zoning Lot, or seeks to utilize or transfer Excess Development Rights for the purposes and in accordance with the provisions of the Zoning Resolution or other applicable Law, the Condominium Board and the Unit Owner have (i) waived the right to execute any declaration of zoning lot restrictions, zoning lot development agreement, easement for light and air or other document or instrument and the right to appear in opposition before any community board or governmental or quasi-governmental authority to oppose in any manner the utilization, sale or transfer of Excess Development Rights or the establishment of the Combined Zoning Lot or any enlargement, division or proposed use thereof; and (ii) consented as a party in interest, to any declaration or other agreement utilizing the Excess Development Rights in any manner, including by effecting a transfer of Excess Development Rights or a merger or division of any of the parcels comprising the Combined Zoning Lot with any other tax lots in order to form a single zoning lot for the purpose of transferring all or any portion of the Excess Development Rights from Sponsor or a Development Rights Owner.

18.4 Notwithstanding the provisions of the immediately preceding paragraph, each Unit Owner by accepting a deed or otherwise succeeding to title to a Unit, and the Condominium Board, shall be deemed to have granted to Sponsor and any Development Rights Owner an irrevocable power of attorney coupled with an interest, to execute, acknowledge and deliver any such declaration of zoning lot restrictions, zoning lot development agreement, easement for light and air, or other document or instrument necessary or expedient to carry out the exercise of any rights, reserved, retained or granted to Sponsor or Development Rights Owner . Alternatively, upon demand of Sponsor or a Development Rights Owner, each Unit Owner and the Condominium Board shall execute any declaration of zoning lot restrictions, zoning lot development agreement, easement for light and air, or other document or instrument requested by Sponsor or Development Rights Owner in order that (i) Sponsor or Development Rights Owner may effectively utilize, sell or otherwise transfer Excess Development Rights to any Person designated by Sponsor or Development Rights Owner, and (ii) such Person may effectively utilize such Excess Development Rights.

18.5 Notwithstanding the foregoing, neither Sponsor nor any Development Rights Owner may utilize Excess Development Rights to increase the size, height, bulk or density of any portion of the Property.

18.6 All rights and obligations of Sponsor set forth in this Declaration with respect to the Excess Development Rights shall apply equally to any Development Rights Owner.

ARTICLE 19

AMENDMENTS TO THIS DECLARATION

19.1 Subject to the provisions contained herein or in the By-Laws with respect to amendments, modifications, additions or deletions affecting Sponsor or any Community Facility Unit Owner or any Development Rights Owner, solely with respect to utilization, sale or transfer of Excess Development Rights, any provision of this Declaration affecting the (i) General Common Elements or all Unit Owners may be added to, amended, modified or deleted by the affirmative vote of at least 66-2/3% in number and in Common Interest of all Unit Owners and (ii) Residential Common Elements or all Residential Unit Owners may be added to, amended, modified or deleted by affirmative vote of at least 66-2/3% in number and Residential Common Interest of all Residential Unit Owners, taken in accordance with the provisions of the By-Laws; provided, however, that the Common Interest appurtenant to each Unit as expressed in this Declaration shall not be altered without the written consent of all Unit Owners directly affected. Subject to the provisions contained herein or in the By-Laws with respect to amendments, modifications, additions or deletions affecting Sponsor or any Community Facility Unit Owner or any Development Rights Owner, solely with respect to utilization, sale or transfer of Excess Development Rights, no amendment, modification, addition or deletion shall be effective without the written consent (which consent shall not be unreasonably withheld, conditioned or delayed) of the Mortgage Representatives (as defined in the By-Laws), if any. No such amendment, modification, addition or deletion shall be effective until recorded in the Register's Office. Subject to the provisions contained herein or in the By-Laws with respect to amendments, modifications, additions or deletions affecting Sponsor or any Community Facility Unit Owner or any Development Rights Owner, solely with respect to utilization, sale or transfer of Excess Development Rights, any such amendment, modification, addition or deletion shall be executed by either the Condominium Board as attorney-in-fact for the Unit Owners, coupled with an interest, and the Condominium Board is hereby authorized by such Unit Owners so to act as their attorney-in-fact. Subject to the rights of Sponsor set forth herein, this Section 19.1 of the Declaration may not be amended, modified, added to or deleted unless (in addition to the consent, if required, of the Mortgage Representatives, if any, as set forth above) 80% in number and in Common Interest of all Unit Owners affected thereby, approve such amendment, modification, addition or deletion in the manner set forth above.

19.2 Sponsor and any Development Rights Owner, solely with respect to utilization, sale or transfer of Excess Development Rights shall have the right, at its sole cost and expense and without the vote or consent of any other Unit Owners, the Condominium Board, or the Mortgage Representatives (if any), to execute, acknowledge and record (or, at Sponsor's or any Development Rights Owner's sole option, to require the Condominium Board or any other Unit Owners to execute, acknowledge and record) in the Register's Office and elsewhere, if required by Law, one or more amendments to this Declaration, the By-Laws, the Residential Rules and Regulations and the Floor Plans of the Condominium as Sponsor or the Development Rights Owner, solely with respect to utilization, sale or transfer of Excess Development Rights deems appropriate to effectuate the same:

(i) to reflect any changes in Unsold Residential Units and/or the reapportionment of the Common Interest of the affected Unsold Residential Units resulting therefrom made by Sponsor in accordance with the terms of Article 12 hereof; or

(ii) required by (x) an Institutional Lender designated by Sponsor to make a loan secured by a mortgage on any Unsold Residential Unit, (y) any governmental agency having regulatory jurisdiction over the Condominium, or (z) any title insurance company selected by Sponsor to insure title to any Unsold Residential Unit; or

(iii) to correct any inconsistencies or scrivener's errors in the Declaration, the By-Laws and/or Floor Plans; or

(iv) with respect to Excess Development Rights, to effectuate Sponsor's or any Development Rights Owner's utilization, sale or transfer of any Excess Development Rights in any manner permitted by Law, provided that no such amendment shall enable Sponsor or Development Rights Owner to utilize Excess Development Rights to increase the size, height, bulk, configuration and/or density of the Property; or

(v) to relinquish any rights granted to Sponsor hereunder.

Provided, however, that any amendment made pursuant to the terms of subparagraph (i) or (ii) of this Section shall not (1) change the Common Interest of any Unit other than a Unit owned by Sponsor, or (2) require a material, physical modification of any Unit other than a Unit owned by Sponsor, or (3) adversely affect the priority or validity of the lien of any purchase money mortgage or any mortgage held by an Institutional Lender unless the owner of such affected Unit (in the event described in (1) or (2) of this Section) or the holder of such mortgage (in the event described in (3) of this Section) shall consent thereto by joining in the execution of such amendment.

19.3 The Community Facility Unit Owner shall have the right, at its sole cost and expense and without the vote or consent of any other Unit Owners, the Condominium Board, or the Mortgage Representatives (if any), to execute, acknowledge and record in the Register's Office or elsewhere, if required by Law, one or more amendments to this Declaration (including, without limitation, to Exhibit B hereto), together with such documents, plans and maps as the Community Facility Unit Owner deems appropriate to effectuate the same:

(i) to reflect any changes in the Community Facility Unit and/or the reapportionment of the Common Interest of the affected Community Facility Unit resulting therefrom made by the Community Facility Unit Owner in accordance with the terms of Article 12 hereof; or

(ii) required by (x) an Institutional Lender designated by the Community Facility Unit Owner to make a loan secured by a mortgage on the Community Facility Unit, (y) any governmental agency having regulatory jurisdiction over the Condominium, or (z) any title insurance company selected by the Community Facility Unit Owner to insure title to any Community Facility Unit, as such requirements relate solely to the Community Facility Unit; or

(iii) to correct any inconsistencies or scrivener's errors in the Declaration, By-Laws and/or Floor Plans.

(iv) to reflect any changes that solely affect the Community Facility Unit and do not materially and adversely affect the Residential Units and/or the Residential Unit Owners; provided, however, that any such amendment shall not (1) change the Common Interest or Residential Common Interest of any other Unit, or (2) require a physical modification of any other Unit, or (3) adversely affect the priority or validity of the lien of any mortgage held by an Institutional Lender unless the owner of such affected Unit (in the event described in subparagraph (1) or (2) of this Section) or the holder of such mortgage (in the event described in subparagraph (3) of this Section) shall consent thereto by joining in the execution of such amendment.

19.4 Any amendment to this Declaration may be executed; (i) if on behalf of Sponsor or a Development Rights Owner pursuant to the terms of Section 19.2 hereof, by Sponsor or any Development Rights Owner, solely with respect to utilization, sale or transfer of Excess Development Rights, (ii) if on behalf of a Community Facility Unit Owner pursuant to the terms of Section 19.3 hereof, by the Community Facility Unit Owner, or (iii) if on behalf of the Unit Owners or by the Condominium Board, by any officer of

the Condominium. If the amendment requires the approval of a specific percentage of Unit Owners pursuant to the terms of this Declaration or the By-Laws, then there shall be attached to such amendment an original executed Secretary's Certificate, certifying that the requisite number and percentage of Unit Owners approved the amendment at a duly constituted meeting or (when permitted in this Declaration or the By-Laws) in writing without a meeting, in which Certificate shall be described the number and percentage of Unit Owners so consenting and (if voted upon at a meeting) the date and time of the meeting.

19.5 Notwithstanding anything contained in the Condominium Documents to the contrary, if any Residential Unit Owner, with the prior approval of the Condominium Board changes the size and/or number of Residential Units owned by such Residential Unit Owner by either (w) subdividing a Residential Unit(s) into two or more separate Residential Units, (x) combining a Residential Unit into one or more Residential Units, (y) altering the boundary walls between any adjacent Residential Units owned by such Residential Unit Owner, or (z) otherwise, including incorporating Residential Common Elements (such as a portion of a hallway used exclusively by the owner of such Residential Unit) which exclusively benefit a Residential Unit into such Residential Unit, then the Condominium Board on behalf of such Residential Unit Owner and at the Residential Unit Owner's sole cost and expense, shall have the right to execute, and record in the City Register's Office and elsewhere, if required by Law, any amendment to this Declaration and other documents which are necessary or appropriate to reflect the changes made by the Residential Unit Owner, all without the approval of the other Unit Owners, provided, however, that any such amendment shall not (1) change the Common Interest or Residential Common Interest of any other Unit, or (2) require a physical modification of any other Unit, or (3) adversely affect the priority or validity of the lien of any mortgage held by an Institutional Lender, unless the owner of such affected Unit (in the event described in (1) or (2)) or the holder of such mortgage (in the event described in (3)) shall consent thereto by joining in the execution of such amendment.

19.6 Notwithstanding anything contained in the Condominium Documents to the contrary, but subject to any limitation imposed by the Condominium Act, no amendment to the Condominium Documents shall be effective in any respect against Sponsor or any Community Facility Unit Owner or any Development Rights Owner, solely with respect to utilization, sale or transfer of Excess Development Rights, if the same would (i) unreasonably interfere with the sale, lease, or other disposition of any Unit owned by Sponsor or the Community Facility Unit Owner or the Development Rights Owner, solely with respect to utilization, sale or transfer of Excess Development Rights, as the case may be, (ii) abridge, modify, suspend, eliminate, or otherwise affect any right, power, easement, privilege, or benefit granted to Sponsor or the Community Facility Unit Owner or the Development Rights Owner, solely with respect to utilization, sale or transfer of Excess Development Rights, as the case may be, unless such amendment is consented to in writing by Sponsor or the Community Facility Unit Owner or the Development Rights Owner, solely with respect to utilization, sale or transfer of Excess Development Rights, as the case may be, or (iii) impose any discriminatory charge or fee against Sponsor or the Community Facility Unit Owner or the Development Rights Owner, solely with respect to utilization, sale or transfer of Excess Development Rights, unless Sponsor or the Community Facility Unit Owner or the Development Rights Owner shall consent to such amendment in writing.

19.7 The provisions of this Article may not be modified, amended, added to or deleted, in whole or in part, without the consent of Sponsor or the Community Facility Unit Owner if the same relate to Sponsor or the Community Facility Unit Owner.

19.8 No amendment to the Condominium Documents which would materially and adversely affect the holder of any Permitted Mortgage shall be effective without the prior written consent of 51% of the Permitted Mortgagees or a majority of the Mortgage Representatives, if any. If the Permitted Mortgagees or Mortgage Representatives fail to respond within 60 days after written receipt of the proposed amendment, delivered by either certified or registered mail, "return receipt" requested, the implied approval of such Permitted Mortgagees or Mortgage Representative shall be assumed.

ARTICLE 20

CONSENTS BY SPONSOR

When the consent, approval, satisfaction, or permission of Sponsor is required under this Declaration or the By-Laws, such consent, approval, satisfaction, or permission shall not be required when (i) Sponsor no longer owns any Units; and (ii) Sponsor has completed all of its obligations under the terms of the Offering Plan; and (iii) a Permanent Certificate of Occupancy has been issued for the Property.

ARTICLE 21

PERSON TO RECEIVE SERVICE

The Secretary of State of the State of New York shall serve the Condominium c/o The Board of Managers of the The Avant located at 531-533 East 12th Street, New York, NY 10009.

ARTICLE 22

INCORPORATION BY REFERENCE

The terms, covenants, conditions, descriptions and other information contained in (i) the property description annexed hereto as Exhibit A; (ii) the description of the Units annexed hereto as Exhibit B; (iii) the table of definitions annexed hereto as Exhibit C; (iv) the By-Laws annexed hereto as Exhibit D; (v) the Unit Power of Attorney annexed hereto as Exhibit E; and (vi) the Floor Plans are, by this reference, each incorporated herein and made a part of this Declaration as if set forth at length in the text hereof.

ARTICLE 23

WAIVER

No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

ARTICLE 24

SEVERABILITY

Subject to the provisions of Section 17.2 and 17.3 of Article 17 hereof, if any provision of the Condominium Documents is invalid or unenforceable as against any Person or under certain circumstances, the remainder of the Condominium Documents and the applicability of such provision to other Persons or circumstances shall not be affected thereby. Each provision of the Condominium Documents shall, except as otherwise herein provided, be valid and enforced to the fullest extent permitted by Law. Any conflict between any provisions of the Condominium Documents and the Condominium Act, or any questions regarding the interpretation of any of the Condominium Documents, shall be governed by the Condominium Act.

ARTICLE 25

SUCCESSORS AND ASSIGNS

The rights and/or obligations of Sponsor and the Community Facility Unit Owner as set forth in this Declaration and the By-Laws shall inure to the benefit of and be binding upon any successor or assignee or designee of Sponsor and the Community Facility Unit Owner. Sponsor and the Community Facility Unit Owner shall have the right, at any time, in their sole discretion, to assign or otherwise transfer their interest therein, whether by merger, consolidation, lease, assignment, or otherwise.

ARTICLE 26

CAPTIONS

The index hereof and the captions herein inserted are included only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this Declaration or the intent of any provision hereof.

ARTICLE 27

CERTAIN REFERENCES

27.1 A reference in this Declaration to any one gender, masculine, feminine or neuter, includes the other two, and the singular includes the plural and vice versa, unless the context otherwise requires.

27.2 The terms "herein," "hereof" or "hereunder" or similar terms used in this Declaration refer to this entire Declaration and not to the particular provision in which the terms are used, unless the context otherwise requires.

27.3 Unless otherwise stated, all references herein to Articles, Sections or other provisions are references to Articles, Sections or other provisions of this Declaration.

ARTICLE 28

GENERAL

Except as required by Law, neither Sponsor nor its principal shall be subject to any of the restrictions and/or prohibitions with regard to the Units and/or Storage Lockers set forth in this Declaration or the By-Laws annexed hereto.

IN WITNESS WHEREOF, Sponsor has caused this Declaration to be executed as of the ___ day of _____, _____.

* * * * *

SPONSOR:

DS 531 E. 12TH OWNER LLC

By: _____
Name: Michael Shah
Title:

(ACKNOWLEDGEMENT)

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On the _____ day of _____, in the year _____, before me, the undersigned, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of whom the individual(s) acted, executed the instrument.

_____
Notary

EXHIBIT A TO THE DECLARATION

DESCRIPTION OF THE LAND

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, County of New York, City and State of New York, bounded and described as follows:

[See the Schedule A – Description of the Land in the Specimen Title Report set forth in Part II of the Plan.]

.

CONDOMINIUM NO. _____

EXHIBIT B TO THE DECLARATION
DESCRIPTION OF THE UNITS

The Avant
531-533 East 12th Street
New York, NY 10009

Tax Block: 406
Tax Lots: _____ to _____

UNIT	NUMBER OF BEDROOMS/ BATHS	APPROXIMATE TOTAL SQ. FT. UNIT	BALCONY/ TERRACE	BLOCK 406 TAX LOT NO.	PERCENTAGE OF COMMON INTEREST	LOCATION IN PORTION OF BUILDING FACING DIRECTION SET FORTH BELOW	COMMON ELEMENTS TO WHICH UNIT HAS IMMEDIATE ACCESS

395

To be completed prior to Recording of the Declaration.

EXHIBIT C

DEFINITIONS

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

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

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

"Bona Fide Tenant" shall mean (a) a tenant in occupancy on the Filing Date; (b) a tenant with the right to renew a lease on the Filing Date; (c) a tenant who has the right to continued occupancy on the Filing Date; (d) a tenant of record with an unexpired lease on the Filing Date even though the tenant has sublet the Residential Unit or the Residential Unit is not the tenant's primary residence; or (e) a sublessee in occupancy on the Filing Date, provided however that (1) the tenant of record from whom such sublessee subleases does not qualify under the foregoing provisions (a)-(d) or (2) if the tenant of record from whom such sublessee subleases does qualify under the foregoing provisions (a)-(d), then such sublessee has obtained written permission to purchase the Residential Unit from such tenant.

"Bona Fide Purchaser" shall mean, for the purpose of declaring the Plan effective, a Bona Fide Tenant Purchaser or Bona Fide Non-Tenant Purchaser.

"Bona Fide Non-Tenant Purchaser" shall mean, for the purpose of declaring the Plan effective, any Purchaser who (i) is not a tenant in occupancy in the Building and (ii) represents that Purchaser or members of Purchaser's immediate family intend(s) to occupy the Residential Unit when it becomes vacant.

"Bona Fide Tenant Purchaser" shall mean, for the purpose of declaring the Plan effective, any Purchaser who (i) is a tenant in occupancy in the Building and (ii) represents that Purchaser or members of Purchaser's immediate family intend(s) to occupy the Residential Unit when it becomes vacant.

"Building" shall mean the building located at 531-533 East 12th Street, New York, NY 10009.

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

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

"Certificate of Occupancy" shall mean the permanent certificate of occupancy for the Building issued by the Buildings Department.

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

"Closing Date" shall mean the date on which a Closing occurs.

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

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

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

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

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

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

"Condominium" shall mean The Avant which will be established pursuant to the terms of the Declaration and which is governed pursuant to the terms of the By-Laws.

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

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

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

"Declarant" shall mean DS 531 E. 12th Owner LLC and its successors and assigns.

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

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

"Deposits" shall mean, collectively, all deposits, advances and payments delivered by a Purchaser with or pursuant to an executed Purchase Agreement prior to the Closing of a Unit, including, without limitation, the Initial Deposit, but excluding Special Work Funds.

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

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

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

"Exclusive Purchase Period" shall mean the exclusive 90 day period from the Presentation Date of the Plan within which a Bona Fide Tenant shall have the exclusive right to purchase the Residential Unit the Bona Fide Tenant occupies on the Filing Date at the Purchase Price set forth on Schedule A and any subsequent exclusive purchase period which may be granted by Sponsor pursuant to an amendment to the Plan.

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

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

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

"First Annual Meeting" shall mean the first annual meeting of the Residential Unit Owners.

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

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

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

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

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

"GBL" shall mean Section 352-e of the New York State General Business Law.

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

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

"Initial Deposit" shall mean a deposit in an amount equal to 10% of the Purchase Price required to be delivered by Purchaser at the time Purchaser executes a Purchase Agreement.

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

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

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

"Land" shall mean the land located in the Borough of Manhattan on the Tax Map of the Division of Land Records of The City of New York as Block 406, Lot 48 and more particularly described in Exhibit A to the Declaration.

"Law" shall mean any of the following which are applicable at the time in question: laws, ordinances and codes of any or all of the Federal, New York State, New York City, County and Borough governments, including, without limitation, the Buildings Department, the Landmarks Preservation Commission, the rules, regulations, orders and directives of any or all departments, subdivisions, bureaus, agencies, or offices thereof or of any other governmental, public or quasi-public authorities having jurisdiction over the Property and/or the Condominium and/or the direction of any public officer pursuant to Law.

"Licensee" shall mean a Purchaser who enters into a Storage Locker License.

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

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

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

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

"Non-Purchasing Tenant" shall mean a person who has not purchased a Unit under the Plan and who was a tenant entitled to possession at the time the Plan was declared effective or a person to whom a dwelling unit is rented subsequent to the effective date. A person who sublets a Residential Unit from a Purchaser under the Plan is not deemed a Non-Purchasing Tenant.

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

"Non-Tenant Purchaser" shall mean any Purchaser who is not a tenant in occupancy in the Building.

"Offeree" shall mean (a) a Purchaser who has executed and delivered a Purchase Agreement for a Residential Unit and who is not in default thereunder, (b) a Residential Unit Owner, and (c) any other Person who, pursuant to Law, is an offeree of the Plan.

"Permanent Certificate of Occupancy" or "PCO" shall mean the permanent certificate of occupancy for the Building issued by the Buildings Department.

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

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

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

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

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

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

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

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

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

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

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

"Rent Laws" shall mean, collectively, (i) the Emergency Tenant Protection Act of 1974, as amended, (ii) the New York City Rent Stabilization Law of 1969, as amended, (iii) the Rent Stabilization Code, as amended, and (iv) any policies and procedures promulgated thereunder and any administration and/or judicial determinations and/or interpretations thereof, to the extent that any or all of the same shall apply to the Property.

"Residential Common Charges" shall mean the Common Charges allocated and assessed by the Condominium Board to the Residential Unit Owners, pro-rata, in accordance with their respective Residential Common Interests to meet the Residential Common Expenses.

"Residential Common Elements" shall mean those portions of the Common Elements either existing for the common use of the Residential Units or the Residential Unit Owners or necessary for, or convenient

to, the existence, maintenance or safety of the Residential Units, as more particularly described in the Declaration and the Floor Plans, except with respect to the Storage Lockers, which are only available for use by the licensee of the particular Storage Locker.

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

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

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

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

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

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

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

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

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

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

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

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

"Sponsor" shall mean DS 531 E. 12th Owner LLC and its successors and assigns as well as any Person(s) designated by Sponsor, in a writing to the Condominium Board or by amendment to the Plan, to retain Sponsor's rights under the Plan and the Condominium Documents.

"Sponsor Control Period" shall mean the period ending on the earlier to occur of: (i) the Closing with Purchasers under the Plan to Residential Units having at least 51% of the aggregate Common Interest appertaining to all Residential Units, or (ii) 5 years after the First Closing, or (iii) the date on which Sponsor otherwise exercises its right to relinquish voting control of the Condominium Board.

"Sponsor Lender" shall mean any holder of any Sponsor Loan at the time in question.

"Sponsor's Work" shall mean the work performed by Sponsor at the Property as described in the Plan, as amended, including, without limitation, combining Units and making certain capital repairs, replacements and cosmetic improvements.

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

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

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

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

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

"Tenant-Purchaser" shall mean a Bona Fide Tenant who purchases the Residential Unit which such Bona Fide Tenant occupied on the Filing Date of the Plan.

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

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

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

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

"Special Work Funds" shall mean all amounts expended by, or reimbursable to, Sponsor for upgrades or extras requested by Purchaser and agreed to in writing by Sponsor.

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

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

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

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

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

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

BY-LAWS OF THE CONDOMINIUM

EXHIBIT D

TO THE DECLARATION

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BY-LAWS

OF

THE AVANT

Prepared by:

STARR ASSOCIATES LLP
ATTORNEYS AT LAW
220 EAST 42 STREET
NEW YORK, NEW YORK 10017
(212) 620-2680

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BY-LAWS

ARTICLE 1
GENERAL

Section 1.1 *Purpose.* The purpose of these By-Laws is to set forth the rules and procedures concerning the conduct of the affairs of the Condominium. The Condominium covers the Property, which consists of: (i) the Land, which is more particularly described in Exhibit A to the Declaration; (ii) the Building, which includes, without limitation, the Units, the Common Elements and all easements, rights and appurtenances belonging thereto, and all other property, real, personal or mixed, intended for use in connection therewith; and (iii) all other property, real, personal, or mixed, intended for use in connection therewith. The Property has been submitted to the provisions of the Condominium Act by the recording of the Declaration in the Register's Office, of which Declaration these By-Laws form a part. The purpose of the Condominium is to carry on the acquisition, construction, management, maintenance and care of the Common Elements and to perform related functions with respect to the other portions of the Property.

Section 1.2 *Definitions*. All capitalized terms used in these By-Laws that are not otherwise defined in any of the Articles hereof shall have the meanings set forth in Exhibit C to the Declaration, unless the context in which the same are defined in any of the Articles hereof shall have the meanings ascribed to them in such Articles, unless the context in which the same are used shall otherwise require. Each of the aforedescribed capitalized terms shall be applicable to singular and to plural nouns, as well as to verbs of any tense.

Section 1.3 *Applicability of By-Laws*. These By-Laws are applicable to the Property and to the use and occupancy thereof.

Section 1.4 *Application of By-Laws*. All present and future Unit Owners, mortgagees, lessees, sublessees and occupants of Units, and employees and guests of Unit Owners, as well as all other Persons who may use the Property, are and shall be subject to the Declaration, these By-Laws and the Residential Rules and Regulations, as each of the same may be amended from time to time. The acceptance of a deed or other instrument of conveyance, or the succeeding to title to, or the execution of a lease or sublease for, or the act of occupancy of, a Unit shall constitute an agreement that the provisions of the Declaration, these By-Laws and the Residential Rules and Regulations, as each of the same may be amended from time to time, are accepted and ratified and will be complied with.

Section 1.5 *Principal Office of the Condominium*. The principal office of the Condominium shall be located either at the Property or at such other place reasonably convenient thereto as may be designated from time to time by the Condominium Board.

ARTICLE 2
CONDOMINIUM BOARD

Section 2.1 *General*. As more particularly set forth in Sections 2.4, 2.5 and 2.6 hereof, the affairs of the Condominium shall be governed by the Condominium Board. In exercising its powers and performing its duties under the Declaration and these By-Laws, the Condominium Board shall act as, and shall be, the Agent of the Unit Owners, subject to, and in accordance with, the terms of the Declaration and these By-Laws.

Section 2.2 *Status of the Condominium Board.* Unless and until the Condominium Board shall incorporate in accordance with the terms of Section 2.4 hereof, the Condominium Board shall have, to the extent permitted by Law, the status conferred upon unincorporated associations under, or pursuant to, the terms of the General Association Law of the State of New York. If the Condominium Board shall incorporate in accordance with the terms of Section 2.4 hereof, the Condominium Board shall have, to the extent permitted by Law, the status conferred upon it under, or pursuant to, the terms of the applicable statutes of the State of New York. In either event, however, the Condominium Board shall also have the status conferred upon it under, or pursuant to, the terms of the Condominium Act.

Section 2.3 *Principal Office of the Condominium Board.* The principal office of the Condominium Board shall be located either at the Property or at such other place reasonably convenient thereto as may be designated from time to time by the Condominium Board.

Section 2.4 *Powers and Duties of the Condominium Board.*

(A) The Condominium Board shall have all of the powers and duties necessary for, or incidental to, the administration of the affairs of the Condominium, provided, however, that the Condominium Board shall not have such powers and duties that by Law, or pursuant to the terms of the Declaration and these By-Laws, may not be delegated to the Condominium Board by the Unit Owners. Without intention to limit the generality of the foregoing in any respect, the Condominium Board shall have the following specific powers and duties:

(i) to operate, maintain, repair, restore, add to, improve, alter and replace the Common Elements, including, without limitation, as the Condominium Board shall deem necessary or proper in connection therewith, (a) the purchase and leasing of supplies, equipment and material and (b) the employment, compensation and dismissal of personnel.

(ii) to acquire, in the name of the Condominium Board or its designee, corporate or otherwise, and on behalf of the Unit Owners, all rights, titles and interests in real and personal property deemed necessary or proper by the Condominium Board for use in connection with the ownership and operation of the Property as a condominium.

(iii) to maintain complete and accurate books and records with respect to the finances and the operation of the Condominium, including without limitation: (a) detailed accounts, in chronological order, of receipts and expenditures affecting the Property; (b) detailed books of account of the Condominium Board; (c) other financial records, as well as other books of account of the Condominium, as may be required to be kept pursuant to the terms of these By-Laws; and (d) minutes and other records of all meetings held pursuant to the terms of these By-Laws.

(iv) to adopt a budget for the Condominium for each fiscal year thereof, setting forth, without limitation: (a) a detailed accounting of the anticipated Common Expenses for the ensuing fiscal year and (b) a detailed projection of all sources and amounts of income necessary to discharge the same.

(v) to approve the amount and the means and methods of payment of, and collection of, the Common Charges and Special Assessments from the Unit Owners; provided, however, that in no event shall Common Charges or Special Assessments or other funds received by the Condominium Board in connection with the General Common Elements be utilized to defray any Residential Common Expenses and in no event shall Common Charges or Special Assessments or other funds received by the Condominium Board in connection with the Residential Common Elements be utilized to defray any General Common Expenses.

(vi) to borrow money on behalf of the Condominium in accordance with Section 339-jj of the Real Property Law when required in connection with the operation, maintenance, repair, restoration, improvement, alteration and replacement of the Common Elements, provided, however, that: (a) the affirmative consent of at least 66 2/3% of the Members of the Condominium Board shall be required for the borrowing of any sum in excess of $500,000 in any one fiscal year (regardless of the balance of any loans outstanding from previous fiscal years); (b) with respect to the operation, maintenance, repair, restoration, improvement, alteration and replacement of the General Common Elements, the affirmative consent of at least 66 2/3%, in aggregate Common Interest, of all Unit Owners shall be required for the borrowing of any sum in excess of $500,000 in any one fiscal year (regardless of the balance of any loans outstanding from previous fiscal years); (c) with respect to the operation, maintenance, repair, restoration, improvement, alteration and replacement of the Residential Common Elements and/or the Residential Limited Common Elements, the affirmative consent of at least 66 2/3%, in aggregate Residential Common Interest, of all Residential Unit Owners shall be required for the borrowing of any sum in excess of $500,000 in any one fiscal year (regardless of the balance of any loans outstanding from previous fiscal years) and the Community Facility Unit Owners will not be liable for the repayment of any portion of such loan; (d) no lien to secure repayment of any sum borrowed may be created on any Unit or its Appurtenant Interests without the consent of the owner of such Unit; and (e) the documentation executed in connection with any such borrowing shall provide that, if any sum borrowed by the Condominium Board pursuant to this subparagraph (vi) shall not be repaid by the Condominium Board, any Unit Owner who pays to the creditor thereunder such proportion of the then outstanding indebtedness represented or secured thereby as such Unit Owner's Common Interest or Residential Common Interest, as applicable, bears to the aggregate Common Interests of all Unit Owners or Residential Common Interests of all Residential Unit Owners, as applicable, shall be entitled to obtain from the creditor a release of any judgment or other lien that the said creditor shall have filed, or shall have the right to file against such Unit Owner's Unit.

(vii) to open and maintain bank accounts on behalf of the Condominium and to designate the signatories required therefor which shall at no time be less than two and that each check drawn on such account shall need at least two signatures.

(viii) to use the Common Charges and Special Assessments collected from Unit Owners, as well as all other funds held by the Condominium Board or received in connection with the operation of the Property, for the administration of the Condominium, including, without limitation: (a) the payment of Common Expenses and (b) the making of restorations, additions, alterations and improvements to the Common Elements.

(ix) to obtain insurance for the Property pursuant to the terms of Section 5.4 hereof.

(x) to settle claims under insurance policies obtained pursuant to the terms of Section 5.4 hereof, and to execute and deliver releases upon such settlement on behalf of: (a) all Unit Owners (except as otherwise provided herein); (b) all holders of mortgages and other liens on Units; and (c) all holders of any other interest in the Property.

(xi) to make, or to contract with others for the making of, repairs, maintenance, additions and improvements to, and alterations, restorations and replacements of, the Property after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings, all in accordance with the terms of these By-Laws.

(xii) to obtain and keep in force fidelity bonds, in amounts deemed appropriate by the Condominium Board, but in no event less than $100,000, for: (a) all Members of the Condominium Board; (b) all officers and employees of the Condominium; and (c) the Managing Agent, and the premiums on all such fidelity bonds shall constitute a part of the Common Expenses.

(xiii) to accept the surrender of any Residential Unit pursuant to the terms of paragraph (C) of Section 6.2 hereof, in the name of the Condominium Board or its designee, corporate or otherwise, and on behalf of all Residential Unit Owners.

(xiv) to purchase, lease, or otherwise acquire Residential Units offered for sale, lease or assignment by their owners, in the name of the Condominium Board or its designee, corporate or otherwise, and on behalf of all Residential Unit Owners but only with the consent of a Majority of Residential Unit Owners.

(xv) to purchase Units at foreclosure or other judicial sales, in the name of the Condominium Board or its designee, corporate or otherwise and on behalf of all Unit Owners but only with the consent of a Majority of Unit Owners.

(xvi) to sell, lease, license, mortgage and otherwise deal with Residential Units and Storage Lockers acquired by, and to sublease Residential Units leased by, the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners, provided, however, that the Condominium Board or its designees shall in no event be entitled to vote the interest appurtenant to any such Residential Unit.

(xvii) to adopt and amend the Residential Rules and Regulations and to levy and authorize collection of fines against Unit Owners for violations of the Residential Rules and Regulations and these By-Laws(any such fines and fees shall be deemed to constitute Common Charges payable by Unit Owners of the Unit against which they are levied).

(xviii) to enforce by legal means the terms, covenants and conditions contained in the Condominium Documents and to bring or defend against any proceedings that may be instituted on behalf of, or against, the Unit Owners.

(xix) to incorporate, to the extent and in the manner provided in the Condominium Act, provided, however, that: (a) the certificate of incorporation and the By-Laws of any such resulting corporation shall conform as closely as practicable to the terms of the Declaration and these By-Laws and (b) the terms of the Declaration and these By-Laws shall prevail in the event of any inconsistency or conflict between the terms thereof and the terms of such certificate of incorporation and the By-Laws.

(xx) to organize corporations and other legal entities to act as the designees of the Condominium Board in acquiring title to, or leasing of, Units and in acquiring rights, titles and interests in real and personal property for use in connection with the ownership and operation of the Property as a condominium.

(xxi) to execute, acknowledge and deliver: (a) any and all declarations (including a declaration of single zoning lot) or other instrument affecting the Property that the Condominium Board deems necessary or appropriate to comply with any law applicable to the maintenance, demolition, construction, alteration, repair, or restoration of the Building, and (b) any consent, covenant, restriction, easement, or declaration affecting the Property that the Condominium Board deems necessary or appropriate, and (c) any and all declarations, consents, waivers or other instruments requested by Sponsor or a Development Rights Owner, with respect

to Sponsor's or a Development Rights Owner's utilization, sale or transfer of Excess Development Rights.

(xxii) to prepare, execute, acknowledge and record on behalf of all Unit Owners, as their attorney in fact, coupled with an interest, a restatement of the Declaration or these By-Laws, whenever, in the Condominium Board's estimation, it is advisable to consolidate and restate all amendments, modification, additions and deletions theretofore made to the same.

(xxiii) to prepare, execute, acknowledge and institute on behalf of all Residential Unit Owners, as their attorney-in-fact, coupled with an interest, protests of real property tax assessments and tax certiorari proceedings with respect to all Units and to assess any costs incurred thereby as a Common Expense.

(xxiv) to commence summary eviction proceedings in the name of or on behalf of the Condominium Board and/or a Unit Owner or Unit Owners, as the case may be, against an authorized guest and/or a Tenant of a Unit Owner if such authorized guest and/or tenant does not conform to the Residential Rules and Regulations of the Condominium, annexed hereto as Schedule A, as said Residential Rules and Regulations may at any time and from time to time, be modified, amended or added to in accordance with the terms of these By-Laws. All costs in connection with the removal of the authorized guest and/or tenant, including attorneys' fees, costs and disbursements, shall be borne by the Unit Owner.

(xxv) to establish policies and procedures and impose fees in connection with the sale, lease or alteration of a Residential Unit or Community Facility Unit.

(xxvi) to establish policies and procedures with respect to the services and facilities of the Condominium, including, without limitation, the right to impose usage fees and restrictions on hours of access and use.

(xxvii) intentionally deleted.

(xxviii) to prepare, execute and administer Storage Locker Licenses and assignments thereof and to impose license fees and/or Special Assessments in connection therewith, which shall constitute Additional Common Charges.

(xxvix) to carry out any other duties imposed upon the Condominium Board pursuant to the Declaration and these By-Laws.

(xxx) to acquire in the name of the Condominium Board or its designee, corporate or otherwise, and on behalf of all Residential Unit Owners, Storage Locker Licenses terminated or surrendered to the Condominium.

(xxxi) to adjust the First Year's Budget to reduce the Common Charges if some or all of the services or facilities are not available at the First Closing.

(B) The Condominium Board shall be responsible for carrying out the duties imposed upon it under the Condominium Documents regardless of whether a Unit is vacant or occupied by the owner thereof or by a permitted lessee or other permitted occupant.

Section 2.5 *Certain Limitations on the Powers of the Condominium Board.*

(A) Notwithstanding anything to the contrary contained in these By-Laws, so long as Sponsor shall continue to own at least 25% in number of all Residential Units, but in no event later than 5 years after the First Closing, the Condominium Board may not, without Sponsor's prior written consent:

(i) make any addition, alteration, or improvement to the Common Elements or to any Unit, unless the same shall be required by Law;

(ii) assess any Common Charges or Special Assessments for the creation or replacement of, or the addition to, all or any part of a working capital, reserve, contingency, or surplus fund;

(iii) increase or decrease the number of, or change the kind of employees from those described in the First Years Budget;

(iv) enter into any service or maintenance contracts for work or otherwise contract for work or otherwise provide services in excess of those described in the First Year's Budget set forth in the Plan, except as is required to reflect normal annual increases in operating services incurred in the ordinary course of business;

(v) borrow money on behalf of the Condominium; or

(vi) exercise a right of first refusal to lease or purchase a Unit.

However, Sponsor may not diminish or eliminate services, facilities or any line items described in the First Year's Budget and Sponsor's written consent shall not be necessary to perform any function or take any action described in clauses (i) through (vi) above, if, and only if, the performance of such function or the carrying out of such action is necessary to: (i) comply with Law; or (ii) remedy any notice of violation; or (iii) remedy any work order of the Condominium's insurer or (iv) to ensure the health and safety of the occupants of the Building.

(B) Notwithstanding anything to the contrary contained in these By-Laws, all determinations of the Condominium Board which affect only the:

(i) Residential Units and do not materially and adversely affect the use and operation of the Community Facility Unit shall be made by the Member(s) of the Condominium Board elected or designated by the Residential Unit Owners; and

(ii) Community Facility Unit and do not materially and adversely affect the use and operation of the Residential Units shall be made by the Member(s) of the Condominium Board designated by such Community Facility Unit Owner(s).

Any dispute as to whether or not a determination materially and adversely affects any Units shall be settled by arbitration in accordance with the provisions of these By-Laws. No dispute with respect to whether a determination materially and adversely affects a Unit shall be deemed to exist unless the objecting party specifies the grounds for its objection in writing to the Condominium Board within 10 business days of receipt by it of notice of such determination.

Section 2.6 *Exercise and Delegation of Powers and Duties*.

(A) Any act within the power of the Condominium Board to perform, and deemed necessary or desirable to be performed by the Condominium Board, shall be performed by the Condominium Board or shall be performed on its behalf and at its direction by the agents, employees, or designees of the Condominium Board.

(B) The Condominium Board may appoint an Executive Committee by duly adopted resolution, which Executive Committee shall have, and may exercise, all of the powers of the Condominium Board, subject to both the exceptions and limitations as the Condominium Board may from time to time deem appropriate, during the intervals between the meetings of the Condominium Board. In addition, the

Condominium Board may from time to time appoint, by duly adopted resolutions, such other committees as the Condominium Board may deem appropriate to perform such duties and services as the Condominium Board shall direct, each of which committees shall have, and may exercise, all of the powers delegated to it in its enabling resolution, subject, however, to the exceptions and limitations contained in paragraph (D) of this Section 2.6. The Executive Committee and each other committee shall consist of 3 Members of the Condominium Board.

(C) The Condominium Board may employ a Managing Agent to serve at a compensation approved by the Condominium Board and to perform such duties and services as the Condominium Board shall direct. Subject to the exceptions and limitations contained in paragraph (D) of this Section 2.6, the Condominium Board may delegate to the Managing Agent any of the powers granted to the Condominium Board in these By-Laws.

(D) Notwithstanding anything to the contrary contained in this Section 2.6, the Executive Committee and the Managing Agent shall neither have nor be entitled to exercise, and the Condominium Board shall not delegate to either of them or to any other committee, the powers or duties described in subparagraphs (ii), (iv), (v), (vi), (xiii), (xiv), (xv), (xvi) and (xvii) of paragraph (A) of Section 2.4 hereof. In addition, neither the Managing Agent nor any of the committees described in paragraph (B) of this Section 2.6 shall have, or be entitled to exercise, any of the powers of the Condominium Board, except to the extent permitted by Law.

Section 2.7 *Number, Election and Qualification of Members*. Until the First Annual Meeting held pursuant to the terms of Section 4.1 hereof, the Condominium Board shall consist of 3 individuals, all of whom are to be designated from time to time by Sponsor. From and after the First Annual Meeting and for so long as Sponsor continues to own at least 1 Unsold Residential Unit, the Condominium Board shall consist of 6 individuals, 5 of whom shall be elected and/or designated in accordance with the terms of these By-Laws by the Residential Unit Owners (including Sponsor) (collectively, the "Residential Members"), and 1 of whom shall be designated by the Community Facility Unit Owner ("Community Facility Member"). Except for Members designated by Sponsor and/or the Community Facility Unit Owner pursuant to the terms of this Section 2.7 or of Section 2.10 or 4.9 hereof, all Members of the Condominium Board shall be either: (i) individual Residential Unit Owners or adult Family Members of an individual Residential Unit Owner; or (ii) individual Permitted Mortgagees; or (iii) officers, directors, shareholders, partners, principals, employees, members or beneficiaries of corporations, partnerships, limited liability companies, fiduciaries, or any other entities that are Residential Unit Owners or Permitted Mortgagees. After the Sponsor Control Period, a majority of the Residential Members of the Condominium Board must be owner-occupants of the Building who are unrelated to Sponsor or its principal. In addition, no individual may be elected to serve on the Condominium Board, (nor may continue to serve on the Condominium Board) if the Condominium Board has perfected a lien against such Unit and the amount necessary to release such lien has not been paid at the time of such election, or so long as such lien remains unpaid. In no event may more than one individual of a designated Unit serve on the Condominium Board or as an officer of the Condominium Board at the same time during the term of office.

Section 2.8 Term of Office of Members. The term of office of the 3 Members of the Condominium Board designated by Sponsor prior to the First Annual Meeting shall expire when the 6 individuals to be elected and/or designated at such meeting are so elected and qualified or designated, as the case may be. The term of office of each of the 6 individuals elected and qualified or designated, as the case may be, at the First Annual Meeting pursuant to the terms of Section 4.9 hereof, shall be fixed at 1 year. Notwithstanding anything to the contrary contained in this Section 2.8, however, each Member of the Condominium Board shall serve until a successor shall be elected and qualified or designated, as the case may be.

Section 2.9 *Removal and Resignation of Members*.

(A) Any Member of the Condominium Board who was elected thereto either by the Residential Unit Owners, pursuant to the terms of Section 4.9 hereof, or by the Condominium Board, pursuant to the terms of Section 2.10 hereof, may be removed from office, with or without cause, by a vote of a Majority of Residential Unit Owners. Any Member of the Condominium Board who was designated as such by Sponsor pursuant to the terms of Section 2.7, 2.10, or 4.9 hereof, may be removed, with or without cause, only by Sponsor. If any Member of the Condominium Board who was designated by Sponsor is removed, the successor shall also be designated by Sponsor. Any Member of the Condominium Board who was designated by a Community Facility Unit Owner may be removed, with or without cause, only by such Community Facility Unit Owner. If any Member of the Condominium Board who was designated by a Community Facility Unit Owner, is removed, the successor shall also be designated by such Community Facility Unit Owner. Any Residential Member of the Condominium Board whose proposed removal is to be acted upon at a meeting of the Residential Unit Owners shall be given prior written notice thereof and an opportunity to be present and heard thereat.

(B) Any Member of the Condominium Board may resign such Member's membership at any time by giving written notice thereof to the Condominium Board. In addition, any Member of the Condominium Board who shall cease to be qualified for membership pursuant to the terms of Section 2.7 hereof shall be deemed to have resigned such Member's membership effective as of the date upon which such qualification shall cease.

(C) Notwithstanding anything to the contrary set forth in subsections (A) and (B) hereof, any Member of the Condominium Board may be removed "with cause" by an affirmative vote of a majority of the Condominium Board at a special meeting duly called for such purpose, in which case the replacement will be elected by the Unit Owners or designated by Sponsor or the Community Facility Unit Owner, as applicable.

Section 2.10 *Vacancies*.

(A) Any vacancy on the Condominium Board that is caused by the removal, resignation, or death of a Member who was elected thereto by the Residential Unit Owners shall be filled by an individual who is qualified to be a Member pursuant to the terms of Section 2.7 hereof and who is elected by a vote of the majority of the Members of the Condominium Board elected or designated by the Residential Unit Owners then in office. A special meeting of the Condominium Board shall be held for the purpose of filling any such vacancy promptly after the occurrence thereof, and the election held thereat shall be effective to fill such vacancy even if the number of Members present at such meeting shall not constitute a quorum.

(B) Any vacancy on the Condominium Board that is caused by the removal, resignation, or death of a Member who was designated as such or elected by Sponsor shall be filled by an individual designated by Sponsor. Any vacancy on the Condominium Board that is caused by the removal, resignation or death of a Member who was designated by a Community Facility Unit Owner shall be filled by an individual designated by such Community Facility Unit Owner.

(C) Each Member of the Condominium Board who is elected thereto or designated as such to fill a vacancy pursuant to the terms of paragraph (A) or (B), respectively, of this Section 2.10 shall serve as a Member of the Condominium Board for the remainder of the term of the Member replaced and until a successor shall be selected and qualified at the appropriate annual meeting of the Residential Unit Owners pursuant to the terms of Section 4.9 hereof.

Section 2.11 *Organizational Meeting of the Condominium Board*. The first meeting of the Condominium Board following each annual meeting of the Residential Unit Owners shall be held within 10 days of such annual meeting, at such time and place as shall be both fixed informally by a majority of the Members of the Condominium Board and designated by the Secretary in a written notice given to all

Members thereof by personal delivery, mail, or telegram not later than five business days prior to such date. At such meeting, the officers of the Condominium Board shall be elected.

Section 2.12 *Regular Meetings of the Condominium Board*. Regular meetings of the Condominium Board may be held at such time and place as shall be determined from time to time by a majority of the Members thereof, provided that at least 4 such meetings shall be held during each fiscal year. Written notice of all regular meetings of the Condominium Board shall be given by the Secretary to each Member thereof by personal delivery, mail, overnight courier, facsimile or e-mail, at least 5 business days prior to the day named for such meeting.

Section 2.13 *Special Meetings of the Condominium Board*. The President may call a special meeting of the Condominium Board whenever the President deems the same to be necessary or desirable. In addition, the President shall call such a meeting upon the written request of 3 or more Members of the Condominium Board. Written notice of all special meetings shall be given by the Secretary to each Member thereof by personal delivery, mail, overnight courier, facsimile, or e-mail at least 3 business days prior to the day named for such meeting, which notice shall state the time, place and purpose of the meeting.

Section 2.14 *Waiver of Notice of Meetings*. Any Member of the Condominium Board may, at any time, waive notice of any meeting thereof in writing, and such waiver shall be deemed equivalent to the giving of notice. Attendance by a Member of the Condominium Board at any meeting thereof shall constitute a waiver by the Member of notice of the time and place thereof. If all of the Members of the Condominium Board are present at any meeting thereof, no notice of such meeting shall be required and any business may be transacted at such meeting.

Section 2.15 *Quorum of the Condominium Board*. A quorum of the Condominium Board is required to be present at a Condominium Board meeting in order to make any determination or to transact any business. To constitute a quorum of the Condominium Board, the following majority of the Members of the Condominium Board shall be present at the Condominium Board meeting:

(A) Attendance of a majority of all of the Members of the Condominium Board will be required for any business relating to the General Common Elements, the General Common Expenses, or, all or a portion of both the Residential Units and the Community Facility Unit.

(B) Attendance of a majority of the Residential Members of the Condominium Board will be required for any business relating solely to the Residential Common Expenses, the Residential Common Elements, or, all or a portion of the Residential Units.

In connection therewith, one or more Members of the Condominium Board may participate in any meeting thereof by means of a conference telephone or similar communications equipment permitting all individuals participating in the meeting to hear each other at the same time, and such participation shall constitute presence at such a meeting for all purposes. If, at any meeting of the Condominium Board, there shall be less than a quorum present, a majority of the Members of the Condominium Board in attendance may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business that might have been transacted at the meeting originally called but for the lack of a quorum may be transacted without further notice.

Section 2.16 *Conduct of Meetings*. The President shall preside at all meetings of the Condominium Board, and the Secretary shall faithfully record the minutes thereof, which minutes shall include the full text of all resolutions duly adopted by the Condominium Board and a record of all transactions and proceedings occurring thereat. The then current edition of Robert's Rules of Order, or any other rules of procedure from time to time acceptable to a majority of the Condominium Board, shall govern

the conduct of the meetings of the Condominium Board unless the same shall be in conflict with the terms of the Declaration, these By-Laws, or the Condominium Act.

Section 2.17 *Decisions by the Condominium Board.* Except as otherwise provided in the Declaration or these By-Laws:

(A) The vote of a majority of the Members attending a duly constituted meeting of the Condominium Board at which a quorum is present shall decide all matters on behalf of the Condominium Board relating solely to the General Common Elements; the General Common Expenses, or, all or a portion of both the Residential Units and the Community Facility Unit.

(B) The vote of a majority of those Residential Members attending a duly constituted meeting of the Residential Members at which a quorum is present shall decide all matters on behalf of the Condominium Board relating solely to the Residential Common Expenses; the Residential Common Elements; or, all or a portion of the Residential Units.

Alternatively, any decision that is required or permitted to be made by the Condominium Board may be made without a meeting thereof if all of the Members of the Condominium Board shall individually or collectively consent in writing to such decision, and all such written consents shall be duly filed by the Secretary of the Condominium in the minutes of the Condominium Board.

Section 2.18 *Compensation of Members*. No Member of the Condominium Board shall receive any compensation from the Condominium for acting as such.

Section 2.19 *Common or Interested Members of the Condominium Board.* Each Member of the Condominium Board shall perform duties, and shall exercise powers, in good faith and with a view to the interests of the Condominium. To the extent permitted by Law, no contract or other transaction between the Condominium Board and either (i) any of its Members or (ii) any corporation, partnership, fiduciary, limited liability company, association, or other entity in which any of the Members of the Condominium Board are officers, directors, employees, partners, fiduciaries, beneficiaries, or principals, or are otherwise interested, pecuniarily or otherwise, shall be deemed either void or voidable because either (a) any such Member of the Condominium Board was present at the meeting or meetings of the Condominium Board during which such contract or transaction was discussed, authorized, approved, or ratified, or (b) the vote of any such Member was counted for such purpose, provided, however, that either: (x) the fact thereof is disclosed to, or known by, the Condominium Board or a majority of the Members thereof and noted in the minutes thereof, and the Condominium Board shall authorize, approve, or ratify such contract or transaction in good faith by a vote of a majority of the entire Condominium Board, less the number of such Members; or (y) the fact thereof is disclosed to, or known by, a Majority of Unit Owners, and a Majority of Unit Owners shall authorize, approve, or ratify such contract or transaction.

Any such Member of the Condominium Board may be counted in determining the presence of a quorum of any meeting of the Condominium Board that authorizes, approves, or ratifies any such contract or transaction, but no such Member shall be entitled to vote thereat to authorize, approve, or ratify such contract or transaction.

Section 2.20 *Indemnification*.

2.20-1 Indemnification of Board Members and Officers.

2.20-1.1 To the extent permitted by Law, the Members of the Condominium Board shall have no personal liability with respect to any contract, act or omission of the Condominium Board or of any Managing Agent or manager in connection with the affairs or operation of the Condominium (except in their

capacities as Unit Owners) and the liability of any Unit Owner with respect thereto shall be limited as set forth in Section 4.13 hereof. Every contract made by the Condominium Board or by the Managing Agent shall state that it is made by the Condominium Board or the Managing Agent, only as agent for all Unit Owners and that the Members of the Condominium Board or the Managing Agent shall have no personal liability thereon (except in their capacities as Unit Owners). Any such contract may also provide that it covers the assets, if any, of the Condominium Board. To the extent permitted by Law, the Members of the Condominium Board shall have no liability to Unit Owners except that a Member of the Condominium Board shall be liable for such Member's own bad faith or willful misconduct. All Unit Owners shall jointly and severally, to the extent of their respective interests in their Units and their appurtenant Common Interests, indemnify each Member of the Condominium Board against any liability or claim except those arising out of such Member's own bad faith or willful misconduct. The Condominium Board may contract or effect any other transaction with any Member of the Condominium Board, any Unit Owner, Sponsor or any affiliate of any of them without incurring any liability for self-dealing, except in cases of bad faith or willful misconduct.

2.20-1.2 Neither the Condominium Board nor any Member thereof shall be liable for either:

(i) any failure or interruption of any utility or other services to be obtained by, or on behalf of, the Condominium Board or to be paid for as a Common Expense except when any such failure or interruption is caused by the acts of bad faith or willful misconduct of the Condominium Board or any Member thereof; or

(ii) any injury, loss or damage to any individual or property, occurring in or upon either a Unit or the Common Elements and either: (a) caused by the elements, by any Unit Owner, or by any other Person; (b) resulting from electricity, water, snow, or ice that may leak or flow from a Unit or any portion of the Common Elements; or (c) arising out of theft or otherwise.

ARTICLE 3

OFFICERS

Section 3.1 *General*. The principal officers of the Condominium shall be the President, the Vice President, the Secretary and the Treasurer. The Condominium Board may appoint an Assistant Treasurer, an Assistant Secretary and such other officers as in its discretion may be necessary or desirable. All agreements, contracts, deeds, leases, checks and other instruments of the Condominium shall be executed, upon the direction of the Condominium Board, by any two officers of the Condominium or by such lesser number of officers or by such other Person or Persons as may be designated from time to time by the Condominium Board.

Section 3.2 *President*. The President shall be the chief executive officer of the Condominium and shall preside at all meetings of the Unit Owners and of the Condominium Board. The President shall have all of the general powers and duties that are incident to the office of president of a stock corporation organized under the Business Corporation Law of the State of New York (hereinafter referred to as the "BCL"), including, but not limited to, the power to appoint the members of all committees created by the Condominium Board from amongst the Unit Owners from time to time as the President may decide, in the President's discretion, are appropriate to assist in the conduct of the affairs of the Condominium.

Section 3.3 *Vice President*. The Vice President shall take the place of the President and perform the President's duties whenever the President shall be absent or unable to act. If both the President and the Vice President are unable to act, the Condominium Board shall appoint some other Member of the Condominium Board to act in the place of the President on an interim basis. The Vice President shall also perform such other duties as shall be imposed upon the Vice President from time to time by the Condominium Board or by the President.

Section 3.4 *Secretary*. The Secretary shall keep the minutes of all meetings of the Unit Owners and of the Condominium Board. The Secretary shall have charge of such books and papers as the Condominium Board shall direct and, in general, shall perform all of the duties that are incident to the office of secretary of a stock corporation organized under the BCL.

Section 3.5 *Treasurer*. The Treasurer shall have the care and custody of the funds and securities of the Condominium and shall be responsible for keeping full and accurate financial records and books of account thereof, showing all receipts and disbursements necessary for the preparation of all required financial data. The Treasurer shall be responsible for the deposit of all funds and other securities in the name of the Condominium Board or in the name of the Managing Agent in such depositories as may from time to time be designated by the Condominium Board and, in general, shall perform all of the duties incident to the office of treasurer of a stock corporation organized under the BCL.

Section 3.6 *Election, Term of Office and Qualification of Officers*. Each of the officers of the Condominium shall be elected annually by a majority vote of all Members of the Condominium Board taken at the organizational meeting of each new Condominium Board, and shall serve at the pleasure of the Condominium Board. The President, Vice President, and the Treasurer shall be elected from amongst the Members of the Condominium Board. Such officers need not be Unit Owners and need not have any interest in the Condominium if they are designated by Sponsor. Such officers must be Unit Owners if they are elected by the other Unit Owners. The other officers of the Condominium Board need not be Unit Owners and need not have any interest in the Condominium.

Section 3.7 *Removal and Resignation of Officers*. Any officer of the Condominium Board may be removed from office, with or without cause, by an affirmative vote of a majority of the Members of the Condominium Board. In addition, any officer may resign at any time by giving written notice to the Condominium Board. Finally, if the President, Vice President, or the Treasurer of the Condominium shall cease to be or shall be suspended as a Member of the Condominium Board during their term of office, such officer shall be deemed to have resigned office effective upon the date upon which the membership shall cease.

Section 3.8 *Vacancies*. Any vacancy in an office shall be filled by a majority vote of the Condominium Board at any regular meeting of the Condominium Board or at a special meeting thereof called for such purpose.

Section 3.9 *Compensation of Officers*. No officer of the Condominium shall receive any compensation from the Condominium for acting as such.

Section 3.10 *Indemnification of Officers*. Each officer shall be indemnified as set forth in Paragraph 2.20.

ARTICLE 4

UNIT OWNERS

Section 4.1 *Annual Meetings of the Unit Owners*. The First Annual Meeting shall be held approximately 30 days after the earlier to occur of (i) the 5th anniversary of the First Closing; or (ii) the Closing with Purchasers under the Plan of Residential Units representing at least 51% in Common Interest of all Residential Units offered for sale. At such meeting, a 6 Member Condominium Board shall be elected and/or designated, as provided in this Article 4 and in Article 2 hereof. Thereafter, annual meetings of the Unit Owners shall be held on or about the anniversary date of the First Annual Meeting. At each such subsequent meeting, the Unit Owners (including Sponsor) shall elect successors to the Members of the

Condominium Board whose term of office expires on the day of such meeting and shall transact such other business as may properly come before such meeting.

Section 4.2 *Special Meetings of the Unit Owners*. The President shall call a special meeting of the Unit Owners whenever so directed by a duly adopted resolution of the Condominium Board or upon receipt by the Secretary of a petition calling for such a meeting signed by Unit Owners having, in the aggregate, not less than 40% of the Common Interests of all Residential Unit Owners (excluding the Common Interests appurtenant to the Community Facility Unit). Each such resolution or petition shall set forth, in reasonable detail, the purposes for calling such a meeting, and no business shall be transacted at such special meeting except business reasonably related to such stated purposes.

Section 4.3 *Place of Meetings*. Meetings of the Unit Owners shall be held at the principal office of the Condominium or at such other suitable and convenient place in the Borough in which the Property is located as may be designated by the Condominium Board.

Section 4.4 *Notice of Meetings*.

(A) The Secretary of the Condominium shall give notice of each annual or special meeting of the Unit Owners to all Unit Owners then of record entitled to vote at such meeting, which notice shall set forth the purpose, time and place of such meeting. Such notice may be given to any Unit Owner by personal delivery, mail, or telegram addressed to the Unit Owner's address at the Property, not less than 10 nor more than 40 days prior to the day fixed for the meeting. Any Unit Owner may designate an address for the giving of notice other than such Unit Owner's address at the Property by giving written notice thereof to the Secretary of the Condominium not less than 10 days prior to the giving of notice of the applicable meeting.

(B) If the business to be conducted at any meeting of the Unit Owners shall include the consideration of a proposed amendment to the Declaration or to these By-Laws, the notice of such meeting shall be mailed to all Unit Owners at least 30 days prior to the day fixed for such meeting and shall be accompanied by a copy of the text of such proposed amendment.

Section 4.5 *Quorum of the Unit Owners*. Except as otherwise provided in these By-Laws, the presence, in person or by proxy, of Unit Owners owning Units to which 40% or more of the aggregate Common Interests appertain (excluding the Common Interests appurtenant to the Community Facility Unit) shall constitute a quorum at all meetings of the Unit Owners. If, at any meeting of the Unit Owners, there shall be less than a quorum present, a majority of the Unit Owners present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than 48 hours from the time fixed for the original meeting.

Section 4.6 *Conduct of Meetings*. The President shall preside at all meetings of the Unit Owners, and the Secretary shall faithfully record the minutes thereof, which minutes shall include the full text of all resolutions duly adopted by the Unit Owners and a record of all transactions and proceedings occurring thereat. The then current edition of Robert's Rules of Order, or any other rules of procedure acceptable to a majority of the Unit Owners present at any meeting, in person or by proxy, shall govern the conduct of the meetings of the Unit Owners, unless the same shall be in conflict with the terms of the Declaration, these By-Laws, or the Condominium Act. All votes of the Unit Owners shall be tallied by the persons appointed by the presiding officer of the meeting.

Section 4.7 *Order of Business*. The order of business at all meetings of the Unit Owners shall be as follows:

(A) Roll call;

(B) Proof of notice of meeting;

(C) Reading of the minutes of the preceding meeting (unless waived);

(D) Reports of officers of the Condominium;

(E) Reports of Members of the Condominium Board;

(F) Reports of committees;

(G) Election of inspectors of election (when so required);

(H) Election of Members of the Condominium Board (when so required);

(I) Unfinished business; and

(J) New business.

The order of business at meetings of Unit Owners can be adjusted in the sole discretion of the Condominium Board.

Section 4.8 *Voting.*

(A) Subject to the terms of Section 4.9 hereof, each Unit Owner (including Sponsor for so long as Sponsor shall own any Unsold Residential Unit) shall be entitled to cast 1 vote at all meetings of the Unit Owners for each percentage of Common Interest attributable to such Unit Owner's Unit(s).

(B) Notwithstanding the terms contained in paragraph (A) hereof, no Unit Owner may vote at any meeting of the Unit Owners if the Condominium Board has perfected a lien against such Unit Owner's Unit and the amount necessary to release such lien has not been paid at the time of such meeting. In addition, neither the Condominium Board nor any designee thereof shall be entitled to vote the Common Interest appurtenant to any Unit owned by the Condominium Board or such designee. The Common Interests of all Units whose owners are precluded from voting pursuant to the terms of this paragraph (B) will be excluded when computing the aggregate Common Interests of all Unit Owners for voting purposes.

(C) A fiduciary shall be the voting Member with respect to a Unit owned in a fiduciary capacity. In addition, if 2 or more Persons own a Unit, they shall designate 1 Person amongst them to vote the Common Interest appurtenant to their Unit in a writing given to the Secretary of the Condominium, and the vote of such designee shall be binding upon all of such Persons. Failing such a designation, all of such Persons shall mutually vote such Common Interest under 1 ballot without division, and the concurrence of all such Persons shall be conclusively presumed if any one of them purports to vote such Common Interest without protest being contemporaneously made to the individual presiding over the meeting at which such vote is taken. If protest is made, the Common Interest appurtenant to such Unit shall be counted solely for the purpose of determining whether a quorum is present for such voting.

(D) The owner of any Unit may designate any Person to act as a proxy on such Unit Owner's behalf. The designation of any such proxy shall be made in a written notice both signed and dated by the designator and delivered to the Secretary of the Condominium at or before the appointed time for the meeting(s) during which the same is to be effective. Any such designation shall be revocable at any time upon written notice given to the Secretary of the Condominium; however, no revocation of such designation shall be effective with respect to any votes cast by such proxy prior to the receipt of such revocation notice by the Secretary of the Condominium or, if such revocation is made at a meeting of the Unit Owners during which the Secretary of the Condominium is not in attendance, by the individual acting as the secretary of such meeting, except with respect to the designation of a Permitted Mortgagee to act as the proxy of its

mortgagor(s), no designation to act as a proxy shall be effective for a period in excess of 6 months after the date thereof.

Section 4.9 *Election of Members to the Condominium Board.*

(A) When voting for Members of the Condominium Board, each Unit Owner (including Sponsor for so long as Sponsor shall own any Unsold Residential Units) shall be entitled to cast 1 vote for each .0001% of Common Interest attributable to the Unit(s) per Member to be elected. However, nothing contained herein shall be deemed to permit any Unit Owner to cumulate the votes attributable to the ownership of a Unit in favor of any 1 or more Members to be elected. In addition, the terms of paragraphs (B), (C) and (D) of Section 4.8 hereof shall apply to all elections of Members of the Condominium Board.

(B) All elections of Members of the Condominium Board shall be by written ballot, and each ballot cast shall state: (i) the name of the voting Residential Unit Owner and, if such ballot is cast by proxy, the name of the proxy; (ii) the designation number(s) of the Residential Unit(s) owned by the voting Unit Owner; (iii) the percentage(s) of the Common Interest appurtenant to such Unit(s); and (iv) the names of the candidates for whom such ballot is cast (the number of which names shall not exceed the number of Members to be elected). Any ballot that is not cast in conformity with this paragraph (B) shall not be counted. All election ballots shall be retained in the records of the Condominium, appropriately segregated by election for a period of 2 years.

(C) Subject to the terms of paragraph (D) of this Section 4.9, all elections of Members of the Condominium Board shall be determined by plurality vote of Unit Owners present, in person or by proxy, at a duly convened meeting.

(D) At meetings of the Unit Owners, Sponsor will have the right to vote all of the Common Interests attributable to the Unsold Residential Units as it sees fit. However, at elections of Members to the Condominium Board held during the Sponsor Control Period, Sponsor shall have the right to designate all of the Residential Members to the Condominium Board. Sponsor reserves the right to relinquish voting control of the Condominium Board prior to the expiration of the Sponsor Control Period.

After the Sponsor Control Period, Sponsor, as owner of Unsold Residential Units, shall continue to have the right to vote all of the Common Interests attributable to Residential Units owned by Sponsor and shall designate no more than 2 Residential Members, for so long as the Common Interests attributable to the Unsold Residential Units equal, in the aggregate, less than 50% but more than 15% of the Common Interests attributable to all Residential Units; and thereafter, 1 Residential Member, for so long as Sponsor owns at least one Unsold Residential Unit. There is no restriction on the right of Sponsor to vote for Residential Members of the Condominium Board who are not related to or affiliated with Sponsor.

(E) Within 30 days after the Sponsor Control Period, 1 (or 2 if Sponsor owns less than 15% of the Common Interests attributable to all Residential Units) of the 3 Residential Members of the Condominium Board who were designated by Sponsor shall resign and their replacement(s) shall be filled by a vote of the Residential Unit Owners (including Sponsor for so long as Sponsor shall own any Unsold Residential Unit) at a special meeting called for such purpose.

Section 4.10 *Designation of Community Facility Members to the Condominium Board.* The Community Facility Unit Owner (including Sponsor for so long as Sponsor shall own the Community Facility Unit) shall be entitled to designate 1 Community Facility Member to the Condominium Board.

Section 4.11 *Action Without a Meeting.* Any action required or permitted to be taken by the Unit Owners at a duly constituted meeting may be taken without such a meeting if the number of Unit Owners sufficient (both in absolute number and aggregate Common Interests whenever applicable) to approve such an action at a duly constituted meeting of the Unit Owners pursuant to the Declaration or to these By-Laws

consent in writing to the adoption of a resolution approving such action. All written consents given by Unit Owners pursuant to this Section 4.11 shall be retained in the records of the Condominium together with a true copy of the resolutions to which they relate.

Section 4.12 *Title to Residential Units*. Title to any Residential Unit may be taken by any Person or by any two or more Persons as joint tenants, tenants in common, or tenants by the entirety, as may be appropriate. The sale of a Residential Unit to a corporation, partnership, limited partnership, trust, limited liability company or any other entity (including any entity or person entitled to diplomatic or sovereign immunity) shall require the delivery to the Condominium Board or its managing agent at Closing (i) any and all documents as are reasonably requested by the Condominium Board, including without limitation, a personal guaranty, a subjection to jurisdiction, occupancy agreement and escrow agreement; and (ii) an amount equal to the current Common Charges for such Residential Unit for a period of 2 years, to be held in escrow by the Condominium Board, as security for the faithful observance by such Residential Unit Owner of the terms, provisions and conditions contained in these By-Laws. The foregoing provisions shall not be applicable to initial sales of Residential Units pursuant to the Plan unless required by Sponsor, in its sole discretion.

Section 4.13 *Contractual Liability of Unit Owners*. Every contract made by the Condominium Board, by any officer of the Condominium, or by any superintendent or Managing Agent of the Building shall state (if obtainable and in addition to the limitation of liability of the Members of the Condominium Board and the officers of the Condominium pursuant to the terms of Sections 2.20 and 3.10 hereof, respectively) that the liability of any Unit Owner with respect thereto shall be limited to: (i) such proportionate share of the total liability thereunder as the Common Interest of such Unit Owner bears to the aggregate Common Interests of all Unit Owners in the case of a contract relating to the General Common Elements, (ii) such proportionate share of the total liability thereunder as the Residential Common Interest of such Residential Unit Owner in a case relating to the Residential Common Elements, and (iii) such Unit Owner's interest in the Unit and its Appurtenant Interests, unless otherwise provided by Law.

ARTICLE 5

OPERATION OF THE PROPERTY

Section 5.1 *Maintenance and Repairs*.

(A) Except as otherwise provided in the Declaration or in these By-Laws, all painting, decorating, maintenance, repairs and replacements, whether structural or non-structural, ordinary or extraordinary:

(i) in or to any Unit and all portions thereof, including, but not limited to, the interior walls, partitions, ceilings and floors in the Unit, kitchen and bathroom fixtures and appliances, mechanical systems located in the Unit (including HVAC filters and parts), window panes, fireplace, firebox, dampers, mantel and flue, all entrance doors and Terrace doors and their frames and saddles, exposed plumbing, gas and heating fixtures and equipment, heating and cooling systems, air conditioning units, lighting and electrical fixtures and any Common Elements incorporated therein pursuant to paragraph (B) of Section 5.8 hereof, but excluding any other Common Elements contained therein, shall be performed by such Residential Unit Owner at its sole cost and expense (except for any skylights, located in a Residential Unit which shall be performed by the Condominium Board at the sole cost and expense of such Residential Unit Owner);

(ii) in or to the General Common Elements (other than any General Common Elements incorporated into one or more Units pursuant to the terms of paragraph (B) of

Section 5.8 hereof) shall be performed by the Condominium Board and the cost and expense thereof shall be charged to all Unit Owners as a General Common Expense;

(iii) in or to the Residential Common Elements (with the exception of the Storage Lockers and Residential Common Elements incorporated into one or more Units pursuant to the terms of paragraph (B) of Section 5.8 hereof) shall be performed by the Condominium Board and the cost and expense thereof shall be charged to all Residential Unit Owners as a Residential Common Expense;

(iv) in or to the Residential Limited Common Elements shall be performed (a) by the Condominium Board as a Residential Common Expense, if involving structural or extraordinary maintenance, repairs, or replacements (including, but not limited to, the repair of any leaks that are not caused by the acts or omissions of the Residential Unit Owner having direct and exclusive access thereto), or (b) by the Residential Unit Owner having direct and exclusive access thereto at such Residential Unit Owner's sole cost and expense, if involving painting, decorating and non-structural ordinary maintenance, repairs or replacements, (including without limitation, the removal of snow, ice and accumulation of water on any Terrace); and

(v) in or to the Non-Residential Limited Common Elements shall be performed by such Community Facility Owner its sole cost and expense.

Promptly upon obtaining knowledge thereof, each Unit Owner shall report to the Condominium Board or to the Managing Agent any defect or need for repairs for which the Condominium Board is responsible pursuant to the terms hereof. All painting, decorating, maintenance, repairs and replacements performed hereunder or otherwise, whether by or at the behest of a Unit Owner or the Condominium Board, shall be performed in such a manner as shall not unreasonably disturb or interfere with any Unit Owners or the tenants and occupants of any Units.

(B) Notwithstanding anything to the contrary provided in paragraph (A) of this Section 5.1, if any painting, decorating, maintenance, repairs, or replacements to the Property or any part thereof, whether structural or non-structural, ordinary or extraordinary, are necessitated by the negligence, misuse, or abuse of (i) any Unit Owner, the entire cost and expense thereof shall be borne by such Unit Owner, or (ii) the Condominium Board, the entire cost and expense thereof shall be borne by the Condominium as a General Common Expense attributable to all Unit Owners if relating to the General Common Elements, and as a Residential Common Expense attributable to all Residential Unit Owners if relating to the Residential Common Elements and/or the Residential Limited Common Elements except, in all events, to the extent that such cost and expense is covered by the proceeds of any insurance maintained pursuant to the terms of these By-Laws. Similarly, each Unit Owner shall be responsible for any and all damage to any Unit or to the Common Elements resulting from such Unit Owner's failure to maintain, repair, or replace the Unit or any portion thereof as required herein.

(C) Each Unit and all portions of the Common Elements shall be kept in first-class condition, order and repair (and free of snow, ice and accumulation of water with respect to any roof, Terrace, or other part of the Property exposed to the elements) by the Unit Owner or the Condominium Board, whichever is responsible for the maintenance thereof as set forth herein, and such Unit Owner or the Condominium Board, as the case may be, shall promptly make or perform, or cause to be made or performed, all maintenance work, including, without limitation, painting, repairs and replacements that is necessary in connection therewith. The Condominium Board shall be responsible for the maintenance and repair of all sidewalks surrounding the Building (including, cleaning and snow and ice removal) as if the sidewalks were General Common Elements, except that the cost of such maintenance and repair shall be borne by the Community Facility Unit Owner if the Community Facility Unit Owner is utilizing such sidewalks in connection with the operation of the Community Facility Unit.

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

The public areas of the Building as well as the private areas exposed to public view shall be kept in good appearance, in conformity with the dignity and character of the Building, as determined by the Condominium Board in its sole discretion, by (i) the Condominium Board, with respect to such parts of the Building required to be maintained by it, and (ii) each Unit Owner, with respect to the interior surfaces of windows and shades, venetian or other blinds, drapes, curtains or other window decorations in or appurtenant to such Unit Owner's Unit. To promote a consistent appearance of the Building from the outside, (x) no Unit Owner shall be permitted to enclose, erect a greenhouse and/or alter a Terrace appurtenant to a Unit, in such a way that will alter the conformity of the Building, without the prior approval of the Condominium Board; and (y) all window treatments in a Residential Unit must contain white backing on the side 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. Additionally, the type, size, weight and quantity of plantings and other installations to be placed on Terraces (other than the Terrace appurtenant to the Community Facility Unit) shall be subject to the prior approval of the Condominium Board and shall be in compliance with Law.

(D) In the event that any Unit Owner, after receipt of written notice from the Condominium Board, fails or neglects in any way to perform any of its obligations with respect to the painting, decorating, maintenance, repair or replacement of its Unit as provided in this Section 5.1 (or of any Common Elements for which such Unit Owner is responsible under the Declaration or these By-Laws), the Condominium Board may perform or cause to be performed such painting, decorating, maintenance, repair or replacement unless such Unit Owner, within 5 days after receiving notice of such default by the Condominium Board, cures such default, or in the case of a default not reasonably susceptible to cure within such period, commences and thereafter prosecutes to completion, with due diligence, the curing of such default. All sums expended and all costs and expenses incurred in connection with the making of any such painting, decorating, maintenance, repair or replacement in such Unit Owner's Unit or to any such Common Element for which such Unit Owner is responsible, together with interest thereon at the rate of 2% per month (but in no event in excess of the maximum rate permitted by Law), shall be immediately payable by such Unit Owner to the Condominium Board and shall, for all purposes hereunder, constitute Common Charges payable by such Unit Owner.

Section 5.2 *Alterations, Additions, Improvements, or Repairs in and to Units*.

(A) Subject to the terms of paragraph (B) of this Section 5.2, no Residential Unit Owner may make any structural alteration, addition, improvement or repair, in or to the Residential Unit or its

appurtenant Residential Limited Common Elements without the prior approval of the Condominium Board. Prior to, and as a condition of, the granting of any such approval, the Condominium Board may, at its sole option, require the Residential Unit Owner to: (i) procure and agree to maintain during the course of such work such insurance as the Condominium Board may reasonably prescribe; and (ii) execute an alteration agreement, in form and substance satisfactory to the Condominium Board, setting forth the terms and conditions under which such alteration, addition, improvement or repair, may be made, including, without limitation, the indemnity referred to in paragraph (D) hereof and the days and hours during which any such work may be done. The Condominium Board shall have the right to approve Unit Owner's contractors and materialmen. In connection with such alterations, additions, improvements and/or repairs, each Residential Unit Owner shall employ only such laborers and other workers as shall not conflict with any other worker employed in the Building or otherwise cause disharmony with any Building service union. Residential Unit Owners shall not be permitted to engage any Building staff or any contractors or sub-contractors engaged by either the Condominium Board or Sponsor in connection with a Residential Unit Owner's alterations, additions, improvements or repairs to such Residential Unit. The Condominium may impose charges upon the Residential Unit Owner (other than Sponsor) to reimburse the Condominium for architectural, engineering, legal and other fees incurred in reviewing the Residential Unit Owner's request for approval and in monitoring the work performed until completion and a fee payable to the Managing Agent for processing the alteration application.

(B) Notwithstanding anything to the contrary contained in paragraph (A) of this Section 5.2, however, Sponsor shall have the right, pursuant to the terms of Article 12 of the Declaration, without the approval of the Condominium Board, Managing Agent, other Unit Owners, or Mortgage Representatives, if any, and without amendment to the Plan and without payment of any fee to the Managing Agent, to (i) make alterations, additions, improvements, or repairs in or to the Unsold Residential Units and their appurtenant Residential Limited Common Elements, whether structural or non-structural, ordinary or extraordinary, including without limitation any alterations with respect to the type, number, or layout of rooms in each Unsold Residential Unit, and (ii) without amendment to the Plan, subdivide and/or combine any Unsold Residential Unit and/or change any Unsold Residential Units in size by relocating a boundary wall between Unsold Residential Units and/or or otherwise change the size and/or number of Unsold Residential Units. In addition, the Community Facility Unit Owner and its Permitted Users shall have the right, pursuant to the terms of Article 12 of the Declaration, without the approval of the Condominium Board, Managing Agent, other Unit Owners, or Mortgage Representatives, if any, and without amendment to the Plan and without payment of any fee to the Managing Agent, to (i) make alterations, additions, improvements, or repairs in or to the Community Facility Unit, whether structural or non-structural, ordinary or extraordinary, including without limitation any alterations with respect to the type, number, or layout of rooms in the Community Facility Unit, and (ii) subdivide and/or combine any subdivided Community Facility Unit and/or change any subdivided Community Facility Units in size by relocating a boundary wall between subdivided Community Facility Units. Notwithstanding the foregoing, all Unit Owners, including Sponsor and the Community Facility Unit Owner(s), prior to the making of any alteration, addition, improvement or repair in or to their respective Unit and its appurtenant Residential Limited Common Elements or Non-Residential Limited Common Elements, if any, must (i) procure and maintain such insurance as the Condominium Board may reasonably require, (ii) indemnify the Condominium Board and the Managing Agent against any liability arising from the work and (iii) comply with Law.

(C) All alterations, additions, improvements and repairs by Unit Owners shall be made in compliance with Law. In connection therewith, the Condominium Board shall execute applications to any departments of the City of New York, or to any other governmental agencies having jurisdiction thereof, for any and all permits required in connection with the making of alterations, additions, improvements, or repairs in or to a Unit provided that, with respect to all such work of a structural nature to a Residential Unit or its appurtenant Residential Limited Common Elements (but other than that of the nature described in

paragraph (B) hereof), the same was approved by the Condominium Board pursuant to the terms of paragraph (A) hereof.

(D) Neither the Condominium Board nor any Unit Owner (other than the Unit Owner making any alterations, improvements, additions, or repairs, or causing any of the same to be made, in or to the Unit and appurtenant Residential Limited Common Elements) shall incur any liability, cost, or expense either (i) in connection with the preparation, execution, or submission of the applications referred to in paragraph (C) hereof; (ii) to any contractor, subcontractor, materialperson, architect, or engineer on account of any alterations, improvements, additions, or repairs made or caused to be made by any Unit Owner; or (iii) to any Person asserting any claim for personal injury or property damage arising therefrom. Any Unit Owner making any alterations, improvements, additions, or repairs, or causing any of the same to be made, in or to the Unit and appurtenant Residential Limited Common Elements, if any, shall agree (in a writing executed and delivered to the Condominium Board, if the Condominium Board shall so request), and shall be deemed to agree (in the absence of such writing), to indemnify and hold the Condominium Board, the Members of the Condominium Board, the officers of the Condominium, the Managing Agent and all other Unit Owners harmless from and against any such liability, cost and expense.

(E) In addition to the requirements set forth above in this Section 5.2, until a Permanent Certificate of Occupancy is obtained for the Building, no Residential Unit Owner shall make any alterations in or to the Residential Unit or its appurtenant Common Elements without first notifying Sponsor in writing and complying with Sponsor's requirements with respect to the alterations. Such requirements may include, but need not be limited to, the requirements that:

(i) such work not include any change that would result in a delay in obtaining a TCO or PCO for the Building, or any amendment to, or extension of, the TCO or PCO if theretofore issued;

(ii) the Residential Unit Owner post a bond or other similar security that is reasonably acceptable to Sponsor in any amount sufficient (in Sponsor's reasonable judgment) to insure the diligent completion of the work and the filing of any required notices or certificates with all governmental authorities having jurisdiction with respect to such work and the completion of the work;

(iii) such work not be commenced until the Residential Unit Owner causes all required plans, specifications, notices and/or certifications to be filed with all governmental authorities having jurisdiction, procures all required permits and licenses with respect to the same, and delivers copies of all such plans, specifications, notices, certifications, permits and licenses to Sponsor;

(iv) such work be diligently prosecuted to completion in compliance with all plans, specifications, notices and/or certifications and in conformity with all permits and licenses;

(v) Sponsor and its representatives shall be given reasonable opportunity, from time to time, to inspect such work as it progresses;

(vi) promptly after the completion of such work, all necessary inspections and approvals of the work shall be obtained, all necessary notices and/or certifications shall be filed with the appropriate governmental authorities and Sponsor shall be given a copy of all such inspections, approvals, notices and certifications;

(vii) the Residential Unit Owner shall indemnify and hold Sponsor harmless from any cost, expense, claim, or liability arising, directly or indirectly, from such work, including, without limitation, any cost, expense, claim, or liability incurred or suffered by

Sponsor due to any violation of Law or due to any delay in obtaining a TCO or PCO for the Building or any amendment to, or extension of, the TCO or PCO if theretofore issued, as a result of such work or the failure to make all appropriate governmental filings in connection with same; and

(viii) all contractors shall be duly licensed to the extent required by applicable Law and, if required under any contract with any union whose members are performing services at the Building (including, without limitation, services directly or indirectly at the behest, for the benefit, or for the account of Sponsor, any other Unit Owner, or the Condominium Board), such work shall be performed solely by union members.

If any Residential Unit Owner commences any such alterations in violation of the foregoing terms and conditions, or fails to comply with the reasonable requirements of Sponsor in connection with the alterations, Sponsor shall be entitled to cause such work by the Residential Unit Owner to be halted, including, without limitation, to cause the Managing Agent to deny access to the Building to the Residential Unit Owner's workers and suppliers, until the Residential Unit Owner complies with the same. During the period until the Residential Unit Owner is permitted hereunder to resume its work, Sponsor shall have the right to perform any and all work in and to the Residential Unit as shall be necessary, in Sponsor's sole judgment, in order to avoid any delay in obtaining a TCO or PCO for the Building or any amendment to, or extension of, the TCO or PCO, whether or not such work shall be in compliance with the plans and specifications for the work theretofore performed by, or on behalf of, such Residential Unit Owner. The cost and expense of any such work performed by Sponsor shall be borne by such Residential Unit Owner and shall be paid to Sponsor within 15 days of Sponsor's written demand therefor.

Section 5.3 *Alterations, Additions, or Improvements to the Common Elements*. Except as otherwise provided in the Declaration or in these By-Laws, all necessary or desirable alterations, additions, or improvements in or to any of the Common Elements shall be made by the Condominium Board, and the cost and expense thereof shall constitute a General Common Expense attributable to all Unit Owners, if relating to the General Common Elements, or a Residential Common Expense attributable to all Residential Unit Owners, if relating to the Residential Common Elements and/or Residential Limited Common Elements. Notwithstanding the foregoing, however, whenever the cost and expense of such alterations, additions, or improvements would, in the judgment of the Condominium Board, exceed $500,000 with respect to the General Common Elements or the Residential Common Elements and/or the Residential Limited Common Elements, at any one time, in any fiscal year, such proposed alterations, additions or improvements shall not be made unless first approved by the Unit Owners if relating to the General Common Elements, or the Residential Unit Owners, if relating to the Residential Common Elements and/or the Residential Limited Common Elements (including Sponsor if Sponsor then owns any Unsold Residential Unit) owning 66 2/3% of the aggregate Common Interests or Residential Common Interests, as applicable, at a duly constituted meeting of the Unit Owners or the Residential Unit Owners, as applicable, and by the Mortgage Representatives, if any. Except as otherwise provided in the Declaration and in these By-Laws, all such alterations, additions, or improvements costing $300,000 or less, in any fiscal year may be made as aforesaid without the approval of either the Unit Owners or any Mortgage Representatives. Notwithstanding the foregoing, no additions, alterations, or improvements shall be made to any of the Common Elements, regardless of the cost thereof, unless the prior written consent of Sponsor is first obtained, provided, however, that Sponsor's written consent is not necessary if such additions, alterations, or improvements to the Common Elements is required to (i) comply with Law; or (ii) remedy any notice of violation; or (iii) remedy any work order of the Condominium's insurer. In no event will the limitations imposed in the preceding sentence continue beyond the earlier to occur of (i) 5 years from the First Closing or (ii) until such time as Sponsor no longer owns 25% in number of all Residential Units.

Section 5.4 *Insurance*.

(A) If the same shall be obtainable, the Condominium Board, at or prior to the First Closing, shall obtain, and shall maintain in full force and effect, special multi-peril insurance policies including fire with extended "all risk" coverage, replacement cost coverage and agreed valuation, vandalism and malicious mischief endorsements, insuring the entire Building excluding the Units and any appliances, fixtures, improvements or any furniture, furnishings, decorations, belongings, or other personal property contained therein) together with all service machinery contained therein and covering the interests of the Condominium, the Condominium Board, all of the Unit Owners and all Permitted Mortgagees, as their respective interest may appear, in an amount equal to the full replacement value of the Building (exclusive of foundation and footings). Each of the said policies shall contain:

(i) waivers of (a) subrogation, (b) any defense based upon co-insurance or other insurance, (c) invalidity arising out of any acts of the insured, and (d) pro-rata reduction of liability;

(ii) a provision that any adjustment of loss will be made by the Condominium Board and that all proceeds thereof shall be paid to either the Condominium Board or the Insurance Trustee, as provided in Section 5.5 hereof.

(iii) a New York standard mortgagee clause in favor of each Permitted Mortgagee, which shall provide that the proceeds thereof shall be paid to such Permitted Mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Condominium Board and the Insurance Trustee set forth in subparagraph (ii) above and in Section 5.5 hereof; and

(iv) a provision that such policy may not be either canceled or substantially modified except upon at least 30 days prior written notice to the Condominium Board and all insureds who may have requested such notice, including Permitted Mortgagees.

Duplicate originals or certificates of insurance of all such policies and of all renewals thereof, together with proof of payment of premiums, shall be on file at the office of the Managing Agent. Copies thereof shall be delivered to any Unit Owner or Permitted Mortgagee on written request thereof.

(B) The Condominium Board, at or prior to the First Closing, shall also obtain and maintain, to the extent it deems practicable:

(i) commercial general liability insurance, covering all claims for personal injury or property damage arising out of any occurrence on the Property and listing as co-insureds (a) the Condominium Board and each Member thereof, (b) the Managing Agent or manager (if any), (c) each officer and employee of the Condominium and (d) each Unit Owner (except, however, that such insurance shall not cover any liability of a Unit Owner arising from occurrences within the own Unit or its Residential Limited Common Elements or Storage Locker, if any);

(ii) rent insurance;

(iii) worker's compensation and New York State disability benefits insurance;

(iv) boiler and machinery insurance;

(v) water damage insurance;

(vi) officers and directors liability insurance;

(vii) fidelity insurance and bonds covering all officers, directors and employees of the Condominium and Managing Agent;

(viii) plate glass insurance;

(ix) elevator liability and collision insurance;

(x) commercial umbrella insurance; and

(xi) such other insurance as the Condominium Board shall from time to time determine.

Each of the aforementioned policies of insurance shall also cover cross-liability claims of one insured against another.

(C) All policies of insurance to be maintained by the Condominium Board shall contain such limits as the Condominium Board shall from time to time determine, provided, however, that:

(i) with respect to insurance policies maintained by the Condominium Board pursuant to paragraph (A) hereof, the coverage shall be in an amount equal to not less than 80% of the full replacement cost of the Building, exclusive of footings and foundations, without deduction for depreciation, as approved by a fire insurance company, a qualified insurance broker, or another qualified source;

(ii) with respect to insurance policies maintained by the Condominium Board pursuant to subparagraph (i) of paragraph (B) hereof, such policies shall contain single limits of not less than $1,000,000 in the aggregate; and

(iii) with respect to insurance policies maintained by the Condominium Board pursuant to subparagraph (ii) of paragraph (B) hereof, the coverage shall be in an amount equal to the aggregate of all of the Unit Owners' Common Charges for one year.

Any insurance policies maintained by the Condominium Board may also provide for such deductible amounts as the Condominium Board shall determine. The Condominium Board shall review the limits of each insurance policy, as well as the amount of any deductible sum thereunder, at least once each year.

(D) The cost of all insurance maintained by the Condominium Board pursuant to this Section 5.4, together with the fees and disbursements of any Insurance Trustee appointed by the Condominium Board pursuant to the terms of these By-Laws, shall be borne by the Unit Owners as a General Common Expense or the Residential Unit Owner's as a Residential Common Expense, depending on the item to which the coverage relates.

(E) For so long as Sponsor owns at least 1 Unsold Residential Unit, unless Sponsor's prior written consent is obtained, the Condominium Board must maintain, at a minimum, the types and coverage amounts of insurance set forth in the First Year's Budget.

(F) Residential Unit Owners are required to carry other insurance, at their expense, in amounts determined by the Condominium Board in its sole discretion, insuring the contents of their Units, the Residential Limited Common Elements appurtenant thereto, and any Storage Lockers, as well as liability insurance with respect to acts occurring therein. All such policies shall contain waivers of subrogation and provide that the liability of the carriers issuing the insurance maintained by the Condominium Board shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owner. All such certificates of insurance shall name the Condominium Board, the Condominium and Sponsor as additional

insureds. For so long as Sponsor owns at least 1 Unsold Residential Unit, any change or elimination of such requirement may only be made upon Sponsor's prior written consent.

Section 5.5 *Casualty or Condemnation*.

(A) In the event that either (i) the Building or any part thereof is damaged or destroyed by fire or other casualty ("Casualty Loss") or (ii) the General Common Elements and/or Residential Common Elements and/or Residential Limited Common Elements, or any part thereof is taken in condemnation or by eminent domain ("Taking"), the net insurance proceeds payable under the insurance policies maintained by the Condominium Board pursuant to the terms of Section 5.4 hereof by reason of such Casualty Loss or the net condemnation awards receivable by reason of such Taking, as the case may be, shall be payable either to the Condominium Board, if the same shall be $1,000,000 or less in the aggregate, or to the Insurance Trustee, if the same shall exceed $1,000,000 in the aggregate. In either instance, all such monies actually received ("Trust Funds") shall be held in trust for the benefit of all Unit Owners, with respect to the portion thereof allocated to a Casualty Loss to or Taking of the General Common Elements and the Units, and for the benefit of all Residential Unit Owners with respect to the portion thereof allocated to a Casualty Loss to or Taking of the Residential Common Elements, the Residential Limited Common Elements and the Residential Units, and their Permitted Mortgagees and shall be disbursed pursuant to the terms of this Section 5.5. Notwithstanding anything to the contrary contained either in this paragraph (A) or elsewhere in this Section 5.5, however, no Unit Owner whose Unit, its appurtenant Residential Limited Common Elements, if any, or any portion thereof are taken in condemnation or by eminent domain (whether or not all or a part of the Common Elements are contemporaneously taken) shall be deemed to have waived whatever rights that the Unit Owner may have to pursue a separate claim against the condemning authority by reason thereof.

(B) Subject to the terms of paragraph (D) hereof, the Condominium Board shall arrange for the prompt repair or restoration ("Work") of: (i) in the event of a Casualty Loss, the portion(s) of the Building (including all Units and the bathroom and kitchen fixtures installed therein on the date of recording the Declaration and all service machinery contained therein, but not including appliances, fixtures, improvements made therein by a Unit Owner, or any furniture, furnishings, decorations, belongings, or other personal property supplied or installed by either Unit Owners or the tenants of Unit Owners) affected by such Casualty Loss, or (ii) in the event of a Taking, the portion(s) of the Common Elements or the Units affected by such Taking. If, pursuant to the immediately preceding sentence, Work is to be performed in or to Units, Common Elements that service or enclose Units and other Common Elements, or any combination of the foregoing, the Work shall be performed to the extent practicable, first in or to the Units, next in or to the Common Elements that service or enclose Units and then in or to the balance of the Common Elements. Each Unit Owner whose Unit, its appurtenant Residential Limited Common Elements, if any, or any portion thereof, shall be the subject of all or part of any Work shall have the right subject to the terms of Section 5.2 hereof, to supervise any redecorating of the Unit or of such Residential Limited Common Element, if any.

(C) In the event that Work shall be performed pursuant to the terms of paragraphs (B) and (D) of this Section 5.5, the Condominium Board or the Insurance Trustee, as the case may be, shall disburse the Trust Funds to the contractors engaged in the Work in appropriate progress payments. If the Trust Funds shall be less than sufficient to discharge the cost and expense of performing the Work, the Condominium Board shall levy a Special Assessment against all Unit Owners for the amount of such deficiency in proportion to their respective Common Interests, for Work to the General Common Elements and against all Residential Unit Owners, and all proceeds of such Special Assessment shall become part of the Trust Funds. If, conversely, the Trust Funds shall prove to be more than sufficient to discharge the cost and expense of performing the Work, such excess shall be paid to all Unit Owners in proportion to their respective Common Interests, with respect to Work to the Common Elements, except that no payment shall be made to a Unit Owner until there has first been paid, out of such Unit Owner's share of such excess, such amounts as may be necessary to reduce unpaid liens on the Unit Owner's Unit (other than mortgages that are not Permitted Mortgages) in the order of priority of such liens. Notwithstanding the foregoing, however, in

the event that the Unit Owners are assessed pursuant to the terms of the second sentence of this paragraph (C) for any projected deficiency in the amount of the Trust Funds available to the Condominium Board and, after the payment of all costs and expenses incurred in connection with the Work, any portion of the Trust Funds remaining unspent, such excess Trust Funds shall, to the extent of such Special Assessment, be deemed to be, and shall constitute, an unspent Special Assessment and shall be paid to the Unit Owners so assessed in proportion to their respective Common Interests, with respect to Work to the Common Elements, free of any claim of any lienor (including without limitation, any Permitted Mortgagee).

(D) If either 75% or more of the Building is destroyed or substantially damaged by fire or other casualty or 75% or more of the Common Elements are taken in a Taking, the Work shall not be performed unless 75% or more of all Unit Owners (including Sponsor if Sponsor shall then own any Units), in aggregate Common Interests, shall promptly resolve to proceed with the same. In the event that a sufficient number of Unit Owners shall so resolve, the Work shall be performed pursuant to the terms of paragraphs (B) and (C) hereof. Conversely, in the event that a sufficient number of Unit Owners shall either fail or refuse to so resolve, the Work shall not be performed and the Property shall be subject to an action for partition by any Unit Owner or lienor, as if owned in common, in which event the net proceeds of the resulting sale, together with any Trust Funds, shall be paid to all Unit Owners in proportion to their respective Common Interest, to the extent allocated to destroyed or damaged portions of the General Common Elements and to all Residential Unit Owners in proportion to their respective Residential Common Interest, to the extent allocated to destroyed or damaged portions of the Residential Units or the Residential Common Elements or the Residential Limited Common Elements, and to the Community Facility Unit Owners, to the extent allocated to destroyed or damaged portions of the Community Facility Unit, except that no payment shall be made to a Unit Owner until there first has been paid, out of such Unit Owner's share of such funds, such amounts as may be necessary to pay off any Permitted Mortgage and other unpaid liens on the Unit Owner's Unit in the order of priority of such liens. Notwithstanding anything to the contrary set forth herein, any action to terminate the legal status of the Condominium after substantial destruction or a Taking shall require the written consent (which consent shall not be unreasonably withheld, conditioned, or delayed) of the Permitted Mortgagees representing at least fifty-one (51%) percent of the Common Interests of all Units which are subject to Permitted Mortgages or by a majority of the Mortgage Representatives, if any. The Condominium Board shall not be required to take any action to obtain the consent of the Permitted Mortgagees or Mortgage Representatives as set forth in this Section 5.5(D) other than the requirements set forth in Section 8.7 of these By-Laws. The provisions of this Section 5.5(D) may not be amended, modified or deleted without the prior written consent of Sponsor for so long as Sponsor continues to own at least 1 Unsold Residential Unit.

(E) In the event that the damage resulting from a Casualty Loss shall (i) render one or more Units wholly or partially unusable for the purposes permitted and in the Declaration or (ii) destroy the means of access to one or more Units, the installments of Common Charges otherwise payable by the owner of any Unit so affected thereby shall proportionately abate until such Unit shall again be rendered usable for such purposes and/or until the means of access thereto shall be restored, as the case may be. Notwithstanding the foregoing, however, if such Casualty Loss shall be caused by the act, the omission to act, or the negligence of the owner of a Unit so affected thereby, by a Family Member of such Unit Owner, or by a tenant or other occupant of such Unit, such installments of Common Charges shall abate only to the extent of any proceeds of rent insurance actually collected by the Condominium Board with respect to such Unit.

(F) If (i) a portion of any Unit shall be taken in condemnation or by eminent domain and (ii) the Condominium shall not be terminated by reason of a simultaneous Taking pursuant to the terms of paragraph (D) hereof, the Common Interest and Residential Common Interest, where applicable, appurtenant to such Unit shall be adjusted in the proportion that the total floor area of such Unit and its appurtenant Residential Limited Common Elements, if any, after such Taking bears to the total floor area of such Unit and its appurtenant Residential Limited Common Elements, if any, prior to such Taking. The Condominium Board shall promptly prepare and record an amendment to the Declaration reflecting the new

Common Interest and new Residential Common Interest, where applicable, appurtenant to such Unit, which amendment shall be executed by the owner of such Unit together with the holders of record of any liens thereon (or, in lieu of execution by such Unit Owner and lienors, the same may execute a consent to such amendment in recordable form). Following the Taking of a portion of a Unit and the recording of the aforementioned amendment to the Declaration, the votes appurtenant to such Unit shall be based upon the new Common Interest and new Residential Common Interest, where applicable, of such Unit, and, in the event of a Taking of an entire Unit, the right to vote appurtenant to such Unit shall wholly terminate. In either event, the Common Interests and Residential Common Interest, where applicable, of the other remaining Units shall be adjusted accordingly and reflected in a duly filed amendment to the Declaration duly executed and acknowledged by the Condominium Board and the owners of all of the other or remaining Units together with the holders of the Permitted Mortgages.

(G) As used in this Section 5.5, the terms:

(i) "Prompt repair or restoration" shall mean that the Work is to be commenced not more than either: (a) 60 days after the date upon which the Insurance Trustee notifies the Condominium Board that it has received Trust Funds sufficient to discharge the estimated cost and expense of the Work, or (b) 90 days after the date upon which the Insurance Trustee notifies the Condominium Board that it has received Trust Funds insufficient to discharge the estimated cost and expense of the Work, or (c) in the event that the Trust Funds are payable to the Condominium Board pursuant to the terms of paragraph (A) of this Section 5.5, 60 days after the date upon which the Condominium Board notifies the Unit Owners that it has received the Trust Funds, whether or not the same are sufficient to discharge the cost and expense of the Work;. In the event there are insufficient Trust Funds to discharge the estimated cost and expense of the Work, the Condominium Board shall levy a Special Assessment for the amount of such deficiency in accordance with paragraph (C) of this Section 5.5; and

(ii) "Promptly resolve" shall mean that a resolution shall be duly made not more than 60 days after the date upon which the Condominium Board notifies the Unit Owners that it has received the Trust Funds and that the same are or are not sufficient to discharge the estimated cost and expense of the Work, as the case may be.

(H) Any dispute that may arise under this Section 5.5 between Unit Owners or between any Unit Owner(s) and the Condominium Board shall be resolved by arbitration pursuant to the terms of Article 10 hereof.

Section 5.6 *Use of the Property.*

(A) No immoral, improper, offensive, or unlawful use shall be made of the Property or any portion thereof, and all valid Laws relating to any portion of the Property shall be complied with at the sole cost and expense of the respective Unit Owners or the Condominium, whoever shall have the obligation to maintain or repair such part of the Property.

(B) Nothing shall be done or kept in any Unit or in any of the Common Elements that would increase the rate of insurance for the Property, except upon the prior approval of the Condominium Board. In the event that the rate of insurance for the Property is increased as a direct result of a particular or unique use being made of the Community Facility Unit, and not as a result of the typical uses for which the Community Facility Unit may be occupied or for which commercial spaces in similar Building is normally occupied, the Community Facility Unit Owner shall be obligated to pay the amount of such increase in the rate of insurance. No Unit Owner shall permit anything to be done or kept in a Unit or in the Common Elements that will result in the cancellation of insurance on the Property or the contents thereof, or that would be in violation of any Law. No waste shall be committed in the Common Elements.

(C) Nothing shall be done in any Unit or in, on, or to the Common Elements that will impair the structural integrity of the Property or will structurally change the Building, except as is otherwise provided in the Declaration or in these By-Laws. In no event shall interior partitions contributing to the support of any Unit or the Common Elements be altered or removed.

Section 5.7 *Use of the Units*.

(A) In order to provide for congenial occupancy of the Property and for the protection of the values of the Units, the use of Units shall be restricted to, and shall be in accordance with, the terms contained in the balance of this Section 5.7.

(B) Subject to the terms of paragraphs (C) and (D) of this Section 5.7, each Residential Unit shall be used for residential purposes only, including permitted "home occupation" as defined in the Zoning Resolution (unless otherwise set forth herein), and not more than one family may occupy a Residential Unit at any one time; and the Community Facility Unit may be used for any purpose permitted by Law. A Residential Unit owned or leased by an individual, corporation, partnership, limited liability company, fiduciary, or any other entity (including, but not limited to, any federal or state agency, any foreign government and any embassy, consulate or other official representative thereof) may only be occupied (unless the Condominium Board otherwise consents in writing) by such individual, or by an individual officer, director, stockholder or employee of such corporation, or by an individual partner or employee of such partnership, or a member or employee of such limited liability company, or by such individual fiduciary (including directors, officers, stockholders, or employees of corporate fiduciaries and partners or employees of partnership fiduciaries), or by an individual beneficiary of said fiduciary, or by an individual principal or employee of such other entity, respectively, or by Family Members and guests of any of the foregoing (and nothing herein contained shall be deemed to prohibit the exclusive occupancy of any such Residential Unit by such Family Members). Notwithstanding the foregoing, Sponsor (with respect to the Unsold Residential Units) or the Condominium (with respect to sold Residential Units) may, in their sole discretion, permit Persons other than those set forth above to occupy a Residential Unit. In no event, however, shall a portion of a Residential Unit (as opposed to the entire Residential Unit) be sold, conveyed, leased, or subleased.

(C) The Condominium Board may, in its sole discretion, consent to the use of a Residential Unit as a professional or business office or for any purpose other than that set forth in paragraph (B) hereof, provided that the nature and manner of such use is permitted by, and complies with Law and does not violate the TCO or PCO covering the Building. Any such consent shall be in writing and shall be personal to such Residential Unit Owner. Any lessee of, or successor in title to, such Residential Unit Owner shall be required to obtain the prior approval consent of the Condominium Board before using such Residential Unit for any purpose other than that set forth in paragraph (B) hereof.

(D) Notwithstanding anything to the contrary contained in this Section 5.7, Sponsor may, without the consent of either the Condominium Board or the Unit Owners:

(i) grant permission for the use of any Unsold Residential Unit as a professional or business office or for any other purpose, provided that the nature and manner of such use complies with Law and the user thereof complies with all applicable governmental regulations; and

(ii) use any one or more Unsold Residential Units as model Units and offices for the sales promotion, rental, management and operation of the Unsold Residential Units or for any other purpose, subject only to compliance with Law.

Section 5.8 *Use of the Common Elements*.

(A) Subject to the terms of paragraphs (B) and (C) of this Section 5.8, the Common Elements (including, without limitation, the electrical, heating, gas, plumbing and other mechanical systems and equipment of the Building and the Facilities) may be used only for the furnishing of the services and facilities, and for the other uses, for which they are reasonably suited and capable. In addition, no furniture, packages, or objects of any kind shall be placed in the lobbies, vestibules, public halls, stairways, public elevators, or any other part of the Common Elements (except for the area designated as a Storage Locker Area) without the prior approval of the Condominium Board. The lobbies, vestibules, public halls, stairways and public elevators shall be used only for normal passage through them. Accordingly, all Unit Owners shall require their tradesperson to utilize exclusively the elevator and entrance designated by the Condominium Board for transporting packages, merchandise, or other objects.

(B) The owner or owners of any 2 or more Residential Units, which Residential Units are the only Units serviced or benefited by any Residential Common Element adjacent or appurtenant to such Residential Units (for example, that portion at the end of any residential hallway that is directly adjacent to any such Residential Units located on opposite sides of such hallway) shall, with the consent of the Condominium Board (which consent shall not be unreasonably withheld, conditioned, or delayed), have the right to use such Residential Common Elements exclusively, as if it were a part of such Residential Units (including the right, in the above example of a portion of a hallway, to enclose such portion), and no amendment to the Declaration or reallocation of Common Interests shall be made by reason thereof. In such event, however, such owner or owners shall, at such owner's or their sole cost and expense, both (i) operate, maintain and repair such Residential Common Element for so long as such owner or owners exercise such exclusive right of use and (ii) restore such Residential Common Element to its original condition, reasonable wear and tear excepted, after such owner or owners cease to exercise such exclusive right of use.

(C) The terms of paragraph (A) of this Section 5.8 shall not apply to Sponsor for so long as there are any Unsold Residential Units. Sponsor shall have the right, without charge or limitation, to: (i) erect and maintain signs, of any size or content determined by Sponsor on or about any portion of the Property chosen by Sponsor; (ii) have its employees, contractors, subcontractors and sales agents present on the Property; and (iii) do all things necessary or appropriate, including the use of the Common Elements (such as lobbies, corridors and the like), to improve, alter, sell, lease, manage, or operate Unsold Residential Units, to complete any work or repairs to the Building expressly undertaken by Sponsor and to exercise Sponsor's rights and comply with Sponsor's obligations under the Plan and the Condominium Documents. In no event, however, shall Sponsor be entitled to use any Common Elements in such a manner as will unreasonably interfere with the use of any Unit for its permitted purposes.

(D) Sponsor, for so long as Sponsor continues to own any Unsold Unit, and the Condominium Board shall have the right, and the lease, sublease, license, sell or otherwise convey to a Unit Owner any portion of the Common Elements which either Sponsor or the Condominium Board determines is no longer needed for the furnishing of the services and facilities (including reasonable access) for which such Common Elements are reasonably intended. Any revenue received for the sale, leasing, subleasing, licensing or other conveyance of such Common Elements shall be retained solely by Sponsor or the Condominium Board, as applicable.

Section 5.9 *Use of the Storage Lockers*.

(A) A Storage Locker may be used only for the storage of personal effects of a Residential Unit Owner, and in no event shall any food or other perishable item, or any flammable or explosive item, or any item which would impose a health or safety threat or cause noxious odors, dirt or other sanitary problems or create a nuisance, be stored therein.

(B) The Condominium Board has the authority to promulgate additional rules regarding the use of, insurance coverage for, and access to the Storage Lockers and Storage Locker Area and the

procedures for assigning such Storage Lockers including restrictions on the hours of access and use. A Residential Unit Owner may transfer or surrender a Storage Locker License to the Condominium Board which shall be authorized to reissue such Storage Locker License to another Residential Unit Owner for such consideration as the Condominium Board shall deem appropriate.

(C) Sponsor may, without the consent of either the Condominium or the Unit Owners, use any Unsold Storage Locker for any purpose, permitted by Law or to change the permitted use of an Unsold Storage Locker, subject to the provisions of the By-Laws. Except for Sponsor and the Condominium Board, a Storage Locker may not be licensed independently of a Residential Unit.

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

Section 5.10 *Rights of Access.*

(A) Each Unit Owner shall grant to the Condominium Board, to the Managing Agent or manager (if any), or to any other Person authorized by any of the foregoing a right of access (including the right of forced entry if required in the discretion of the party seeking such entry) to the Unit and its appurtenant Residential Limited Common Elements, if any, and any Storage Locker and Storage Locker Area for the purposes of:

(i) making inspections of, or removing violations noted or issued by any governmental authority against, the Common Elements or any other part of the Property;

(ii) curing defaults hereunder or under the Declaration or violations of the Residential Rules and Regulations committed by such Unit Owner or correcting any conditions originating in the Unit and threatening another Unit or all or a portion of the Common Elements;

(iii) performing maintenance, installations, alterations, repairs, or replacements to the structural elements, mechanical or electrical services, or other portions of the Common Elements located within the Unit, Storage Locker or elsewhere in the Building;

(iv) reading, maintaining, or replacing utility meters relating to the Common Elements, to the Unit, or to any other Unit; or

(v) correcting any condition that violates the provisions of any Permitted Mortgage encumbering another Unit.

Except in cases of emergency (that is, a condition requiring repairs or replacement immediately necessary for the preservation or safety of the Building or for the safety of the occupants of the Building or other individuals, or required to avoid the suspension of any necessary service in the Building), the foregoing rights of access shall be exercised only upon not less than 1 day's advance notice and only in such a manner as will not unreasonably interfere with the normal conduct of business of the Community Facility Unit Owners or other occupants of the Community Facility Unit or with the use of the Residential Units and their appurtenant Residential Limited Common Elements for their permitted purposes. In cases of emergency, however, such rights of access may be exercised immediately, without advance notice and whether or not the Unit Owner is present.

(B) Each Unit Owner shall grant a right of access to the Unit and its appurtenant Residential Limited Common Elements, if any, and the Condominium Board shall grant rights of access to the Common Elements, to Sponsor and its contractors, subcontractors, agents and employees for the purpose of exercising Sponsor's rights and fulfilling Sponsor's obligations as set forth in the Plan or in any amendment thereto, provided that access thereto shall not be exercised, with respect to any Unit and its appurtenant Residential Limited Common Elements, if any, in such a manner as will unreasonably interfere with the use of such Unit and its appurtenant Residential Limited Common Elements, if any, for their permitted purposes.

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

Section 5.11 *Modification of the Residential Rules and Regulations.* The Condominium Board shall have the right to amend, modify, add to, or delete any of the Residential Rules and Regulations from time to time, provided, however, that any such amendment, modification, addition, or deletion may be overruled by a vote of at least 66 2/3% of all Residential Unit Owners, in number and Common Interest. Copies of the text of any amendments, modifications, additions, or deletions to the Residential Rules and Regulations shall be furnished to all Unit Owners not less than 30 days prior to the effective date thereof. Notwithstanding the foregoing, the Condominium Board shall not have the right to amend, modify, add to, or delete any of the Residential Rules and Regulations if the same would materially and adversely affect Sponsor and/or a Community Facility Unit Owner, without the prior written consent of Sponsor or the affected Community Facility Unit Owner. Notwithstanding the foregoing, the Condominium Board shall not have the right to amend, modify, add to, or delete any of the Residential Rules and Regulations if the same would adversely affect a Community Facility Unit and the use thereof, without the prior written consent of the affected Community Facility Unit Owner.

Section 5.12 *Real Estate Taxes.* Unless and until real estate taxes are billed directly to Unit Owners by the City Collector, the Condominium Board shall promptly pay such taxes as a Common Expense. In the event of a proposed sale of any Unit, the Condominium Board (for so long as the Condominium Board is still paying such real estate taxes) shall, upon the written request of the selling Unit Owner, execute and deliver to the purchaser of such Unit, or to such purchaser's title company, a letter agreeing to promptly pay all such real estate taxes affecting such Owner's Unit to the date of the Closing to such Unit.

Section 5.13 *Fuel.* Unless and until fuel is billed directly to Unit Owners by the supply company, in accordance with and subject to the provisions of the Plan, the cost and expense of fuel (for heating and cooling) serving or benefiting any Unit and/or Common Element shall be: (i) considered part of the expense of maintaining such Unit and/or Common Element, (ii) determined by the Condominium Board, (iii) paid by the Condominium Board, and (iv) charged to: (a) the Unit Owners as a General Common Expense for such portion attributable to the General Common Elements, (b) the Community Facility Unit Owners as a General Common Expense for such portion attributable to the Community Facility Unit, and (c) the Residential Unit Owners as a Residential Common Expense for such portion attributable to the Residential Units and/or the Residential Common Elements and/or the Residential Limited Common Elements. In the event there is a particular or unique use being made of a Unit and/or Common Element, the Condominium Board shall cause

a new survey to be made the cost of which shall be borne by the Unit Owners as a General Common Expense.

Section 5.14 *Water Charges and Sewer Rents.* Unless and until water is separately metered in a Unit and water charges and sewer rents are billed directly to a Unit Owner by the City Collector, in accordance with and subject to the provisions of the Plan, the cost and expense of water serving or benefiting a Unit and/or Common Element shall be: (i) considered part of the expense of maintaining such Unit and/or Common Element, (ii) determined by the Condominium Board, (iii) paid by the Condominium Board, and (iv) charged to: (a) the Residential Unit Owners as a Residential Common Expense for such portion attributable to the Residential Units and/or Residential Common Elements and/or Residential Limited Common Elements, and (b) the Unit Owners as a General Common Expense for such portion attributable to the General Common Elements. In addition, the cost of submetering shall be a Residential Common Expense if pertaining to Residential Units and a General Common Expense if pertaining to all Units.

Section 5.15 *Electricity.*

(A) Electricity for each Residential Unit and the Community Facility Unit (including tenants occupying portions of the Community Facility Unit) shall be either individually direct metered or submetered for each Unit (or portion thereof).

(B) If individually direct metered, each Unit Owner shall be required to pay the billing utility directly for electricity consumed in such Unit Owner's Unit (or portion thereof) and in the Residential Limited Common Elements to which such Residential Unit has exclusive access.

(C) If the Residential Units or the Community Facility Unit is are submetered, each Unit Owner shall be required to pay bills for electricity consumed in such Unit Owner's Unit either to the Condominium Board or to the utility company or to the servicing company engaged by the Condominium Board to perform such services all at the direction of the Condominium Board. The Common Expenses shall include fees for administering and servicing the submeters. In the event that a Unit Owner fails to pay for its submetered electricity, the Condominium Board shall be responsible to pay such expense on the Unit Owner's behalf and such electricity charges shall be deemed Common Charges allocable to the defaulting Unit Owner and the Condominium Board shall have a lien for non-payment of the expense as provided in Article 6.5 of these By-Laws.

(D) Electricity for the Residential Common Elements shall be supplied through one or more separate meters therefor and the cost thereof will be paid by the Condominium Board and will be borne by the Residential Unit Owners as Common Charges.

(E) In addition, the cost of submetering shall be a Residential Common Expense if pertaining to Residential Units and a General Common Expense if pertaining to all Units.

(F) Any disputes with respect to submetering rates and billing must be submitted to Arbitration pursuant to Article 10 of these By-Laws."

Section 5.16 *Record and Audits.*

(A) The Treasurer of the Condominium, or the Managing Agent under the supervision of such Treasurer, shall keep full, detailed and accurate records and books of account with respect to the financial affairs of the Condominium, which records and books of account shall include, without limitation, (i) a listing of all receipts of and expenditures by the Condominium Board and the Managing Agent and (ii) a separate listing for each Unit, setting forth, among other things, the amount of each assessment of Common Charges and Special Assessments levied against such Unit, the date when due, the amounts paid thereon and the balance, if any, remaining unpaid, as well as all Permitted Mortgagees having an interest in such Unit.

(B) Within 4 months after the end of each fiscal year of the Condominium, the Condominium Board shall submit to each Unit Owner, and, if so requested, to any Permitted Mortgagee, an annual report of the receipts and expenditures of the Condominium prepared and certified by an independent certified public accountant. The cost of preparing and distributing each such report shall be borne by the Condominium Board as a General Common Expense. The fiscal year of the Condominium shall be a calendar year.

ARTICLE 6

COMMON CHARGES

Section 6.1 *Determination of Common Expenses and Fixing of Common Charges.*

(A) From time to time, but not less frequently than once a year, the Condominium Board shall: (i) prepare and adopt a budget for the Condominium, subject, in all respects, to the strictures set forth in Section 2.5 hereof; (ii) determine the aggregate amount of Common Charges necessary to be charged to the Unit Owners in order to meet the Common Expenses; and (iii) allocate and assess such Common Charges amongst the Unit Owners in accordance with allocations set forth in the First Year's Budget. The Condominium Board shall advise all Unit Owners promptly thereafter in writing of the amount of Common Charges payable by each of them, not later than 10 days prior to the date upon which the first installment of newly-determined Common Charges is due, shall furnish copies of the budget (in a reasonably itemized form) upon which such Common Charges are based to all Unit Owners and to their respective Permitted Mortgagees whenever requested in writing by such Permitted Mortgagees. The Condominium Board may, subject to paragraph (E) of this Section 6.1, at its sole discretion, from time to time increase or decrease the amount of Common Charges allocated to the Units and payable by the Unit Owners and may modify its prior determination of the Common Expenses for any fiscal year so as to increase or decrease the amount of Common Charges payable for such fiscal year or portion thereof; however, no such revised determination of Common Expenses shall have a retroactive effect on the amount of Common Charges payable by Unit Owners for any period prior to the date of such new determination. Notwithstanding the foregoing, however, the Condominium Board shall not reduce the Common Charges payable during any fiscal year occurring within the Sponsor Control Period solely as a result of either reducing the number of employees of the Condominium below the number employed (or anticipated in the First Year's Budget) for the Property on the date of recording the Declaration except with Sponsor's prior written consent, or eliminate or reduce the insurance coverage below that provided for the Property on such date, except with the concurrence of a majority of the Members of the Condominium Board elected by Unit Owners other than Sponsor. All Unit Owners will be given a copy of the proposed annual budget of the Condominium at least 10 days prior to the date set for adoption thereof by the Condominium Board.

(B) The failure or delay of the Condominium Board to prepare or adopt a budget or to determine the Common Expenses for any fiscal year or portion thereof shall not be deemed a waiver or modification in any respect of the covenants and provisions hereof or a release of any Unit Owner from the obligation to pay Common Charges. In such event, the Common Charges that were computed on the basis of the Common Expenses last determined for any fiscal year or portion thereof shall continue thereafter to be the Common Charges payable by the Unit Owners until a new determination of the Common Expenses shall be made.

(C) In addition to the foregoing duty to determine the amount of and assess Common Charges, the Condominium Board shall have the right, subject, in all respects, to the strictures contained in Section 2.5 hereof, to levy Special Assessments to meet the Common Expenses. All Special Assessments relative to the General Common Elements shall be levied against all Unit Owners in proportion to their respective Common Interests and all Special Assessments relative to the Residential Common Elements

and/or the Residential Limited Common Elements shall be levied against all Residential Unit Owners in proportion to their Residential Common Interests, except Special Assessments relating to the Storage Lockers, which shall be levied solely against all Unit Owners owning such Storage Lockers. Special Assessments may be payable either in one lump sum or in installments, as the Condominium Board shall determine, provided, however, that the Condominium Board shall give each Unit Owner not less than 15 days' written notice prior to the date upon which such Special Assessment, or the first installment thereof, shall be due and payable, which notice shall set forth, in reasonable detail, the nature and purpose thereof. The Condominium Board shall have all rights and remedies for the collection of Special Assessments as are provided herein for the collection of Common Charges (including, without limitation, the provisions of Section 6.5 hereof).

(D) The excess of all rents, profits and revenues derived from the rental or use of any space forming a part of, or included in, any, General Common Element, or Residential Common Element remaining after deduction of all expenses incurred in connection with generating the same shall constitute income of the Unit Owners or the Residential Unit Owners, as applicable and shall be collected on behalf of the Unit Owners or Residential Unit Owners, as applicable by the Condominium Board and applied against the General Common Expenses attributable to the General Common Elements, or the Residential Common Expenses attributable to the Residential Common Elements, or the Residential Limited Common Elements, as appropriate for the fiscal year in which collected. In the event that such net rents, profits and revenues, together with the Common Charges and any Special Assessments collected from the Unit Owners, for any year of operation shall exceed the Common Expenses for such year, then such excess shall be applied by the Condominium Board against the General Common Expenses attributable to the General Common Elements, or the Residential Common Expense attributable to the Residential Common Elements or the Residential Limited Common Elements depending on whether the excess relates to the General Common Elements or the Residential Common Elements or the Residential Limited Common Elements for the next succeeding year(s) of operation. No Unit Owner shall be entitled to a distribution of any portion of such excess unless the Condominium Board shall determine to distribute all or part of such excess to all Unit Owners pro-rata, in proportion to their respective Common Interests, or Residential Common Interests, as appropriate and any such distributions must be made out of the Common Charges collected from Unit Owners.

(E) Common Expenses have been allocated amongst the Residential Units (in the aggregate) and the Community Facility Unit, on the basis of usage rather than Common Interest. The First Year's Budget sets forth the percentage for each line item, if any, to be paid for by the Residential Units and the Community Facility Unit, which percentages are deemed presumptive evidence of reasonableness. The Condominium Board may not modify these allocations without the unanimous consent of the Community Facility Unit Owners. Any new line items which may be added to the budget by the Condominium Board in the future shall be paid for on the same basis.

Section 6.2 *Payment of Common Charges.*

(A) All Unit Owners (including Sponsor with respect to Unsold Residential Units for so long as the same are owned thereby) shall be obligated to pay Common Charges and Special Assessments assessed by the Condominium Board pursuant to the terms of Section 6.1 hereof at such time or times (but not less than annually) as the Condominium Board shall determine. Unless otherwise determined by the Condominium Board, Common Charges shall be payable in installments on the first day of every month in advance. To the extent permitted by Law, the Condominium Board shall have a lien on each Unit, on behalf of all Unit Owners, for unpaid Common Charges and Special Assessments assessed against such Unit. Such lien, however, shall be subordinate, to the extent required by Law, to any liens for real estate taxes assessed against such Unit and any sums unpaid on a Permitted Mortgage recorded against the Unit.

(B) Notwithstanding anything to the contrary contained in paragraph (A) above, during the Sponsor Control Period, the Condominium Board, in its sole discretion, shall have the right to waive all

Unit Owners' obligations to pay Common Charges from and after the First Closing for a period to be determined by the Condominium Board, provided during such period, the basic operating costs of the Condominium (exclusive of reserves) are paid by Sponsor. Upon commencement of the collection of Common Charges from all Unit Owners, no assessment will be imposed for any item set forth in the approved budget for the Condominium. The Condominium Board shall remain obligated to update the budget in accordance with Law.

(C) No Unit Owner shall be liable for the payment of any part of the Common Charges and any Special Assessments assessed against the Unit subsequent to a sale, transfer, or other conveyance by Unit Owner of such Unit, together with its Appurtenant Interests, made in compliance with the terms of Article 7 hereof. A purchaser or other successor-in-title to the owner of a Unit shall be liable for the payment of all Common Charges and any Special Assessments accrued and unpaid against such Unit prior to such purchaser's acquisition thereof, except that, to the extent permitted by Law, a Permitted Mortgagee acquiring title to a mortgaged Unit or a purchaser at a mortgage foreclosure sale held with respect to a Permitted Mortgage shall not be liable, and such mortgaged Unit shall not be subject to a lien, for the payment of any Common Charges and Special Assessments assessed subsequent to the recording of such Permitted Mortgage and prior to the acquisition of title to such Unit by the Permitted Mortgagee or by such purchaser. However, in the event of a foreclosure of a Permitted Mortgage (whether by sale, deed in lieu of foreclosure, or otherwise), the defaulting Unit Owner shall remain fully liable for the payment of all unpaid Common Charges and Special Assessments that accrued prior to such foreclosure or sale. Any excess proceeds from such foreclosure or sale shall be paid directly to the Condominium Board in payment of all unpaid Common Charges and Special Assessments. In the case of a Residential Unit, any remaining unpaid Common Charges and Special Assessments that are not collected from such foreclosure sale or from the defaulting Residential Unit Owner shall be deemed a Residential Common Expense, collectible from all those who are Residential Unit Owners at the time the same is levied. In the case of the Community Facility Unit, any remaining unpaid Common Charges and Special Assessments that are not collected from such foreclosure or sale or from the defaulting Community Facility Unit Owner shall be deemed a Common Expense, collectible from all those who are Unit Owners at the time that the same is levied.

(D) Subject to the terms and conditions contained in these By-Laws, any Unit Owner may convey the Unit, together with its Appurtenant Interests, to the Condominium Board or to its designee, corporate or otherwise, on behalf of all Unit Owners, without being compensated therefor, and, in such event, be exempt from the payment of Common Charges and Special Assessments thereafter accruing, provided, however, that: (i) all Common Charges and any Special Assessments then due and payable with respect to such Residential Unit have been paid; (ii) such Residential Unit is free and clear of all liens and encumbrances other than a Permitted Mortgage and the statutory lien for unpaid Common Charges and Special Assessments; and (iii) no violation of any provision of the Condominium Documents then exists with respect to such Residential Unit. However, in no event shall Sponsor be permitted to convey any Unsold Residential Unit to the Condominium Board and thereby exempt itself from Common Charges and any Special Assessments attributable to such Residential Unit thereafter accruing unless the aggregate Residential Common Interests then appertaining to the Unsold Residential Units constitute 15% or less of the total Residential Common Interests then appertaining to all Residential Units, at least five years shall have elapsed from the date of the First Closing and, at the time of conveyance, Sponsor shall pay to the Condominium Board an amount equal to the product of the then current monthly Common Charges for the Unsold Residential Unit(s) being conveyed multiplied by 24.

(E) No Unit Owner shall be exempted from liability for the payment of Common Charges or Special Assessments by waiving the use or enjoyment of any or all of the Common Elements or by abandoning the Unit (except with respect to a conveyance of the same to the Condominium Board, without compensation, pursuant to the terms of paragraph (C) hereof). Except as expressly provided to the contrary in paragraph (E) of Section 5.5 hereof, no Unit Owner shall be entitled to a diminution or abatement in the Common Charges or Special Assessments payable thereby for any inconvenience or discomfort arising

from: (i) the failure or interruption of any utility or other services; (ii) the making of repairs or improvements to the Common Elements or any Unit (including, without limitation, such Unit) pursuant to the terms of Section 5.1, 5.2, or 5.3 hereof; or (iii) any action taken by the Condominium Board or the officers of the Condominium to comply with Law.

Section 6.3 *Statement of Common Charges.* The Condominium Board shall promptly provide a written statement of unpaid Common Charges due from any Unit Owner upon its receipt of a written request therefor from such Unit Owner.

Section 6.4 *Common Charge Deposit for Foreign Owners.* Any Unit Owner that is a foreign government, a resident representative of a foreign government or such other person or entity otherwise entitled to the immunities from suit enjoyed by a foreign government (i.e., diplomatic or sovereign immunity) shall deposit with the Condominium Board an amount equal to two (2) times the then current annual Common Charges for such Unit, subject to increase from time to time as such Common Charges increase, together with the full amount of any Special Assessment levied against, or allocable to, such Unit, as security for the faithful observance by such Unit owner of the terms, provisions and conditions of these By-Laws. In the event that such Unit Owner defaults in respect of the terms, provisions and conditions of these By-Laws, the Condominium Board may use, apply or retain the whole or any part of the security so deposited, to the extent required for the payment of any Common Charges or any other sum to which such Unit Owner is in default. If the Condominium Board applies or retains any part of said security, the Unit Owner in question, within ten (10) days after notice from the Condominium Board, shall deposit with the Condominium Board the amount so applied or retained so that such Condominium Board has the full amount of said security on hand at all times.

Section 6.5 *Default in Payment of Common Charges.*

(A) The Condominium Board shall take prompt action to collect any Common Charges due to the Condominium Board that remain unpaid for more than 10 days after the due date for the payment thereof, including, but not limited to the imposition of late charges, notice fees and the institution of such actions for the recovery of interest and expenses as provided in this Article 6. All costs and expenses incurred by the Condominium Board (including attorneys' fees, costs and disbursements) as a result of its attempt to collect unpaid Common Charges and/or Special Assessments shall be borne by the Unit Owner and shall constitute Common Charges payable by such Unit Owner. In connection therewith, the Condominium Board shall have the right and obligation to cause liens for all sums due and owing to the Condominium Board to be filed in the Register's Office pursuant to the terms of Section 339-z of the Condominium Act, to cause such liens to be foreclosed in the manner provided in Section 339-aa of the Condominium Act and/or to institute all other proceedings deemed necessary or desirable by the Condominium Board to recover all such unpaid Common Charges, together with all additional sums of money collectible by the Condominium Board by reason of such nonpayment pursuant to the terms of paragraph (B) hereof. A suit to recover a money judgment for unpaid Common Charges, however, shall be maintainable without foreclosing or waiving the lien securing such charges.

(B) In the event that any Unit Owner shall fail to make prompt payment of Common Charges, such Unit Owner shall be obligated to pay: (i) interest thereon at the rate of 1.5% per month of such unpaid amounts (less any late "charges" theretofore collected), to be computed from the due date thereof until paid in full, together with all costs and expenses paid or incurred by the Condominium Board, the Managing Agent, or the manager (if any) in connection with collecting such unpaid Common Charges with interest as aforesaid and/or in foreclosing the aforementioned lien, including, without limitation, attorneys' fees and disbursements and court costs; (ii) a late charge of $150 per month for Common Charges which remain unpaid for more than 10 days after the date when due, plus all expenses of collection including but not limited to attorneys' fees, costs and disbursements, in such amount as may be determined by the Condominium

Board from time to time, to be computed from the due date thereof until paid in full. In addition, if the Condominium Board shall bring an action to foreclose the aforementioned lien, the defaulting Unit Owner will be required to pay a reasonable rental for the use of the Unit, and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. All such late charges, interest, costs and expenses and rentals shall be added to and shall constitute Common Charges payable by such Unit Owner.

(C) In any action brought by the Condominium Board to foreclose a lien on a Unit because of unpaid Common Charges, the Condominium Board shall have, on behalf of all Unit Owners, the power to purchase such Unit at the foreclosure sale thereof and to acquire, hold, lease, mortgage, convey, or otherwise deal with such Unit (but not to vote the votes appurtenant to the same). In the event that the net proceeds received on such foreclosure (after deduction of all legal fees and disbursements, advertising costs, brokerage commissions, court costs and other costs and expenses paid or incurred in connection therewith) shall be insufficient to satisfy the defaulting Unit Owner's obligations to the Condominium, such Unit Owner shall remain liable for the deficit. Any surplus on such foreclosure shall be paid to the defaulting Unit Owner after first paying all liens on such Unit Owner's Unit in the order of priority of such liens.

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

ARTICLE 7

SELLING AND LEASING OF UNITS AND ASSIGNMENT OF STORAGE LOCKER LICENSES

Section 7.1 *General.* Subject to the terms of Section 7.5 hereof, each Residential Unit Owner may (i) sell the Residential Unit and (ii) lease the Residential Unit for periods of not less nor more than 1 year, provided however, no Residential Unit Owner may sell or lease the Residential Unit except in compliance with the applicable provisions of this Article 7 and the policies and procedures established by the Condominium Board. Any purported sale or rental consummated in default in the applicable terms hereof shall be voidable at the sole election of the Condominium Board, and, if the Condominium Board shall so elect, the selling or renting Residential Unit Owner shall be deemed to have authorized and empowered the Condominium Board to institute legal proceedings to eject the purported purchaser (in the event of an unauthorized sale) or to evict the purported tenant (in the event of an unauthorized lease) in the name of such Residential Unit Owner. Such Residential Unit Owner shall reimburse the Condominium Board for all costs and expenses paid or incurred in connection with such proceedings, including, without limitation, attorneys' fees and disbursements and court costs. Notwithstanding the foregoing, a Residential Unit Owner who acquired title to the Residential Unit from Sponsor is prohibited for a period of twelve (12) months from the Closing of the Sponsor sale ("Sponsor Sale") from taking any of the following actions without Sponsor's prior written consent, which consent may be withheld, conditioned, or delayed, in Sponsor's sole and absolute discretion: (i) listing such Residential Unit for sale with any broker, (ii) placing or authorizing any listing of the Unit for sale in any broker's listing system or other listing service, or (iii)

advertising or otherwise offering, promoting or publicizing the availability of such Residential Unit for sale. Unless it would constitute a prohibited discriminatory inducement, the prohibitions set forth in (i) through (iii) above may be waived by Sponsor upon the Residential Unit Owner's prior written request, which waiver and any conditions thereto may be granted, withheld or delayed, in Sponsor's sole and absolute discretion.

Section 7.2 *Right of First Refusal.*

(A) Subject to the terms of Sections 7.5 and 7.9 hereof, any contract to sell a Residential Unit together with its Appurtenant Interests and any lease of a Residential Unit ("Sale Agreement" or "Lease Agreement") shall contain the following language: "THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER ARE HEREBY MADE EXPRESSLY SUBJECT TO THE RIGHTS IF ANY, OF THE CONDOMINIUM BOARD OF THE CONDOMINIUM WITH RESPECT TO THE TRANSACTION EMBODIED HEREIN PURSUANT TO THE TERMS OF SECTIONS 7.2 AND 7.3 OF THE BY-LAWS OF THE CONDOMINIUM, AS THE SAME MAY HAVE BEEN AMENDED." Promptly after any such bona fide Sale Agreement or Lease Agreement shall be fully executed, the Residential Unit Owner executing the same ("Offeree Unit Owner") shall send written notice thereof to the Condominium Board by certified or registered mail, return receipt requested, which notice shall be accompanied by a fully executed, original counterpart of the Sale Agreement or Lease Agreement, as the case may be, containing all of the terms offered in good faith by the prospective purchaser or tenant ("Outside Offeror").

(B) The sending of the notice referred to in paragraph (A) of this Section 7.2 shall constitute an offer by the Offeree Unit Owner to sell the Residential Unit, together with its Appurtenant Interests, or to lease the Residential Unit, as the case may be, to the Condominium Board or to its designee, corporate or otherwise, on behalf of all Residential Unit Owners, subject, however, to any variance therefrom provided in Section 7.3 hereof. The giving of such notice shall further constitute a representation and warranty by the Offeree Unit Owner to the Condominium Board, on behalf of all Unit Owners, that such Offeree Unit Owner believes the Sale Agreement or Lease Agreement to be bona fide in all respects. Thereafter, upon the written demand of the Condominium Board, the Offeree Unit Owner shall submit to the Condominium Board, in writing, such further information with respect to the Outside Offeror and the Sale Agreement or Lease Agreement as the Condominium Board may reasonably request.

(C) The Condominium Board may elect, by sending written notice thereof to the Offeree Unit Owner by certified or registered mail not later than 30 days (in the event of a proposed sale) and 30 days (in the event of a proposed lease) after receipt of the notice referred to in paragraph (A) hereof together with such further information as may have been requested pursuant to the terms of paragraph (B) hereof, to purchase such Residential Unit together with its Appurtenant Interests or to lease such Residential Unit, as the case may be (or to cause the same to be purchased or leased by its designee, corporate or otherwise) on behalf of all Residential Unit Owners upon the same terms and conditions as were contained in the Sale Agreement or Lease Agreement and stated in the response(s) by the Offeree Unit Owner to any requests for additional information pursuant to the terms of paragraph (B) hereof. Notwithstanding anything to the contrary contained herein, however, the Condominium Board shall not exercise any option set forth in this Section 7.2 to purchase or lease any Residential Unit without the prior approval of a Majority of all Unit Owners.

(D) The Condominium Board may not discriminate against any person on the basis of race, creed, color, sex, sexual orientation, disability, marital status, age, ancestry, national origin or other ground proscribed by Law in connection with its exercise of its right of first refusal with respect to the sale or rental of a Unit.

Section 7.3 *Acceptance of Offer*

(A) In the event that the Condominium Board shall elect, within the time and in the manner provided in Section 7.2 hereof, to purchase a Residential Unit together with its Appurtenant Interests, to lease such Residential Unit, or to cause the same to be purchased or leased by its designee, title shall close or a lease shall be executed, in either event in accordance with the terms of the Sale Agreement or Lease Agreement, at the office of the attorneys for the Condominium Board within 45 days after the day upon which the Condominium Board shall give notice of its election to accept such offer.

(B) If such Residential Unit and its Appurtenant Interests are to be purchased by the Condominium Board or its designee on behalf of all Residential Unit Owners, such purchase may be made from the funds deposited in the capital and/or expense accounts of the Condominium. If the funds in such accounts are insufficient to effectuate such purchase, the Condominium Board may levy a Special Assessment against each Residential Unit Owner (other than the Offeree Unit Owner) in accordance with the terms of paragraph (C) of Section 6.1 hereof and/or the Condominium Board may, in its discretion, finance the acquisition of such Residential Unit; provided, however, that no such financing may be secured by an encumbrance on or a hypothecation of any portion of the Property other than the Residential Unit to be purchased together with its Appurtenant Interests. In addition, if the Outside Offeror was to assume or to take title to the Residential Unit subject to the Offeree Unit Owner's existing mortgage or mortgages pursuant to the Sale Agreement, the Condominium Board may purchase the Residential Unit and assume or take title thereto subject to such mortgage or mortgages as the case may be. At the Closing, the Offeree Unit Owner shall convey the Residential Unit, together with its Appurtenant Interests, to the Condominium Board or to its designee, on behalf of all Residential Unit Owners, by deed in the form required by Section 399-o of the Condominium Act with all tax and/or documentary stamps affixed at the expense of the Offeree Unit Owner, who shall also pay all other transfer taxes arising out of such sale (including, if applicable, all New York State and New York City Transfer Taxes) notwithstanding any terms of the Sale Agreement to the contrary. Real estate taxes, mortgage interest (if applicable) and Common Charges shall be apportioned between the Offeree Unit Owner and the Condominium Board or its designee as of the Closing date, notwithstanding any terms of the Sale Agreement to the contrary. Thereafter, such Residential Unit shall be held, so long as the same is owned by the Condominium Board or its designee, on behalf of all Residential Unit Owners, as tenants-in-common, and all such Unit Owners shall be deemed to have waived all rights of partition with respect to such Residential Unit and the entire Property, as herein provided.

(C) In the event that such Residential Unit is to be leased by the Condominium Board or its designee on behalf of all Residential Unit Owners, the Offeree Unit Owner shall execute and deliver to the Condominium Board or such designee a lease covering such Residential Unit by and between the Offeree Unit Owner, as landlord, and the Condominium Board or such designee, as tenant. Such lease shall be in the then current form of apartment lease recommended by the Real Estate Board of New York, Inc., and shall contain all of the terms and conditions of the Lease Agreement not in conflict with such form of lease, including, without limitation, the rental and term provided for therein. Notwithstanding anything to the contrary set forth hereinabove or in the Lease Agreement, however, such lease shall expressly provide that the Condominium Board or such designee may enter into a sublease of the premises demised thereunder without consent of the landlord.

Section 7.4 *Failure to Accept Offer.*

(A) In the event that the Condominium Board shall fail to accept an offer made pursuant to the terms of Section 7.2 hereof within the respective times set forth in paragraph (C) thereof, the Offeree Unit Owner shall be free to consummate the transaction embodied in the Sale Agreement or Lease Agreement within 60 days after (i) notice of refusal is sent to the Offeree Unit Owner by the Condominium Board or (ii) the expiration of the period within which the Condominium Board or its designee might have accepted such offer, as the case may be. If the Offeree Unit Owner shall fail to consummate the transaction embodied in the Sale Agreement or Lease Agreement within such 60 day period, then, should the Offeree Unit Owner thereafter elect to sell such Residential Unit together with its Appurtenant Interests or to lease

such Unit, the Offeree Unit Owner shall be required again to comply with all of the terms and provisions of Section 7.2, 7.3 and 7.4 hereof, but not more often than once in any 12 month period, except the Condominium Board shall have the right to waive this for good cause shown, in its sole discretion.

(B) Any deed of a Residential Unit and its Appurtenant Interests to an Outside Offeror shall expressly provide that the acceptance thereof by the grantee shall constitute an assumption of all of the terms of the Condominium Documents, and, in the absence of such express language, the same shall be conclusively deemed to have been included herein.

(C) Each lease of a Residential Unit to an Outside Offeror shall be in the then current form of apartment lease recommended by the Real Estate Board of New York, Inc., subject to such modifications as may be approved in writing by the Condominium Board or such other form approved in writing by the Condominium Board. Notwithstanding the foregoing, however, each such lease shall be consistent with the Condominium Documents and shall expressly provide that:

(i) such lease may not be amended, modified, or extended without the prior approval of the Condominium Board in each instance;

(ii) the tenant thereunder shall not assign the tenant's interest in such lease or sublet the premises demised thereunder or any part thereof without the prior approval of the Condominium Board in each instance; and

(iii) the Condominium Board shall have the power to terminate such lease and/or to bring summary proceedings to evict the tenant in the name of the landlord thereunder in the event of (a) a default by the tenant in the performance of its obligations under such lease or (b) a foreclosure of the lien granted by Section 339-z of the Condominium Act.

Section 7.5 *Termination of, and Exceptions to, the Right of First Refusal.*

(A) A certificate executed and acknowledged by the Secretary of the Condominium or the Managing Agent, stating that the provisions of Section 7.2 hereof have been met by a Residential Unit Owner or that the right of first refusal provided for therein has been duly released or waived by the Condominium Board and that, as a result thereof, the rights of the Condominium Board thereunder have terminated, shall be conclusive upon the Condominium Board and all Unit Owners in favor of all persons who rely upon such certificate in good faith. After the due issuance of such a certificate, the Residential Unit to which the same shall relate, together with its Appurtenant Interests, may be sold, conveyed, or leased free and clear of the terms and conditions contained in Section 7.2 hereof. The Condominium Board shall furnish or cause the Managing Agent to furnish without charge, such certificate upon written request to any Residential Unit Owner in respect to whom the provisions of Sections 7.2 hereof have, in fact, been terminated. In no event, however, shall the right of first refusal described in Section 7.2 hereof be deemed released or waived by the Condominium Board (as opposed to satisfied pursuant to the express terms of Sections 7.2, 7.3 and 7.4 hereof) in the absence of the certificate that has been duly executed, acknowledged and issued by the Secretary of the Condominium or the Managing Agent as aforesaid.

(B) The terms and conditions contained in Section 7.2, 7.3 and 7.4 hereof shall not apply with respect to any sale, lease or conveyance of a Residential Unit, together with its Appurtenant Interests, by:

(i) the Residential Unit Owner thereof to any adult Family Members, to any combination of the same, or to a trust for the benefit of any of them (in which case the Condominium Board shall have the right to review the trust documents and provide for such terms and restrictions on such transfer as the Condominium Board deems advisable), provided, however, that if the succeeding Residential Unit Owner is an infant or a person judicially declared

incompetent of managing such person's affairs, then such Residential Unit shall be held by the personal representative of such infant or incompetent, or in the case of a Residential Unit Owner that is not an individual, to any entity or individual that owns more than 50% of the legal and beneficial interests of such Residential Unit Owner or to any entity with respect to which such Residential Unit Owner (individual or otherwise) owns more than 50% of the legal and beneficial interest thereof:

(ii) Sponsor;

(iii) the Condominium Board;

(iv) any proper officer conducting the sale of a Residential Unit in connection with the foreclosure of a mortgage or other lien covering such Residential Unit or delivering a deed in lieu of such foreclosure; or

(v) any Permitted Mortgagee or its nominee, who has acquired title to any Residential Unit at any foreclosure sale of its Permitted Mortgage or by deed in lieu thereof delivered in a bona fide transaction;

(vi) any Community Facility Unit Owner;

(C) provided, however, that each succeeding Residential Unit Owner shall be bound by, and the Residential Unit shall be subject to, all of the terms and conditions of this Article 7.

(D) The terms and conditions contained in Section 7.2, 7.3, 7.4 and 7.7 hereof shall not apply with respect to any sale, lease or conveyance of a Community Facility Unit, together with its Appurtenant Interests.

Section 7.6 *No Severance of Ownership.* No Unit Owner shall execute any deed or other instrument conveying title to the Unit without including therein its Appurtenant Interests, it being the intention to prevent any severance of such combined ownership. Any deed or other instrument purporting to affect one or more such interests shall be taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein. No part of the Appurtenant Interests of any Unit may be sold, conveyed, or otherwise disposed of, except as part of a sale, conveyance, or other disposition of the Unit to which such interests are appurtenant or as part of a sale, conveyance, or other disposition of such part of the Appurtenant Interests of all Units. Nothing contained in this Section 7.6, however, shall prohibit the lease of any Unit without the simultaneous lease of its Appurtenant Interests.

Section 7.7 *Payment of Common Charges and Fees.* No Unit Owner shall be permitted to convey or lease the Unit unless the Unit Owner shall have (i) paid in full to the Condominium Board all unpaid Common Charges and Special Assessments theretofore assessed against such Unit and shall have satisfied all unpaid liens, other than that of Permitted Mortgages, levied against such Unit and (ii) paid in full all fees charged by the Condominium Board and/or the Managing Agent in connection with the sale or rental of Residential Units, including, without limitation, any working capital fund contribution imposed by the Condominium Board and (iii) paid in full to Sponsor the Resale Fee set forth in Section 7.15 of these By-Laws. However, where the payment of such unpaid Common Charges and/or Special Assessments is made by the grantee or provided for out of the proceeds of the sale of a Unit, a sale may take place notwithstanding the foregoing. Notwithstanding the foregoing, the imposition of any fees by the Condominium Board and/or the Managing Agent in connection with the sale or rental of Residential Units shall not apply to the sale lease, sublease, license or conveyance of a Residential Unit by the reasons set forth in subsections 7.5(B) (ii), (iii), (iv), (v) and (vi) of this Article 7.

Section 7.8 *Power of Attorney.* At the time of acquiring title to a Unit and as a condition thereof, the new Unit Owner shall duly execute, acknowledge and deliver to the representative of the title insurance company (or, if no such representative is present, to the Condominium Board) for recording in the Register's Office (at such Unit Owner's sole cost and expense), the Unit Owner's Power of Attorney required in Article 14 of the Declaration, substantially in the form set forth as Exhibit E to the Declaration.

Section 7.9 *Gifts and Devises, Etc..* Any Unit Owner shall be free to convey or transfer the Unit, together with its Appurtenant Interests, by gift, or to devise the same by will or to have the same pass by intestacy, without restriction, provided, however, that each succeeding Unit Owner shall be bound by, and the Unit shall be subject to, the provisions of this Article 7.

Section 7.10 *Commencement of Time.* The period of time set forth in Section 7.2 for which the Condominium Board has to waive its right of first refusal shall not commence until such time as the Condominium Board or its managing agent has received a completed sales or lease package, including all fees set forth therein, as the case may be, from a Residential Unit Owner. If the information provided by the Unit Owner or prospective purchaser or tenant, as the case may be, is incomplete, the Condominium Board shall have the right to request additional information and the 30 day period will commence on receipt by the Condominium Board of the additional information.

Section 7.11 *Costs and Expenses.* All costs and expenses incurred by the Condominium Board, including, without limitation, attorneys' fees, costs and disbursements paid or incurred by the Condominium Board or by its Managing Agent in connection with any action taken by the Condominium Board with regard a violation of this Article 7, shall be borne by the defaulting Unit Owner as an Additional Common Charge.

Section 7.12 *Sale or Lease of Community Facility Unit.*

(A) The Community Facility Unit Owners may sell, lease or convey their respective Units without the consent of the Condominium Board, the Managing Agent, the other Unit Owners or any other Person.

(B) Any proper officer conducting the sale of a Community Facility Unit in connection with the foreclosure of a mortgage or other lien covering such Unit or delivering a deed in lieu of such foreclosure, or any Permitted Mortgagee or its nominee, who has acquired title to any Unit at any foreclosure sale of its Permitted Mortgage or by deed in lieu thereof in a bona fide transaction shall have the same rights as the Community Facility Unit Owners to sell or lease such Unit as provided in paragraph (A) above.

(C) Upon the written request of a Community Facility Unit Owner, the Condominium Board shall deliver to such Community Facility Unit Owner or any designee, a statement ("Estoppel Certificate") indicating that such Community Facility Unit Owner is current in its payment of all amounts due under the Declaration and the By-Laws, that no written notice of default has been sent to such requesting party and to the knowledge of the Condominium Board, no such default exists. Any such statement may be relied upon by any mortgagee or purchaser of the Community Facility Unit. In addition, upon the written request of a Community Facility Unit Owner accompanied by such documentation as is reasonably sufficient to allow the Condominium Board to proceed as hereinafter described, the Condominium Board will enter into a non-disturbance and attornment agreement ("Non-Disturbance Agreement") in a form reasonably satisfactory to such requesting Unit Owner with any tenant ("Tenant") of the Community Facility Unit Owner which provides that: (i) the Tenant shall be entitled to continued undisturbed possession of such Unit or portion thereof leased by such Tenant, (ii) the Tenant's rights and privileges under the lease for such Unit or portion thereof ("Lease") shall not be diminished or interfered with by the Condominium Board for any reason whatsoever during the term of the Lease or any extensions or renewals thereof, and (iii) except as provided in the last paragraph of this paragraph (C), the Condominium Board will not join the Tenant as a

party defendant in any action or proceeding to foreclose upon the Unit or to enforce any rights or remedies of the Condominium Board under the Declaration and the By-Laws which would cut-off, destroy, terminate or extinguish the Lease, provided that (a) the Tenant is not in default (beyond any applicable grace periods) in the payment of rent or additional rent or in the performance or observance of any of the other terms, covenants, provisions or conditions of the Lease, (b) the Tenant is not in default of any of the provisions of the Declaration and By-Laws, both at the time of the request and at the time of execution of the Non-Disturbance Agreement, (c) the Lease is in full force and effect, (d) the Tenant attorns to the Condominium Board and pays to the Condominium Board, all rentals and other monies due and to become due to the Community Facility Unit Owner, under the terms of the Lease but only to the extent of a percentage of the unpaid Common Charges due from the Community Facility Unit Owner, equal to the percentage of the total square footage of the Community Facility Unit leased by such Tenant, it being understood that without affecting the Tenant's rights and protection afforded by the Non-Disturbance Agreement, the Tenant shall not be required to pay any rentals or other monies otherwise due or to become due to the Community Facility Unit Owner to the Condominium Board if such payment is prohibited by the terms of any non-disturbance agreement granted to such Tenant by the mortgagee of any such Community Facility Unit holding a first mortgage on such Community Facility Unit. The Non-Disturbance Agreement shall be executed by the Tenant and the Condominium Board and prepared by the Condominium Board at the expense of the Unit Owner requesting the Non-Disturbance Agreement, which expense shall be limited to reasonable actual out-of-pocket expenses incurred by the Condominium Board, including attorneys' fees, costs and disbursements.

Notwithstanding the foregoing, if it would be procedurally disadvantageous for the Condominium Board not to name or join the Tenant in a foreclosure proceeding with respect to the Community Facility Unit, the Condominium Board may name or join the Tenant without in any way diminishing or otherwise affecting the rights and privileges granted to, or inuring to the benefit of, the Tenant under this Article.

Section 7.13 *Assignment of Storage Locker Licenses.*

(A) Except for Sponsor, no Residential Unit Owner shall be permitted to assign, convey or lease any Storage Locker to anyone other than a Residential Unit Owner or its Permitted User. A Storage Locker License may be assigned by a Residential Unit Owner at any time (and not subject to any right of first refusal by the Condominium Board) provided (i) the assignee is another Residential Unit Owner at the Condominium; (ii) the assignee assumes the obligations under the Storage Locker License; (iii) notification of the assignment is promptly delivered to the Condominium Board in compliance with its requirements; and (iv) all unpaid Common Charges and Special Assessments and other obligations due to the Condominium have been paid in full.

(B) A Storage Locker License shall automatically terminate at such time as the Licensee no longer owns a Residential Unit, unless the Storage Locker License is assigned to and assumed by another Residential Unit Owner in accordance with the terms of the Storage Locker License and these By-Laws. A Licensee may also voluntarily surrender a Storage Locker License to the Condominium Board. The Condominium Board may elect to terminate a Storage Locker License in the event that the Licensee defaults in its obligations under the Storage Locker License beyond any applicable cure periods or as otherwise provided for in the Storage Locker License. Upon the surrender or termination (for any reason whatsoever) of a Storage Locker License, the Condominium Board shall have the right in its sole discretion to issue a new Storage Locker License for the Storage Locker to another Residential Unit Owner for such consideration as the Condominium Board shall deem appropriate in its sole discretion and without any obligation to compensate the former Licensee therefor.

(C) The Condominium Board has the authority to promulgate additional rules and/or restrictions regarding the procedures for assigning, transferring, surrendering, terminating, and/or otherwise conveying the Storage Lockers.

Section 7.14 *Working Capital Fund.* At the time of acquiring title to a Residential Unit and as a condition thereof, the new Residential Unit Owner shall be required to make a contribution to the Working Capital Fund of the Condominium in an amount equal to 2 months' Common Charges assessed against the Residential Unit. This provision shall not apply to purchases of Residential Units by Sponsor. In addition, except for Sponsor, Residential Unit Owners of Residential Units occupied by Non-Purchasing Tenants (as such term is defined in General Business Law Section 352-eeee) shall be required to deposit with Managing Agent at the closing of such Residential Unit Owner's acquisition of the Residential Unit, a sum not less than the greater of 2 months' rent under such Non-Purchasing Tenant's lease or occupancy agreement and 2 months' Common Charges, to be used as working capital to furnish such services and facilities to the tenant of the Residential Unit as may be required by Law until such time as such tenant's right to occupy terminates. Upon written notice from the Managing Agent or the Condominium Board that such deposit has been diminished, the Residential Unit Owner shall replenish the fund within 30 days thereafter. Such Residential Unit Owner shall irrevocably appoint the Managing Agent as the Residential Unit Owner's agent, coupled with an interest to provide such services and facilities to the tenant at the Residential Unit owner's expense.

Section 7.15 *Resale Fee.*

(A) Each Residential Unit Owner who acquired a Residential Unit from Sponsor ("Sponsor Sale") and subsequently enters into an agreement, written or oral ("Resale Agreement") to sell such Residential Unit ("Resale") prior to the first anniversary of the closing of such Sponsor Sale shall be obligated to pay to Sponsor a portion of the proceeds of the Resale ("Resale Fee"). Such Residential Unit Owner will be required to send Sponsor a copy of the Resale Agreement within ten (10) days after entering into the Resale Agreement. The Resale Fee paid to Sponsor at the closing of the Resale shall be equal to 50% of the "Gross Profit," i.e. the difference between (A) the "Net Profit," i.e. the sales price of the Residential Unit per the Resale Agreement ("Resale Price") less the following expenses actually paid by the Residential Unit Owner (to the extent applicable): (i) brokerage commissions not exceeding 6% in the aggregate; (ii) transfer taxes imposed by Law, if paid for by the Residential Unit Owner, and (iii) actual legal fees not exceeding $5,000, and (B) the "Sponsor Sale Price," i.e. the Purchase Price paid to Sponsor in connection with the Sponsor Sale. Set forth below is an example of the calculation of a Resale Fee:

Resale Price:	$	4,500,000
- *less* Brokerage Commissions	($	270,000)
- *less* Transfer Taxes	($	82,125)
- *less* Legal Fees	($	5,000)
Net Profit	$	4,142,875
- *less* Sponsor Sale Price	($	3,000,000)
Gross Profit	$	1,142,875
x 50% = **Resale Fee**	**$**	**571,438**

(B) The Resale Fee shall be paid to Sponsor by wire at the Closing pursuant to the Resale Agreement. Any deductions for allowable expenses paid by a Residential Unit Owner must be supported by documentation acceptable to Sponsor. At such time as Sponsor no longer owns any Unsold Residential Units, the obligation to pay the Resale Fee shall no longer be applicable. The obligation to pay a Resale Fee shall survive the Closing of the Sponsor Sale. For the avoidance of doubt, the Resale Fee shall not be applicable in the event a Unit Owner leases, rather than sells, their Unit prior to the first anniversary of the closing of the Sponsor Sale.

ARTICLE 8
MORTGAGING OF UNITS

Section 8.1 *General.* Each Unit Owner shall have the right to mortgage the Unit, subject only to the terms and conditions contained in Section 8.2 hereof. Any Unit Owner who mortgages the Unit, or the holder of such mortgage, shall supply the Condominium Board with the name and address of the mortgagee and shall file a conformed copy of the note and mortgage with the Condominium Board. Any Unit Owner who satisfies a mortgage covering the Unit shall so notify the Condominium Board and shall file a conformed copy of the satisfaction of mortgage with the Condominium Board. The Secretary of the Condominium shall maintain such information in a book entitled "Mortgages of Units." The terms and conditions contained in this Section 8.1, however, shall not apply to Sponsor or the Community Facility Unit Owners.

Section 8.2 *Restrictions on Mortgaging*

(A) No Unit Owner shall be permitted to mortgage, pledge, or hypothecate the Unit unless and until such Unit Owner shall have paid in full to the Condominium Board all unpaid Common Charges and Special Assessments theretofore assessed against such Unit and shall have satisfied all unpaid liens, except the liens of Permitted Mortgages levied against such Unit.

(B) No Unit Owner shall execute any mortgage or other document mortgaging, pledging, or hypothecating title to the Unit without including therein its Appurtenant Interests, it being the intention to prevent any severance of such combined ownership. Any mortgage or other instrument purporting to affect one or more of such interests without including all such interests shall be deemed and taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein.

(C) Any mortgage covering a Residential Unit shall be substantially in the form used by any Institutional Lender.

(D) Any mortgage covering a Unit shall be held by an Institutional Lender, Sponsor, or by a Unit Owner providing purchase money financing in connection with the sale of the Unit.

Section 8.3 *Notice of Unpaid Common Charges and Default.* The Condominium Board shall promptly report to Permitted Mortgagee any default by the Permitted Mortgagee's mortgagor in the payment of Common Charges or Special Assessments for more than 60 days or whenever requested in writing by a Permitted Mortgagee any default by the Permitted Mortgagee's mortgagor in the observance or performance of any of the provisions of the Condominium Documents as to which the Condominium Board has knowledge then exists. The Condominium Board shall, when giving notice to a Unit Owner of any such default, also send a copy of such notice to the Permitted Mortgagee, if so requested. However, the Condominium Board shall have no liability for any failure, through oversight or negligence, in notifying a Permitted Mortgagee of any default by the mortgagor under the Condominium Documents, provided that (i) the Condominium Board shall advise such Permitted Mortgagee of the default promptly after discovering such failure and (ii) if the Condominium Board shall foreclose a lien on such mortgagor's Unit pursuant to the terms of Section 6.5 hereof by reason of such default, the Condominium Board shall pay to such Permitted Mortgagee any net proceeds of any foreclosure sale of such Unit (after retaining all sums due and owing to the Condominium Board pursuant to the Condominium Documents) or such lesser sum as shall be due and owing to such Permitted Mortgagee.

Section 8.4 *Performance by Permitted Mortgagees.* Any sum of money to be paid or any act to be performed by a Unit Owner pursuant to the terms of the Condominium Documents may be paid or performed by such Unit Owner's Permitted Mortgagee, and the Condominium Board shall accept such

Permitted Mortgagee's payment or performance with the same force and effect as if the same were paid or performed by such Unit Owner.

Section 8.5 *Examination of Books.* Each Permitted Mortgagee shall be permitted to examine the books of account of the Condominium at reasonable times on business days, but not more frequently than once a month.

Section 8.6 *Consent of Mortgagees; Designation of Mortgage Representatives.*

(A) Except as otherwise expressly provided for herein or in the Declaration, no consent or approval by any mortgagee shall be required with respect to any determination or act of the Condominium Board or any Unit Owner, provided, however, that nothing contained herein shall be deemed to limit or affect the rights of any mortgagee against a Unit Owner's mortgage. In the event that any such consent or approval shall be expressly required pursuant to the terms of the Declaration or these By-Laws, the decision of a majority of the Mortgage Representatives, if any are designated pursuant to the terms of paragraph (B) of this Section 8.6, shall be deemed binding upon the holders of all mortgages encumbering Units.

(B) The holders of Institutional Mortgages constituting a majority in principal amount of all Institutional Mortgages may, if they so elect, designate not more than 3 Mortgage Representatives by giving written notice thereof to the Condominium Board, which Mortgage Representatives shall thereby be empowered to act as the representatives of the holders of all mortgages encumbering Units with respect to any matter requiring the consent or approval of mortgagees under the Declaration or these By-Laws. Any designation of a Mortgage Representative pursuant to the terms of this paragraph (B) shall be effective until any successor Mortgage Representative is designated pursuant to the terms hereof and written notice thereof is given to the Condominium Board. Unless otherwise required by Law, no holders of mortgages (which are not Institutional Mortgages) shall be entitled to participate in the designation of Mortgage Representatives, but all holders of mortgages encumbering Units shall be subject to all determinations made by the Mortgage Representatives pursuant to the terms of the Declaration or these By-Laws.

Section 8.7 *Notice to Permitted Mortgagees* .

(A) Whenever requested by a Permitted Mortgagee, the Condominium Board shall provide timely written notice to such Permitted Mortgagee of (i) any condemnation or casualty loss that affects either (x) a material portion of the Condominium or (y) a material portion of a Unit, (ii) a lapse, cancellation or material modification of any insurance policy maintained by the Condominium, and (iii) any proposed action by the Condominium Board that requires the consent of a specified percentage of Permitted Mortgagees or the approval of the majority of the Mortgage Representatives.

(B) In no event, however, shall the Condominium Board (including its members, officers, agents, attorneys and employees) and Unit Owners be liable for any claims or liabilities and expenses for any failure, through oversight or negligence, in giving a Permitted Mortgagee any notice required under (A) above. Nonetheless, the Condominium Board shall give such missed notice with reasonable promptness after discovering such failure.

(C) Where the consent of the Permitted Mortgagees or Mortgage Representatives is required pursuant to the terms of the Declaration or By-Laws, if the Permitted Mortgagees or Mortgage Representatives fail to respond within 60 days after written receipt of the required consent, delivered by either certified or registered mail, "return receipt" requested, the implied approval of such Permitted Mortgagees or Mortgage Representative shall be assumed.

ARTICLE 9

CERTAIN REMEDIES

Section 9.1 *Self Help.* If any Unit Owner shall violate or breach any of the provisions of the Condominium Documents on Unit Owner's part to be observed or performed, including, without limitation, any breach of Unit Owner's obligation to paint, decorate, maintain, repair, or replace the Unit or its appurtenant Residential Limited Common Elements, if any, pursuant to the terms of Article 5 hereof, and shall fail to cure such violation or breach within 5 days after receipt of written notice of the same from the Condominium Board, the Managing Agent, or any manager (or, with respect to any violation or breach of the same not reasonably susceptible to cure within such period, to commence such cure within such 5 day period and, thereafter, to prosecute such cure with due diligence to completion), the Condominium Board shall have the right to enter such Unit Owner's Unit and/or its appurtenant Residential Limited Common Elements, if any, and summarily to abate, remove, or cure such violation or breach without thereby being deemed guilty or liable in any manner of trespass. In addition, in the event that the Condominium Board shall determine that the abatement, removal, or cure of any such violation or breach is immediately necessary for the preservation or safety of the Building or for the safety of the occupants of the Building or other individuals or is required to avoid the suspension of any necessary service in the Building, the Condominium Board may take such action immediately, without prior notice and without allowing the said Unit Owner any period of time within which to cure or to commence to cure such violation or breach.

Section 9.2 *Abatement and Enjoinment.*

(A) In the event that any Unit Owner shall violate or breach any of the provisions of the Condominium Documents on Unit Owner's part to be observed or performed, the Condominium Board shall have the right (i) to enter any Unit or Common Elements in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition resulting in such violation or breach and the Condominium Board shall not thereby be deemed guilty or liable in any matter of trespass, and/or (ii) to enjoin, abate, or remedy the continuance or repetition of any such violation or breach by appropriate proceedings brought either at law or in equity, provided that the Condominium Board gives the Unit Owner notice (which may be by telephone or in writing) that such violation exists, that repairs or replacements are necessary and that the Condominium Board will complete such repairs or replacements in the event the Unit Owner does not promptly act or complete the repairs or replacements, and/or (iii) to levy such fines and penalties as the Condominium Board may deem appropriate, and the Condominium Board shall have the same remedies for non-payment of such fines and penalties as for non-payment of Common Charges.

(B) The violation or breach of any of the terms of the Condominium Documents with respect to any rights, easements, privileges, or licenses granted to Sponsor or the Community Facility Unit Owner shall give to Sponsor or the Community Facility Unit Owner the right to enjoin, abate, or remedy the continuation or repetition of any such violation or breach by appropriate proceedings brought either at law or in equity.

Section 9.3 *Remedies Cumulative.* The remedies specifically granted to the Condominium Board or to Sponsor or the Community Facility Unit Owner in this Article 9 or elsewhere in the Condominium Documents shall be cumulative, shall be in addition to all other remedies obtainable at law or in equity and may be exercised at one time or at different times, concurrently or in any order, in the sole discretion of the Condominium Board or Sponsor or the Community Facility Unit Owner, as the case may be. Further, the exercise of any remedy shall not operate as a waiver, or preclude the exercise, of any other remedy.

Section 9.4 *Costs and Expenses.* All sums of money expended, and all costs and expenses incurred, by (i) the Condominium Board in connection with the abatement, enjoinment, removal, or cure of any violation, breach, or default committed by a Unit Owner pursuant to the terms of Section 9.1 or paragraph (A) of Section 9.2 hereof or (ii) Sponsor or the Community Facility Unit Owners in connection with any abatement, enjoinment, or remedy of any violation or breach of the Condominium Documents pursuant to the terms of paragraph (B) of Section 9.2 hereof, shall be immediately payable by (a) in the event set forth in subparagraph (i) hereof, such Unit Owner to the Condominium Board or (b) in the event set forth in subparagraph (ii) hereof, the offending party (i.e., the Condominium Board or the Unit Owner) to Sponsor or the Community Facility Unit Owners, as the case may be, which amount shall, in either event, bear interest (to be computed from the date expended) at the rate of 2% per month (but in no event in excess of the maximum rate chargeable to such Unit Owner pursuant to Law). All sums payable by a Unit Owner to the Condominium Board pursuant to the terms of this Section 9.3 shall, for all purposes hereunder, constitute Common Charges payable by such Unit Owner.

ARTICLE 10

ARBITRATION

Section 10.1 *Procedure.* Any matter required or permitted to be determined by arbitration pursuant to the terms of the Condominium Documents shall be submitted for resolution by a single arbitrator in a proceeding held in the City of New York in accordance with the then existing rules of the American Arbitration Association or any successor organization thereto. In the event that the American Arbitration Association shall not then be in existence and has no successor organization, any such arbitration shall be held in the City of New York before 1 arbitrator appointed, upon the application of any party, by any Justice of the highest court of appellate jurisdiction then located in the City of New York. The decision of the arbitrator so chosen shall be given within 10 days after such arbitrator's selection or appointment. Any arbitrator appointed or selected in connection with any arbitration to be conducted hereunder shall be a member of a law firm having at least 5 members whose principal office is located in the City of New York.

Section 10.2 *Variation by Agreement.* The parties to any dispute required or permitted to be resolved by arbitration pursuant to the terms of the Condominium Documents may, by written agreement, vary any of the terms of Section 10.1 hereof with respect to the arbitration of such dispute or may agree to resolve their dispute in any manner, including, without limitation, the manner set forth in Section 3031 of the New York Civil Practice Law and Rules and known as "New York Simplified Procedure for Court Determination of Disputes."

Section 10.3 *Binding Effect.* The decision in any arbitration conducted pursuant to the terms of Section 10.1 and 10.2 hereof shall be binding upon all of the parties thereto and may be entered in any court of appropriate jurisdiction.

Section 10.4 *Costs and Expenses.*

(A) The fees, costs and expenses of the arbitrator shall be borne by the losing party in the arbitration or, if the position of neither party to the dispute shall be substantially upheld by the arbitrator, such fees, costs and expenses shall be borne equally by the disputants. Each disputant shall also bear the fees and expenses of disputant's counsel and expert witnesses.

(B) All costs and expenses paid or incurred by the Condominium Board in connection with any arbitration held hereunder, including, without limitation, the fees and expenses of counsel and expert witnesses, shall constitute General Common Expenses, to be borne by all Unit Owners, if such arbitration relates to the Units, generally, or to the General Common Elements, and shall constitute Residential Common

Expenses, to be borne by all Residential Unit Owners if such arbitration relates solely to the Residential Units or the Residential Common Elements or the Residential Limited Common Elements.

ARTICLE 11

NOTICES

Section 11.1 *General.* All notices required or desired to be given hereunder (except for notices of regular annual or special meetings of the Residential Unit Owners and except all meetings of the Condominium Board) shall be sent by registered or certified mail, return receipt requested, postage prepaid addressed:

(i) if to the Condominium Board, to the Condominium Board at its principal office as set forth in Section l.5 hereof, with a copy sent by regular first class mail to the Managing Agent (if any) at its principal office address as aforesaid;

(ii) if to a Unit Owner other than Sponsor, to such Unit Owner at Unit Owner's address at the Property;

(iii) if to Sponsor, to Sponsor at its principal office as set forth in the Plan;

(iv) if to a Permitted Mortgagee, to such Permitted Mortgagee at its latest address designated in writing to the Condominium Board.

Any of the foregoing parties may change the address to which notices are to be sent, or may designate additional addresses for the giving of notice, by sending written notice to the other parties as aforesaid. All notices sent pursuant to the terms of this Section 11.1 shall be deemed given when mailed in the State of New York, provided, however, that notices of change of address, notices designating additional addresses and notices deposited in a United States Postal Service depository located outside of the State of New York shall be deemed to have been given when received.

Section 11.2 *Waiver of Service of Notice.* Whenever any notice is required to be given by Law or pursuant to the terms of the Condominium Documents, a waiver thereof in writing, signed by the Persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

ARTICLE 12

AMENDMENTS TO BY-LAWS

Section 12.1 *General.*

(A) Subject to the terms of paragraph (B) hereof and subject, further, to any provisions contained in the Declaration or these By-Laws with respect to any amendments ("Special Amendments") affecting or in favor of Sponsor, the Community Facility Unit Owner, the Community Facility Unit and/or any Permitted Mortgagee, any provision of these By-Laws affecting the (i) General Common Elements or all Units may be added to, amended, modified or deleted by the affirmative vote of at least 66 2/3% in number and Common Interest of all Unit Owners; and (ii) Residential Common Elements or all Residential Units may be added to, amended, modified or deleted by affirmative vote of at least 66 2/3% in number and Residential Common Interest of all Residential Unit Owners, either taken at a duly constituted meeting thereof or given in writing without a meeting as provided in Section 4.10 hereof. Each duly adopted amendment, modification, addition, or deletion hereof or hereto shall be effectuated in an instrument executed and recorded in the Register's Office by or on behalf of the Condominium Board as attorney-in-fact

of all Unit Owners, which power-of-attorney shall be deemed irrevocable and coupled with an interest. Attached to each such instrument shall be an original, executed Secretary's Certification, certifying that the requisite number and percentage (where applicable) of Residential Unit Owners approved the amendment, modification, addition, or deletion set forth therein either at a duly constituted meeting of Residential Unit Owners or in writing without a meeting pursuant to the terms of Section 4.10 hereof, in which Secretary's Certification there shall be described the number and percentage (where applicable) of Residential Unit Owners approving the same and, if voted at a meeting, the date, time and place of such meeting. No such amendment, modification, addition, or deletion shall be effective unless and until such an instrument shall be duly recorded in the Register's Office.

(B) Notwithstanding anything to the contrary contained in paragraph (A) hereof, but still subject to any provision contained in the Declaration or these By-Laws with respect to Special Amendments:

(i) the Common Interest and Residential Common Interest, if any, appurtenant to any Unit, as set forth in the Declaration, shall not be altered without the consent of the Unit Owner thereof, except as otherwise provided in paragraph (F) of Section 5.5 hereof; and

(ii) the terms of Section 5.7 hereof may not be amended, modified, added to, or deleted unless not less than 80% in number and aggregate Common Interests of all Unit Owners affected thereby shall approve such amendment, modification, addition or deletion in writing.

Section 12.2 *Special Amendments.*

(A) Any amendment, modification, addition, or deletion of or to any of the provisions of these By-Laws that, pursuant to the terms of the Declaration or these By-Laws, may be effected by Sponsor or the Community Facility Unit Owners, without the consent of the Condominium Board or the Unit Owners, shall be embodied in an instrument executed and recorded in the Register's Office by Sponsor or the Community Facility Unit Owners, as the case may be, as attorney-in-fact of both the Condominium Board and all Unit Owners, which power-of-attorney shall be deemed to be irrevocable and coupled with an interest. Attached to each such instrument shall be an original, executed Certification by Sponsor or the Community Facility Unit Owners certifying that the amendment, modification, addition, or deletion set forth therein was effectuated by Sponsor or the Community Facility Unit Owners pursuant to the terms of the Declaration and/or these By-Laws, in which Certification there shall be set forth the Article and/or Section of the Declaration or these By-Laws pursuant to which the same was effectuated. No such amendment, modification, addition, or deletion shall be effective unless and until such an instrument shall be duly recorded in the Register's Office.

(B) Notwithstanding any provision contained herein to the contrary, no amendment, modification, addition, or deletion of or to these By-Laws shall be effective in any respect against Sponsor or the Community Facility Unit Owners, unless and until Sponsor or the Community Facility Unit Owners shall consent to the same in writing.

(C) Notwithstanding any provision contained herein to the contrary, no amendment, modification, addition, or deletion of or to Section 5.4 or 5.5, paragraph (B) or paragraph (C) of Section 6.2, subparagraph (iv) or (v) of paragraph (B) of Section 7.5 or Article 8 hereof shall be effective with respect to the holder of any Permitted Mortgage theretofore made unless and until such Permitted Mortgagee shall have given its written consent thereto. In addition, no amendment to the Condominium Documents which would materially and adversely affect the holder of any Permitted Mortgage shall be effective without the prior written consent of 51% of the Permitted Mortgagees or a majority of the Mortgage Representatives, if any. If the Permitted Mortgagees or Mortgage Representatives fail to respond within 60 days after written receipt of the proposed amendment, delivered by either certified or registered mail, "return receipt" requested, the implied approval of such Permitted Mortgagees or Mortgage Representative shall be assumed.

(D) Amendments, modifications, additions or deletions of or to the Declaration, these By-Laws and the Residential Rules and Regulations may be necessary, appropriate or desirable in connection with the operation of a Community Facility Unit or the subdivision of or combination of, or altering of, or improvement to a Community Facility Unit and it is contemplated that in connection therewith a Community Facility Unit Owner will cause the Declaration, these By-Laws and the Residential Rules and Regulations to be so amended, modified, added to or deleted from and that the resulting provisions thereof may be similar or dissimilar to those affecting the Residential Units and the Residential Unit Owners. In the case of any such amendment, modification, addition or deletion which does not materially and adversely affect the Residential Units or the Residential Unit Owners, a Community Facility Unit Owner shall be the attorney-in-fact for the Residential Unit Owners (including Sponsor so long as Sponsor owns any Unsold Residential Units), coupled with an interest, for the purpose of approving, executing and recording any instrument effecting such amendment, modification, addition or deletion.

ARTICLE 13

FURTHER ASSURANCES

Section 13.1 *General.* Any Person that is subject to the terms of these By-Laws, whether such Person is a Unit Owner, a lessee or sublessee of a Unit Owner, an occupant of a Unit, a Member of the Condominium Board, an officer of the Condominium, or otherwise, shall, at the expense of any other Person requesting the same, execute, acknowledge and deliver to such other Person such instruments, in addition to those specifically provided for herein, and take such other action as such other Person may reasonably request in order either to effectuate the provisions of these By-Laws or any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

Section 13.2 *Failure to Deliver or Act.*

(A) If any Unit Owner or other Person that is subject to the terms of these By-Laws fails to execute, acknowledge, or deliver any instrument, or fails or refuses, within 10 days (or 60 days, with respect to a Permitted Mortgagee) after request therefor, to take any action that such Unit Owner or Person is required to execute, acknowledge and deliver or to take pursuant to these By-Laws, then the Condominium Board is hereby authorized, as attorney-in-fact for such Unit Owner or other Person, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of such Unit Owner or other Person, and such document or action shall be binding on such Unit Owner or other Person.

(B) If any Unit Owner, the Condominium Board or other Person that is subject to the terms of these By-Laws fails to execute, acknowledge, or deliver any instrument, or fails or refuses, within 10 days (or 60 days, with respect to a Permitted Mortgagee) after request therefor, to execute, acknowledge or deliver any instrument which such Unit Owner, Condominium Board or other Person is required to execute, acknowledge or deliver pursuant to these By-Laws at the request of Sponsor or any Community Facility Unit Owner, or any Development Rights Owner, solely with respect to utilization, sale or transfer of Excess Development Rights, as the case may be, then Sponsor, or the Community Facility Unit Owner or the Development Rights Owner solely with respect to utilization, sale or transfer of Excess Development Rights, as the case may be, is hereby authorized, as attorney-in-fact for the Unit Owner, Condominium Board or other Person, coupled with an interest, to execute, acknowledge and deliver such instrument, in the name of the Unit Owner, Condominium Board or other Person, and such instrument shall be binding on the Unit Owner, Condominium Board or other Person. The Condominium Board shall not unreasonably withhold or delay its consent or approval with respect to any matter contained in these By-Laws which requires the consent or approval of the Condominium Board.

ARTICLE 14

MISCELLANEOUS

Section 14.1 *Inspection of Documents.* Copies of the Declaration, these By-Laws, the Residential Rules and Regulations and the Floor Plans, as the same may be amended from time to time, shall be maintained at the office of the Condominium Board and shall be available for inspection by Unit Owners and their authorized agents during reasonable business hours. Each Unit Owner shall be permitted to examine the books of account of the Condominium during reasonable business hours, but not more frequently than once a month.

Section 14.2 *Waiver.* No provision contained in these By-Laws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, regardless of the number of violations or breaches that may occur.

Section 14.3 *Conflict.* In the event that any provision of these By-Laws or of the Residential Rules and Regulations shall be construed to be inconsistent with any provision of the Declaration or of the Condominium Act, the provision contained in the Declaration or in the Condominium Act shall control.

Section 14.4 *Severability.* If any provision of these By-Laws is invalid or unenforceable as against any Person or under certain circumstances, the remainder of these By-Laws and the applicability of such provision to other Persons or circumstances shall not be affected thereby. Each provision of these By-Laws shall, except as otherwise provided herein, be valid and enforced to the fullest extent provided by Law.

Section 14.5 *Successors and Assigns.* The rights and/or obligations of Sponsor as set forth herein shall inure to the benefit of, and shall be binding upon, any successor or assignee of Sponsor. The rights and/or obligations of the Community Facility Unit Owners as set forth herein shall inure to the benefit of, and shall be binding upon, any successor or assignee of the Community Facility Unit Owners.

Section 14.6 *Gender.* A reference in these By-Laws to any one gender, masculine or feminine, includes the other one, and the singular includes the plural, and vice-versa, unless the context otherwise requires.

Section 14.7 *Captions.* The index hereof and the captions herein inserted are included only as a matter of convenience and for reference, and in no way define, limit, or describe the scope of these By-Laws or the intent of any provision hereof.

ARTICLE 15

TAX STATUS AS A HOMEOWNERS ASSOCIATION

Section 15.1 *General.* As of the date of the recording of this Declaration, the Condominium Board will be eligible to elect tax-exempt status as a "homeowners association" under Section 528 of the Internal Revenue Code of 1986, amended.

Section 15.2 *Organization.* The Condominium is and will be organized and operated to provide for the acquisition, construction, management, maintenance and care of the Property.

Section 15.3 *Inurement.* No part of the Condominium's net earnings shall inure, and the Condominium Board will act in a manner such that no part of such earnings will inure to the benefit of any private shareholder or individual (other than by acquiring, constructing, or providing management,

maintenance, and care of the Property, and other than by rebate of excess membership dues, fees, or assessments).

Section 15.4 *Residential Use.* Substantially all of the Units are and will be used by individuals for residences.

* * * * *

ADDENDUM TO THE BY-LAWS

RESIDENTIAL RULES AND REGULATIONS

1. The sidewalks, entrance passages, public halls, elevators, vestibules, corridors and stairways of or appurtenant to the Building shall not be obstructed or used for any purpose other than ingress to and egress from the Residential Units.

2. No bicycles, rollerblades, scooters, skateboards or similar vehicle shall be taken into or from the Building through the main entrance. No baby carriages or any of the above-mentioned vehicles shall be allowed to stand in the public halls, passageways, or other public areas of the Building.

3. All service and delivery persons will be required to use the service entrances or such other entrances of the Building designated by the Condominium Board or the Managing Agent. In addition, all domestic employees, messengers and tradespeople visiting the Building shall use the elevator designated by the Condominium Board or the Managing Agent for the purposes of ingress and egress, and shall not use any of the other elevators for any purpose, provided, however, that care-givers in the employ of Residential Unit Owners or their Family Members, guests, tenants, subtenants, licensees, or invitees may use any of the other elevators when accompanying said Unit Owners, Family Members, guests, subtenants, licensees, or invitees.

4. Trunks and heavy baggage shall be taken in or out of the Building only by the elevator designated by the Condominium Board or the Managing Agent for the purpose and only through the service entrances.

5. No article (including, but not limited to, garbage cans, bottles or mats) shall be placed or stored in any of the halls or on any of the staircases or fire tower landings of the Building, nor shall any fire exit thereof be obstructed in any manner.

6. No Residential Unit may be used for the storage of any flammable materials or any other materials the storage of which may constitute a building code violation or which will increase the insurance requirements for the Building.

7. No refuse from the Residential Units shall be sent to the service area of the Building, except at such times and in such manner as the Condominium Board or the Managing Agent may direct. Nothing shall be hung or shaken from any doors, windows, Terrace or placed upon the window sills, of the Building, and no Residential Unit Owner shall sweep or throw, or permit to be swept or thrown, any dirt, debris or other substance therefrom.

8. There shall be no playing or lounging in the entrances, passages, public halls, elevators, vestibules, corridors, stairways, or fire towers of the Building.

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

10. Nothing shall be done or kept in any Residential Unit or in the Common Elements that will increase the rate of insurance of the Building, or the contents thereof. No Residential Unit Owner shall permit anything to be done or kept in the Residential Unit or in the Common Elements that will result in the cancellation of insurance on the Building, or the contents thereof, or that would be in violation of any Law. No Residential Unit Owner or any Family Members, agents, servants, employees, licensees, or visitors shall, at any time, bring into or keep in the Residential Unit any inflammable,

combustible, or explosive fluid, material, chemical, or substance, except as shall be necessary and appropriate for the permitted uses of the Residential Unit.

11. There shall be no barbecuing in the Residential Units, in their appurtenant Residential Limited Common Elements, if any, or in the Common Elements.

12. No Residential Unit Owner shall make, cause, or permit any unusual, disturbing, or objectionable noises or odors to be produced upon or to emanate from the Residential Unit or its appurtenant Residential Limited Common Elements, if any, or permit anything to be done therein that will interfere with the rights, comforts, or conveniences of the other Residential Unit Owners. No Residential Unit Owner shall play upon or suffer to be played upon any musical instrument, or shall operate or permit to be operated a phonograph, radio, television set, or other loudspeaker in such Unit Owner's Unit or its appurtenant Residential Limited Common Elements, if any, between 11:00 P.M. and the following 9:00 A.M., if the same shall disturb or annoy other occupants of the Building, and in no event shall any Residential Unit Owner practice of suffer to be practiced either vocal or instrumental music between the hours of 10:00 P.M. and the following 9:00 A.M.. No construction, repair work, or other installation involving noise shall be conducted in any Residential Unit except on weekdays (not including legal holidays) and only between the hours of 9:00 A.M. and 5:00 P.M., unless such construction or repair work is necessitated by an emergency. The foregoing restrictions shall not apply to Sponsor with respect to any Unsold Residential Units owned by Sponsor.

13. No pets other than dogs, caged birds, cats and fish (which do not cause a nuisance, health hazard or unsanitary condition) may be kept in a Residential Unit without the consent of the Condominium Board. The prohibition set forth in the preceding sentence shall not apply to a Residential Unit Owner who can establish that he or she was housing a Pet in the Unit Owner's Residential Unit prior to purchasing such Residential Unit ("Grandfathered Pet"). However, upon the removal or death of a Grandfathered Pet, a Residential Unit Owner shall be required to seek permission to house any replacement Pet. Each Residential Unit Owner who keeps any type of pet will be required to: (a) indemnify and hold harmless the Condominium, the Condominium Board, all Unit Owners and the Managing Agent from all claims and expenses resulting from acts of such pet; and (b) abide by any and all Residential Rules and Regulations adopted by the Condominium Board with respect thereto, including without limitation, the number of such pets. Notwithstanding the foregoing, the Condominium Board shall have the right to adopt a no-pet policy for the Building or policies with respect to size or number of pets per Unit. In no event shall any pet be permitted in any public elevator of the Building, other than the elevator designated by the Condominium Board or the Managing Agent for that purpose, or in any of the public portions of the Building, unless carried or on leash. No pigeons or other birds or animals shall be fed from the window sills, or other public portions of the Building, or on the sidewalk or street adjacent to the Building.

14. No group tour, open house or exhibition of any Residential Unit or its contents shall be conducted, nor shall any auction sale be held in any Residential Unit, without the consent of the Condominium Board or the Managing Agent in each instance. In the event that any Residential Unit shall be used for home occupation purposes in conformance with the Declaration and the By-Laws, no patients, clients, or other invitees shall be permitted to wait in any lobby, public hallway, or vestibule.

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

16. No window decorations shall be used in or about any Residential Unit, except such as shall have been approved in writing by the Condominium Board or the Managing Agent, which approval

shall not be unreasonably withheld, conditioned, or delayed. In no event, however, shall any windows of any Residential Unit be colored or painted.

17. Any installations, replacements, and/or repairs in connection with legally-compliant window guards and/or window stops in any Residential Unit shall be performed at the direction of the Managing Agent and all costs associated therewith shall be charged to and borne solely by the Residential Unit Owner. It is the responsibility of each Residential Unit Owner to (i) notify the Managing Agent in writing if any child under the age of eleven (11) years resides (even temporarily) in the Residential Unit, (ii) to make the necessary arrangements with respect to the installation, repair, replacement, operation, and/or maintenance of legally-compliant window guards and/or window stops in the Residential Unit and/or any additional equipment as required by Law, and (iii) to otherwise ensure that all operable windows located in the Residential Unit comply with Law.

18. No ventilator or air conditioning device shall be installed in any Residential Unit or its appurtenant Residential Limited Common Elements, if any, without the prior approval of the Condominium Board, which approval may be granted or refused in the sole discretion of the Condominium Board.

19. No radio or television aerial shall be attached to or hung from the exterior of the Building, and no sign, notice, advertisement, or illumination (including, without limitation, "For Sale," "For Lease," or "For Rent" signs) shall be inscribed or exposed on or at any window or other part of the Building, except such as are permitted pursuant to the terms of Declaration and/or the By-Laws or shall have been approved in writing by the Condominium Board or the Managing Agent. Nothing shall be projected from any window of a Residential Unit without similar approval.

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

21. Water-closets and other water apparatus in the Building shall not be used for any purpose other than those for which they were designed, and no sweepings, rubbish, rags or any other article shall be thrown into same. Any damage resulting from misuse of any water-closets or other apparatus in a Unit shall be repaired and paid for by the owner of the Residential Unit.

22. Each Residential Unit Owner shall keep the Residential Unit and its appurtenant Residential Limited Common Elements, if any, in a good state of preservation, condition, repair and cleanliness in accordance with the terms of the By-Laws.

23. The access doors located in various portions of the ceiling of the Residential Units shall not be obstructed in any manner.

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

25. The Condominium Board or the Managing Agent may retain a pass-key to each Residential Unit. If any lock is altered or a new lock is installed, the Condominium Board or the

Managing Agent shall be provided with a key thereto immediately upon such alteration or installation. If the Residential Unit Owner is not personally present to open and permit an entry to the Residential Unit at any time when an entry therein is necessary or permissible under these Residential Rules and Regulations or under the By-Laws, and has not furnished a key to the Condominium Board or the Managing Agent, then the Condominium Board or Managing Agent or their agents (but, except in an emergency, only when specifically authorized by an officer of the Condominium or an officer of the Managing Agent) may forcibly enter such Unit without liability for damages or trespass by reason thereof (if, during such entry, reasonable care is given to such Residential Unit Owner's property).

26. If any key or keys are entrusted by a Unit Owner, by any Family Member thereof, or by an agent, servant, employee, licensee, or visitor to an employee of the Condominium or of the Managing Agent, whether for the Residential Unit or an automobile, trunk, or other item of personal property, the acceptance of the key shall be at the sole risk of such Residential Unit Owner, and neither the Condominium Board nor the Managing Agent shall (except as provided in Rule 22 above) be liable for injury, loss, or damage of any nature whatsoever, directly or indirectly resulting therefrom or connected therewith.

27. Residential Unit Owners and their respective Family Members, guests, servants, employees, agents, visitors, or licensees shall not at any time or for any reason whatsoever, enter upon, or attempt to enter upon, the roof of the Building unless such roof is part of a lawful Terrace.

28. No occupant of the Building shall send any employee of the Condominium or of the Managing Agent out of the Building on any private business.

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

30. No Residential Unit Owner shall install any plantings on any Terrace or roof without the prior approval of the Condominium Board. Plantings shall be placed in containers impervious to dampness and standing on supports at least two inches from the Terrace or roof surface, and if adjoining a wall, at least three inches from such wall. Suitable weep holes shall be provided in the containers to draw off water. In special locations, such as a corner abutting a parapet wall, plantings may be contained in containers which shall be at least three inches from the parapet and flashing, with the floor of drainage tiles and suitable weep holes at the sides to draw off water. Such masonry planting beds shall not, however, rest directly upon the surface of such Terrace or roof but shall stand on supports at least two inches above such surface. No planting shall be permanently affixed to a Terrace or roof surface but shall be able to be easily moved. It shall be the responsibility of the Residential Unit Owner to maintain the containers in good condition, and the drainage tiles and weep holes in operating condition. Such Residential Unit Owner shall pay the cost of any repairs rendered necessary by or damage caused by such plantings. The placement of any items on the balconies shall be prohibited. The Condominium Board shall have an easement and a right of access to the Terrace appurtenant to the a Unit to inspect the same and to remove violations therefrom and to install, operate, maintain, repair, alter, build, restore, and replace any of the Common Elements located in, over, under through, adjacent to, or upon the same.

31. No Residential Unit Owner shall enclose, erect a greenhouse and/or alter the Terrace appurtenant to a Residential Unit in any way, without the prior approval of the Condominium Board.

32. No Residential Unit Owner may install or place speakers on a Terrace appurtenant to a Residential Unit.

33. Complaints regarding the service of the Condominium shall be made in writing to the Condominium Board and the Managing Agent.

34. When leaving the Residential Unit for extended periods of time, Residential Unit Owners and their respective Family Members, guests, domestic employees, agents, visitors, or licensees shall keep the Residential Unit at a maximum of 80 degrees Fahrenheit from May 15 to October 15 and shall keep the Residential Unit at a minimum of 60 degrees Fahrenheit from October 15 to May 15. Any damage resulting from a Residential Unit Owner's or their respective Family Member, guests, domestic employees, agents, visitors or licensees failure to abide by the provisions of this paragraph shall be borne solely by the owner of such Residential Unit causing the damage.

35. No person may carry or smoke any kind of lighted pipe, cigar, cigarette, tobacco, or any other lighted smoking apparatus, equipment or product, including but not limited to electronic cigarettes, (collectively, "Smoking Apparatus") in any area of the Building, whether indoors or outdoors, at any time. Smoking shall be prohibited in all common areas of the Building whether indoor or outdoor. Although smoking shall be permitted in any Unit or Limited Common Element appurtenant thereto, including a private Terrace, no person may smoke or otherwise use any Smoking Apparatus in a manner, which causes smoke to be a nuisance, create odors or annoyance to any other resident of the Condominium. In addition, no person may smoke or otherwise use any Smoke Apparatus within twenty-five (25) feet of any outside entrance to the Building or within twenty-five (25) feet of any outdoor air intake or operable window opening in the Common Elements or Units.

36. Residential Unit Owners and their respective Family Members, guests, domestic employees, employees, agents, visitors, or licensees shall abide by any additional rules and regulations adopted by the Condominium Board.

EXHIBIT E

TO THE DECLARATION

UNIT POWER OF ATTORNEY

UNIT POWER OF ATTORNEY

Terms used in this Unit Power of Attorney which are used (a) in the declaration ("Declaration") establishing a plan for condominium ownership of the premises known as The Avant ("Condominium") and by the street number 531-533 East 12th Street, New York, NY 10009 under Article 9-B of the Real Property Law of the State of New York, dated [DECLARATION DATE], and recorded in the Office of the Register of The City of New York of the County of New York ("Register's Office") on [DEC RECORDING DATE], as CRFN# [DEC CRFN #] ("Declaration"), or (b) in the By-Laws of The Avant ("By-Laws") attached to, and recorded together with, the Declaration, shall have the same meanings in this Power of Attorney as in the Declaration or the By-Laws.

[Applicable to Unit Owners of Residential Units only]: The undersigned, _____, (having an office) (residing at) _____, the owner of a Unit _____ ("Unit") in the Condominium which is designated and described as the Unit in the Declaration and also designated as Tax Lot _____ in Block 406 of the Borough of Manhattan on the Tax Map of the Division of Land Records of The City of New York and on the Floor Plans, do(es) hereby nominate, constitute and appoint the persons who may from time to time constitute the Condominium Board, true and lawful attorneys-in-fact for the undersigned, coupled with an interest, with power of substitution, in their own names, as Members of the Condominium Board or in the name of their designee (corporate or otherwise), on behalf of all Unit Owners, in accordance with such Unit Owners' respective interests in the Common Elements, subject to the provisions of the By-Laws then in effect, to:

(a) employ counsel for purposes of protesting the New York City real property tax assessments with the Tax Commission and commencing, pursuing, appealing, settling and/or terminating administration and tax certiorari proceedings on behalf of the Residential Unit Owners for the reduction of the assessed valuation of their Residential Units, such Residential Unit Owners agreeing not to protest said assessments and bring such tax certiorari proceedings at their own initiative and on their own behalf;

(b) acquire, lease or license any Residential Unit, together with its Appurtenant Interests whose owner desires to sell, convey, transfer, assign, lease, sublease or surrender the same or acquire any Residential Unit, together with its Appurtenant Interests that becomes the subject of a foreclosure or other similar sale, in the name of the Condominium Board or its designee, corporate or otherwise, on behalf of all Residential Unit Owners;

(c) acquire, mortgage, lease, sublease, license, convey or otherwise deal with (but not to vote the Common Interest, appurtenant to) any Residential Unit so acquired or to sublease any Residential Unit so leased;

(d) intentionally deleted; and

(e) execute, acknowledge and deliver (1) any declaration or other instrument affecting the Property which the Condominium Board deems necessary or appropriate to comply with any Law applicable to the maintenance, demolition, construction, alteration, repair, or restoration of the Property or (2) any consent, covenant, restriction, easement, or declaration, or any amendment thereto, affecting the Property which the Condominium Board deems necessary or appropriate or (3) any protest and tax certiorari proceeding documentation affecting Residential Units.

The acts of a majority of such persons constituting the Condominium Board shall constitute the acts of said attorneys-in-fact.

[Applicable to Unit Owners of Residential Units and Community Facility Units]: The undersigned, _____, (having an office) (residing at) _____, the owner of a Unit _____ ("Unit") in the Condominium which is designated and described as the Unit in the Declaration and also designated as Tax Lot _____ in Block 406 of the Borough of Manhattan on the Tax Map of the Division of Land Records of The City of New York and on the Floor Plans, do(es) hereby nominate, constitute and appoint DS 531 E. 12th Owner LLC ("Sponsor") as attorney-in-fact for the undersigned, coupled with an interest, with power of substitution, to:

(a) amend the Condominium Documents pursuant to the terms thereof, and to effectuate the rights of Sponsor under the Condominium Documents, including without limitation, when such amendment (1) shall be required to reflect any changes in Unsold Residential Units and/or the reapportionment of the Common Interests of the affected Unsold Residential Units resulting therefrom made by Sponsor in accordance with the Declaration, or (2) shall be required by (a) an Institutional Lender designated by Sponsor to make a mortgage loan secured by a mortgage on any Residential Unit, (b) any governmental agency having regulatory jurisdiction over the Condominium, or (c) any title insurance company selected by Sponsor to insure title to any Residential Unit; or (3) shall be required to correct any inconsistencies or scriveners' errors in the Declaration, the By-Laws and/or the Floor Plans; or (4) relinquish Sponsor's rights under the Condominium Documents, provided, however, that any amendment made pursuant to the terms of subdivision (1) or (2) of this paragraph shall not (i) change the Common Interest of the Undersigned's Unit, (ii) require a material, physical modification to the Undersigned's Unit, or (iii) adversely affect the priority or validity of the lien of any mortgage held by an Institutional Lender covering the Undersigned's Unit unless the undersigned (in the event described in subdivision (i) or (ii) of this paragraph) or the holder of such mortgage (in the event described in subdivision (iii) of this paragraph) shall consent thereto by joining in the execution of such amendment. The terms, covenants and conditions contained in, and the powers granted pursuant to, this paragraph shall remain in full force and effect until such time as (i) Sponsor shall cease to own any Unit in the Condominium; (ii) Sponsor has completed all of its obligations under the terms of the Offering Plan; and (iii) a Permanent Certificate of Occupancy has been issued for the Property; and

(b) to effectuate Sponsor's and/or Development Rights Owner's utilization, sale or transfer of all or any portion of the Excess Development Rights, as set forth in the Declaration.

This Power of Attorney shall be irrevocable.

IN WITNESS WHEREOF, the undersigned has/have executed this Power of Attorney as of the ____ day of _____, ____.

_____

(ACKNOWLEDGEMENT)

UNIT OWNER'S SPECIMEN TITLE POLICY

stewart title

NY OWNER'S POLICY OF TITLE INSURANCE

ISSUED BY
STEWART TITLE INSURANCE COMPANY

Any notice of claim and any other notice or statement in writing required to be given to the Company under this Policy must be given to the Company at the address shown in Section 18 of the Conditions.

COVERED RISKS

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B, AND THE CONDITIONS, STEWART TITLE INSURANCE COMPANY, a New York corporation, (the "Company") insures, as of Date of Policy and, to the extent stated in Covered Risks 9 and 10, after Date of Policy, against loss or damage, not exceeding the Amount of Insurance, sustained or incurred by the insured by reason of:

1. Title being vested other than as stated in Schedule A.
2. Any defect in or lien or encumbrance on the Title. This Covered Risk includes but is not limited to insurance against loss from
   (a) A defect in the Title caused by
      (i) forgery, fraud, undue influence, duress, incompetency, incapacity, or impersonation;
      (ii) failure of any person or Entity to have authorized a transfer or conveyance;
      (iii) a document affecting Title not properly created, executed, witnessed, sealed, acknowledged, notarized, or delivered;
      (iv) failure to perform those acts necessary to create a document by electronic means authorized by law;
      (v) a document executed under a falsified, expired, or otherwise invalid power of attorney;
      (vi) a document not properly filed, recorded, or indexed in the Public Records including failure to perform those acts by electronic means authorized by law; or
      (vii) a defective judicial or administrative proceeding.
   (b) The lien of real estate taxes or assessments imposed on the Title by a governmental authority due or payable, but unpaid.
   (c) Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land. The term "encroachment" includes encroachments of existing improvements located on the Land onto adjoining land, and encroachments onto the Land of existing improvements located on adjoining land.
3. Unmarketable Title.
4. No right of access to and from the Land.
5. The violation or enforcement of any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
   (a) the occupancy, use, or enjoyment of the Land;
   (b) the character, dimensions, or location of any improvement erected on the Land;
   (c) the subdivision of land; or
   (d) environmental protection

   if a notice, describing any part of the Land, is recorded in the Public Records setting forth the violation or intention to enforce, but only to the extent of the violation or enforcement referred to in that notice.

PROFORMA

Countersigned by:

Authorized Countersignature

KENSINGTON VANGUARD NATIONAL LAND SVI
Company Name

NEW YORK, NY
City, State

322727
Agent ID:

STEWART TITLE INSURANCE COMPANY INCORPORATED 1987 NEW YORK

John Frates
President and General Counsel

Denise Carraux
Secretary

For coverage information or assistance resolving a complaint, call (800) 433-0014 or visit www.stewartnewyork.com. To make a claim, furnish written notice in accordance with Section 3 of the Conditions. For purposes of this form the "Stewart Title" logo featured above is the represented logo for the underwriter, Stewart Title Insurance Company.

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File No.: 848348
NY ALTA Owner's Policy 06-17-06
Policy Serial No.:

AMERICAN LAND TITLE ASSOCIATION

6. An enforcement action based on the exercise of a governmental police power not covered by Covered Risk 5 if a notice of the enforcement action, describing any part of the Land, is recorded in the Public Records, but only to the extent of the enforcement referred to in that notice.
7. The exercise of the rights of eminent domain if a notice of the exercise, describing any part of the Land, is recorded in the Public Records.
8. Any taking by a governmental body that has occurred and is binding on the rights of a purchaser for value without Knowledge.
9. Title being vested other than as stated in Schedule A or being defective
   (a) as a result of the avoidance in whole or in part, or from a court order providing an alternative remedy, of a transfer of all or any part of the title to or any interest in the Land occurring prior to the transaction vesting Title as shown in Schedule A because that prior transfer constituted a fraudulent or preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws; or
   (b) because the instrument of transfer vesting Title as shown in Schedule A constitutes a preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws by reason of the failure of its recording in the Public Records
      (i) to be timely, or
      (ii) to impart notice of its existence to a purchaser for value or to a judgment or lien creditor.
10. Any defect in or lien or encumbrance on the Title or other matter included in Covered Risks 1 through 9 that has been created or attached or has been filed or recorded in the Public Records subsequent to Date of Policy and prior to the recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The Company will also pay the costs, attorneys' fees, and expenses incurred in defense of any matter insured against by this Policy, but only to the extent provided in the Conditions.

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
      (i) the occupancy, use, or enjoyment of the Land;
      (ii) the character, dimensions, or location of any improvement erected on the Land;
      (iii) the subdivision of land; or
      (iv) environmental protection;

   or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
   (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. 2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
   (a) created, suffered, assumed, or agreed to by the Insured Claimant;
   (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
   (c) resulting in no loss or damage to the Insured Claimant;
   (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
   (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
   (a) a fraudulent conveyance or fraudulent transfer; or
   (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

CONDITIONS

1. **DEFINITION OF TERMS**

   The following terms when used in this policy mean:
   (a) "Amount of Insurance": The amount stated in Schedule A, as may be increased or decreased by endorsement to this policy, increased by Section 8(b), or decreased by Sections 10 and 11 of these Conditions.
   (b) "Date of Policy": The date designated as "Date of Policy" in Schedule A.
   (c) "Entity": A corporation, partnership, trust, limited liability company, or other similar legal entity.
   (d) "Insured": The Insured named in Schedule A.
      (i) the term "Insured" also includes
         (A) successors to the Title of the Insured by operation of law as distinguished from purchase, including heirs, devisees, survivors, personal representatives, or next of kin;
         (B) successors to an Insured by dissolution, merger, consolidation, distribution, or reorganization;
         (C) successors to an Insured by its conversion to another kind of Entity;
         (D) a grantee of an Insured under a deed delivered without payment of actual valuable consideration conveying the Title
            (1) if the stock, shares, memberships, or other equity interests of the grantee are wholly-owned by the named Insured,
            (2) if the grantee wholly owns the named Insured,
            (3) if the grantee is wholly-owned by an affiliated Entity of the named Insured, provided the affiliated Entity and the named Insured are both wholly-owned by the same person or Entity, or
            (4) if the grantee is a trustee or beneficiary of a trust created by a written instrument established by the Insured named in Schedule A for estate planning purposes.

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(ii) with regard to (A), (B), (C), and (D) reserving, however, all rights and defenses as to any successor that the Company would have had against any predecessor Insured.

(e) "Insured Claimant": An Insured claiming loss or damage.

(f) "Knowledge" or "Known": Actual knowledge, not constructive knowledge or notice that may be imputed to an Insured by reason of the Public Records or any other records that impart constructive notice of matters affecting the Title.

(g) "Land": The land described in Schedule A, and affixed improvements that by law constitute real property. The term "Land" does not include any property beyond the lines of the area described in Schedule A, nor any right, title, interest, estate, or easement in abutting streets, roads, avenues, alleys, lanes, ways, or waterways, but this does not modify or limit the extent that a right of access to and from the Land is insured by this policy.

(h) "Mortgage": Mortgage, deed of trust, trust deed, or other security instrument, including one evidenced by electronic means authorized by law.

(i) "Public Records": Records established under state statutes at Date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without Knowledge. With respect to Covered Risk 5(d), "Public Records" shall also include environmental protection liens filed in the records of the clerk of the United States District Court for the district where the Land is located.

(j) "Title": The estate or interest described in Schedule A.

(k) "Unmarketable Title": Title affected by an alleged or apparent matter that would permit a prospective purchaser or lessee of the Title or lender on the Title to be released from the obligation to purchase, lease, or lend if there is a contractual condition requiring the delivery of marketable title.

2. **CONTINUATION OF INSURANCE**

The coverage of this policy shall continue in force as of Date of Policy in favor of an Insured, but only so long as the Insured retains an estate or interest in the Land, or holds an obligation secured by a purchase money Mortgage given by a purchaser from the Insured, or only so long as the Insured shall have liability by reason of warranties in any transfer or conveyance of the Title. This policy shall not continue in force in favor of any purchaser from the Insured of either (i) an estate or interest in the Land, or (ii) an obligation secured by a purchase money Mortgage given to the Insured.

3. **NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT**

The Insured shall notify the Company promptly in writing (i) in case of any litigation as set forth in Section 5(a) of these Conditions, (ii) in case Knowledge shall come to an Insured hereunder of any claim of title or interest that is adverse to the Title, as insured, and that might cause loss or damage for which the Company may be liable by virtue of this policy, or (iii) if the Title, as insured, is rejected as Unmarketable Title. If the Company is prejudiced by the failure of the Insured Claimant to provide prompt notice, the Company's liability to the Insured Claimant under the policy shall be reduced to the extent of the prejudice.

4. **PROOF OF LOSS**

In the event the Company is unable to determine the amount of loss or damage, the Company may, at its option, require as a condition of payment that the Insured Claimant furnish a signed proof of loss. The proof of loss must describe the defect, lien, encumbrance, or other matter insured against by this policy that constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage.

5. **DEFENSE AND PROSECUTION OF ACTIONS**

(a) Upon written request by the Insured, and subject to the options contained in Section 7 of these Conditions, the Company, at its own cost and without unreasonable delay, shall provide for the defense of an Insured in litigation in which any third party asserts a claim covered by this policy adverse to the Insured. This obligation is limited to only those stated causes of action alleging matters insured against by this policy. The Company shall have the right to select counsel of its choice (subject to the right of the Insured to object for reasonable cause) to represent the Insured as to those stated causes of action. It shall not be liable for and will not pay the fees of any other counsel. The Company will not pay any fees, costs, or expenses incurred by the Insured in the defense of those causes of action that allege matters not insured against by this policy.

(b) The Company shall have the right, in addition to the options contained in Section 7 of these Conditions, at its own cost, to institute and prosecute any action or proceeding or to do any other act that in its opinion may be necessary or desirable to establish the Title, as insured, or to prevent or reduce loss or damage to the Insured. The Company may take any appropriate action under the terms of this policy, whether or not it shall be liable to the Insured. The exercise of these rights shall not be an admission of liability or waiver of any provision of this policy. If the Company exercises its rights under this subsection, it must do so diligently.

(c) Whenever the Company brings an action or asserts a defense as required or permitted by this policy, the Company may pursue the litigation to a final determination by a court of competent jurisdiction, and it expressly reserves the right, in its sole discretion, to appeal any adverse judgment or order.

6. **DUTY OF INSURED CLAIMANT TO COOPERATE**

(a) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding and any appeals, the Insured shall secure to the Company the right to so prosecute or provide defense in the action or proceeding, including the right to use, at its option, the name of the Insured for this purpose. Whenever requested by the Company, the Insured, at the Company's expense, shall give the Company all reasonable aid (i) in securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement, and (ii) in any other lawful act that in the opinion of the Company may be necessary or desirable to establish the Title or any other matter as insured. If the Company is prejudiced by the failure of the Insured to furnish the required cooperation, the Company's obligations to the Insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such cooperation.

(b) The Company may reasonably require the Insured Claimant to submit to examination under oath by any authorized representative of the Company and to produce for examination, inspection, and copying, at such reasonable times and places as may be designated by the authorized representative of the Company, all records, in whatever medium maintained, including books, ledgers, checks, memoranda, correspondence, reports, e-mails, disks, tapes, and videos whether bearing a date before or after Date of Policy, that reasonably pertain to

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the loss or damage. Further, if requested by any authorized representative of the Company, the Insured Claimant shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect, and copy all of these records in the custody or control of a third party that reasonably pertain to the loss or damage. All information designated as confidential by the Insured Claimant provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of the Insured Claimant to submit for examination under oath, produce any reasonably requested information, or grant permission to secure reasonably necessary information from third parties as required in this subsection, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this policy as to that claim.

7. **OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY**
In case of a claim under this policy, the Company shall have the following additional options:
(a) To Pay or Tender Payment of the Amount of Insurance. To pay or tender payment of the Amount of Insurance under this policy together with any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment or tender of payment and that the Company is obligated to pay. Upon the exercise by the Company of this option, all liability and obligations of the Company to the Insured under this policy, other than to make the payment required in this subsection, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.
(b) To Pay or Otherwise Settle With Parties Other Than the Insured or With the Insured Claimant.
(i) to pay or otherwise settle with other parties for or in the name of an Insured Claimant any claim insured against under this policy. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay; or
(ii) to pay or otherwise settle with the Insured Claimant the loss or damage provided for under this policy, together with any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay.
Upon the exercise by the Company of either of the options provided for in subsections (b)(i) or (ii), the Company's obligations to the Insured under this policy for the claimed loss or damage, other than the payments required to be made, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.

8. **DETERMINATION AND EXTENT OF LIABILITY**
This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the Insured Claimant who has suffered loss or damage by reason of matters insured against by this policy.
(a) The extent of liability of the Company for loss or damage under this policy shall not exceed the lesser of
(i) the Amount of Insurance; or
(ii) the difference between the value of the Title as insured and the value of the Title subject to the risk insured against by this policy.
(b) If the Company pursues its rights under Section 5 of these Conditions and is unsuccessful in establishing the Title, as insured,
(i) the Amount of Insurance shall be increased by 10%, and
(ii) the Insured Claimant shall have the right to have the loss or damage determined either as of the date the claim was made by the Insured Claimant or as of the date it is settled and paid.
(c) In addition to the extent of liability under (a) and (b), the Company will also pay those costs, attorneys' fees, and expenses incurred in accordance with Sections 5 and 7 of these Conditions.

9. **LIMITATION OF LIABILITY**
(a) If the Company establishes the Title, or removes the alleged defect, lien, or encumbrance, or cures the lack of a right of access to or from the Land, or cures the claim of Unmarketable Title, all as insured, in a reasonably diligent manner by any method, including litigation and the completion of any appeals, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused to the Insured.
(b) In the event of any litigation, including litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals, adverse to the Title, as insured.
(c) The Company shall not be liable for loss or damage to the Insured for liability voluntarily assumed by the Insured in settling any claim or suit without the prior written consent of the Company.

10. **REDUCTION OF INSURANCE; REDUCTION OR TERMINATION OF LIABILITY**
All payments under this policy, except payments made for costs, attorneys' fees, and expenses, shall reduce the Amount of Insurance by the amount of the payment.

11. **LIABILITY NONCUMULATIVE**
The Amount of Insurance shall be reduced by any amount the Company pays under any policy insuring a Mortgage to which exception is taken in Schedule B or to which the Insured has agreed, assumed, or taken subject, or which is executed by an Insured after Date of Policy and which is a charge or lien on the Title, and the amount so paid shall be deemed a payment to the Insured under this policy.

12. **PAYMENT OF LOSS**
When liability and the extent of loss or damage have been definitely fixed in accordance with these Conditions, the payment shall be made within 30 days.

13. **RIGHTS OF RECOVERY UPON PAYMENT OR SETTLEMENT**
(a) Whenever the Company shall have settled and paid a claim under this policy, it shall be subrogated and entitled to the rights of the Insured Claimant in the Title and all other rights and remedies in respect to the claim that the Insured Claimant has against any person or property, to the extent of the amount of any loss, costs, attorneys' fees, and expenses paid by the Company. If requested by the Company, the Insured Claimant shall execute documents to evidence the transfer to the Company of these rights and remedies. The Insured Claimant shall permit the Company to sue, compromise, or settle in the name of the Insured Claimant and to use the name of the Insured Claimant in any

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transaction or litigation involving these rights and remedies. If a payment on account of a claim does not fully cover the loss of the Insured Claimant, the Company shall defer the exercise of its right to recover until after the Insured Claimant shall have recovered its loss.

(b) The Company's right of subrogation includes the rights of the Insured to indemnities, guaranties, other policies of insurance, or bonds, notwithstanding any terms or conditions contained in those instruments that address subrogation rights.

14. **ARBITRATION**

Either the Company or the Insured may demand that the claim or controversy shall be submitted to arbitration pursuant to the Title Insurance Arbitration Rules of the American Land Title Association ("Rules"). Except as provided in the Rules, there shall be no joinder or consolidation with claims or controversies of other persons. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the Insured arising out of or relating to this policy, any service in connection with its issuance or the breach of a policy provision, or to any other controversy or claim arising out of the transaction giving rise to this policy. All arbitrable matters when the Amount of Insurance is $2,000,000 or less shall be arbitrated at the option of either the Company or the Insured. All arbitrable matters when the Amount of Insurance is in excess of $2,000,000 shall be arbitrated only when agreed to by both the Company and the Insured. Arbitration pursuant to this policy and under the Rules shall be binding upon the parties. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court of competent jurisdiction.

15. **LIABILITY LIMITED TO THIS POLICY; POLICY ENTIRE CONTRACT**

(a) This policy together with all endorsements, if any, attached to it by the Company is the entire policy and contract between the Insured and the Company. In interpreting any provision of this policy, this policy shall be construed as a whole.

(b) Any claim of loss or damage that arises out of the status of the Title or by any action asserting such claim shall be restricted to this policy.

(c) Any amendment of or endorsement to this policy must be in writing and authenticated by an authorized person, or expressly incorporated by Schedule A of this policy.

(d) Each endorsement to this policy issued at any time is made a part of this policy and is subject to all of its terms and provisions. Except as the endorsement expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsement, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance.

16. **SEVERABILITY**

In the event any provision of this policy, in whole or in part, is held invalid or unenforceable under applicable law, the policy shall be deemed not to include that provision or such part held to be invalid, but all other provisions shall remain in full force and effect.

17. **CHOICE OF LAW; FORUM**

(a) Choice of Law: The Insured acknowledges the Company has underwritten the risks covered by this policy and determined the premium charged therefor in reliance upon the law affecting interests in real property and applicable to the interpretation, rights, remedies, or enforcement of policies of title insurance of the jurisdiction where the Land is located.
Therefore, the court or an arbitrator shall apply the law of the jurisdiction where the Land is located to determine the validity of claims against the Title that are adverse to the Insured and to interpret and enforce the terms of this policy. In neither case shall the court or arbitrator apply its conflicts of law principles to determine the applicable law.

(b) Choice of Forum: Any litigation or other proceeding brought by the Insured against the Company must be filed only in a state or federal court within the United States of America or its territories having appropriate jurisdiction.

18. **NOTICES, WHERE SENT**

Any notice of claim and any other notice or statement in writing required to be given to the Company under this policy must be given to the Company at Claims Department at 60 East 42nd Street, Suite 1260, New York, NY 10165.

PROFORMA

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STIC Privacy Notice
Stewart Title Companies

WHAT DO THE STEWART TITLE COMPANIES DO WITH YOUR PERSONAL INFORMATION?

Federal and applicable state law and regulations give consumers the right to limit some but not all sharing. Federal and applicable state law regulations also require us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand how we use your personal information. This privacy notice is distributed on behalf of the Stewart Title Guaranty Company and its title affiliates including Stewart Title Insurance Company (the Stewart Title Companies), pursuant to Title V of the Gramm-Leach-Bliley Act (GLBA).

The types of personal information we collect and share depend on the product or service that you have sought through us. This information can include social security numbers and driver's license number.

All financial companies, such as the Stewart Title Companies, need to share customers' personal information to run their everyday business—to process transactions and maintain customer accounts. In the section below, we list the reasons that we can share customers' personal information; the reasons that we choose to share; and whether you can limit this sharing.

Reasons we can share your personal information.	**Do we share**	**Can you limit this sharing?**
For our everyday business purposes— to process your transactions and maintain your account. This may include running the business and managing customer accounts, such as processing transactions, mailing, and auditing services, and responding to court orders and legal investigations.	Yes	No
For our marketing purposes — to offer our products and services to you.	Yes	No
For joint marketing with other financial companies	No	We don't share
For our affiliates' everyday business purposes— information about your transactions and experiences. Affiliates are companies related by common ownership or control. They can be financial and non-financial companies. *Our affiliates may include companies with a Stewart name; financial companies, such as Stewart Title Company*	Yes	No
For our affiliates' everyday business purposes— information about your creditworthiness.	No	We don't share
For our affiliates to market to you – For your convenience, Stewart has developed a means for you to opt out from its affiliates marketing even though such mechanism is not legally required.	Yes	Yes, send your first and last name, the email address used in your transaction, your Stewart file number and the Stewart office location that is handling your transaction by email to optout@stewart.com or fax to 1-800-335-9591.
For non-affiliates to market to you. Non-affiliates are companies not related by common ownership or control. They can be financial and non-financial companies.	No	We don't share

We may disclose your personal information to our affiliates or to non-affiliates as permitted by law. If you request a transaction with a non-affiliate, such as a third party insurance company, we will disclose your personal information to that non-affiliate. [We do not control their subsequent use of information, and suggest you refer to their privacy notices.]

PROFORMA

SHARING PRACTICES

How often do the Stewart Title companies notify me about their practices?	We must notify you about our sharing practices when you request a transaction.
How do the Stewart Title Companies protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer, file, and building safeguards.
How do the Stewart Title Companies collect my personal information?	We collect your personal information, for example, when you ■ request insurance-related services ■ provide such information to us We also collect your personal information from others, such as the real estate agent or lender involved in your transaction, credit reporting agencies, affiliates or other companies.
What sharing can I limit?	Although federal and state law give you the right to limit sharing (e.g., opt out) in certain instances, we do not share your personal information in those instances.

Contact us: ***If you have any questions about this privacy notice, please contact us at:*** **Stewart Title Insurance Company, 60 East 42nd Street, Suite 1260, New York, NY 10165.**

SCHEDULE A

Title Number 848348(S-NY-CC-KV) Policy Number PROFORMA

Policy Date PolicyAmount TBD

1. Name of Insured:
   TBD
2. The estate or interest in the land which is covered by this policy is:
   Fee Simple
3. Title to the estate or interest in the land is vested in:
   TBD
4. The land referred to in this policy is described as follows:
   SEE SCHEDULE A DESCRIPTION ATTACHED HERETO

PROFORMA

Schedule A Description

Title Number: 848348(S-NY-CC-KV) Policy Number PROFORMA

The Condominium Unit (hereinafter referred to as the "Unit") in the building (hereinafter referred to as the "Building") known as 533 East 12th Condominium and by the Street Address 531-533 East12th Street Borough of Manhattan, City, County and State of New York, said Unit being designated and described as Unit No. ____ in a Declaration dated _____ made _____ pursuant to Article 9-B of the Real Property Law of the State of New York (hereinafter referred to as the "Condominium Act") establishing a Plan for condominium ownership of the Building and the Land (hereinafter referred to as the "Land") upon which the building is situate (which Land is more particularly described below and by this reference made a part hereof), which Declaration was recorded in the Office of the City Register of the City of New York (the "City Register's Office") on _____ as CRFN _____, (which Declaration, and any amendments thereto are hereinafter collectively called the "Declaration"). This Unit is also designated as Tax Lot _____ in Block 406 of the Borough of Queens on the Tax Map of the Real Property Assessment Bureau of the City of New York and on the Floor Plans of the Building _____ filed with Real Property Assessment Bureau of the City of New York _____ as Condominium Plan No. _____ and also filed in the City Register's Office on _____ as Map No. CRFN _____.

Together with an undivided _____ % interest in the Common Elements (as such term is defined in the Declaration).

Land:

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, County, City and State of New York as designated on the Tax Map of the City of New York for the Borough of Manhattan, bounded and described as follows:

BEGINNING at a point on the northerly side of 12th Street, distant 220 feet westerly from the northwesterly corner of Avenue B and East 12th Street;

THENCE northerly parallel with Avenue B, 103 feet 3 inches;

THENCE westerly parallel with East 12th Street, 50 feet;

THENCE southerly again parallel with Avenue B, 103 feet 3 inches to the northerly side of East 12th Street;

THENCE easterly along the northerly side of East 12th Street, 50 feet to the point or place of BEGINNING.

PROFORMA

Schedule B

Title Number: 848348(S-NY-CC-KV) Policy Number PROFORMA

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Covenants, Restrictions, Easement and Agreement found of record:

   a. Terms and conditions set forth in the Declaration of Condominium and By-Laws dated __/__/2019 recorded __/__/2019 as CRFN 2019_____ but policy insures against damage occasioned by the premises not being a part of a condominium validly created pursuant to Article 9-B of the real property law as amended.

   b. $1.00 Condemnation Clause recorded in Reel 417, Page 1877.

   c. Wireless Communication Easement and Assignment Agreement recorded as CRFN 2009000154549.

   WITH REGARD THERETO:

   i. Assignment and Assumption of Lease Agreement recorded as CRFN 2009000154550.

   ii. Subordination, Non-Disturbance and Attornment Agreement recorded as CRFN 2009000154551.

   iii. Assignment of Easement recorded as CRFN 2010000132242.

   iv. Subordination, Non-disturbance and Attornment Agreement recorded as CRFN 2012000422072.

   d. Unrecorded Rooftop License Agreement dated on or about 2/6/2008, as evidenced by a Wireless Communication Easement and Assignment Agreement recorded as CRFN 2009000154549.

   WITH REGARD THERETO:

   i. Assignment and Assumption of Lease Agreements recorded as CRFN 2010000132243.

2. Any state of facts which an accurate survey may show including possible encroachment upon the unit being insured by adjoining units and/or common elements and possible encroachments of the insured unit upon adjoining units and/or common elements. Policy, however, will insure that any encroachments by the insured unit may remain undisturbed.

3. Power of attorney from purchaser(s) to the Board of Managers to be recorded in accordance with the terms of the Declaration of Condominium.

4. The Administrative Code of The City of New York provides for liens, for fees or charges regardless of the fact that said fees or charges may not yet be entered in the public records. Policy will except any loss, claim or damage for any unpaid fees or charges by The City of New York entered in the records of the Department of Finance after the date of closing.

PROFORMA

STEWART TITLE INSURANCE COMPANY

CONDOMINIUM ENDORSEMENT

- NEW YORK -

Attached to and made a part of Policy Number PROFORMA

The Policy insures against loss or damage sustained by reason of:

1. The failure of the unit identified in Schedule A and its common elements to be part of a condominium within the meaning of the condominium statutes of the State of New York.
2. The failure of the documents required by the condominium statutes to comply with the requirements of the statutes to the extent that such failure affects the title to the unit and its common elements.
3. Present violations of any restrictive covenants which restrict the use of the unit and its common elements and which are created by the condominium documents, except violations relating to environmental protection unless a notice of a violation thereof has been recorded or filed in the Public Records and is not excepted in Schedule B. The restrictive covenants do not contain any provisions which will cause a forfeiture or reversion of title.
4. The priority of any lien for charges and assessments at Date of Policy provided for in the condominium statutes and condominium documents over the lien of any insured first mortgage identified in Schedule A.
5. The failure of the unit and its common elements to be entitled by law to be assessed for real property taxes as a separate parcel.
6. Any obligation to remove any improvements which exist at Date of Policy because of any present encroachments or because of any future unintentional encroachments of the common elements upon any unit or of any unit upon the common elements or another unit.
7. The failure of title by reason of a right of first refusal to purchase the unit and its common elements which was exercised or could have been exercised at Date of Policy.

This endorsement is made a part of the policy and is subject to all of the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the amount of insurance.

PROFORMA

STEWART TITLE INSURANCE COMPANY

By: _____
KENSINGTON VANGUARD NATIONAL LAND SERVICES OF NY

STEWART TITLE INSURANCE COMPANY

STANDARD NEW YORK ENDORSEMENT

(OWNER'S POLICY)

Attached to and made a part of Policy Number PROFORMA

1. The following is added as a Covered Risk:

   "11. Any statutory lien arising under Article 2 of the New York Lien Law for services, labor or materials furnished prior to the date hereof, and which has now gained or which may hereafter gain priority over the estate or interest of the insured as shown in Schedule A of this policy."

2. Exclusion Number 5 is deleted, and the following is substituted:

   5. Any lien on the Title for real estate taxes, assessments, water charges or sewer rents imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as Shown in Schedule A.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

PROFORMA

STEWART TITLE INSURANCE COMPANY

By: _____
KENSINGTON VANGUARD NATIONAL LAND SERVICES OF NY

STEWART TITLE INSURANCE COMPANY

POLICY AUTHENTICATION ENDORSEMENT

Attached to and made a part of Policy Number PROFORMA

When the policy is issued by the Company with a policy number and Date of Policy, the Company will not deny liability under the policy or any endorsements issued with the policy solely on the grounds that the policy or endorsements were issued electronically or lack signatures in accordance with the Conditions.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

STEWART TITLE INSURANCE COMPANY

By: _____

KENSINGTON VANGUARD NATIONAL LAND SERVICES OF NY

PROFORMA

STEWART TITLE INSURANCE COMPANY

WAIVER OF ARBITRATION ENDORSEMENT

OWNER'S POLICY

Attached to and made part of Policy Number PROFORMA

The policy is amended by deleting therefrom:

(D) If this endorsement is attached to an ALTA Loan Policy: Condition 13.

(E) If this endorsement is attached to an ALTA Owner's Policy: Condition 14.

(F) If this endorsement is attached to a TIRSA Owner's Extended Protection Policy: Condition 12.

This endorsement is made a part of the Policy and is subject to all of the terms and provisions thereof and of any other endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the Policy and any other endorsements, nor does it extend the effective date of the Policy and any other endorsements, nor does it increase the face amount thereof.

STEWART TITLE INSURANCE COMPANY

By: _____

KENSINGTON VANGUARD NATIONAL LAND SERVICES OF NY

PROFORMA

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. October 2018)
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 24% 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) b. So-called trust account that is not a legal or valid trust under state law	The grantor-trustee[1] 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.

ESCROW AGREEMENT

ESCROW AGREEMENT FOR OFFERING PLAN

AGREEMENT made as of the filing date of the Offering Plan (defined below), between DS 531 E. 12th Owner LLC ("SPONSOR") as SPONSOR of the Offering Plan and Starr Associates LLP ("ESCROW AGENT") as escrow agent.

WHEREAS, SPONSOR is the SPONSOR of an offering plan for premises known as The Avant and located at 531-533 East 12th Street, New York, NY 10009 ("Offering Plan"); and

WHEREAS, ESCROW AGENT is authorized to act as an escrow agent hereunder in accordance with New York General Business Law ("GBL") Sections 352-e(2-b) and 352-h and the New York Department of Law's regulations promulgated thereunder; and

WHEREAS, SPONSOR desires that ESCROW AGENT act as escrow agent for deposits and payments by purchasers or subscribers, pursuant to the terms of this Agreement and the Offering Plan, and in accordance with the provisions contained in the Escrow Rider to the Purchase Agreement.

NOW, THEREFORE, in consideration of the covenants and conditions contained herein and other good and valuable consideration, the parties hereby agree as follows:

1. ESTABLISHMENT OF THE ESCROW ACCOUNT.

1.1. ESCROW AGENT will establish a master escrow account for the purpose of holding deposits, down payments, advances or payments ("Deposits") made by purchasers or subscribers ("Purchasers") pursuant to the Offering Plan at a commercial or savings bank authorized to do business in the State of New York entitled "Starr Associates LLP, Escrow Account" ("Master Escrow Account").

1.2. All Deposits will be placed initially in a non-interest bearing checking portion of the Master Escrow Account. If ESCROW AGENT receives a completed and signed Form W-9 (Request for Taxpayer Identification Number) or Form W-8 (Certificate of Foreign Status), as applicable, from a Purchaser at the time the Deposit is delivered to ESCROW AGENT, the Deposit of such Purchaser will be promptly transferred from the non-interest bearing checking portion of the Master Escrow Account into an individual interest bearing sub-escrow account in the name of such Purchaser. At such time as the Deposit is released, the Deposit will be transferred from the individual sub-escrow savings account to the non-interest bearing checking portion of the Master Escrow Account so that checks may be drawn thereon.

1.3. ESCROW AGENT has designated the following attorneys to serve as signatories for the Master Escrow Account: Allan Starr, Esq., Andrea L. Roschelle, Esq., Samantha Sheeber, Esq. and Adam Kriegstein, Esq. ("Authorized Signatories"). All Authorized Signatories are admitted to practice law in the State of New York. ESCROW AGENT and all Authorized Signatories have an address of 220 East 42 Street, Suite 3302, New York, New York 10017, and a telephone number of (212) 620-2680.

1.4. Neither ESCROW AGENT nor any Authorized Signatories on the Master Escrow Account are the Sponsor, Selling Agent, Managing Agent (as those terms are defined in the Offering Plan), or any principal thereof, or have any beneficial interest in any of the foregoing.

1.5. ESCROW AGENT and all signatories designated herein hereby submit to the jurisdiction of the State of New York and its Courts for any cause of action arising out of this Agreement or otherwise concerning the maintenance of or release of the Deposit from escrow.

1.6. The Master Escrow Account is not an IOLA account established pursuant to Judiciary Law Section 497.

1.7. All interest will be credited to Purchaser at such time as: (i) there is a closing under the Purchase Agreement (defined below), or (ii) Purchaser is entitled to a return of the Deposit. All interest will be credited to SPONSOR only in the event there is a consummation of the Offering Plan (i.e., the Offering Plan is declared effective) and Purchaser defaults.

2. DEPOSITS INTO THE ESCROW ACCOUNT.

2.1. All Deposits received from Purchasers prior to closing, whether in the form of checks, drafts, money orders, wire transfers, or other instruments which identify the payor, shall be deposited into the Master Escrow Account. All instruments to be deposited into the Master Escrow Account shall be made payable directly to the order of "Starr Associates LLP, Escrow Agent". Endorsed instruments will not be accepted. Any instrument payable other than as required hereby, and which cannot be deposited into the Master Escrow Account, shall be returned to the Purchaser promptly, but in no event more than five (5) business days following receipt of such instrument by ESCROW AGENT. In the event of such return of Deposits, the instrument shall be deemed not to have been delivered to ESCROW AGENT pursuant to the terms of this Agreement.

2.2. Within ten (10) business days after tender of the Deposit submitted with the purchase agreement or subscription agreement ("Purchase Agreement"), ESCROW AGENT shall notify the Purchaser of the placement of the Deposit into the Master Escrow Account, provide the account number, and disclose the initial interest rate. If the Purchaser does not receive such notification within fifteen (15) business days after tender of the Deposit, the Purchaser may cancel the Purchase Agreement and rescind within ninety (90) days after tender of the Deposit. Complaints concerning the failure to honor such cancellation requests may be referred to the New York State Department of Law, Real Estate Finance Bureau, 120 Broadway, 23rd Floor, New York, New York, 10271 ("Department of Law"). Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Deposit was timely deposited in accordance with the Department of Law's regulations concerning the Deposit and requisite notice was timely mailed to the Purchaser.

3. RELEASE OF FUNDS.

3.1. Under no circumstances shall Sponsor seek the release of the Deposits of a defaulting Purchaser until after Consummation of the Offering Plan (as such term is defined in the Attorney General's regulations). Consummation of the Offering Plan shall not relieve SPONSOR of its fiduciary and statutory obligations pursuant to GBL §§ 352(e)(2-b) and GBL Section 352-h.

3.2. ESCROW AGENT shall release the Deposit if so directed:

3.2.1. pursuant to terms and conditions set forth in the Offering Plan and Escrow Rider to the Purchase Agreement, upon closing of title to the Unit; or

3.2.2. in a subsequent writing signed by both SPONSOR and the Purchaser; or

3.2.3. by a final, non-appealable order or judgment of a court.

3.3. If the Deposits are not released pursuant to paragraph 3.2 and ESCROW AGENT receives a request by SPONSOR or Purchaser to release the Deposits, ESCROW AGENT shall give both parties prior written notice of not fewer than 30 days before releasing the Deposits. If ESCROW AGENT has not received notice of objection to the release of the Deposits at the expiration of

the 30 day period, the Deposits shall be released and ESCROW AGENT shall provide further written notice to both parties informing them of the release of the Deposits. If ESCROW AGENT receives a written notice from either party objecting to the release of the Deposits within the 30 day period set forth in the notice, ESCROW AGENT shall continue to hold the Deposits until otherwise directed pursuant to paragraph 3.2. However, ESCROW AGENT shall also have the right at any time to deposit the Deposits with the clerk of a court in the county in which the Unit is located and shall give written notice to both parties of such deposit.

3.4. SPONSOR shall not object and will be deemed to have agreed, without the need for a written agreement, to the release of the Deposit to:

3.4.1. a Purchaser who timely rescinds in accordance with an offer of rescission contained in the Offering Plan or an amendment to the Offering Plan, or

3.4.2. all Purchasers after an amendment abandoning the Offering Plan is accepted for filing by the Department of Law.

3.5. In the event SPONSOR and a Purchaser close title under the Purchase Agreement, ESCROW AGENT shall be entitled to release the Deposit to SPONSOR without the need for a written agreement from Purchaser.

4. RECORDKEEPING.

4.1. ESCROW AGENT shall maintain all records concerning the Master Escrow Account for seven (7) years after release of the funds.

4.2. Upon the dissolution of ESCROW AGENT, the former partners of the firm shall make appropriate arrangements for the maintenance of these records by one of the partners or members of the firm or by the successor firm and shall notify the Department of Law of such transfer.

4.3. ESCROW AGENT shall make available to the Attorney General, upon request, all books and records of ESCROW AGENT relating to the funds deposited and disbursed hereunder.

5. GENERAL OBLIGATIONS OF ESCROW AGENT.

5.1. ESCROW AGENT shall maintain the Master Escrow Account under its direct supervision and control.

5.2. A fiduciary relationship shall exist between ESCROW AGENT and Purchasers, and ESCROW AGENT acknowledges its fiduciary and statutory obligations under GBL §§ 352(e)(2-b) and 352(h).

5.3. ESCROW AGENT shall not be liable to SPONSOR for any error in judgment, mistake of fact or law or for any act or omission on ESCROW AGENT'S part, including, without limitation, any act or omission which permits a Purchaser to rescind a Purchase Agreement, unless taken or suffered in bad faith or in willful disregard of this Agreement or involving gross negligence on the part of ESCROW AGENT.

5.4. ESCROW AGENT shall be permitted to act as counsel for SPONSOR in any dispute as to the disbursement of the Deposit or any other dispute between SPONSOR and a Purchaser whether or not ESCROW AGENT is in possession of the Deposit and continues to act as ESCROW AGENT.

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

5.6. ESCROW AGENT may consult with legal counsel selected by it and the opinion of such counsel shall be full and complete authorization and protection to ESCROW AGENT in respect of any action taken or omitted in good faith by ESCROW AGENT hereunder in accordance with the opinion of such counsel.

5.7. The provisions of paragraphs 5.5 and 5.6 shall apply only to SPONSOR and nothing contained therein shall be in derogation of the rights of a Purchaser under Article 23-A of the GBL.

6. RESPONSIBILITIES OF SPONSOR.

6.1. SPONSOR agrees that SPONSOR and its agents, including any selling agents, shall deliver all Deposits received by them prior to closing of an individual transaction to a designated attorney who is a partner of, or attorney or legal assistant employed by, ESCROW AGENT within two (2) business days of tender of the Deposit by a Purchaser, using such transmittal forms as required by ESCROW AGENT from time to time.

6.2. 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.

6.3. SPONSOR shall obtain or cause the selling agent under the Offering Plan to obtain a completed and signed Form W-9 or W-8, as applicable, from each Purchaser and deliver such form to ESCROW AGENT together with the Deposit and Purchase Agreement.

7. TERMINATION OF AGREEMENT.

7.1. This Agreement shall remain in effect unless and until it is cancelled by either:

7.1.1. Written notice given by SPONSOR to ESCROW AGENT of cancellation of designation of ESCROW AGENT to act in said capacity, which cancellation shall take effect only upon the filing of an amendment to the Offering Plan with the Department of Law providing for a successor escrow agent. Purchaser shall be deemed to have consented to such cancellation; or

7.1.2. The resignation of ESCROW AGENT upon giving notice to SPONSOR of its desire to so resign. Such resignation shall take effect on the date set forth in the notice from ESCROW AGENT, except such resignation shall take effect only upon the filing of an amendment to the Offering Plan with the Department of Law providing for a successor escrow agent with respect to Deposits held in the Master Escrow Account on the date of such resignation. Such amendment shall disclose the identity of the successor escrow agent, the bank in the State of New York where the Deposit is being held, and the account number in which the Deposits will be held, and shall be served on all Purchasers by SPONSOR; or

7.1.3. All units offered by SPONSOR pursuant to the Offering Plan have been sold and no Deposits of Purchasers from SPONSOR remain in the Master Escrow Account.

7.2. Upon termination of the duties of ESCROW AGENT as described in paragraph 7.1.1 or 7.1.2, ESCROW AGENT shall deliver any and all funds held by ESCROW AGENT in escrow and any

and all Purchase Agreements or documents maintained by ESCROW AGENT relating to such funds to the successor escrow agent.

8. SUCCESSORS AND ASSIGNS.

This Agreement shall be binding upon SPONSOR and ESCROW AGENT and their respective successors and assigns.

9. GOVERNING LAW.

This Agreement shall be construed in accordance with and governed by the laws of the State of New York.

10. ESCROW AGENT'S COMPENSATION.

SPONSOR agrees to pay ESCROW AGENT for services rendered by its attorneys and paralegals and expenses incurred by ESCROW AGENT in connection with this Agreement, including, without limitation, disputes arising with respect to the Deposit. SPONSOR shall not be charged with any administrative costs for maintenance of the Master Escrow Account. Prior to release of the Deposits, ESCROW AGENT'S fees and disbursements shall neither be paid by SPONSOR from the Deposit nor deducted from the Deposit by any financial institution under any circumstance.

11. SEVERABILITY.

If any provision of this Agreement or the application thereof to any person or circumstance is determined to be invalid or unenforceable, the remaining provisions of this Agreement or the application of such provision to other persons or to other circumstances shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

12. INDEMNIFICATION

SPONSOR agrees to defend, indemnify and hold ESCROW AGENT harmless from and against all claims, losses, judgments, costs, expenses and damages, including those brought by third-parties, including purchasers, incurred in connection with or arising out of this Agreement or the performance or non-performance of ESCROW AGENT'S duties under this Agreement, except with respect to actions or omissions taken or suffered by ESCROW AGENT in bad faith or in willful disregard of this 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.

13. ALTERNATE SECURITY

In the event SPONSOR is authorized by the Department of Law to post a Letter of Credit or Surety Bond as alternate security to secure all or a portion of the Deposits, ESCROW AGENT agrees to be the beneficiary of the Letter of Credit or Surety Bond and to act as fiduciary with respect to such Letter of Credit or Surety Bond for the benefit of Purchasers under the Offering Plan whose Deposits were released from escrow in accordance with the "Escrow and Trust Fund" section of the Offering Plan or an amendment to the Offering Plan.

14. ENTIRE AGREEMENT.

This Agreement, read together with GBL Sections 352-e(2-b) and 352-h, the Department of Law regulations, and the Escrow Rider to the Purchase Agreement, constitutes the entire agreement between the parties with respect to the subject matter hereof.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year first written above.

ESCROW AGENT:

STARR ASSOCIATES LLP

By: _____
Name: Shaun W. Pappas
Title: Partner

SPONSOR:

DS 531 E. 12TH OWNER LLC

By: _____
Name: Michael Shah
Title: Authorized Signatory

SURRENDER/BUYOUT AGREEMENT

BUYOUT/SURRENDER AGREEMENT

THIS BUYOUT/SURRENDER AGREEMENT ("Agreement") made as of the ____ day of _____, 20___, by and between DS 531 E. 12th Owner LLC , and its successors and assigns ("Landlord"), with offices located at 114 East 13th Street, Front 1 , New York, NY 10003, and _____ ("Tenant"), residing at 531-533 East 12th Street, Apartment ____, New York, NY 10009.

W I T N E S S E T H:

WHEREAS, Landlord is the owner of the building located at 531-533 East 12th Street, New York, NY 10009 ("Building"); and

WHEREAS, Tenant resides in Apartment __ in the Building ("Premises") pursuant to a rental agreement by and between Landlord (or Landlord's predecessor-in-interest) and Tenant (collectively, the "Lease"), having a monthly rent of $_____ ("Monthly Rent"); and

WHEREAS, Tenant has received and reviewed the offering plan to convert the Building in which the Premises is located to condominium ownership ("Offering Plan") and has irrevocably elected not to purchase the Premises pursuant to the Offering Plan; and

WHEREAS, Tenant represents that (i) other than Tenant, there are no other persons and/or entities in possession of the Premises, (ii) Tenant is not aware of any other persons and/or entities having any rights to, or claims against, the Premises, and (iii) this Agreement arises out of the parties' mutual agreement to terminate the Lease and accept Tenant's surrender of the Premises; and now therefore

IT IS HEREBY AGREED, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, as follows:

1. Tenant represents that Tenant has elected to enter into this Agreement freely and of Tenant's own volition in lieu of exercising any rights under the Offering Plan and that Tenant's election not to purchase the Premises shall not be negated by virtue of any extension of any other tenant's right to

purchase under the Offering Plan. Tenant agrees that Tenant shall not be deemed a "Tenant in Occupancy" or a "Non-Purchasing Tenant," as these terms are defined under New York State law and Tenant expressly, knowingly, and voluntarily waives any and all rights Tenant may have had as a Tenant in Occupancy or a Non-Purchasing Tenant.

2. On or before _____ ("Vacate Date"), Tenant shall (1) surrender to Landlord actual and legal possession of the Premises in good, broom-clean condition (normal wear and tear excepted) and free and clear of all occupants and personal property in the Premises and all claims to, or against, the Premises ("Surrender" or "Surrendered"), (2) deliver to Landlord's agent, _____ (x) the keys to the Premises and to the mailbox ("Keys") and (y) an executed notice in the form annexed hereto as Exhibit "A" confirming that Tenant has Surrendered the Premises to Landlord ("Surrender Notice"), and (z) an executed letter in the form annexed hereto as Exhibit "B" to the New York State Division of Housing and Community Renewal ("DHCR") withdrawing any complaint or claim Tenant may have made relating to the Premises ("DHCR Letter") (the Keys, Surrender Notice, and the DHCR Letter are collectively the "Surrender Documents"). Tenant acknowledges that Tenant's obligation to timely Surrender the Premises and deliver the Surrender Documents to Landlord is unconditional and not contingent on Tenant obtaining other housing accommodations.

3. In consideration for and conditioned upon Tenant's timely performance and full compliance with all of the terms and conditions of this Agreement, Landlord will pay Tenant the sum of $_____ ("Buyout Payment") on the Vacate Date. [Landlord agrees to waive any rent that is unpaid at this time of this Agreement and any rent due between the date of this Agreement and the Vacate Date.] [Tenant acknowledges and agrees that it is responsible for all unpaid rent through the date of this Agreement and will continue to pay Monthly Rent from the date of this Agreement until the Vacate Date.]

4. Notwithstanding anything to the contrary, in the event Tenant fails for any reason to vacate the Premises in accordance with the terms of this Agreement, the Buyout Payment will be reduced at the rate of $1,000.00 per day for each day that Tenant remains in possession after the Vacate Date. In

the event that Tenant remains in possession for more than ten (10) days after the Vacate Date, Tenant (i) shall forfeit the right to the Buyout Payment in its entirety, (ii) shall be liable for and agrees to immediately pay Landlord any and all unpaid rents in connection with the Premises, and (iii) agrees to immediately pay Landlord rent due under the Lease for each month from the Vacate Date until Tenant's Surrender of the Premises to Landlord. This clause shall in no way be construed as a modification or waiver of Tenant's obligation under this Agreement to vacate the Premises on or before the Vacate Date.

5. Landlord is holding $_____ as a security deposit under the terms of the Lease ("Security Deposit"). On the condition that Tenant Surrenders the Premises and delivers the Surrender Documents in accordance with the terms of this Agreement, Landlord shall return the Security Deposit to Tenant on the Vacate Date.

6. Tenant acknowledges and agrees that "**TIME IS OF THE ESSENCE**" in complying with all of the terms and conditions of this Agreement, including without limitation the Surrender of the Premises and delivery of the Surrender Documents to Landlord. Tenant acknowledges that Landlord has entered into this Agreement based upon Tenant's representation that Tenant will comply with all of the terms and conditions of this Agreement. Landlord acknowledges that Tenant has entered into this Agreement based upon Landlord's representation that it will comply with all of the terms and conditions of this Agreement.

7. Tenant agrees that Tenant will not assign the Lease or sublet the Premises or permit any person or entity to occupy the Premises (other than occasional houseguests) after the date of this Agreement.

8. Upon Tenant's Surrender of the Premises to Landlord, Tenant agrees that any property remaining in the Premises shall be deemed abandoned by Tenant and may be removed and disposed of by Landlord without liability.

9. Tenant acknowledges and agrees that Landlord has not committed any act or inaction that could constitute harassment against Tenant and that Landlord may submit this Agreement to any

government agency in lieu of an affidavit as conclusive evidence that Landlord has not harassed Tenant to vacate the Premises and that Tenant has vacated the Premises voluntarily. Tenant acknowledges that prior to negotiations with Landlord with respect to the terms of this Agreement, Tenant received notice of this buyout as required by law.

10. Tenant acknowledges and agrees that Tenant is solely responsible for payment of any and all taxes due in connection with or arising from this Agreement.

11. On or before the Vacate Date, Tenant shall withdraw any complaint or claim relating to the Premises which Tenant may have filed with any government agency or court (including without limitation DHCR) and shall provide Landlord with any document Landlord may need in order to effectuate such withdrawal. **[TEXT IF PREMISES IS RENT REGULATED]** Tenant consents that Landlord may submit this Agreement to DHCR in addition to or in lieu of any other document as conclusive evidence of Tenant's intention to withdraw all claims made to DHCR relating to the Premises and/or to Landlord. **[END TEXT]**

12. Except for the obligations contained herein, for the valuable consideration set forth herein, the receipt and sufficiency of which is hereby acknowledged, each party waives and releases any and all claims they may have, known or unknown, against the other party, the other party's predecessors and successors in interest, including all individuals, principals, shareholders, assigns, partners, officers, directors, affiliates and other employees, and the other party's heirs, executors, administrators, successors and assigns, from all actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, extents, executions, claims, and demands whatsoever, in law, admiralty or equity, which against the other party, each party, their heirs, executors, administrators, successors and assigns ever had, now have or hereafter can, shall or may, have for, upon, or by reason of any matter, cause or thing whatsoever from the beginning of the world to the day of the date of this Agreement. Tenant acknowledges that this Agreement and the releases contained herein were not procured by fraud.

13. Each party had an opportunity to participate in the drafting of this Agreement. This Agreement has been fully reviewed and negotiated by both Landlord and Tenant, and neither party shall hereafter contend that any provision of this Agreement should be construed or interpreted against the other party on the basis that such other party drafted the disputed provision. Tenant represents that Tenant (i) has had the opportunity to consult with legal counsel of Tenant's choice before executing this Agreement and has either done so or elected not to, (ii) is signing this Agreement knowingly and voluntarily and understands its meaning, and (iii) expressly consents to this Agreement being given full force and effect according to all of the express terms and provisions in this Agreement, including without limitation those related to release of unknown and unsuspected claims, demands, and causes of action.

14. Tenant expressly agrees that this Agreement, as well as the contents of the negotiations leading thereto, shall remain strictly confidential. Neither the existence of this Agreement nor its terms shall be disclosed by Tenant, unless required by law. Tenant specifically agrees not to disclose the terms or existence of this Agreement to the media, any real estate professional, or any other owner, resident, or employee at the Building. Tenant agrees to not publicly or privately disparage in any manner whatsoever, the Building, including its amenities or services, the Landlord, or any of the employees at the Building. A breach of this provision may be prosecuted as a breach of contract, entitling Landlord to monetary damages, including the forfeiture of the Buyout Payment. Notwithstanding the foregoing, this Agreement may be disclosed to (a) the Tenant's attorneys, accountants and tax advisors, as necessary in the conduct of their business; and/or (b) a court or administrative agency of competent jurisdiction pursuant to an order directing the disclosure.

15. This Agreement shall be binding upon and inure to the benefit of the respective parties, their heirs, assigns, executors, administrators and successors-in-interest.

16. This Agreement constitutes the entire understanding of the parties with respect to the subject matter of this Agreement and supersedes all previous and contemporaneous negotiations and agreements of the parties, all of which are merged into this Agreement. This Agreement may not be

changed, modified, discharged, canceled, or waived orally, except by agreement in writing signed by the parties to this Agreement.

17. Any notices or documents required to be given pursuant to this Agreement must be delivered (i) if to Landlord, to 114 East 13th Street, Front 1 , New York, NY 10003, with a copy to Starr Associates LLP, 220 East 42nd Street, Suite 3302, New York, New York 10017, Attention: Andrea L. Roschelle, Esq.; and (ii) if to Tenant, to _____. All deliveries must be made by nationally-recognized overnight courier for next business day delivery and shall be deemed given upon deposit with the courier service.

18. This Agreement may be executed in counterparts. All such counterparts shall be deemed to be originals and shall together constitute but one and the same instrument.

19. For purposes of this Agreement, facsimile and/or email signatures shall be deemed to be originals.

20. The "Whereas" clauses are incorporated herein.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties to this Agreement have executed this Agreement as of the day and year first above written.

Dated: New York, New York
_____, _____

DS 531 E. 12th Owner LLC
Landlord

By: _____
Name: Michael Shah
Title: Authorized Signatory

_____
_____, Tenant

[ACKNOWLEDGMENTS FOLLOW]

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On the _____ day of _____ in the year _____ before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

_____
NOTARY PUBLIC

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On the _____ day of _____ in the year _____ before me, personally came **Michael Shah** to me known, who, being by me duly sworn, did depose and say that he is a member of **DS 531 E. 12th Owner LLC** , the limited liability company described in and which he executed the foregoing instrument; that the execution of the instrument by **Michael Shah** was duly authorized according to the operating agreement of **DS 531 E. 12th Owner LLC** ; that said member executed the instrument on behalf of said limited liability company pursuant to said authorization and that he signed his name thereto by like authority.

_____
NOTARY PUBLIC

Exhibit "A"

SURRENDER NOTICE

_____ ("Occupant"), being in occupancy of Apartment __ in the building known as and located at 531-533 East 12th Street, New York, NY 10009 (the "Premises") hereby declares:

1. I have vacated the Premises as of _____, _____ and voluntarily surrender possession of the Premises to **DS 531 E. 12th Owner LLC** ("Landlord").

2. The Premises is unoccupied and free of all other occupants, and there is no other person and/or entity having any rights to or claim against the Premises or in possession of the Premises.

3. I have removed all of my personal property from the Premises and agree that any property remaining in the Premises is deemed abandoned and may be removed and/or discarded by Landlord without liability.

4. I acknowledge that I have received the Buyout Payment and Security Deposit in accordance with the terms of the Buyout/Surrender Agreement dated _____, _____ (as such terms are defined in the Buyout/Surrender Agreement).

5. I release and discharge the Landlord, its predecessors and successors in interest, including all shareholders, assigns, partners, principals, officers, agents, directors and any other person or entity which may now or hereafter have a direct or indirect equitable or beneficial interest in the Premises, from any liability or responsibilities to me, and from any claims or damages which I may have in connection with the Premises or arising out of my occupancy thereof, including without limitation any claims that I have vacated the Premises by other than voluntary surrender of possession.

6. I withdraw any complaint or claim relating to the Premises which I may have filed with any government agency or court (including without limitation DHCR), and have provided Landlord with all documentation that Landlord required (in Landlord's reasonable discretion) in order to effectuate such withdrawal.

_____

Surrender Accepted

By:_____

Date:_____

Exhibit "B"

531-533 East 12th Street
Apartment No. __
New York, NY 10009

Date: _____, _____

New York State Division of Housing
and Community Renewal
Gertz Plaza
93-31 Union Hall Street
Jamaica, New York 11433

Re: Docket No.:
Premises: 531-533 East 12th Street, New York, NY 10009
Apartment: __
Tenant: _____

Dear Sir or Madam:

I am the Tenant who filed the above-referenced Complaint.

I hereby withdraw the above-referenced complaint with prejudice.

The basis for the withdrawal is a negotiated settlement with the Landlord. I have received substantial consideration for this withdrawal.

Kindly issue an order dismissing this proceeding.

Very truly yours,

_____

RESERVATION FORM

THE AVANT

RESERVATION FORM INFORMATION

Unit No.____

ATTENTION: DS 531 E. 12th Owner LLC
114 East 13th Street, Front 1
New York, New York 10009

Date: _____

Tenant 1:
Name/Entity Name: _____

Address: _____

Soc Sec No./EIN No.: _____

Date of Birth: _____

Contact Nos.: Home:_____Office:_____

Cell:_____Fax: _____

Email Address: _____

Tenant 2:
Name/Entity Name: _____

Address: _____

Soc Sec No./EIN No.: _____

Date of Birth: _____

Contact Nos.: Home:_____Office:_____

Cell:_____Fax: _____

Email Address: _____

Residential Unit No.: _____

Percent Common Interest: _____

Tenant Signature: _____

Tenant Signature: _____

This Reservation Form does not constitute a legally binding obligation or agreement by any party to negotiate in any particular manner, or at all, or to consummate the transaction(s) described herein. The definitive terms for the transaction(s) described herein, if same should occur, will be set forth in a separate agreement between the parties.

CERTIFICATION OF SPONSOR AND PRINCIPAL

PART 23 CERTIFICATION OF SPONSOR AND PRINCIPAL CONCERNING THE OFFERING PLAN

New York State Department of Law
Real Estate Finance Bureau
28 Liberty Street
New York, New York, 10005

Re: Condominium Offering Plan
The Avant
531-533 East 12th Street
New York, New York 10009

We are the sponsor and the principals of sponsor of the condominium offering plan for the captioned property.

We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Department of Law in Part 23 and such other laws and regulations as may be applicable.

We have read the entire offering plan. We have investigated the facts set forth in the offering plan and the underlying facts. We have exercised due diligence to form a basis for this certification. We jointly and severally certify that the offering plan does, and that documents submitted hereafter by us which amend or supplement the offering plan will:

(i) set forth the detailed terms of the transaction and be complete, current and accurate;

(ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;

(iii) not omit any material fact;

(iv) not contain any untrue statement of a material fact;

(v) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;

(vi) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) not contain any representation or statement which is false, where we:

(a) knew the truth;

(b) with reasonable effort could have known the truth;

(c) made no reasonable effort to ascertain the truth; or

(d) did not have knowledge concerning the representation or statement made.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

We declare under penalty of perjury under the laws of the State of New York and the United States of America that the foregoing is true and correct. Executed on May 26, 2020

SPONSOR:

DS 531 E. 12TH OWNER LLC

By: _____
Name: Michael Shah
Title: Authorized Signatory

PRINCIPAL OF SPONSOR:

_____
Michael Shah

CERTIFICATION OF ARCHITECT

PART 23: CERTIFICATION OF ENGINEER OR ARCHITECT

New York State Department of Law
Real Estate Finance Bureau
28 Liberty Street
New York, New York, 10005

Re: Condominium Offering Plan
The Avant
531-533 East 12th Street
New York, New York 10009

The sponsor of the offering plan to convert the captioned Property to condominium ownership retained our firm to prepare a report disclosing the condition of the Property (the "Report"). We visually inspected the Property on 05/18/20and prepared the Report dated 05/26, 2020, a copy of which is intended to be incorporated into the offering plan so that prospective purchasers may rely on the Report.

We are a registered architect/licensed engineer in the State of New York.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 23 insofar as they are applicable to this Report.

We have read the entire Report and investigated the facts set forth in the Report and the facts underlying it with due diligence in order to form a basis for this certification. This certification is made for the benefit of all persons to whom this offer is made.

We certify that the Report:

(i) sets forth in narrative form the description and/or physical condition of the entire property as it will exist upon completion of construction, provided that construction is in accordance with the plans and specifications that we examined;

(ii) in our professional opinion affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the description and/or physical condition of the property as it will exist upon completion of construction, provided that construction is in accordance with the plans and specifications that we examined;

(iii) does not omit any material fact;

(iv) does not contain any untrue statement of a material fact;

(v) does not contain any fraud, deception, concealment or suppression;

(vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances; and

(vii) does not contain any representation or statement which is false, where we:

(a) knew the truth;

(b) with reasonable effort could have known the truth;

(c) made no reasonable effort to ascertain the truth; or

(d) did not have knowledge concerning the representation or statement made.

We further certify that we are not owned or controlled by and have no beneficial interest in the sponsor and that our compensation for preparing this Report is not contingent on the conversion of the property to a condominium or 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.

We declare under penalty of perjury under the laws of the State of New York and the United States of America that the foregoing is true and correct. Executed on 05/26, 2020

BLUARCH

By: Antonio Di Oronzo
Principal
Name:
Title:



CERTIFICATION OF BUDGET EXPERT

FirstService
RESIDENTIAL

PART 23: CERTIFICATION BY EXPERT AS TO
ADEQUACY OF CONDOMINIUM BUDGET

May 27, 2020

New York State Department of Law
28 Liberty Street, 21st Floor
New York, New York 10005
Attn: Real Estate Finance Bureau

Re: The Avant
533 East 12th Street, New York, New York 10036

The undersigned, FirstService Residential New York, Inc., is a licensed real estate brokerage/management firm in the State of New York. FirstService Residential New York, Inc. has been engaged in the management of over 250 condominium, cooperative and residential rental properties over the course of 25 years.

The sponsor of the condominium offering plan for the above captioned property retained us to prepare Schedule B to the offering plan containing projections of income and expenses for the projected first year condominium operation, respectively ("First Year of Operation").

We understand we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 23 insofar as they are applicable to the Schedule B.

We have reviewed the Schedule B and investigated the facts set forth in the Schedule B and the facts underlying them with due diligence in order to form a basis for this certification. We also have relied on our experience in managing mixed use and residential buildings in Manhattan.

We certify that the projections in the Schedule B appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses of the Condominium for the projected First Year of Operation.

622 Third Avenue | New York, NY 10017
Tel 212.634.8900 | Fax 212.634.3946
www.fsresidential.com

We certify that the Schedule:

(i) set forth in detail the projection of income and expenses for the projected First Year of Operation;

(ii) afford potential investors, purchasers, and participants an adequate basis upon which to found their judgment concerning the projected First Year of Operation;

(iii) do not omit any material fact;

(iv) do not contain any untrue statement of a material fact;

(v) do not contain any fraud, deception, concealment, or suppression;

(vi) do not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) do not contain any representation or statement which is false, where we: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth; or (d) did not have knowledge concerning the representation or statement made.

We further certify that we are not owned or controlled by the sponsor. We understand that a copy of this certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee or warranty of the income and expenses for the projected First Year of Operation.

This Certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

FirstService Residential New York, Inc.

By: _____
Name: Marc Kotler
Title: Senior Vice President
New Development Group

Sworn to before me this
21 day of May, 2020

_____
Notary Public

ALISSA S WOLFSON
Notary Public-State of New York
No. 01WO6384502
Qualified in New York County
Commission Expires December 10, 2022

FirstService
RESIDENTIAL

CERTIFICATION OF BUDGET EXPERT
AS TO ADEQUACY OF COMMON CHARGES
PAYABLE BY THE COMMUNITY FACILITY UNIT OWNER(S)



FirstService
RESIDENTIAL

CERTIFICATION BY EXPERT CONCERNING ADEQUACY OF
COMMON CHARGES PAYABLE BY THE NON-RESIDENTIAL UNIT OWNER

May 27, 2020

New York State Department of Law
Real Estate Finance Bureau
28 Liberty Street, 21st Floor
New York, New York 10005

Re: Condominium Offering Plan
The Avant
533 East 12th Street
New York, New York 10036

The sponsor of the condominium offering plan for the captioned property retained our firm to prepare Schedule B which includes projections of common charges payable by the owner of the non-residential unit. The firm has been engaged in the management of over 250 condominium, cooperative and residential rental properties over the course of the past twenty-five (25) years.

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 23 insofar as they are applicable to the non-residential unit listed in Schedule B.

We have reviewed Schedule B as it impacts upon the non-residential unit and investigated the facts underlying it with due diligence in order to form a basis for this certification. We also have relied on our experience in managing residential and mixed-use buildings.

We certify that the projections in Schedule B for the common charges payable by the owner of the non-residential unit appear reasonable and adequate under existing circumstances to meet the anticipated operating expenses fairly attributable to such non-residential unit for the projected first year of condominium operation, and that the allocation of common charges attributable to the non-residential unit also reflects special or exclusive use or availability or exclusive control of particular common areas.

We certify that the estimates in Schedule B for the common charges payable by the owner of the non-residential unit:

(i) sets forth in detail the projected common charges for the non-residential unit for the first year of condominium operation;

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www.fsresidential.com

(ii) affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the common charges payable by the owner of the non-residential unit;

(iii) do not omit any material fact;

(iv) do not contain any untrue statement of a material fact;

(v) do not contain any fraud, deception, concealment or suppression;

(vi) do not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) do not contain any representation or statement which is false, where we:

(a) knew the truth;

(b) with reasonable effort could have known the truth;

(c) made no reasonable effort to ascertain the truth; or

(d) did not have knowledge concerning the representation or statement made.

We further certify that we are not owned or controlled by the sponsor. We understand that a copy of this certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee or warranty of the common charges fairly attributable to the non-residential unit for the first year of condominium operation.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

FIRSTSERVICE RESIDENTIAL NEW YORK, INC.

By: _____

Name: Marc Kotler
Title: Senior Vice President
New Development Group

Sworn to before me this
27 day of May, 2020

_____
Notary Public

ALISSA S WOLFSON
Notary Public-State of New York
No. 01WO6384502
Qualified in New York County
Commission Expires December 10, 2022

FirstService
RESIDENTIAL

GENERAL BUSINESS LAW SECTION 352-eeee

§352-eeee. Conversions to cooperative or condominium 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 condominium 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 repurchase 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 repurchase 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 condominium 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 repurchase 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 condominium ownership shall continue to be subject thereto.

(iv) The rentals of non-purchasing tenants who reside in dwelling units not subject to government regulation as to rentals and continued occupancy and non-purchasing tenants 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 by the Attorney General shall not be subject to unconscionable increases beyond ordinary rentals for comparable apartments

during the period of their occupancy. In determining comparability, consideration shall 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 repurchase 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 condominium 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.

REAL PROPERTY LAW SECTION 339-kk

NEW YORK REAL PROPERTY LAW § 339-kk

§ 339-kk. Rents.

(a) For the purposes of this section, "non-occupying owner" shall mean a unit owner in a condominium association who does not occupy the dwelling unit.

(b) If a non-occupying owner rents any dwelling unit to a rental tenant and then fails to make payments due for Common Charges, assessments or late fees for such unit within sixty days of the expiration of any grace period after they are due, upon notice in accordance with subdivision (c) of this section, all rental payments from the tenant shall be directly payable to the condominium association.

(c) If the Common Charges, assessments or late fees due for any unit have not been paid in full, within sixty days after the expiration of any grace period of the earliest due date, the board of managers shall provide written notice to the tenant and the non-occupying owner providing that, commencing immediately and until such time as all payments for Common Charges, assessments or late fees are made current, all rental payments due subsequent to the issuance of such notice are to be made payable to the condominium association at the address listed on the notice. Where a majority of the board of managers have been elected by and from among the unit owners who are in occupancy, the board may elect not to require that rental payments be made payable to the condominium association. At such time as payments for Common Charges, assessments and late fees from the non-occupying owner are once again current, notice of such fact shall be given within three business days to the rental tenant and non-occupying owner. Thereafter all rental payments shall be made payable to the non-occupying owner or a designated agent. A non-occupying owner who disputes the association's claim to rental payments pursuant to this section shall be entitled to present facts supporting such owner's position at the next scheduled meeting of the board of managers, which must be held within thirty days of the date that such board receives notice that such owner seeks to dispute such claim.

(d) Nothing in this section shall limit any rights of unit owners or of the board of managers existing under any other law or agreement.

(e) Payment by a rental tenant to the condominium association made in connection with this section shall relieve that rental tenant from the obligation to pay such rent to the non-occupying owner and shall be an absolute defense in any non-payment proceeding commenced by such non-occupying owner against such tenant for such rent.

§HISTORY: Add, L 1998, ch 422, § 3, eff July 22, 1998 (see 1998 note below).

EDITOR'S NOTES:

Laws 1998, ch 422, §§ 4, 5, eff July 22, 1998, provide as follows:

§ 4. This act may be enforced by any party by means of a special proceeding brought pursuant to article 4 of the civil practice law and rules.

§5. This act shall take effect immediately, and is applicable to all cooperative corporations and condominiums in existence on or after such date.

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, his or her 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 of managers, 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 of managers 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 Buildings Department 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 of managers 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.