CONDOMINIUM OFFERING PLAN FOR THE

323 EAST 53RD STREET CONDOMINIUM

323 EAST 53RD STREET
NEW YORK, NEW YORK 10022
NEW YORK COUNTY

Offering Price for 11 Residential Units $10,450,000
Total Offering Amount $10,450,000

SPONSOR:	SELLING AGENT	ATTORNEY FOR SPONSOR
323 E 53RD STREET OWNER LLC 100 Park Avenue, Suite 2805 New York, New York 10017	SOTHEBY'S INTERNATIONAL REALTY 650 Madison Avenue New York, New York 10022	LESTER BLECKNER & SHAW 350 Fifth Avenue, Suite 3301 New York, New York 10118

DATE OF ACCEPTANCE FOR FILING: _____

THE TERM OF THIS OFFERING PLAN IS TWELVE (12) MONTHS FROM THE ABOVE DATE OF ACCEPTANCE AND MAY BE EXTENDED BY AMENDMENT TO THE OFFERING PLAN.

THE PLAN CONTAINS SPECIAL RISKS TO PURCHASERS. PLEASE REFER TO PAGE 1 THE PRICES AND TERMS OF SALE FOR THESE CONDOMINIUM UNITS MAY BE CHANGED SO THAT PURCHASERS MAY PAY DIFFERENCT PRICES FOR SIMILAR INTERESTS. SEE SECTION OF PLAN ENTITLED "CHANGES IN PRICES AND UNITS".

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

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

THIS PAGE INTENTIONALLY LEFT BLANK

323 EAST 53rd STREET CONDOMINIUM

CONDOMINIUM OFFERING PLAN

TABLE OF CONTENTS

PART I **PAGE**

Special Risks....1
Introduction....35
Certain Definitions....46
Description of Property and Improvements....57
Location and Area Information....65
Schedule A - Prices of Units & Related Information....69
Schedule A Footnotes....72
Schedule B - Budget for First Year of Condominium Operation....76
Schedule B Footnotes....81
Schedule B -2 – Annual Projected Utilities Cost Estimates....89
Opinion Letter on Section 339(i)....94
Changes in Prices or Units....97
Interim Use and Occupancy Agreements....101
Procedure to Purchase....103
Assignment of Purchase Agreement....114
Effective Date of Plan....115
Terms of Sale....118
Unit Closing Adjustments and Costs....121
Rights and Obligations of Sponsor....126
Control by Sponsor....139
Board of Managers....142
Rights and Obligations of Unit Owners and Board of Managers....147
Summary of Declaration and By-Laws....154
Real Estate Taxes....164
Taxes - Deductions to Unit Owners and Tax Status of Condominium....166
Tax Opinion of Counsel....168
Working Capital and Repair and Reserve Fund....172
Management Agreement, Contracts and Leases....174
Identity of Parties....177
Reports to Unit Owners....180
Documents on File....181
General....182
Excess Development Rights....185
Sponsor's Statement of Building Condition....186

PART II

Purchase Agreement ..... Document 1 (Page 189)

Form of Residential Condominium Unit Deed ..... Document 2 (Page 219)

Power of Attorney ..... Document 3 (Page 227)

Interim Use and Occupancy Agreement ..... Document 4 (Page 233)

Description of Property and Building Condition ..... Document 5 (Page 241)

Floor Plans ..... Document 6 (Page 281)

Declaration of Condominium ..... Document 7 (Page 301)

By-Laws of Condominium ..... Document 8 (Page 335)

Unit Owner's Specimen Title Policy ..... Document 9 (Page 405)

Real Estate Tax Projection Opinion ..... Document 10 (Page 417)

Appendices

Certifications:

Certification of Sponsor and Sponsor's Principal ..... Document 11 (Page 425)

Certification of Sponsor's Architect ..... Document 12 (Page 431)

Certification of Sponsor's Expert
Concerning Adequacy of Budget ..... Document 13 (Page 437)

Affidavit:

Affidavit of Sponsor and Principals of Sponsor Regarding
Prior Public Offering or No Public Offering ..... Document 14 (Page 441)

Exhibits:

NYC Local Law 1 of 2004, as amended: Article 14 of Title 27
of the New York City Administrative Code ..... Document 15 (Page 447)

SPECIAL RISKS

1. Sale of Units

Sponsor's offer to sell the Units under this Plan is contingent upon the Plan being declared effective pursuant to Section 20.3(q) of Title 13 NYCRR. Under the terms of the regulations, Sponsor may not declare the Plan effective until Purchase Agreements are signed by bona fide purchasers for fifteen percent (15%) or two (2) of the Units offered for sale. While Sponsor currently intends to sell all of the Units and the Storage Lockers appurtenant thereto, Sponsor has reserved the unconditional right to cease marketing and/or rent those Units, after the Plan is consummated, in the event Sponsor is unable to sell them at the prices provided for in the Plan, as may be amended. There is no restriction on the right of Sponsor to rent Unsold Units. Because Sponsor is not guaranteeing to sell all Units, Sponsor is not obligated to sell more units than the fifteen percent (15%) or two (2) Units necessary to declare the Plan effective, and thus the Owner-occupants may never gain effective control and management of the Condominium and Sponsor may indefinitely retain voting control of the Board.

Purchasers should note that in the current real estate market, banks and other lenders are imposing various restrictions on purchase financing. Such restrictions include requiring that a certain percentage of apartments in a building or group of building be sold before a lender will consider making a loan. Thus, it may be possible for a purchaser to experience difficulty obtaining a loan in a building or group of buildings where the sponsor or holder of unsold shares has not sold a substantial percentage of the apartments in the building or group of buildings, which in some cases may be as high as 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 an apartment if prospective buyers are unable to obtain a loan due to the same minimum sales and investor ownership restrictions.

During the Initial 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 Unit Closing (the "Waiver Period"), provided that all expenses of the Condominium (inclusive of insurance premiums and reserves) are paid by Sponsor. If the Condominium Board elects to waive payment of Common Charges, Sponsor shall disclose such Waiver Period in the post-Closing amendment to the Plan, which may include the Waiver Period Expiration. During the Waiver Period, Purchasers shall be responsible for Unit taxes, Purchasers' insurance and any applicable utilities. In the event the Waiver Period Expiration is disclosed, and the Condominium Board elects to extend the Waiver Period, Sponsor will amend the Plan to disclose the extended Waiver Period. In the event that the term of the Waiver Period had not been disclosed in the post-Closing amendment to the Plan, Sponsor shall notify Unit Owners that the collection of Common Charges will commence on not less than thirty (30) days' written notice. Once collection of Common Charges has resumed, Sponsor shall disclose the expiration of the Waiver Period 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" for details.)

The New York State Court of Appeals, in its opinion in 511 East 232 Owners Corp. v. Jennifer Realty Co., 98 N.Y.2d 144, 746 N.Y.S.2d 131 (2002) ("Jennifer Realty"), ruled that a cooperative housing corporation and certain of its tenant shareholders had a cause of action with respect to their claim that their Sponsor breached its "contractual obligation to dispose of all of its unsold shares within a reasonable period of time." Because Sponsor, as the Owner of any Unsold Units, has reserved the right to rent or lease any Unit after the Plan has been consummated prior to Closing the sale thereof to the Purchaser thereof or any other party, to cease marketing Units for sale at any time, in Sponsor's sole discretion, or to use or offer the Unsold Units for any lawful purpose, Sponsor believes that the cause of action in Jennifer Realty would not exist with respect to this Offering.

Unsold Units that are in contract may be occupied under Interim Use and Occupancy Agreements by contract vendees prior to the consummation of their Closing. Units owned by Sponsor may be occupied under interim leases. As such, although Sponsor does not intend to have interim rentals, Sponsor reserves the right to do so in order to accommodate contract vendees who may need to occupy Units prior to closing after a TCO is issued. Accordingly, residents of the Condominium may be comprised of both Unit Owners and tenants leasing from Sponsor or 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 portion of tenants in the Building may not be Unit Owners and, as such, at any time residents of the Condominium may be comprised of both Unit Owners and tenants. A Purchaser may therefore be acquiring a Unit which has been previously occupied, but unless specifically agreed to, such Unit will be delivered at Closing free and clear of all leases, tenancies and rights of occupancy.

Other than Purchasers, individuals leasing Units from Sponsor will not, except as expressly provided in their respective leases, have any special rights to purchase such Units. In addition, a Purchaser may be acquiring a Unit that has been previously occupied, but such Unit will be delivered at Closing free and clear of all leases and tenancies except as may otherwise be agreed to in writing by the parties. (Please refer to the Section entitled "Rights and Obligations of Sponsor" in Part I of the Plan.)

2. Interim Use and Occupancy Agreements

Once a Purchase Agreement is signed for a vacant Unit and for so long as such Purchase Agreement is in effect, Sponsor reserves the right, at Sponsor's sole discretion, prior to the date of Closing title thereto and after Sponsor's receipt of a certificate of

occupancy covering such Unit, to enter into an Interim Use and Occupancy Agreement with such Purchaser of any Unit, which agreement is not subject to any right of first refusal in favor of the Condominium Board, for such amount, such term and on such other conditions as may be agreed to between Sponsor and any such Purchaser who has paid the Deposit required by the Purchase Agreement. Any such Interim Use and Occupancy Agreement will provide, however, among other things, that an uncured default by the Purchaser under the Purchase Agreement, with respect to the Unit which is the subject of the Interim Use and Occupancy Agreement, will constitute a default under the Interim Use and Occupancy Agreement entitling Sponsor, at its sole option, to terminate such Interim Use and Occupancy Agreement in accordance with applicable Law with respect to the Unit. In addition, each Purchase Agreement may provide that an uncured default by the Purchaser under the Interim Use and Occupancy Agreement will constitute a default under the Purchase Agreement entitling Sponsor, at its sole option, to terminate such Purchase Agreement and to exercise any remedies therein provided, but only after Sponsor has obtained an order of eviction or other judgment or order for a court or agency of competent jurisdiction against the tenant or the tenant has vacated the Unit. In addition, in the event (i) the Purchase Agreement is rescinded; (ii) the Plan is abandoned; or (iii) Sponsor is entitled to possession as a result of a default under the Purchase Agreement, the tenant will be required to vacate the Unit within thirty (30) days after rescission, abandonment or the receipt of notice from Sponsor of such default, as the case may be, subject to any protections then afforded to the tenant by the Interim Use and Occupancy Agreement. No portion of use or occupancy fees paid under an Interim Use and Occupancy Agreement shall be credited toward the Unit's Purchase Price. Sponsor anticipates that the Interim Use and Occupancy Agreement will not be subject to any rent laws. Individuals who rent vacant Unsold Units from Sponsor are not Tenant-Purchasers under the Plan and shall have no rights to purchase thereunder. Notwithstanding any of the foregoing, Sponsor shall be under no obligation to enter into any Interim Use and Occupancy Agreement. The risk of loss from fire or other casualty with respect to a Unit covered by an Interim Use and Occupancy is with Sponsor until the closing of title of such Unit. Purchasers entering into Interim Use and Occupancy Agreements are advised to confer with an insurance agent in connection with insurance coverage of such Unit.

Purchasers entering into an Interim Use and Occupancy Agreement shall be required to pay the legal fees of Sponsor's counsel in connection therewith, upon execution of the Interim Use and Occupancy Agreement and such legal fees are estimated to be approximately $2,000. (See the Section entitled "Interim Use and Occupancy Agreements" in Part I for further details).

3. Defaults Under Purchase Agreement

In the event that Purchaser defaults under the Purchase Agreement, a written notice of such default shall be sent to Purchaser at least thirty (30) days before a forfeiture of the Deposit may be declared. In the event that Purchaser fails to cure any such default within thirty (30) days after receipt of Sponsor's written notice to cure, Sponsor may, at its

option, either (i) cancel such Purchase Agreement and retain, as liquidated damages, the Deposit (as such term is defined in Special Risk #4, below) and any money paid on account for changes to the plans for the Unit requested by Purchaser, together with any interest earned thereon, if any, or (ii) as this is real property, bring an action against a Purchaser for specific performance, in which event, a Purchaser could be compelled to complete the transaction. Time is of the essence to cure any default. "Time of the Essence" means that if the default is not timely cured Sponsor may (but is not obligated to) elect to cancel the Purchase Agreement. In such event the Deposit, any accrued interest and any other amounts paid by the Purchaser for any actual special work, upgrades or extras shall be paid over to Sponsor as and for liquidated damages and thereafter the Purchase Agreement shall become null and void, except for matters (if any) that are expressly stated therein to survive termination thereof.

In addition, if a Purchaser fails to close title to a Unit on the scheduled Closing Date and Sponsor elects not to cancel a Purchaser's Purchase Agreement, then (a) the Closing adjustments to be made at the Closing will be made as of midnight of the day preceding the originally scheduled Closing Date, and (b) a Purchaser will be required to pay to Sponsor an amount equal to .03% of the Purchase Price of the Unit for each day the Closing is adjourned until the day the Closing occurs.

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

No representation is made by Sponsor as to the availability or cost of such financing. Purchaser shall be obligated to reimburse Sponsor for any legal fees and disbursements incurred by Sponsor in defending Sponsor's rights under the Purchase Agreement or, in the event Purchaser defaults under the Purchase Agreement beyond any applicable grace period, in canceling the Purchase Agreement or otherwise enforcing Purchaser's obligations thereunder. **The Purchase Agreement also provides, in clear and explicit terms, that except as prohibited by law, the parties shall waive trial by jury, bench trial or any other court proceeding in connection with any litigation arising out of, or connected with, or relating to, the Plan, this Agreement or the relationship created hereby. All disputes arising in connection with the Plan and this Agreement are subject to arbitration.** (Please refer to the part of the Plan entitled "Procedure to Purchase" in Part I of the Plan and the Section entitled "Procedure to Purchase" in Part I of the Plan.)

4. Purchase Agreement Deposits

At the time a Purchase Agreement is executed, a Purchaser will be required to make an initial Deposit (the "Initial Deposit") in the amount of ten (10%) percent of the Purchase Price, with an additional Deposit (the "Additional Deposit") in the amount of five (5%) percent of the Purchase Price due and payable no later than the earlier to occur of (x) fifteen (15) days after Sponsor presents an amendment declaring the Offering Plan effective, and (y) six (6) months after the date of the Purchase Agreement, but in any event, no later than the Closing Date. The Initial Deposit and the Additional Deposit are hereinafter collectively referred to as the "Deposit". Any Purchaser, however, who executes a Purchase Agreement after Sponsor has presented an amendment declaring the Offering Plan effective will be required to make a single Deposit equal to fifteen (15%) percent of the Purchase Price.

Purchasers are advised that in addition to the Initial Deposit representing ten (10%) percent of the Purchase Price due on the signing of a Purchase Agreement, Purchasers are required to deliver an additional, second Deposit of five (5%) percent of the Purchase Price due and payable no later than the earlier to occur of (x) fifteen (15) days after Sponsor presents an amendment declaring the Offering Plan effective, and (y) six (6) months after the date of the Purchase Agreement but in any event, no later than the Closing Date, plus the full cost of any special work ordered by the Purchaser and itemized in the Purchase Agreement. (Please refer to the part of the Plan entitled "Procedure to Purchase" in Part I of the Plan and the Section entitled "Procedure to Purchase" in Part I of the Plan).

5. FDIC Insured Funds

Deposits or advances in excess of $250,000, made by Purchasers which are held in escrow by the Escrow Agent, will not be federally insured. Purchasers are also advised that if a Purchaser makes a Deposit in excess of $250,000 for the purchase of a Unit and, while the Deposit is in the non-interest-bearing checking portion of the Master Escrow Account, the Deposit may not be fully federally insured even if the Deposit does not exceed $250,000. In the event that a Purchaser has an account at such bank as Sponsor's account that holds Purchaser's escrowed Deposit, Purchaser's funds at the escrow bank are included with the escrowed Deposit in calculating the $250,000 FDIC insurance limit. Sponsor shall have the right to refuse to accept funds drawn on an out of state or foreign bank in payment of a portion of the Purchase Price. Purchasers are further advised that the terms and provisions of the Purchase Agreement and Purchaser's obligations thereunder are not contingent upon Purchaser obtaining financing of the Purchase Price. Purchaser's failure to obtain financing shall not relieve Purchaser of Purchaser's obligations under the Purchase Agreement. (Please refer to the part of the Plan entitled "Procedure to Purchase" in Part I of the Plan and the Section entitled "The Escrow Account" in Part I of the Plan).

6. Purchase Agreement Not Contingent on Financing

Although a Purchaser may obtain financing from a lending institution or any

other source, the terms and provisions of this Agreement and Purchaser's obligations are NOT contingent on obtaining financing for such purchase, unless a fully executed financing contingency rider is included in the Purchase Agreement. Neither Sponsor nor the Selling Agent makes any representations as to the terms or availability of any mortgage financing. Any Purchaser who executes a Purchase Agreement and does not obtain financing may lose the Deposit if unable to pay the balance of the Purchase Price. Purchasers who need financing to purchase are advised to consult with a bank before executing a Purchase Agreement in order to ascertain the likelihood of obtaining financing. (Please refer to the part of the Plan entitled "Procedure to Purchase" in Part I of the Plan and the Section entitled "Purchase Agreement Not Contingent on Financing" in Part I of the Plan).

7. Lender Restrictions on Purchase Financing

Purchasers should note that in the current real estate market, banks and other lenders are imposing various restrictions on purchase financing. Such restrictions include requiring that a certain percentage of apartments in a building or group of buildings be sold before a lender will consider making a loan. Thus, it may be possible for a Purchaser to experience difficulty obtaining a loan in a building or group of buildings where Sponsor or holder of unsold shares has not sold a substantial percentage of the apartments in the building or group of buildings, which in some cases may be as high as seventy percent (70%). Moreover, some lenders will not provide financing in a building or group of buildings where an investor other than the original Sponsor has ownership interest of ten percent (10%) or more. It also may be difficult for a Purchaser to resell an apartment if prospective buyers are unable to obtain a loan due to the same minimum sales and investor ownership restrictions. Lenders may also require that a certain percentage of Units (in some cases, seventy percent (70%) or more) must be sold prior to Lender considers making a loan. Prospective purchasers should be aware that even if a loan commitment is obtained, the terms may be fixed, and it could expire prior to the Closing Date and therefore Purchaser would have to close without financing or risk losing the Deposit. Purchaser's failure to obtain financing shall not relieve Purchaser of Purchaser's obligations. (Please refer to the part of the Plan entitled "Procedure to Purchase" in Part I of the Plan and the Section entitled "Procedure to Purchase" in Part I of the Plan).

8. Partial Mortgage Tax Credit

There is not currently a mortgage on the Building; however, in the event the Building becomes encumbered by a mortgage, if Purchaser obtains a mortgage loan for the purchase of a Unit ("Purchase Money Mortgage") the Purchaser will pay Sponsor a sum equal to the partial mortgage tax credit to which Purchaser may be entitled pursuant to Section 3390-ee(2) of the Condominium Act (a "Reimbursement"), provided that Purchaser's mortgage lender agrees to the partial mortgage tax process through which the Purchaser is able to receive a credit, which sum will be paid as a reimbursement for the mortgage recording tax previously paid by Sponsor. Purchasers are advised that in the event of a Reimbursement, Purchaser's total Closing costs will not be increased. (Please refer to the Section entitled

"Procedure to Purchase" in Part I of the Plan and Document 1 in Part II of the Plan entitled "Purchase Agreement".)

9. No Warranty by Sponsor Other than Sponsor's Obligations Set Forth in the Plan

All Units offered pursuant to this Offering Plan will be built and furnished only to the level described in the Plan. Sponsor will have no obligation to perform any other work or make any other repairs or alterations, other than Sponsor's obligations to make any corrections or repairs to the Unit noted on each Purchaser's Inspection Statement so that the level of finish is consistent with the level described in the Plan. Except as set forth in the Plan, Sponsor does not guarantee the materials, equipment, fixtures, workmanship or any other aspect of the Units, Common Elements and Limited Common Elements and Sponsor does not make any warranty of any kind, express or implied.

Sponsor is obligated to construct the Building in accordance with the provisions of the Plan, and any conflict between the disclaimers contained herein and Sponsor's obligation to construct the Premises in accordance with all applicable codes and filed plans and specifications shall be resolved in favor of the latter. Sponsor is not making any express or implied warranties of fitness for a particular purpose, merchantability or habitability with respect to the Units, Common Elements and/or personal property located within the Units, and the Unit Owners assume all risk and liability from the use of this Property and The Housing Merchant Implied Warranty Law (General Business law Article 36-B) is not applicable to this offering. Unless caused by a violation of the Sound Transmission Code or other applicable code, there is no warranty as to sounds transmission. Unless caused by a violation of an applicable code with regard to the ventilation system or other applicable code, there is no warranty to odors. Unless caused by code violations, there is no warranty with respect to mold, mildew, spores, fungi, or other toxins. There is no warranty as to view or light quality.

Regardless of any limitations or warranty in this Section or in the Plan, Sponsor is to construct the Building in accordance with all applicable codes and filed plans and specifications, and that any conflict between the disclaimers and Sponsor's obligation to construct the Building in accordance with all applicable codes and filed plans and specifications shall be resolved in favor of the latter. Sponsor has not given, and Purchaser has not relied on or bargained for any such warranties.

In no event will Sponsor be liable for incidental or consequential damages (whether based on negligence, breach of contract, warranty, or otherwise). In the event of any conflict between the foregoing disclaimers and Sponsor's obligations to construct the Building in accordance with all applicable codes and filed building plans and specifications as well as the provisions of the Plan, Sponsor's obligations to construct the Building in accordance with the provisions of the Plan controls in that any conflict between the

disclaimers and Sponsor's obligation to construct the Building in accordance with all applicable codes and filed plans and specifications shall be resolved in favor of the latter.

Prospective purchasers are advised that pursuant to the terms of the Plan, Sponsor's obligation to repair, correct or replace defects in the construction of the Building is limited both as to the notice of repair and the time period during which Sponsor is responsible for the condition of the Building or any of the Units. Sponsor's obligation to correct, repair or replace any defects in the construction of the Building or any Unit is contingent upon receipt of a written notice, within the following time periods: (a) six (6) months from the Closing Date of a Unit with respect to any patent defects within the Unit, or patent defects in the Common Elements affecting the Unit; (b) one (1) year from the Closing Date of a Unit with respect to any latent defects within the Unit, or latent defects in the Common Elements affecting the Unit; or (c) with respect to the Common Elements defects, one (1) year from the later of (i) the issuance of a FCO; or (ii) completion of that portion of the Common Elements which is claimed to be defective. (Please refer to the Section entitled "Rights and Obligations of Sponsor" in Part I of the Plan).

10. Control by Sponsor

The board of managers for the Condominium (the "Board of Managers") shall initially consist of three (3) persons designated by Sponsor. Sponsor has the right to appoint a majority of the members of the Condominium Board (and, therefore, control such Condominium Board) for a period ending on the date which is the earlier to occur of (i) the date on which one hundred percent (100%) of the Unsold Units are sold or (ii) five (5) years from the date of the First Unit Closing, unless Sponsor voluntarily relinquishes such right prior to the expiration of such five (5) year period. During the period that Sponsor controls the Condominium Board, Sponsor will have control of maintenance, facilities and services to be provided to Unit Owners and will determine the Common Charges to be paid by all Unit Owners. At the first meeting of the Unit Owners (the "First Annual Meeting"), which will be held within approximately nine (9) months after the First Unit Closing, the three (3) member Board of Managers shall resign in favor of a new three (3) member Board of Managers which shall be designated by Sponsor, provided the Initial Control Period has not ended.

If the Initial Control Period has ended prior to the First Annual Meeting, then at the First Annual Meeting the Board of Managers shall increase from three (3) members to five (5) members, the original three (3) member board shall resign and the Unit Owners in good standing shall elect the new five (5) member Board of Managers. If the Initial Control Period has not ended by the date of the First Annual Meeting, then within thirty (30) days of the expiration of the Initial Control Period, Sponsor shall give a thirty (30) day written notice to all Unit Owners of a meeting of Unit Owners for the purpose of electing a new Board of Managers, where the number of members of the Board of Managers shall increase to five (5). The Sponsor-appointed three (3) member Board shall resign and all Unit Owners in good standing shall be entitled to vote for all members of the five (5) member Board of Managers.

In the event the Initial Control Period ends due to the expiration of the five (5) year period from the First Unit Closing rather than expiring due to Sponsor selling one hundred (100%) percent of the Units, Sponsor may still control a majority of the Common Interest attributed to all of the Units. Thus, Sponsor may exercise voting control, and through such voting power continue to control certain decisions of the Condominium. (Please refer to the Sections entitled "Rights and Obligation of Unit Owners and Board of Managers" and "Summary of Declaration and By-Laws" in Part I of the Plan.)

No amendment, modification or deletion of the Declaration, By-Laws or the Rules or Regulations shall be effective in any way which might affect the rights of Sponsor or Holder of Unsold Units, without the prior written consent of Sponsor or the Holder of Unsold Units. (Please refer to the Sections entitled "Rights and Obligation of Unit Owners and Board of Managers" and "Summary of Declaration and By-Laws" in Part I of the Plan.)

11. Composition of Condominium Board After Sponsor's Initial Control Period

The By-Laws do not include a provision that after Sponsor's Initial Control Period, members of the Board of Managers are required to be owner-occupants or a member of an owner-occupant's household who are unrelated to Sponsor and its Principals. Unit Owners are advised that, non-resident owners, including Sponsor, have no investment in their Units and, therefore, do not share the same economic interests as Unit Owners in the maintenance and care of the Building's facilities and amenities and owner-occupants and non-resident Unit Owners, including Sponsor, may have inherent conflicts on how the Condominium should be managed because of their different reasons for purchasing (i.e., purchase as a home as opposed to as an investment). Purchasers are referred to the By-Laws for further details.

12. Sponsor Will Not Provide A Bond or Other Security

Sponsor has undertaken certain obligations in connection with the Plan and the construction of the Building as set forth in the Section of the Plan entitled "Rights and Obligations of Sponsor." No bond or other form of collateral security has been or will be furnished by Sponsor to secure performance of its obligations under the Plan. Notwithstanding the foregoing, Sponsor represents that it has the financial resources to meet such obligations with respect to Unsold Units.

No party other than the respective Purchasers shall have any right or benefit herein or here from, including without limitation, the right to insist upon or enforce against Sponsor the performance of all or any Sponsor's obligations hereunder and no such third party (including without limitation, parties purchasing from Purchasers) shall be deemed to have received any benefits as a result of any of the provisions of the Plan. (Please refer to the Section entitled "Rights and Obligations of Sponsor" in Part I of the Plan.)

13. Certificate of Occupancy

Sponsor and its Principals will timely procure an FCO for the Building and all of the Units. In the event only a TCO for all Units, or a particular floor or line of Units, in the Building has been issued at the time of First Unit Closing, Sponsor and its Principals will use its best efforts to cause the Building Department to continuously renew TCO until the FCO for the Units has been issued. Sponsor anticipates but does not guarantee that the FCO for the Building will be issued by not later than the second (2nd) anniversary of the First Unit Closing.

In addition, in the event an FCO has not been issued at, or prior to, the First Unit Closing, Sponsor will place in a special escrow account, pursuant to Section 352-e(2)(b) of the General Business Law, with its counsel, Lester Bleckner & Shaw LLP, a sum equal to the amount certified by Sponsor's Architect to be reasonably necessary to complete the work needed to obtain an FCO; it being agreed that such sum may be released from such escrow account upon issuance of an FCO. Alternatively, by prior amendment to the Plan, Sponsor may Deposit with Lester Bleckner & Shaw LLP, an unconditional, irrevocable letter of credit or post a surety bond or Deposit cash in the amount so certified. Any interest earned on any such funds shall be paid to Sponsor as and when earned. Sponsor may not use construction loan funds to meet this requirement, unless the requirements set forth in the October 13, 2015 Department of Law memo on Certificates of Occupancy and Part 20 Plans is adhered too. A copy of the memo is available at:
http://www.ag.ny.gov/sites/default/files/pdfs/bureaus/real_estate_finance/Effective-memos/Certificates_of_Occupancy_and_Part_20_Offering_Plans.pdf.

Purchasers are advised that in New York City, newly constructed and newly renovated buildings are sometimes offered as condominium projects without an FCO covering the residential units, but with only a TCO, and sometimes with several successive temporary certificates of occupancy. Certificates of occupancy are generally governed by Section 301 of the New York Multiple Dwelling Law and local building codes and rules. Both TCOs and FCOs are issued by the DOB. A TCO is intended to indicate that the property conforms substantially to the DOB approved plans and specifications, and to the requirements of all applicable laws, rules, and regulations for the uses and occupancies specified in the TCO. No change of use or occupancy shall be made unless a new certificate of occupancy is issued. All TCOs have an expiration date. A TCO typically expires ninety (90) days after the date of issuance. 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 an FCO. Sponsor anticipates this scenario may occur. Sponsor and its Principals will undertake the responsibility for extending each TCO received prior to expiration thereof, and ultimately for obtaining an FCO covering the entire Building. However, Sponsor and its Principals make no representation or guarantee that DOB will issue the FCO within two (2) years, which is the timeframe anticipated by the Multiple Dwelling Law for issuance of an FCO. **Notwithstanding the foregoing, Sponsor and its Principals are obligated to timely procure the FCO for the Building and shall exercise**

best efforts to obtain the FCO within such two-year period while keeping the TCO current. Unit Owners and the Board of Managers shall be obligated to cooperate with and refrain from obstructing Sponsor in these undertakings.

Sponsor and the By-Laws of the Condominium may permit Unit Owners to undertake certain renovations to individual units prior to the procurement of an FCO; it being understood and agreed, however, that such renovations shall be limited to design and decorative purposes which do not require any application to, or permit issued by the New York City Department of Buildings, which may nevertheless cause additional delays in the issuance thereof. Notwithstanding the foregoing, Sponsor and its Principals are obligated to timely procure the FCO.

As described in greater detail in the Plan, Sponsor will maintain sufficient funds in escrow to cover the anticipated costs of obtaining an FCO. However, the TCO may lapse for reasons outside Sponsor's control. In the absence of an FCO or TCO it is unlawful to reside in or rent a unit and will be difficult for owners or purchasers to obtain financing or pass clear title.

Purchasers are advised to visit the DOB website for further recommendations when purchasing a unit in a building that does not have an FCO. A factsheet on Certificates of Occupancy is available on the DOB website at:
https://www1.nyc.gov/assets/buildings/pdf/cofo_guide.pdf

Sponsor retains the right to amend the FCO in regard to the use of, the dimensions, layouts, room counts and the like, of any Unsold Unit, provided such changes are in accordance with all applicable laws, without the consent of the Board of Managers. (Please refer to the Section entitled "Rights and Obligations of Sponsor" in Part I of the Plan.)

14. Delays in Unit Closings

Sponsor presently contemplates that, unless delayed by Force Majeure, construction of the Building will be sufficiently completed to permit the First Unit Closing to occur on or about January 1, 2021. In the event such First Unit Closing is delayed or anticipated to be delayed by twelve (12) months or more to January 1, 2022 or later, Purchasers shall have the right to rescind their Purchase Agreements and receive back their Initial Deposits with interest, if any.

Purchasers should note that even if the First Unit Closing occurs on or before January 1, 2021 (or such other date projected as the date of commencement of the First Year of Condominium Operations at the time the Purchase Agreement was entered into) or within the twelve (12) month period thereafter, the Closing of subsequent units may be substantially delayed beyond such dates if a TCO has not been issued for such units or for the floor on which such units are located. In such case, provided that Sponsor is diligently pursuing

completion of construction and the issuance of a Certificate of Occupancy and is otherwise in compliance with its obligations under the Plan, Purchaser will not be entitled to a right of rescission or to make claims against Sponsor for damages or losses as a result of such delays and will not be excused from paying the full Purchase Price for the unit. **Prospective Purchasers should therefore carefully consider the possibility of such delays in their determination as to whether to purchase a Unit.** However, in the event, Sponsor cannot convey title to the Unit on or before the date which is twelve (12) months after January 1, 2021, the date projected as the commencement of the First Year of Condominium Operations, affected Purchasers will be afforded the right of rescission. (Please refer to the Section entitled "Description of the Property and Improvements" in Part I of the Plan.)

For additional guidance, refer to the May 18, 2012 Department of Law memo entitled "Delay in First Closings in Newly Constructed Condominiums and Rescission" which is available here:
https://ag.ny.gov/sites/default/files/delay_in_first_closing_in_newly-constructed_condominiums_and_rescission_5-18-2012.pdf

15. Real Property Transfer Taxes

Purchasers are responsible for the payment of the New York State and New York City Real Property Transfer Taxes (the "Real Property Transfer Taxes") due on the transfer of their Units, and the fifty ($50) dollars filing fee for the City of New York. **These taxes are normally paid by the seller and the shifting of these obligations to the Purchaser will constitute additional consideration to Sponsor**. Thus, in computing the New York State Real Property Transfer Tax, if the tax is paid by the Purchaser, the amount of the tax will be increased from (i) .40% to approximately .4016% where the Purchase Price is less than $3,000,000.00; and (ii) .65% to approximately .6542% where the Purchase Price is $3,000,000.00 or more and the New York City Real Property Transfer Tax will be increased from 1% to 1.01% where the Purchase Price is less than $500,000, and from 1.425% to 1.4453% where the price is in excess of $500,000 for Units. At the Closing of the purchase of a Unit, the Purchaser will execute the appropriate Real Property Transfer Tax Returns and will pay the tax due thereon.

In addition, if the total consideration paid for a Unit is $1,000,000 or more, Purchaser shall also be obligated to pay the New York State Additional Tax pursuant to Article 31 of the Tax Law, commonly referred to as the "Mansion Tax". The Mansion Tax rates are as follows: (i) 1% where the Purchase Price equals at least $1,000,000 but less than $2,000,000; (ii) 1.25% where the Purchase Price equals at least $2,000,000 but less than $3,000,000; (iii) 1.5% where the Purchase Price equals at least $3,000,000 but less than $5,000,000; (iv) 2.25% where the Purchase Price equals at least $5,000,000 but less than $10,000,000; (v) 3.25% where the Purchase Price equals at least $10,000,000 but less than $15,000,000; (vi) 3.5% where the Purchase Price equals at least $15,000,000 but less than $20,000,000; (vii) 3.75% where the Purchase Price equals at least $20,000,000 but less than $25,000,000, or (viii) 3.9% where the Purchase Price equals at least $25,000,000.

(Please refer to the Section entitled "Unit Closing Costs Adjustments and Costs" in Part I of the Plan, and Document 1 in Part II of the Plan entitled "Purchase Agreement".)

16. Reservation of Certain Easements

Sponsor shall have an easement to install such signs on the exterior of the Building, whether or not related to the use of or the sale of any Unit, as Sponsor deems appropriate, provided only that any such signs comply with all governmental rules and regulations relating to any such installation.

Sponsor's right to place signage on the exterior walls of the Building includes the right to place signage on all exterior walls of the Building. The right to install any such signage shall include the right to install, in or upon the walls of the Building such equipment, hooks, supports, materials or scaffolds as may be necessary to affix the signs to the exterior of the Building. Sponsor and its designees and the agents, servants, contractors and employees shall have the right of access to the exterior walls in order to install, maintain, operate and repair any advertising display on the exterior walls, and, if necessary or desirable, access to the roof of the Building and such other portions of the Building, exterior or interior, as may be necessary or desirable for the installation and/or maintenance of any signs. Sponsor shall not be obligated to pay any fee to the Condominium for the right to place signs on the exterior of the Building.

In addition, the Board of Managers, Sponsor and its designees shall have an easement to install pipes, conduits, wires, ducts and other facilities along the walls and above the ceilings of any of the Units.

The following Units have outdoor Limited Common Elements appurtenant to them: residential Unit 3B, residential Unit 4B, residential Unit 5B and residential Terrace Suite B each contain balconies and residential Garden Suite, residential Terrace Suite A and residential Terrace Suite B each contain terraces. Pursuant to zoning laws, building codes and roof warranties applicable to the Building, the Owner of any Unit that has a Terrace appurtenant to it has the right to install pavers and gardening provided, however, that the Unit Owner will not be entitled to use such Terrace unless and until the Unit Owner installs an adequate traffic surface. The Building has no landmarks designation and is not located in a landmark district. The Property is located in an a R8B District as shown on Map 8D of the Zoning Resolution of the City of New York. The permitted use groups for a R8B District are use groups 1-4 (single family residences, all other types of residential development and community facilities).

Prospective purchasers are advised that the Condominium shall have the right of access and egress to any Unit for the purposes of making any repairs to any Common Elements located therein or for the purpose of making inspections of the Unit or any Common Elements located therein. The Condominium shall be responsible for the repair or replacement of the roof unless the repair is required as a result of the conduct of the

Owner of the Unit or such Owner's guests, invitees, contractors or occupants provided however, that nothing contained herein is intended to obligate the Condominium to repair the traffic surface installed or to be installed by the Unit Owner. (Please refer to the Section entitled "Description of Property and Improvements" in Part I of the Plan).

As provided in Article 5.13 of the Condominium By-Laws, except as otherwise provided in the Declaration, no Unit Owner shall make any structural alteration, addition, improvement or repair in or to his or her Unit or appurtenant Limited Common Elements without the prior written approval of the Board. Except as otherwise provided in the Declaration, no Unit Owner shall make any structural alteration, addition, improvement or repair in or to his or her Unit or appurtenant Limited Common Elements without the prior written approval of the Board.

All structural alterations, additions and improvements by Unit Owners shall be made in compliance with all laws, rules, ordinances and regulations of all governmental authorities having jurisdiction thereof.

Any application to any department of the City of New York or to any other governmental authority having jurisdiction thereof for a permit to make a structural alteration, addition or improvement in or to any Unit or appurtenant Limited Common Elements so approved by the Board shall be executed by the Board, provided that the Board shall not incur any liability, cost or expense in connection with such application to any contractor, subcontractor, materialman, architect or engineer on account of such addition, alteration or improvement, or to any person having any claim for injury to person or damage to property arising therefrom. The foregoing restrictions of this Special Risk shall not apply to Sponsor-Owned Units or its appurtenant Limited Common Elements.

If not prohibited by the New York Condominium Act, Sponsor or its designee shall have the right, without the consent or approval of the Board, other Unit Owners or the Permitted Mortgagee to (a) make alterations, additions or improvements, structural and non-structural, interior and exterior, ordinary and extraordinary, in, to, and upon any Unit or its appurtenant Limited Common Elements owned by it (including, without limitation, the removal of walls, floors, ceilings and other structural portions of the Building), (b) subdivide any Unit and its appurtenant Limited Common Elements owned by it into separate Units along with separate appurtenant Limited Common Elements and combine Units and its appurtenant Limited Common Elements (including those resulting from such subdivision or otherwise) into one or more Units along with its combined appurtenant Limited Common Elements, (c) incorporate into any Unsold Unit any of the Common Elements (whereupon any such Common element shall be deemed to be a Limited Common Element, including, but not limited to, hallway space, provided only that access to any other Unit on the floor is not materially impaired; and (d) alter the boundary walls between Units and its appurtenant Limited Common Elements.

All structural alterations, additions and improvements by Unit Owners shall be made in compliance with all laws, rules, ordinances and regulations of all governmental authorities having jurisdiction thereof. A Unit Owner making or causing to be made any structural alteration, addition or improvement shall agree, and shall be deemed to have agreed, to hold the Board and all other Unit Owners harmless from any liability arising therefrom.

17. Nature of Construction

Prospective purchasers are advised that construction is a complicated process requiring the coordination of numerous tasks and the balancing of complex mechanical and architectural systems. No guaranty can be given that the construction will be completed by the projected construction date of January 1, 2021 as set forth in the Plan. During the First Year of Condominium Operations, construction workers and related personnel will be at the Property from time to time making adjustments, completing punch-list items and performing various tasks necessary to complete the construction which may occur at all hours and could compromise the Building's security systems. In addition, various systems, including, but not limited to, plumbing, heating and electrical systems and the air conditioning equipment and elevator may need to be shut down from time to time to make any necessary adjustments or repairs. Additionally, certain mechanical equipment such as fans, pumps, elevator machinery may cause noise and vibration throughout the Building. While Sponsor will endeavor to reduce an excessive noise and vibration, it may be impossible to eliminate such disturbances.

Moreover, adjustments to the windows and other systems may require more than eighteen (18) months after the First Unit Closing to complete. The decoration of the corridors, including, but not limited to, the hanging of lighting fixtures and the installation of wall covering may not be completed until all or substantially all of the Units have been sold and the occupants of the Units have moved into their Units. Certain services, such as telecommunications, and other similar services may be provided by outside suppliers and delays in providing these services will not be the responsibility of Sponsor. Such suppliers may not provide these services until occupancy in the Building has reached certain levels.

It is anticipated that the Storage Lockers will be available for use by Unit Owners as of the First Unit Closing, however, certain portions of the Building may be completed after some or all of the Units and the fact that such portions of the Building including certain amenities have not been completed or are not available for use by Unit Owners is not a basis for a Unit Owner to refuse to close title to the Unit. In addition, the presence of hoists or construction elevator shafts or similar temporary construction facilities may delay the Closing of title to certain Units or lines of Units until such hoists, elevators or temporary facilities are no longer needed and are removed.

During the period when Sponsor is completing construction of the Building, moves into the Building may be restricted to certain periods when the elevator and other

access to the Building are not being utilized by the construction trades. Prior to the issuance of the FCO, during the period when Sponsor is completing construction of the Building, moves into the Building may be restricted to certain periods when the elevator and other access to the Building are not being utilized by the construction trades. Such construction will occur between the hours of 8:00 AM and 5:00 PM. All areas that will have construction debris transported thru them will be protected. Sponsor's construction manager will carry the following insurance: $1,000,000 per occurrence, $1,000,000 in the aggregate and a $5,000,000 umbrella policy as well as workers compensation and disability insurance coverage in statutory limits. (Please refer to the Section entitled Description of Property and Improvements" subsection in Part I of the Plan. For further details.)

Purchasers should be aware that they may be required to close title to their Units while construction in other Units is continuing, possibly, for extended periods of time, and that noise, dust and other objectionable conditions inherent in a construction site may inconvenience Unit Owners after they have taken occupancy of their Units. While Unsold Units are being constructed and offered for sale by Sponsor or its designees, there will be a great number of visitors to the Units than would otherwise be the case.

No representation or warranty is made, and no assurance is given as to when such construction, selling or leasing activity will terminate. Neither Sponsor or its designee nor the Condominium's managing agent shall be liable or responsible for any personal injury or for any loss or damage to personal property which may result from the failure of the Condominium's security systems and procedures, including without limitation, those procedures with regard to any delivery of packages, provided that any such failure is not caused by the gross negligence of Sponsor or its designees, the managing agent or their respective agents. No representation or warranty is made, and no assurance is given that the security systems and procedures of the Condominium will prevent personal injury or damage to or loss of personal property. Sponsor shall not be responsible for any obstructed and/or adversely impacted views from Units and makes no representations or warranties regarding building construction in the area of the Condominium or whether existing structures in the area will remain. Purchasers are advised that adjacent parcels or buildings may be developed or further developed, and such development could adversely impact views from a Unit. (Please refer to the Section of the Plan entitled "Description of Property and Improvements" in Part I of the Plan for further details.)

In the event construction in other Units continues beyond the First Unit Closing, all contractors will follow the specific requirements contained in the Tenant Protection Plan given to the contractors for the protection of the current occupants. A copy of the Tenant Protection Plan is included in the Offering Plan's section entitled "Description of Property and Building Condition" in Part II of the Offering Plan. The Tenant Protection Plan for the 323 East 53rd Street Condominium requires that Sponsor shall provide: (i) adequate egress that is identified and not obstructed; (ii) fire safety; (iii) certain health requirements such as control of dust, disposal of construction debris, pest control, compliance with applicable provisions of law related to lead and asbestos; (iv) compliance with housing standards of

the New York City Housing Maintenance Code; (v) structural safety that protects occupants of the building; (vi) noise restrictions as to the hours and days for construction work.

Sponsor shall post a copy of the Tenant Protection Plan conspicuously in the Building and update the Tenant Protection Plan as necessary.

18. Condition of the Property and Unit Floor Plans

Purchasers should review the Architect's floor plans for the Building and all Units and Storage Lockers that are set forth in Part II of the Offering Plan. Purchasers should note that the square footage of each Unit as reflected in Schedule A of Part I and the Architect's Floor Plans is approximate (within reasonable tolerances) and is based on measurements from exterior walls to exterior walls and not from interior wall to interior walls and therefore such measurements significantly exceed the interior space in the Unit, and thus, significantly exceed the Unit measurements in Schedule A. Each Unit is measured horizontally from the exterior side of the exterior walls (columns, mechanical pipes, shafts, shaftways, chases, chaseways and conduits are not deducted from measurement of each Unit) to the centerline of the partitions separating one Unit from another Unit, or separating one Unit from corridors, stairs, and other mechanical equipment spaces or any Common Elements not within a Unit or to the exterior side of the opposite exterior walls. 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. All dimensions are approximate within reasonable tolerances. As is customary in New York, Unit measurements are not measured from the interior side of the interior walls and, thus, Unit measurements significantly exceed Unit measurements in Schedule A. (Please refer to the Section entitled "Schedule A Notes" in Part I of the Plan and Document 5 in Part II of the Plan entitled "Description of Property and Building Condition".)

19. Operating Expenses

Notwithstanding the Common Charges required to meet the expenses set forth in the Projected Budget for the First Year of Condominium Operations (see Schedule "B", Projected Budget for First Year of Condominium Operations set forth in the Plan), during the first six (6) months of Condominium Operation, or until there has been a Closing of title with respect to seventy-five (75%) percent of the Units, whichever is later, if the actual expenses of operating the Condominium are less than the projected expenses (including contingency and reserve payments) set forth in the Budget for the First Year of Condominium Operations, then the difference between the actual expenses and the full Common Charges paid will be refunded to all Unit Owners (including Sponsor) on a pro-rated basis in the form of a credit against future Common Charges or as a cash reimbursement to the extent that a Unit Owner (including Sponsor) has sold the unit prior to the receipt of the full credit, provided that the Board issues certified financial statements substantiating that a surplus has been obtained for the applicable year and an amendment to the Plan is filed reflecting same. Sponsor makes no representation or warranty that the

operating expenses during any given year will be less than the actual Common Charges or as to the amount of credit that may be available as a result of any such computation.

The Budget for First Year of Condominium Operations does not include an expenditure for exterior window washing. The interior of all windows in any Unit shall be washed or cleaned at such Unit Owner's sole cost and expense.

The Budget for First Year of Condominium Operations does not include an expenditure for a Reserve Fund for the Condominium but does contain a contingency line item in the amount of $7,767. A Reserve Fund may be included after the First Year of Condominium Operations for the purpose of paying the cost of future repairs, replacements or improvements to the Premises. Additionally, each Purchaser of a Unit shall pay into the Working Capital Fund of the Condominium a sum equal to two (2) months' Common Charges for the respective Unit at the Closing of title for future capital expenditures of the Condominium as set forth in the Offering Plan. Therefore, Unit Owners shall be obligated to pay their share of the cost of repair, replacements and improvements to the Common Elements as the need for the same arises, unless there is sufficient Working Capital or other funds available. In the event that Working Capital or other funds are not sufficient to meet such costs, it may be necessary to increase Common Charges or institute a Special Assessment. (Please refer to the Section entitled "Working Capital and Repair and Reserve Fund" in Part I of the Plan for further discussion.)

20. Common Charges and Real Estate Taxes

Common Charges and Assessments will be based either on (i) percentages of Common Interest or (ii) based on the proportion of expenses and charges fairly and reasonably attributable to such Units, based on actual usage of particular services and based upon special or exclusive use or availability or exclusive control of particular Limited Common Elements by particular Unit Owners. (Please refer to the Section entitled "Determination of Common Expenses" in Part I of the Plan.)

The real estate taxes for each Unit for the first year of Condominium operation set forth in Schedule A were calculated upon the assumption that the taxes for the First Year of Condominium Operations will be allocated in proportion to the respective Common Interest for each Unit. Notwithstanding any such allocation, the City of New York taxing authority may, when it establishes the individual tax lots, allocate the taxes in proportion to each Unit's Common Interest rather than the Purchase Price, or may allocate the taxes in such other manner as the taxing authority deems appropriate. Accordingly, Units having the same Purchase Price may pay different real estate taxes.

The projected real estate taxes for the first year of operation contained in Schedule A are based on an assessment of the building before construction is complete. Purchasers are advised that real estate taxes may increase materially when the building is

reassessed after construction is complete. See Footnote 5 to Schedule A for more information regarding the projected assessed valuation after completion of construction.

Lester Bleckner & Shaw LLP, attorneys for Sponsor, have read and reviewed the Mazursky Group, Inc. Opinion, however, Lester Bleckner & Shaw LLP is not a taxation expert, has not independently verified the information in the Mazursky Group, Inc. Opinion and makes no judgment as to its accuracy. However, based upon: (i) Mazursky Group, Inc. Opinion being correct; (ii) any updated opinion of Mazursky Group, Inc. regarding such tax issues being consistent with the Mazursky Group, Inc. Opinion; (iii) the assumption that the assessed transitional valuation that will be applicable to the Property in the first fiscal year after completion of construction (i.e., commencing January 1, 2021) will be one million eighty thousand six hundred twenty-two ($1,080,622) dollars; and (iv) the real estate tax liability after completion of construction and establishment of a condominium is estimated to be one hundred thirty-five thousand six hundred eighteen ($135,618) dollars at a tax rate of .1255 in effect for the fiscal year beginning July 1, 2020 and ending June 30, 2021 per $100 assessed valuation. Refer to Document 10 of Part II of the Plan entitled "Real Estate Tax Projection Opinion" by the Mazursky Group, Inc. (with an office at 42 Broadway, Suite 1744, New York, New York 10004). (See also Section entitled "Real Estate Taxes" in Part I of the Plan.)

21. Change in Units

Prospective purchasers are advised that in order to meet the possible varying demand for number and type of Units, or to meet particular requirements of prospective purchasers, or for any other reason, Sponsor and/or its designee reserves the right at any time and from time to time, before and after the amending the Declaration, without giving prior notice and without the consent of any purchasers, Board of Managers, its agents, Unit Owners, mortgagees or anyone else, provided such changes in size or number of units is disclosed in an amendment to the Offering Plan and relevant condominium documents, to (a) change the layout of, or number of rooms in, any Unsold Unit, (b) change the size and/or number of Units by dividing one or more such Units into two or more separate Unsold Units, combining separate Unsold Units (including those resulting from such subdivision or otherwise) into one or more Unsold Units, altering any boundary walls between one or more Unsold Units, or otherwise, including incorporating Common Elements (such as a portion of a hallway) which exclusively benefit an Unsold Unit into such Unsold Unit (without changing the Common Interests), (c) designate a Common Element as part of a newly created or expanded Unit or designate all or part of a Unit as a newly created or expanded Unit, Common Element, or Limited Common Element, and (d) if appropriate, reapportion among the Unsold units affected by any such change, their aggregate Common Interests. No change will be made in the size or number of Units and/or their respective percentages of common interest, and no material change will be made in the size or quality of Common Elements, except by amendment to the Offering Plan and, when applicable, to the Declaration. After the Condominium Documents have been recorded any such amendment to the Offering Plan will also require an amendment to the Condominium

Documents. After the Condominium Documents have been recorded Sponsor may not make any material changes to the size of Units or other improvements and no material adverse change will be made in the quality of the Common Elements unless all Unit Owners and all Purchasers consent in writing to such change.

Except for those changes in the Common Elements disclosed in the Offering Plan, as it may be amended from time to time, 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 all Unit Owners and all Purchasers, with respect to any Unit for which a Purchase Agreement is then in effect, consent to such change in writing. In the event of such rescission, Sponsor shall promptly return the rescinding Purchaser's Deposit and thereupon, the Purchase Agreement shall be terminated. (Please refer to the Section entitled "Changes in Prices or Units" in Part I of the Plan.)

Unless all affected Purchasers, with respect to any Unit for which a Purchase Agreement is then in effect, and all Unit Owners consent to such change in writing, Sponsor shall not make any material change to the size, layout or Percentage of Common Interest for such Unit. Additionally, unless all Unit Owners and Purchasers consent in writing to such change, Sponsor shall not make any material change to the size of the Common Elements in the Building and shall not make any material adverse change in the quality of the Common Elements. Any such change shall be disclosed by the filing of an amendment to the Offering Plan with the Department of Law and an amendment to the Declaration shall be recorded.

Prior to the date that the Condominium Documents have been recorded, except as provided to the contrary in this Section or in the By-Laws, the right to change the size, layout, alteration of interior partitions and the number of Unsold Units may be exercised by Sponsor without the consent or approval of the Board of Managers, any Unit Owner or any mortgagee or any other party and without prior notice or amendment to the Plan. Please refer to the section in Part I of the Offering Plan entitled "Changes in Prices or Units" for additional details.

22. Limited Common Elements

Terraces, balconies, roof decks, patios, or Storage Lockers, appurtenant to certain Units, as applicable and as described in Schedule A and the Floor Plans set forth in Part II of the Plan, or hallway or similar space incorporated into a Unit will be Limited Common Elements available for the exclusive or semi-exclusive use of a particular Unit Owner. A Unit Owner may use any such Limited Common Elements appurtenant to such Unit, and shall be responsible for all normal maintenance, repairs and replacements thereto. However, the cost and expense of any structural repairs or replacements caused by the necessity for any structural repairs for any such Limited Common Elements shall be charged to all Unit Owners as a Common Expense, unless any such damage to the Terrace, balconies, roof decks, or Storage Lockers, is due to the negligence of the Unit Owner or

guests. Terraces, balconies, roof decks appurtenant to certain Units may not be enclosed in any way without the express written consent of the Sponsor or the Board of Managers, as long as Sponsor owns at least one (1) unit, and in compliance with all applicable regulations of all relevant regulatory agencies and the New York City Department of Buildings. (Please refer to the Section entitled "Schedule A" in Part I of the Plan and Document 6 in Part II of the Plan entitled "Floor Plans").

23. Closing Costs

All legal fees charged by Purchaser's counsel shall be the sole responsibility of the Purchaser. In addition, Purchaser shall pay to Lester Bleckner & Shaw LLP in connection with the Closing of title to Purchaser's Unit: (i) the sum of three thousand dollars ($3,000) to reimburse Sponsor for its legal fees; (ii) if Purchaser requests the Closing to occur at an office other than the offices of Lester Bleckner & Shaw LLP, an additional attendance fee of seven hundred fifty dollars ($750); (iii) if Purchaser requests, within less than twenty-four hours' notice, a scheduled Closing to be adjourned, an additional fee of five hundred dollars ($500) shall be paid to Lester Bleckner & Shaw LLP, for each such adjournment to accommodate a Purchaser's request, at Closing in addition to all other fees and costs; and (iv) if Sponsor, in its sole discretion, consents to Purchaser's request to an assignment of the Purchase Agreement, a fee of one thousand dollars ($1,000). (Please refer to the Section entitled "Unit Closing Adjustments and Costs" in Part I of the Plan.)

24. Provision for Working Capital Fund

Each Purchaser of a Unit shall pay into a separate Working Capital Fund of the Condominium a sum equal to two (2) months' Common Charges for the respective Unit being purchased on the date of Closing. Once all the Units have closed, $17,475.28 will have been contributed to the Working Capital Fund. Unit Owners shall be obligated to pay their share of the cost of repairs, replacements and improvements to the Common Elements as the need for the same arises, unless there are sufficient reserves, including the Reserve Fund and the Working Capital Fund, to pay for such costs. As the Building is being newly constructed, Sponsor does not anticipate the need for such repairs, replacements or capital improvements within five (5) years subsequent to the First Unit Closing. However, no assurance or guaranty is given that such need shall not arise. (Please refer to the Section entitled "Working Capital and Repair and Reserve" in Part I of the Plan.)

25. Bulk Sales

Sponsor reserves the right to sell the Units in one or more bulk sales. Pursuant to this Plan, in the event of a bulk transfer of two (2) or more Units, such transfer will constitute a bulk sale and the purchaser of such Units will become a successor-sponsor. (Please refer to the Section entitled "Introduction" in Part I of the Plan.)

26. Storage Lockers

As part of the amenities offered to Unit Owners, each of the Storage Lockers located in the Storage Locker Area of the Building will be a Limited Common Element appurtenant to a Unit. The Storage Lockers are identical other than differences in square footages. The Storage Locker labeled S-5 (27 s.f.) is appurtenant to residential Unit Garden Suite, the Storage Locker labeled S-9 (25 s.f.) is appurtenant to residential Unit 2A, the Storage Locker labeled S-8 (26 s.f.) is appurtenant to residential Unit 2B, the Storage Locker labeled S-11 (25 s.f.) is appurtenant to residential Unit 3A, the Storage Locker labeled S-10 (26 s.f.) is appurtenant to residential Unit 3B, the Storage Locker labeled S-7 (18 s.f.) is appurtenant to Unit 4A, the Storage Locker labeled S-6 (18 s.f.) is appurtenant to residential Unit 4B, the Storage Locker labeled S-3 (26 s.f.) is appurtenant to residential Unit 5A, the Storage Locker labeled S-4 (26 s.f.) is appurtenant to residential Unit 5B, the Storage Locker labeled S-1 (27 s.f.) is appurtenant to residential Unit Terrace Suite A, and the Storage Locker labeled S-2 (27 s.f.) is appurtenant to residential Unit Terrace Suite B. (Please refer to the Section entitled "Schedule A" in Part I of the Plan and Document 6 in Part II of the Plan entitled "Floor Plans"). The Storage Lockers are located in a portion of the Building designated as the cellar space. Storage Lockers may be used only for the storage of personal effects of a 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. To do so may result in a violation being placed on the Building by the New York City Department of Buildings. Although each Unit will have an appurtenant Storage Locker, Sponsor reserves the right to change which Storage Locker will be appurtenant to each Unit. Except for Sponsor, no Storage Locker may be sold independently of a Unit. (See the Section of the Plan entitled "Rights and Obligations of Unit Owners".)

As per Zoning Resolution 25-811, bicycle parking will be provided in the following six (6) individual Storage Lockers: the Storage Locker labeled S-1 (27 s.f.) that is appurtenant to residential Unit Terrace Suite A, the Storage Locker labeled S-2 (27 s.f.) that is appurtenant to residential Unit Terrace Suite B, the Storage Locker labeled S-3 (26 s.f.) that is appurtenant to residential Unit 5A, the Storage Locker labeled S-4 (26 s.f.) that is appurtenant to residential Unit 5B, the Storage Locker labeled S-5 (27 s.f.) that is appurtenant to residential Unit Garden Suite, and the Storage Locker labeled S-6 (18 s.f.) that is appurtenant to residential Unit 4B. (Please refer to Document 6 in Part II of the Plan entitled "Floor Plans".)

27. Management Agreement

At or prior to the First Unit Closing the Condominium Board of Managers will enter into a management agreement with the Andrews Organization Inc. ("Andrews") for

an initial term of one (1) year at an initial annual rate of $12,000. This rate is comparable in cost for similar services provided in comparable buildings located in New York City. This agreement may be canceled at any time by the Board of Managers, upon thirty (30) days written notice, and Andrews, upon sixty (60) days prior written notice. Andrews may assign such contract provided such assignment conforms to terms as provided herein. The management fee provided in the budget is in accordance with the prevailing rates for this size and type of Building. Purchasers are advised that Andrews is not affiliated with Sponsor or Sponsor's Principals. (Please refer to the Section entitled "Management Agreement and Contracts" in Part I of the Plan.)

28. Special Work Requested by Purchaser and Agreed to by Sponsor

Sponsor may agree to modify the floor plans and finishes of certain Units or to do special work or provide extras to the Units if requested by individual Purchasers and agreed to by Sponsor, in writing, in its sole discretion. Unless otherwise agreed to by Sponsor, a Purchaser shall bear the cost of such modification to floor plans and finishes. All funds received by Sponsor from Purchasers for such modified or additional work in Units, as aforesaid, shall be initially placed in escrow and shall be paid to Sponsor by the escrow agent to be used by Sponsor to pay for such work. Accordingly, in the event a Purchaser becomes entitled to rescission after the release of such funds, the Purchaser shall not receive a refund of any funds actually used for special work or extras. However, in the event the amount of such funds placed in escrow exceeds the cost of such modifications to the floor plans and finishes, Sponsor will reimburse Purchaser for any unused funds. In the event Sponsor abandons the Plan, Purchaser will be entitled to a refund for any sums placed in escrow for such modifications or additional work. (Please refer to the Section entitled "Procedure to Purchase" in Part I of the Plan.)

29. Unit Owner's Obligation's Regarding Window Guards

It is the responsibility of each Unit Owner to notify the Managing Agent in writing when a child or children under the age of eleven (11) years lives or resides (even temporarily) in the Unit. Windows in the Units will be mechanically fastened, with standard window limit stops. All windows must have Department of Health approved window limitation stops to prevent falling hazard. The Unit Owner shall maintain all mechanically fastened, with standard window limit stops in all windows installed in the Unit and shall not remove same until permitted by applicable Law. It is the responsibility of Purchasers and tenants to ensure that such windows stops are in place. Sponsor makes no representations whether Unit Owners will comply with foregoing obligations.

30. No Condominium Board Approval of Sponsor's Sales or Rentals

The Board of Managers does not have the right to approve or disapprove Sponsor's prospective purchasers. As a result, there is no limit on the number of Owners who may purchase for investment rather than for personal occupancy and that it is possible

that there will always be a substantial number of Unit Owners who are non-residents. (Please refer to the Section entitled "Rights and Obligations of Unit Owners and Rights and Obligations of the Board of Managers" in Part I of the Plan.)

31. Condominium Board's Right of First Refusal

As more particularly described in the By-Laws, a Unit Owner may sell or lease his or her Unit provided the Unit Owner first gives the Condominium Board notice of his intention to sell or lease the Unit and an opportunity to purchase or lease, as the case may be, at the same price or rental and on the same terms as are offered in good faith by a prospective purchaser or tenant. Sponsor or its designee are not subject to such restriction. (Please refer to the Section entitled "Rights and Obligations of Unit Owners and Rights and Obligations of the Board of Managers" in Part I of the Plan.)

32. Condominium Power of Attorney

In addition to permitting the Board of Managers to acquire or otherwise deal with a Unit, the Power of Attorney permits Sponsor, without the consent or approval of the Condominium Board or the Unit Owners or the Managing Agent or other representative to amend the Declaration and the floor plans, the By-Laws or the House Rules and Regulations at any time to reflect changes in Unsold Units made by Sponsor, or to make changes required by an institutional lender, governmental agency or title insurance company even when Sponsor no longer controls the Condominium Board, or in order to comply with Sponsor's obligations under the Plan including complying with extending the Building's Temporary Certificate of Occupancy and the issuance of the FCO. Notwithstanding anything contained in this paragraph to the contrary, Sponsor and Sponsor's Principals will remain obligated to renew the Building's TCO and obtain an FCO in accordance with the Plan. The Power of Attorney also permits the Condominium Board to act on behalf of the Unit Owners in exercising its right of first refusal to purchase and rent Units and to amend the Condominium Declaration as needed. Failure to execute and file the Condominium Power of Attorney shall be deemed a default under the terms of the Purchase Agreement and this Plan. (Please refer to Document 3 in Part II of the Plan entitled "Power of Attorney".)

33. Restrictions on Sales and Listings

Prior to Closing, the Purchase Agreement prohibits a contract vendee (Purchaser) from listing the Unit for sale with any broker or from advertising or otherwise offering, promoting or publicizing the availability of the of the Unit for sale or lease, without Sponsor's prior written consent which consent shall be at Sponsor's sole option. After Closing, Purchaser (other than Purchaser purchasing for such Purchaser's own or their immediate family's occupancy) may not list or sell a Unit purchased from Sponsor for one (1) year after acquisition of such Unit without Sponsor's prior written consent which consent shall be at Sponsor's sole option. Any listing of the Unit or form of advertising,

promotion or publicizing of the Unit by Purchaser prior to Closing of Title shall be a default by Purchaser, entitling Sponsor to the remedies set forth in Article 17 of Part II of the Plan. Any such conveyance in violation of the foregoing will be voidable by Sponsor. (Please refer to Document 1 in Part II of the Plan entitled "Purchase Agreement" Subsection "Prohibition Against Advertising".)

34. Rights of Sponsor

While Unsold 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 the Managing Agent nor the Selling Agent, if any, 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, the Managing Agent, the Selling Agent or their respective agents. No representation or warranty is made, and no assurance is given that the security systems and procedures of the Condominium will prevent personal injury or damage to or loss of personal property. (Please refer to the Section of entitled "Rights and Obligations of Sponsor" in Part I of the Plan.)

No amendment, modification, addition or deletion of the Declaration, By-Laws or Rules and Regulations shall be effective in any way without the prior written consent of Sponsor with respect to any such amendment, modification, addition or deletion which modifies the permitted uses of the Building or any portion thereof or affecting the rights, privileges, easements, licenses or exemptions retained or granted to Sponsor or which otherwise would adversely affect Sponsor. (Please see the Section of entitled "Rights and Obligations of Sponsor" in Part I of the Plan.)

Sponsor reserves the right, in its sole and absolute discretion, to sell, lease, license or otherwise transfer to a Unit Owner, and in the event, Sponsor controls the

Condominium Board, transfer a non-material portion of the Common Elements for the exclusive use of such Unit Owner provided that:

(a) the portion of the Common Elements taken for exclusive use must be of immaterial nature and size.

(b) the portion of the Common Elements taken must only serve or be accessible to Unit or Units taking such portion for exclusive use.

(c) such taking cannot affect access or service to other Units or Common Elements.

(d) the Unit or Units benefitting from taking the Common Element is/are responsible for the maintenance of such Common Element.

(e) such taking for exclusive use cannot change the Common Interests.

In the event of such distribution by a Common Element, Purchasers are advised that the Common Interest percentages attributed to Units may change. Any such sale, lease, license or transfer will be disclosed in a duly filed amendment to the Plan, and the Declaration and Tax Lot Drawings will be amended, if required. (See the Sections of the Plan entitled "Changes in Prices and Units" for details.)

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 an apartment’s area 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 an area that is diminished, as set forth in the Schedule A, by 5% or less is not material. (See the Sections of the Plan entitled "Changes in Prices and Units" for details.)

35. Carbon Monoxide Detectors and Smoke Detectors

The New York City law requires installation of carbon monoxide detectors and smoke detectors by owners of multiple dwellings, including owners of residential condominiums. Sponsor intends to provide such detectors in each Unit in accordance with the law. Each Unit Owner will be responsible to keep and maintain the detectors in good repair and to replace such which have been removed, found missing or rendered inoperable.

Sponsor makes no representations whether Unit Owners will comply with the foregoing obligations.

36. Terraces and Balconies

Terraces and Balconies, which are appurtenant to certain Units, as Described in Schedule A and the Floor Plans set forth in Part II of the Plan, will be Limited Common Elements available for the exclusive use of the Unit Owners of such Units. The following Units contain balconies: Unit 3B, Unit 4B, Unit 5B, and Terrace Suite B. The following Units contain terraces: Garden Suite, 1B, Terrace Suite A and Terrace Suite B. A Unit Owner who has a terrace or balcony appurtenant to his or her Unit shall have the exclusive use of same, subject to the right of the Board of Managers to regulate its use, and shall be responsible for all normal maintenance, repairs and replacements thereto. However, the costs and expenses of any structural repairs or repairs or replacements caused by the need for such structural repairs to any terrace or balcony, which are Limited Common Elements (unless caused by its Unit Owner), shall be charged to all Unit Owners as a Common Expense. Condenser units and other mechanical equipment necessary for the maintenance and operation of the Building and the Units will be located in the cellar and on the roof. The Board of Managers will be responsible for ensuring that the mechanical equipment is operated in accordance with Law, including requirements governing acceptable levels of noise and odor emissions. (Please refer to the Section entitled "Description of Property and Improvements", Subsection "Limited Common Elements" in Part I of the Plan.)

In addition, Sponsor shall have, and the Units and Common Elements shall be subject to, an easement for access to certain Terraces and Balconies for the purpose of conducting certain necessary maintenance and/or repairs to the Building. Except in an emergency, Sponsor, or the Board of Managers, as the case may be, shall provide the owner of the respective Unit with reasonable prior written notice of the fact that access to such terrace or balcony is required for the purpose of necessary maintenance and/or repair to the Condominium. Following such notice, such Unit Owner shall provide reasonable access to such terrace and/or balcony to Sponsor or the Board of Managers, as the case may be, for the purpose of conducting such necessary maintenance and/or repair. The aforementioned easements may be used by Sponsor for its own account or the account of any licensee of Sponsor for the purpose of servicing the Condominium or any other building or area.

37. Insurance

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 flood insurance have increased significantly. Although the projections in Schedule B are believed to be reasonable, Purchasers should note that insurance premiums could increase depending on market and weather conditions. It is not possible to predict whether future premiums will continue to escalate at the same substantial rate or will level off. No guarantee is given that insurance premiums will not increase.

Sponsor does not make any representation that the insurance limits set forth in Schedule B will meet the requirements of a lender who finances the purchase of 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. (Please refer to the Section entitled "Notes to Schedule B" in Part I of the Plan.)

38. Risk of Loss or Other Casualty

Prior to and after the First Unit Closing, the Building will be insured by Sponsor or the Board, as applicable, against fire damage in accordance with Note 8 to Schedule B (Please refer to the Section entitled "Notes to Schedule B" in part I of the Plan). The risk of loss from fire or other casualty with respect to the Unit shall remain with Sponsor until the Closing of title to the Unit. Notwithstanding the previous sentence, in the event a Purchaser enters into possession of the Unit prior to the Closing of title, such as under an Interim Use and Occupancy Agreement or in the event of unauthorized use, then Purchaser, as an interim occupant, shall bear the risk of loss or other casualty not covered by insurance with respect to the Unit. (Please refer to the Section entitled "Terms of Sale" in Part I of the Plan.)

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

Consistent with a recent First Department decision, the Principals of Sponsor expressly disclaim the existence of any private right of action for contract claims by individual Unit Owners (or a board on their behalf) in connection with or arising solely from their execution of the Certification of Sponsor and the Principals of Sponsor, absent liability under another statute or under an alter-ego or other veil-piercing theory. See *Board of Managers of 184 Thompson Street Condominium v. 184 Thompson Street Owner LLC. et al*, 106 A.D.3d 542; 965 N.Y.S.2d 114 (1st Dept. May 16, 2013).

Furthermore, nothing contained in any section of the Plan will be construed so as to render Sponsor liable for consequential damages (whether based on negligence, breach of contract, breach of warranty or otherwise), it being intended that Sponsor's sole obligation under the Section of the Plan entitled "Rights And Obligations of Sponsor" will be to cause Sponsor to repair or replace any defective item of construction upon, and subject to, the terms and conditions set forth therein. (Please refer to Document 11 of Part II of the Plan entitled "Certification of Sponsor and Sponsor's Principals".)

40. Foreign Government Purchaser

Any Purchaser that is a 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 at the Closing to Deposit with the Condominium an amount equal to two (2) years' Common Charges with respect to the Unit based on the Condominium budget in effect as of the Closing Date of the Unit, which will be in addition to the required contribution to the Working Capital Fund. (Please refer to the Section entitled "Terms of Sale" in Part I of the Plan.)

41. Marketing Materials

In no event shall the presence of any fixtures, furniture and equipment ("FFE") in any portion of the Building set forth in any marketing materials and/or advertisements, and/or websites used in connection with the sales and marketing of the Units imply or represent that such FFE will be located within any portion of the Building. The presence of FFE in such marketing materials are for illustrative purposes only. In addition, marketing materials may designate or label or use nomenclature to describe certain areas or rooms within Units that differs from the designations utilized on the Floor Plans of the Units set forth in Part II of the Offering Plan, including, without limitation, accessory or recreational rooms, closets, hallways, children's rooms and dens/media 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. (Please refer to the Section entitled "Terms of Sale" in Part I of the Plan.)

42. Sponsor's Inability to Convey Title

Sponsor will convey title at Closing free and clear of all liens, encumbrances and title exceptions other than those described in the Plan and the proposed Unit deed. Sponsor will not be obligated to bring any action or proceeding or otherwise incur any cost or expense in excess of its obligations under the Plan to cure any lien, encumbrance, and/or title exception disclosed in the Plan in order to deliver title to a Unit in accordance with the Plan and the terms of the Purchase Agreement for such Unit. Sponsor may abandon the Plan after effectiveness in the event that there is a substantial defect in title which cannot be cured without litigation or cannot be cured for less than one-half (1/2) of one (1) percent of the total offering price of all the Units in the Condominium (Please refer to the Section entitled "Events of Default" in Part I of the Plan and Document 1 of Part II of the Plan entitled "Purchase Agreement".)

43. Allocation of Common Expenses

The Declaration and By-Laws authorize the special allocation and apportionment of profit and expenses or specific expense items based on special or exclusive use or availability or exclusive control of particular Units or Common Elements.

Article 9 of the By-Laws requires that Unit Owners are only entitled to arbitration as a method for dispute resolution. As such, any disputed matter or issue, including but not limited to, such allocation or apportionment of profit and expenses, may be resolved by arbitration in accordance with Section 9.1 of the By-Laws, which provides for the arbitration to be conducted before one arbitrator in New York City by the American Arbitration Association. In accordance with Section 9.3 of the By-Laws, the decision in any arbitration shall be binding upon all of the parties thereto and may be entered in any court of appropriate jurisdiction.

44. Tax Cuts and Jobs Act

On January 1, 2018, the Tax Cuts and Jobs Act of 2017 went into effect. This federal law significantly changed the previously existing Internal Revenue Code, including the taxes and deductions related to homeownership. The tax information and opinions contained herein are accurate based on this new federal tax law.

45. Elevator

The Units will be served by one (1) new automatic, self-service elevator. The elevator will be running from the cellar to the roof of the Building. In the event that the elevator is out of service for any amount of time, residents will be required to walk up and down the stairs to reach their Units. (See the Section entitled “Description of Property and Improvements” in Part I of the Plan).

46. Development Rights

Sponsor does not anticipate that any Development Rights will remain upon completion of the Building. However, if any zoning resolutions covering the Property change in the future such changes may generate transferable Development Rights which will not be included in the Property and shall be the exclusive property of Sponsor. Sponsor cannot represent the amount of transferable Development Rights that could result from such changes. Neither the Condominium Board nor any Unit Owner (other than Sponsor or a Development Rights Owner) shall have any right or interest in any Development Rights. If any Development Rights are transferred to an adjoining premises, the light and air of the Building and views from Units and/or Limited Common Areas may be affected. Notwithstanding the foregoing, Development Rights may not be used to expand the size, height, bulk or density of any portion of the Property after the recording of the Declaration. (See the Section of the Plan entitled "Excess Development Rights" in Part I of the Plan for details).

47. Wood Products

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 floorboards, 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. Additionally, the National Wood Flooring Association offers two industry-accepted standards for the manufacturing of wood floors; NOFMA Certified Flooring and Responsible Procurement Program flooring. 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.

48. Lead-Based Paint

The ingestion of lead poses serious health risks, especially in young children. Purchasers are advised to familiarize themselves with the NYC Local Law 1 of 2004, a copy of which is included as an Exhibit (Document 15) of Part II of the Plan. Purchasers of Units, particularly those with young children, are advised to consult with an environmental professional to determine the existence of, and any remediation of, lead-based paint. (Please refer to Document 15 of Part II of the Plan entitled "NYC Local Law 1 of 2004, as amended: Article 14 of Title 27 of the New York City Administrative Code".)

49. Roof Warranty

The roofing system will have a fifteen (15) year warranty from manufacturer, one (1) year guarantee from installer.

50. Communications Equipment

That portion of the roof and such risers and conduits, as constitute Common Elements, may be used by Sponsor for any lawful purpose including, but not limited to, installing, utilizing, operating, maintaining, repairing, altering, rebuilding, restoring and/or replacing satellite dishes and other communication equipment ("Communications Work"); provided that access to any Unit or Common Element or performance of any Communications Work in furtherance of such easements shall be exercised in a manner as will not unreasonably interfere with the residential use of the Units and use of the Common Elements and Limited Common Elements of the Premises. The aforementioned easements may be used by Sponsor for its own account or the account of any licensee of Sponsor for the purpose of servicing the Condominium or any other building or area. The Condominium shall not be entitled to any portion of fees, compensation or other profits received by Sponsor for the use of the aforesaid easements or equipment. Any satellite dishes or other facilities placed upon the roof by Sponsor shall be exclusive property of Sponsor and neither the Condominium nor any other Unit Owners shall have any rights with respect thereto. Purchasers are advised that there is an appropriate amount and type of roof space available for the installation of Communications Equipment that would not affect or interfere with the Terraces appurtenant to Suite A and Suite B, a common terrace for public access, a hot water heater room and an elevator machine room. (Please refer to the Section entitled "Description of Property and Improvements", Subsection "Easements" in Part I of the Plan.)

51. Tax Estimate

The projected real estate taxes for the first year of operation contained on Schedule A are based on an assessment of the building before construction is complete. Purchasers are advised that real estate taxes may increase materially when the building is reassessed after construction is complete. See Footnote 5 to Schedule A for more information regarding the projected assessed valuation after completion of construction.

52. Insurance

The total estimated annual premium is $28,000. As per the Schedule B, for the first year of Condominium Operations, $23,500 of this amount will be paid by the Condominium and, as a courtesy, at the First Unit Closing, Sponsor will pay $4,500 of the annual premium for the first year of Condominium operations, only. The status of Sponsor's $4,500 payment of the annual premium for the first year of Condominium operations will be disclosed in the initial post-Closing amendment to the Plan.

53. Resale of Units

If Purchaser enters into a contract, for the sale of his or her Unit, within one (1) year after the date on which he closed title to the purchase of such Unit from Sponsor, then Purchaser shall pay to Sponsor the "Unit Sale Excess Consideration", as calculated below.

The Unit Sale Excess Consideration shall be an amount equal to fifty (50%) percent of the difference between (A) the sale price of the Unit, as set forth in the contract for the sale of the Unit by Purchaser, from which Purchaser, as the seller of the Unit, shall deduct the following expenses in connection with the sale of the Unit: (i) brokerage commissions incurred and paid by Purchaser, as seller of the Unit, but not to exceed, in the aggregate, six (6%) percent of the sale price of the Unit; (ii) transfer taxes imposed by Law on Purchaser, as the seller of the Unit and paid by Purchaser, as the seller of the Unit; (iii) costs incurred and paid by Purchaser to renovate the Unit, provided any such renovation was undertaken in accordance with the terms and conditions set forth in the Condominium Documents, including designer fees and architectural fees, as well as typical hard costs associated with any such renovation; and (iv) reasonable legal fees incurred and paid by Purchaser, as seller of the Unit, but not to exceed $5,000; and (B) the Purchase Price paid by Purchaser to Sponsor, as set forth in this Agreement between Purchaser and Sponsor. The Unit Sale Excess Consideration shall be due and payable by Purchaser to Sponsor on the day on which Purchaser, as the seller of the Unit, closes title to the sale of his or her Unit. (See also "Purchase Agreement" Article 30(A)).

THIS PAGE INTENTIONALLY LEFT BLANK

INTRODUCTION

Purpose of the Plan

The purpose of this offering document (the "Plan") is to disclose all of the material terms of the offering as required by Section 352-e of the General Business Law and Part 20 of the regulations promulgated thereunder ("Part 20"). Sponsor cannot sell or offer any Units for sale unless or until the Plan is accepted for filing by the New York State Department of Law, 28 Liberty Street, 21st Floor, New York, New York 10005 (the "Department of Law").

This Plan may be amended from time to time to reflect newly arising facts or changed terms or circumstances that materially affect the offering. All such amendments shall be filed with the Department of Law and will be presented to all Purchasers and Unit Owners. Amendments of this Plan will be distributed to offerees as defined in 13 N.Y.C.R.R. §20.1(d). See the section entitled "General" for more information concerning amendments and their effect on outstanding Purchase Agreements. The terms "Department of Law" and "Attorney General" are used interchangeably in this Plan. Capitalized terms not otherwise defined are defined in the Section below entitled "Definitions".

Sponsor

323 E 53rd Street Owner LLC, a New York limited liability company is Sponsor (the "Sponsor") of the Plan. The sole member of 323 E 53rd Street Owner LLC is Maverick Lien Fund IV LP. No other entity or person has more than a ten (10%) percent interest in the company or has the right to control the business operations of the company. Sponsor is the current owner of the land and building known as 323 East 53rd Street, New York, New York (the "Property"). Sponsor acquired its interest in the Property on or about March 3, 2020. See the Section entitled "Identity of Parties" for more information concerning Sponsor and the Principals of Sponsor, and see the section entitled "Location and Area Information" for full details regarding the Property.

The Condominium Act

Under this Plan, Sponsor will construct a building, (the "Building") on the aforementioned Property for the completion of one (1) six (6) story building containing a below-grade level cellar and a roof with a bulkhead. The Building will house the Condominium and will contain eleven (11) Units and eleven (11) Storage Lockers (six (6) of the eleven (11) Storage Lockers will contain bicycle parking) located in the cellar.

Sponsor is converting the Property to a condominium form of Ownership pursuant to Article 9B of the Real Property Law of the State of New York (the "Condominium Act"). The Condominium will be known as the "323 East 53rd Street Condominium" and is hereinafter referred to as the "Condominium." Upon the sale of at least fifteen (15%) percent of the Units being offered for sale (or a minimum of two (2) Units), the Offering Plan may

be declared effective. A Declaration submitting the property to Article 9B of the Real Property Law of the State of New York, as amended, commonly known as the New York Condominium Act, together with the By-Laws and the Floor Plans will be recorded prior to conveyance of title to the first Unit. The Declaration and the By-Laws to be recorded at the New York City Register's Office will be substantially similar to those as set forth in Part II of the Offering Plan and will not be changed so as to adversely affect the Purchaser.

Purchasers should note that in the current real estate market, banks and other lenders are imposing various restrictions on purchase financing. Such restrictions include requiring that a certain percentage of apartments in a building or group of building be sold before a lender will consider making a loan. Thus, it may be possible for a purchaser to experience difficulty obtaining a loan in a building or group of buildings where the sponsor or holder of unsold shares has not sold a substantial percentage of the apartments in the building or group of buildings, which in some cases may be as high as 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 an apartment if prospective buyers are unable to obtain a loan due to the same minimum sales and investor ownership restrictions.

The Property

The Property is located in New York City's Sutton Place neighborhood in the Borough of New York, better known as New York, New York. The Condominium will have a residential entrance on East 53rd Street. The Property is located in an a R8B District as shown on Map 8D of the Zoning Resolution of the City of New York. The proposed use is residential (Use Group 2) as permitted as-of-right in an R8B District.

Upon completion of construction (which is anticipated to be January 1, 2021), the project will consist of a one (1) six (6) story building consisting of eleven (11) residential Units. The Building will contain one (1) residential Unit on the first floor, and two (2) residential Units on the second, third, fourth, fifth and sixth floors. The Building will contain cellar space, consisting of Storage Lockers, bicycle parking within six (6) of the Storage Lockers, and mechanical rooms, as well as a rooftop containing Private Terrace A and Private Terrace B, a common terrace for public access, a hot water heater room and an elevator machine room.

Sponsor contemplates that, unless delayed by weather, casualty, labor difficulties (including work stoppages and strikes), late delivery or inability to obtain materials, governmental restrictions or delays conducting inspections, construction of the Building will be substantially completed to permit Closings by January 1, 2021 (the "Projected Date"), although completion of the entire Building may extend beyond such date and is subject to unavoidable delays such as weather conditions, lockouts, strikes and local shortages, acts of God, inability to obtain material & equipment or labor, government restrictions, or any other reason. Therefore, Sponsor does not warrant or guarantee completion or occupancy dates for

the Building or any part thereof. Even if substantial construction is completed by January 1, 2021, completion of punch list items or special work orders of purchasers or other items of construction may not be completed for an additional six (6) months or more thereafter. The period within which Sponsor must complete any of its obligations under the Plan (including the Purchase Agreement) shall be extended by the period of such delay.

Sponsor will have no liability to any Purchaser, nor will a Purchaser be relieved from any obligation under the terms of the Purchase Agreement, except as set forth in the Plan, if the First Unit Closing occurs earlier or later than the projected date. If the projected commencement of condominium ownership is delayed beyond six (6) months from the projected date, Sponsor will amend the Offering Plan to include a revised operating Budget and: (i) if such revised Budget increases the Common Charges by twenty-five percent (25%) or more, or (ii) the First Unit Closing does not occur within twelve (12) months of the projected date cited above, then in either case, Sponsor will offer all Purchasers a right of rescission for fifteen (15) days from the Presentation Date of the amendment. Refunds of Deposit, with interest earned thereon, if any, will be made promptly to any Purchaser who elects to rescind. Please refer to the section entitled "Description of Property and Improvements" in Part I and the Architect's Report in Part II of the Offering Plan for further details of the Building, apartments, and improvements.

Prior to the First Unit Closing, Sponsor, and its Principals, shall, at their sole cost and expense, obtain either a permanent or temporary Certificate of Occupancy, which will permit the Units to be used for residential purposes. If the Closing occurs prior to the issuance of the Permanent Certificate of Occupancy, Sponsor shall, at its sole cost and expense, obtain the Permanent Certificate of Occupancy.

The Offer

323 E 53rd Street Owner LLC acquired title to the Property through a foreclosure sale. Sponsor is offering eleven (11) residential Units for sale on the terms expressed herein. Sponsor intends to market all eleven (11) Units and does not intend to withhold any of the Units after consummation of the Plan, although Sponsor reserves the right to rent the Units. Sponsor reserves the right to offer the Units in such order of priority as it may determine, and to withhold one or more Units for future sale or lease. Sponsor also has the right to limit the number of Units sold to any one Purchaser.

Sponsor will endeavor in good faith to sell the Units offered for sale in this Plan rather than rent them, but Sponsor hereby retains an unconditional right to rent, after consummation of the Plan, rather than sell its Unsold Units above the number of Units necessary to make the Plan effective and therefore it is possible that owner-occupants may never gain effective control and management of the Condominium. There are no additional lender restrictions on Sponsor's right to rent, rather than sell, the Units, the number or percentage of units that must be sold to declare the plan effective or any minimum release prices for the Units. Because the Condominium Board does not have the right to approve

or disapprove Sponsor's purchasers and because there is no limit on the number of owners who may purchase for investment rather than for personal occupancy, there may always be a substantial percentage of owners who are non-residents. If Sponsor makes a bulk sale of all or some of its Unsold Units, the transferee successor-Sponsor is bound by Sponsor's representations regarding its commitment to sell Units.

The purpose of the Plan is to set forth all the material terms of the offer so that prospective purchasers have an adequate basis upon which to determine whether to purchase Units in the Condominium. The Plan is presented in two (2) parts that together constitute the entire Plan. Part I sets forth the general description of the Plan and Part II contains the basic documents necessary to effectuate the provisions of the Plan. The Plan may be amended from time to time when an amendment is filed with the New York State Department of Law. All filed amendments will be served on (i) Purchasers who have executed and delivered Purchase Agreements to Sponsor or the Selling Agent and whose Purchase Agreements are then in full force and effect, (ii) Unit Owners, and (iii) any other Person who is required by law or regulation to receive such amendment (individually, "Offeree", collectively, "Offerees"). Service shall be either by personal delivery, ordinary mail or registered or certified mail, with or without return receipt requested, addressed to the Offeree at the last known residence of such Offeree or, if the Offeree has provided written information of an alternative address for notices, addressed to the Offeree at such alternative address or the Offeree's attorney. Service by personal delivery is deemed complete upon delivery. Service by mail shall be presumed complete on the fifth (5th) day after the date of mailing.

The Condominium is subject to and complies with the New York State Condominium Act.

Purchase Price for Units

The initial Purchase Price and other financial details for each Unit are set forth in Schedule A below. Schedule A also contains the financial details of all the Units such as the estimated monthly Common Charges and estimated real estate taxes. The offering prices include fixtures and appliances described more fully in the Architect's Report in Part II of the Plan. The prices for Units have been set by Sponsor and are not subject to approval by the Department of Law or any other governmental agency. The prices are negotiable and subject to change. For a discussion of the right of Sponsor to change prices see the section entitled "Changes in Prices or Units."

Plan and Documents Available for Inspection

Parts I and II constitute the entire offering plan and contain all the detailed terms of the offering. Parts A, B, C and D of the exhibits (the "Exhibits") delivered to the Department of Law in connection with the filing of this Plan contain additional backup documents which are available to prospective purchasers and their attorneys for inspection without charge, and

for copying at a reasonable charge, at the Building's sales office, when open, and at the office of the Selling Agent during regular business hours. The Exhibits will also be available for inspection and for copying at a reasonable charge at the Department of Law during regular business hours.

Basic Aspects of Condominium Ownership

A condominium is established by filing a declaration of covenants and restrictions (the "Declaration") in accordance with the requirements of the Condominium Act. The Declaration legally divides a property into condominium units, Common Elements and Limited Common Elements. Generally, a unit consists of the space contained within an area bounded by the outside face of the exterior walls, concrete floors and ceilings as shown on the floor plans attached to and filed with the Declaration, and includes the fixtures, equipment and appliances contained therein. The land, the air rights and other portions of the Building including all Building fixtures, equipment and other apparatus contained therein are known as the "Common Elements" and are more particularly described in the Declaration in Part II of the Plan. They are collectively owned by the Unit Owners in proportion to the percentage of "Common Interest" allocated to their respective units. Certain of the Common Elements are for the exclusive use of particular units and are called "Limited Common Elements." Sponsor shall have a right to designate portions of the Common Elements as Limited Common Elements in connection with combining or subdividing of Units as per the terms of the Declaration. See Schedule A below for the percentage of Common Interest allocated to each Unit under this Plan as well as the Section entitled "Description of Property and Improvements" for a description of the Units, Common Elements and Limited Common Elements.

The Unit Owner owns the Unit in fee simple absolute and is entitled to the exclusive possession and use thereof. Each Unit's proportionate share of the Common Elements has been determined upon the basis of such Unit's floor space, location, uniqueness, overall dimensions and similar factors of relative value to other space in the Condominium pursuant to Section 339-i 1(iv) of the Real Property Law, which is part of Article 9-B of the Real Property Law of the State of New York (hereinafter called the "Condominium Act").

The operation and management of the Condominium will be vested in the Board of Managers as provided in the By-Laws. The Board of Managers shall have the authority to manage and administer the affairs of the Condominium, including, but not limited to, the adoption of Rules and Regulations covering the Condominium and determining an annual operating Budget setting forth the Condominium's estimated operating expenses in maintaining and operating the Common Elements and other expenses set forth in Schedule B. The Condominium Board will assess against each Unit Owner, in proportion to his respective percentage of Common Charges in accordance with the New York State Condominium Act, Real Property Law Section 339(i) and (m).

The members of the Condominium Board are initially designated by Sponsor, depending on the percentage of Unsold Units owned by Sponsor, or its designee, or elected by the Unit Owners as provided in the By-Laws. The Board of Managers shall be elected annually by the Unit Owners with the number of votes allocated to each Unit Owner determined by the Unit Owner's percentage of Common Interest except that until the earlier to occur of (i) the date on which one hundred (100%) percent of the Unsold Units are sold, or (ii) five (5) years from the date of the First Unit Closing, Sponsor shall control the Condominium Board by designating all the members during the "Initial Control Period" and thereafter, if the Initial Control Period has ended prior to the First Annual Meeting, then at the First Annual Meeting the Board of Managers shall increase from three (3) members to five (5) members, the original three (3) member board shall resign and the Unit Owners in good standing shall elect the new five (5) member Board of Managers.

If the Initial Control Period has not ended by the date of the First Annual Meeting, then within thirty (30) days of the expiration of the Initial Control Period, Sponsor shall give a thirty (30) day written notice to all Unit Owners of a meeting of Unit Owners for the purpose of electing a new Board of Managers, where the number of members of the Board of Managers shall increase to five (5). The Sponsor-appointed three (3) member Board shall resign and all Unit Owners in good standing shall be entitled to vote for all members of the five (5) member Board of Managers. In the event the Initial Control Period ends due to the expiration of the five (5) year period from the First Unit Closing rather than expiring due to Sponsor selling one hundred (100%) percent of the Units, Sponsor may still control a majority of the Common Interest attributed to all of the Units. Thus, Sponsor may exercise voting control, and through such voting power continue to control certain decisions of the Condominium.

All members of the Condominium Board shall be Unit Owners. A mortgage representative of a Unit after a judgment of foreclosure and a sheriff sale shall be eligible to be a Condominium Board member. Other than Sponsor or Sponsor-designee and their representatives on the Condominium Board, the majority of members of the Board of Managers and a majority of the officers of the Condominium Board must be an Owner-occupant or adult members of an Owner-occupant's household. A principal or designee of a corporate Owner or such entity who resides in the Unit is eligible to be a Condominium Board member. Please see the Section of the Plan entitled "Rights and Obligations of the Unit Owners and the Board of Managers" for further discussion.

Units may be purchased by an individual or individuals, or by a duly formed partnership, or corporation, trust, estate, fiduciary, unincorporated association, syndicate, joint venture, organization, government or any department or agency thereof, or any other entity permitted to own real property in the State of New York. Sponsor may dispose of remaining Unsold Units by selling to investors, renting to tenants or for occupancy by relatives or others.

Subject to certain conditions contained in the By-Laws and in the section "Procedure to Purchase" of Part I, Unit Owners are privileged to mortgage their Units with a lender and in such amount and terms as they choose. Sponsor makes no representations or warranty as to the ability to finance any Unit or the terms and conditions upon which institutional financing may be available.

The Purchase Agreement is not contingent on financing, unless a fully executed financing contingency rider is included in the Purchase Agreement. The obligations of a purchaser under a Purchase Agreement are not conditioned on obtaining financing, unless a fully executed financing contingency rider is included in the Purchase Agreement. Any prospective purchaser who executes a Purchase Agreement and does not obtain financing may lose his or her deposit if he or she is unable to otherwise raise the monies for the balance of the purchase price. Prospective purchasers who require financing are advised to consult with a lending institution before execution of a Purchase Agreement. No representation is made by the sponsor as to the availability or cost of such financing.

Unit Owners can sell or lease their Units to anyone without restriction, but such sale of lease is subject to a right by the Condominium to acquire or lease the Unit or produce a third party to acquire or lease the Unit on the same terms as were offered to the Owner of the Unit. This is known as the Condominium's "Right of First Refusal" and is more fully described in the Purchase Agreement. No Unit can be sold without a simultaneous sale of the undivided interest in the Common Elements appurtenant to such Unit. A Unit Owner is free to make a gift of his or her Unit to anyone during his or her lifetime or to devise his or her Unit by will or have it pass by intestacy without restriction or right of first refusal.

The Condominium Board does not have the power to approve or disapprove a potential purchaser and as a result there is no limit on the number of purchasers who may purchase for investment or resale rather than for personal occupancy. Therefore, it is possible that there may always be a substantial percentage of owners who are non-residents. It is possible that those Unit Owners who occupy their Units may have different interests than those Unit Owners who purchase such Units as an investment.

Sponsor or its designee are not subject to the right of first refusal or any restrictions as to their rights to sell, rent, or mortgage or as to the use of any of their Unsold Units. They do not need the consent of the Board of Managers or Unit Owners and they are not obligated for any payment of transfer or rental fees provided for in the Plan or imposed by the Board of Managers.

Under this Plan, each Unit Owner will have the same rights, obligations and benefits generally enjoyed by condominium unit owners. These rights, obligations and benefits include the following:

(i) Each Unit Owner will own his or her Unit outright and, together with all other Unit Owners, an undivided interest in the Common Elements and Limited Common Elements;

(ii) Each Unit Owner will have the exclusive right to use his or her Unit as well as the Unit's Limited Common Elements, if applicable. Each Unit Owner will share with all other Unit Owners the use, benefit, and/or enjoyment of the Common Elements.

(iii) The Condominium will raise monies to operate the Property by assessing Common Charges to each of its Unit Owners. The Common Charges will be based on the Common Expenses less any outside income (income from other than Unit Owners), which the Condominium may receive. The Condominium's projected first year's budget is set forth as Schedule B below. Each Unit Owner will be required to pay monthly such Unit Owner's pro-rata share of the Common Charges. The proportionate share of Common Charges payable by each Unit Owner will be based on the percentage of Common Interest allocated to his or her Unit. The Board of Managers shall have the duty of obtaining and maintaining fire insurance, casualty and liability insurance on behalf of the Condominium with respect to the Building as a whole. Schedule A below sets forth the projected first year's Common Charges for each Unit.

(iv) Each Unit may be used as a single-family residence and for any home occupation permitted by law. See the Section entitled "Rights and Obligations of Unit Owners and Rights and Obligations of the Board of Managers" for a discussion.

(v) Each Unit Owner will have the right to vote annually for the election of the Condominium's Board of Managers. The Board of Managers will conduct the affairs of the Condominium, including supervision of, and making determinations involving the operation of, the Property. The day-to-day management of the Property may be delegated to a managing agent.

(vi) Each Unit will be separately assessed in connection with paying New York City Real Property Taxes. The Unit Owner will pay any resulting taxes on his or her Unit directly to the City of New York and same are not included in the Common Charges. Schedule A sets forth the estimated first year's real property taxes for each Unit. See the section entitled "Footnotes to Schedule A" as well as the section entitled "Taxes - Deductions to Unit Owners and Tax Status of the Condominium" for a further discussion. No Unit Owner will be liable for the payment of real property taxes levied against any neighbor's Unit.

(vii) Each Unit Owner will be responsible for the cost of interior repairs in, and the maintenance and decoration of, his or her Unit, including the equipment, fixtures and appliances contained therein. Each Unit Owner shall also be responsible for the cost of electricity supplied to his or her Unit, which is separately metered, and the cost of any insurance coverage he or she may desire to obtain for (a) his or her furniture, belongings, equipment or other personal property, and (b) for liability to others for personal injury or property damage as a result of occurrences in the Unit. The costs of the foregoing are not included in the Common Charges.

(viii) Unit Owners can alter and decorate the interiors of their Units in any way they desire, subject to compliance with the By-Laws, the House Rules and Regulations, laws and local codes, and they are responsible for the cost of their own interior decoration, maintenance and repairs after Closing. Prior to the issuance of a Permanent Certificate of Occupancy for the Building, other than decoration or minor repairs, no Unit Owner (other than Sponsor or its designee) may make any repairs, improvements, alterations or replacements of any nature. Prior to the issuance of a permanent Certificate of Occupancy, no substantial repairs or alterations requiring a filing with the Buildings Department or requiring the disruption of building services may be done by any Owner other than Sponsor or its designee, without the prior consent of Sponsor or its designee, for as long as Sponsor or its designee owns any Unsold Units or thereafter the Condominium Board, as the case may be.

(ix) Each Unit Owner will acquire his or her Unit free and clear of any blanket liens or mortgages covering the Property and will be able to freely borrow against and mortgage the Unit, subject to certain filing requirements under the Declaration, but without any required consent from the Board of Managers. Each Unit is a separate entity and will not be subject to the lien of any mortgages placed by other Unit Owners on their respective Units. See the section entitled "Rights and Obligations of Unit Owners" for a full discussion.

(x) Generally, each Unit Owner may sell or lease his or her Unit to anyone, without restriction, subject only to the right of first refusal in favor of the Board of Managers (or a third party produced by the Board of Managers) on the same terms and conditions accepted by a prospective buyer or tenant. See the section entitled "Rights and Obligations of Unit Owners and Rights and Obligations of the Board of Managers" for a full discussion. Such restrictions are not applicable to any Unsold Units, which may be sold or leased without being offered to the Condominium Board.

(xi) In the opinion of Lester Bleckner & Shaw LLP, Sponsor's counsel, each Unit Owner who is a natural person and who uses his or her Unit

as his primary residence will, under present income tax laws and provided that such individual itemizes his or her deductions, be able to deduct from his or her income for Federal, New York State and New York City personal income tax purposes any mortgage interest and real estate taxes which he pays on his or her Unit. This opinion is set forth in Part I of the Plan. See the sections entitled "Taxes - Deductions to Unit Owners and Tax Status of the Condominium" and "Opinion of Counsel" for a full discussion.

(xii) Each Unit Owner is obligated to comply with the Declaration, the By-Laws, House Rules and Regulations and any other requirements of the Board of Managers.

Limitations on Who May Purchase Units

The Units are offered to individuals eighteen (18) years of age or over as well as to corporations, partnerships, trusts, estates, limited liability companies and other business entities eligible to own real estate in the State of New York. Notwithstanding the foregoing, Sponsor is not obligated to offer or to sell any particular Unit and may, if it chooses, withhold one or more Units for future sale or rental. No binding obligation to sell a particular Unit shall arise under this Plan until a fully executed Purchase Agreement has been exchanged between Sponsor and the prospective purchaser. Sponsor has the right to reject any prospective purchaser without cause or explanation provided such rejection is not based on sex, race, creed, color, national origin, marital status or ancestry or other grounds prohibited by law.

Copy of the Plan

To accommodate prospective purchasers who may desire to purchase a Unit, but are not ready to execute a Purchase Agreement, a prospective purchaser may request a copy of the Plan from the selling agent on site. Any such prospective purchaser shall deliver a check to the Selling Agent, made payable to "323 East 53rd Street Condominium Escrow Account" in the amount of Two Hundred Dollars ($200). The Deposit is to ensure that if the prospective purchaser elects not to purchase a Unit in the Condominium, then the Purchaser will return to the Selling Agent, the copy of the Plan. If, within thirty (30) days of accepting the Deposit, the prospective purchaser enters into a Purchase Agreement or returns the Plan the Deposit will be refunded. Any such Deposit will be treated as non-interest-bearing trust funds pursuant to applicable law until the expiration of the thirty (30) day period. If after the expiration of the thirty (30) day period the Plan is not returned in good condition or Purchaser has not entered into a Purchase Agreement, then the Deposit will be released to Sponsor to keep.

This Offering Plan constitutes Sponsor's entire offer to sell these Condominium Units. The General Business Law of New York requires Sponsor to disclose all material matters concerning the Condominium Units in this Plan and to file this Plan with the New York State Department of Law prior to selling or offering to sell any of the Condominium Units. Filing does not mean that the Department of Law or any other government agency has reviewed or approved the Offering Plan.

The purchase of a Condominium Unit has many significant legal and financial consequences and may be the most important financial transaction of your life. The Attorney General strongly urges you to read this Offering Plan carefully and to consult with an attorney before signing an agreement to purchase a Condominium.

CERTAIN DEFINITIONS

For convenience of presentation, general definitions of certain terms used in Part I of the Plan are set forth below. These definitions are subject to the more particular definitions of such terms set forth in the Declaration of Condominium, which is Document 7 in Part II of the Plan.

"**Act**" means the New York Article 9-B Condominium Act.

"**Additional Deposit**" means the payment on account of the Purchase Price, in an amount equal to five percent (5%) of the Purchase Price, required to be paid by a Purchaser in accordance with the terms and provisions of the Purchase Agreement.

"**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 twenty-five (25%) percent or more, (ii) materially and permanently interfere with such Unit Owner's access to the Unit, or (iv) otherwise materially diminish the use and enjoyment of the Unit.

"**Affiliate**" means any Person who is a Family Member or who controls, is controlled by, or is under common control with the named Person or a Family Member of the named Person. The terms "control," "controlled" or "controlling" shall mean direct or indirect ownership of more than fifty (50%) percent of the outstanding voting capital stock of a corporation or of more than fifty (50%) percent of the beneficial interests of any other entity.

"**Amendment**" refers to any amendment, whether by deletion of any existing provision modification of any existing provision or inserting a new provision.

"**Applicable Law**" means all applicable laws, statutes, treaties, rules, codes, ordinances, regulations of any Governmental Authority and, to the extent the Property, any Unit, any Unit Owner, Sponsor and/or any Board, as the case may be, is bound thereby or subject thereto, any judgments, decrees, injunctions; writs, orders, notices of violation or like action of any Governmental Authority, court, arbitrator or other administrative, judicial or quasi-judicial tribunal or agency of competent jurisdiction (including applicable rent laws and those pertaining to health, safety or the environment) now or hereafter in effect.

"**Appurtenant Interest**" means, with respect to a Unit, the undivided interest of the Unit 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 lease of Units of the nature described in subdivision (ii) above; and (iv) any other assets of the Condominium

"**Architect's Report**" means that detailed report describing the Property, including the rehabilitation of the Building prepared by Architects. The Architect's Report is set forth as Document 5 in Part II of the Plan.

"**Attorney General**" means the Office of the Attorney General of the State of New York.

"**Board of Managers**" means the Condominium Board, as hereinafter defined.

"**Building**" means, the entirety of 323 East 53rd Street Condominium located at 323 East 53rd Street, New York, New York 10022.

"**By-Laws**" means the By-Laws of the Condominium, in the form set forth as Document 8 in Part II of the Plan, including the Rules and Regulations, as amended from time to time pursuant to the terms hereof.

"**Claim**" shall include any claims, counterclaims, suits, actions or proceedings and any other liabilities, losses, damages, penalties, charges, costs and expenses and attorneys' fees and expenses incurred in connection with any of the foregoing.

"**Closing**" means the Closing of Title and words of similar import are used synonymously and mean the settlement of the mutual obligations of Sponsor and a Purchaser under such Purchaser's Purchase Agreement, including the payment to Sponsor of the Purchase Price and the delivery to such Purchaser of the deed transferring full ownership (fee simple title) to a Unit on the terms set forth in the Purchase Agreement.

"**Closing Date**" means the day on which title is delivered to such Purchaser of the deed transferring full ownership (fee simple title) to a Unit on the terms set forth in the Purchase Agreement.

"**Closing of Title**" means the delivery to such Purchaser of the deed transferring full ownership (fee simple title) to a Unit on the terms set forth in the Purchase Agreement.

"**Common Charges**" means 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 of the Condominium.

"**Common Elements**" shall have the meaning ascribed to such term in Article 6 of the Declaration

"**Common Expenses**" means 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, or the Limited Common Elements (to the extent such costs and expenses are not the obligation of the Unit Owners owning the Units to which such Limited Common Elements are appurtenant); **(ii)** the establishment and/or maintenance of a general operating reserve, or a Reserve Fund for Working Capital, for replacements with respect to the Common Elements, or to make up any deficit in the Common Charges for any prior year(s); and (iii) generally, the conduct of the affairs of the Condominium.

"**Common Interest**" means the undivided interest in the Common Elements appurtenant to a Unit, expressed as a percentage. The total of all Common Interest percentages appurtenant to all Units equal 100%. The Common Interest attributable to each Unit is set forth in Exhibit B of the Declaration.

"**Communications Work**" means work that includes, but is not limited to, installing, utilizing, operating, maintaining, repairing, altering, rebuilding, restoring and/or replacing satellite dishes and other communication equipment

"**Condominium**" means 323 East 53rd Street Condominium, which was established pursuant to the terms of the Declaration and governed pursuant to the terms of the By-Laws.

"**Condominium Act**" means Article 9-B of the Real Property Law of the State of New York, as amended from time to time.

"**Condominium Board**" means the Board of Managers, which is the governing body of the Condominium, whose members shall be selected pursuant to the terms of Article 2 of the By-Laws. The Condominium Board shall sometimes be referred to herein as the "Board" and members of the Board shall sometimes be referred to as "Members".

"**Condominium Documents**" means, collectively, the Declaration, the By-Laws (including the Rules and Regulations) and the Floor Plans, all as may be amended from time to time.

"**Declarant**" refers to 323 E 53rd Street Owner LLC.

"**Department of Law**" means the Real Estate Finance Bureau of the Department of Law of the State of New York.

"Development Rights" means any unused air development rights or future air development rights which may be granted by virtue of zoning changes are retained and reserved by Sponsor and its members, affiliates, subsidiaries and/or assigns.

"**Deposit**" means the total of the Initial Deposit and the Additional Deposit.

"**DOB**" means the New York City Department of Buildings.

"**Effective Date**" means the date upon which the Plan is declared effective by Sponsor in accordance with the terms of the Plan.

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

"**Escrow Agent**" means Lester Bleckner & Shaw LLP, having an office at 350 Fifth Avenue, Suite 3301, New York, New York 10118.

"**Facilities**" means all personal property and fixtures now or hereafter existing in, on or under the Land, Building, or the Premises and either existing for the common use of two or more Units or 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 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, meters, meter assemblies, scaffolding, piping, lines, ducts, conduits, cables, risers, mains, shafts, pits, flues, locks, hardware, racks, screens, strainers, traps, 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, draperies, shades, window coverings, wallpaper, wall coverings, trees, shrubbery, flowers, plants, horticultural tubs and horticultural boxes.

"**Family Members**" means, with respect to any natural person, such person's spouse, domestic partner, parents, grandparents, children, spouses of children, children of domestic partner, grandchildren and siblings (in each case, including by adoption).

"**FCO**" means a final certificate of occupancy for the entire Building issued by the Buildings Department.

"**FFE**" means any furniture, furnishings, finishes, equipment or decorations, wall coverings, window coverings, window treatments and carpeting and the like.

"**Filing Date**" means the date on which a letter is issued by the Department of Law advising that the Plan has been filed or accepted for filing by the Department of Law.

"**First Unit Closing**" means the date upon which fee title to a Unit is first conveyed to a Purchaser pursuant to the Plan.

"**First Year of Condominium Operations**" means the first twelve (12) months of Operation of the Condominium beginning on the date of the First Unit Closing, which may be a calendar year or fiscal year.

"**Floor Plans**" means the floor plans of the Building certified by a licensed architect and to be filed in the Register's Office simultaneously with the recording of the Declaration subdividing the Building into separate Units, together with any amendments and supplements thereto.

"**Force Majeure**" shall mean unavoidable delays due to acts of God, weather, fire, flood, explosion, war, riot, sabotage, epidemics, pandemics, quarantine, acts of terrorism, freight embargos, inability to procure or general shortage of energy, labor, equipment, facilities, materials or supplies the open market, unavailability of utilities, failure of transportation, governmental restrictions, preemptions or approvals, strike, lockout, action of laborunions, 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.

"**Foreign Government Purchaser**" means 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).

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

"**Governmental Authority**" means any federal, state, county, municipal, foreign, international, regional or other governmental authority, agency, board, body, instrumentality or court having jurisdiction.

"**Hazardous Materials**" means chemicals, pollutants, contaminants, wastes and toxic substances, including solid or hazardous waste, hazardous substances, toxic substances insecticides, fungicides, rodenticides, gasoline or any other petroleum product or byproduct, polychlorinated biphenyls, asbestos and urea formaldehyde to the extent any such substances are described as hazardous in any federal, state or local laws and regulations relating to pollution or protection of human health or the environment including but not limited to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended; the Federal Insecticide, Fungicide, and Rodenticide Act, as amended; the Resource Conservation and Recovery Act, as amended;

the Superfund Amendments and Reauthorization Act of 1986, as amended; and the Toxic Substances Control Act, as amended.

"**Initial Control Period**" means the period ending on the earlier to occur of (i) the date on which one hundred percent (100%) of the Unsold Units are sold or (ii) five (5) years from the date of the First Unit Closing.

"**Initial Deposit**" means the down payment or the payment on account of the Purchase Price, in an amount equal to ten percent (10%) or fifteen percent (15%) (as applicable) of the Purchase Price, required to be paid by a Purchaser at the time of delivery of a Purchase Agreement.

"**Insurance Trustee**" means a bank or trust company, in either event having both an office in the City of New York and a capital surplus and individual profits of Five Hundred Million dollars ($500,000,000.00) or more, from time to time appointed to serve as such by the Condominium Board; provided, however, that for so long as Sponsor owns at least one (1) Unit, Sponsor shall have the right to appoint New York Community Bank or any other mortgagor of Sponsor as Insurance Trustee.

"Interim Use and Occupancy Agreement" means an agreement that Sponsor reserves the right to enter into, at Sponsor's sole discretion and with Lender's approval, prior to the date of Closing title and after Sponsor's receipt of a certificate of occupancy covering such Unit.

"**Land**" means the parcel of land upon which the Building is situated, as more fully described in Exhibit A of the Declaration.

"**Law**" shall mean the laws, ordinances and all applicable orders 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 which are applicable at the time in question.

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

"**Liquidated Sum**" means the Deposit under the Purchase Agreement (together with any amount Deposited for Special Work, to the extent actually expended) together with any interest earned thereon."

"**Majority of Unit Owners**" shall mean Unit Owners of more than fifty (50%) percent in aggregate Common Interests appurtenant to all Units or Unit Owners of 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**" means the Person engaged by the Condominium Board as a managing agent or manager of the Building pursuant to Section 2.4 of the By-Laws who undertakes to perform such duties and services as the Board of Managers shall authorize or direct. The Managing Agent of the Building initially will mean The Andrews Organization Inc.

"**Member**" means a member of the Board of Managers designated by the Unit Owners.

"**Owner-Occupied**" means an Owner of a Unit occupied by the Unit Owner or a Family Member of a Unit Owner.

"**Permit**" means any action, approval, consent, waiver, exemption, variance, franchise, order, permit, authorization, certificate of occupancy, right or license, building notices, alteration applications or other form of legally required permission, of or from a Governmental Authority, including any zoning, environmental protection, pollution, sanitation, safety, siting or building permit that is necessary to operated maintain the Property or any part thereof or to perform any Work on any part of the Property.

"**Permitted Encumbrances**" means those title encumbrances subject to which a Purchaser under the Plan agrees to take title to a Unit, as more particularly itemized in the Section entitled "Terms of Sale" in Part I of the Plan.

"**Permitted Mortgage**" means any mortgage of a Unit or Units, which is permitted to be placed thereon pursuant to the By-Laws.

"**Permitted Mortgagee**" means the holder of any mortgage of a Unit or Units, which is permitted to be placed thereon pursuant to the By-Laws.

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

"**Plan**" or "**Offering Plan**" means this offering plan to convert the Building to condominium ownership filed with the Department of Law of the State of New York pursuant to the GBL, as amended from time to time.

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

"**Premises**" means the building or buildings situated on the Land and having the street address 323 East 53rd Street, New York, New York 10022

"**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 (5th) day after mailing to prospective purchasers and Unit Owners following acceptance of the Plan or an amendment thereto for filing with the Department of Law.

"**Property**" means the Land, the Building, all other 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**" means the purchase agreement between Sponsor and a Purchaser under the Plan in the form set forth as Document 1 in Part II of the Plan.

"Purchase Money Mortgage" means a mortgage loan obtained by Purchaser for the purchase of a Unit.

"**Purchase Price**" means the Purchase Price of a Unit as set forth on Schedule A.

"**Purchaser**" means a Person or Persons buying a Unit under a fully executed Purchase Agreement, whether for personal occupancy or use of the Purchaser or a Family Member or for rental or other investment purposes.

"**Register's Office**" means the Office of the Register of The City of New York, County of New York.

"**Rules and Regulations**" means the Rules and Regulations of the Condominium annexed to the By-Laws as Schedule A, as amended, modified, and deleted from or added to from time to time, pursuant to the terms of the By-Laws, provided that they are not in conflict with the terms of the Condominium Act, the Declaration or the By-Laws.

"**Special Assessment**" means the charges, other than Condominium Charges, allocated and assessed against all Units by the Condominium Board and payable by all Unit Owners, pro rata, in accordance with their respective Common Interests (except as otherwise provided in the Declaration or in the By-Laws).

"**Special Work**" means any upgrades, "extras", construction work, alterations or modifications ordered by a Purchaser to be performed on his or her Unit. Any Purchaser

who orders Special Work shall be liable to Sponsor for the full cost of such Special Work even if such Purchaser's Purchase Agreement is cancelled by Sponsor due to Purchaser's default.

"**Sponsor**" means (a) 323 E 53rd Street Owner LLC, a New York limited liability company, having an address at c/o Maverick Real Estate Partners LLC, 100 Park Avenue, Suite 2805, New York, New York 10017 and/or (b) any Successor Sponsor or Sponsor Successor, as the context may require 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's Counsel**" means the law firm of Lester Bleckner & Shaw LLP, having an office at 350 Fifth Avenue, Suite 3301, New York, New York 10118.

"**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 Limited Common Element.

"**Storage Locker Area**" shall mean an area located in the cellar of the Building containing the Storage Lockers. The Storage Locker Area consists of an access area which is a Common Element and Storage Lockers which are Limited Common Elements appurtenant to a specific Unit.

"**Structural**" when applied to any Work performed in or to a Unit or the Property means and refers to any Work affecting the foundations, columns, girders, beams, supports, concrete slabs and other such structural members of the Property, those portions of the exterior walls of the Property lying beyond the interior face of the brickwork, and all building systems, including without limitation, the mechanical, electrical, water-supply and return (sewer), gas-supply and heating, ventilation and cooling systems.

"**Successor Sponsor**" means (i) any corporation, partnership, limited liability company or other entity that through amalgamation, consolidation, or other legal succession becomes invested with the rights and assumes the burdens of 323 E 53rd Street Owner LLC, or (ii) any Person who, at any time, (a) purchases 323 E 53rd Street Owner LLC or otherwise succeeds to the ownership of two or more Units or 20% of the total number of Units in the Condominium, whichever is less, and (b) is not purchasing such Units for his own occupancy or for occupancy by one or more of such Persons Family Members, and, in any case, shall also include any nominee holding any Unit for the account of the Person referred to in clause (i) or above. The phrase ''the ownership" shall include ownership by any such nominee. To the extent 323 E 53rd Street Owner LLC continues to own Unsold Units, it will continue as Sponsor even though there is a Successor Sponsor.

"**Taking**" shall mean when the Common Elements or any part thereof is taken in condemnation or by eminent domain.

"**TCO**" shall mean a temporary certificate of occupancy for the Building or portions thereof issued by the Buildings Department.

"**Terrace**" shall mean any terrace, balcony, areaway or garden, if applicable, which is appurtenant to a Unit as a 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 or balconies or areaways or gardens are, collectively, referred to as "Terraces".

"**Unit**" means a space designated in the Declaration as a Unit.

"**Unit Deed**" means the instrument by which title to a Unit is transferred to a Unit Owner. The form of residential Unit Deed is set forth as Document 2 in Part II of the Plan.

"**Unit Owner**" means any record owner of a Unit.

"**Unsold Unit**" means any Unit that is owned or retained, by way of lease or any other arrangement by which management or financial responsibility is retained, by Sponsor or a Sponsor Successor; or a Unit that is acquired, individually or collectively, by either the holder of a mortgage from a Permitted Mortgagee given by a Sponsor or Sponsor's Successor or the designee of a holder of such a mortgage from a Permitted Mortgagee. An Unsold Unit shall retain its status and character as an Unsold Unit until: (i) it is no longer owned by Sponsor or any Sponsor Successor; (ii) it is occupied by a Unit Owner or a Family Member of a Unit Owner; or (iii) it is conveyed to a bona fide Purchaser for occupancy by the Purchaser or by a Family Member of the Purchaser. Further, a Unit that is conveyed to Sponsor or Sponsor Successor by a Purchaser who has elected to rescind his purchase of the Unit and receive a refund of the Purchase Price paid for the Unit as provided in the Plan shall thereupon once again become an Unsold Unit.

"**Waiver Period**" shall mean the time in which the Condominium Board elects to waive payment of Common Charges.

"**Waiver Period Expiration**" The expiration date of the Waiver Period.

"**Work**" means and includes demolitions, alterations, installations, additions and improvements, repairs, replacements, substitutions, restorations and any other work performed in or to the Units or the Common Elements.

"**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.

DESCRIPTION OF PROPERTY AND IMPROVEMENTS

The following is a general description of the Property, including the land, Building, Units, Common Elements and Limited Common Elements. Reference should be made to the Architect's Report (Document 5 in Part II of the Plan) and to the section entitled "Changes in Prices or Units" contained in the Offering Plan for a more detailed description.

The Land

The Property on which the Building is located, in the Borough of Manhattan, County of New York, City and State of New York, is rectangular in shape with a frontage of approximately 20'-1" along East 53rd Street and extends to a depth of approximately 100'-5" perpendicular to East 53rd Street. The site is located on the northerly side of East 53rd Street 275'-8" easterly from the northeasterly corner of East 53rd Street and Second Avenue, then northerly on a line parallel with Second Avenue and part of the distance through a party wall, 100'-5", then easterly and parallel with East 53rd Street, 20'-0.5", then southerly and parallel with Second Avenue, 100'-5" to the northerly side of East 53rd Street, and then westerly along East 53rd Street, 20'-0.5" to the site. The Property is located in an R8B District as designated on Map 8D of the Zoning Resolution of the City of New York. The proposed use is residential (Use Group 2) as permitted as-of-right in R8B Districts. See the section below entitled "Location and Area Information" for a further discussion.

Construction Schedule

Under the present construction schedule, the Building will be completed on or about January 1, 2021, unless delayed by weather, casualty, labor difficulties, delays in delivery of materials or other factors beyond Sponsor's control. prospective purchasers are advised, however, that the Units may be completed at different times, including a period that may extend beyond the projected completion date. Sponsor will have no liability to any Purchaser, nor will a Purchaser be entitled to a credit, offset or reduction in the Purchase Price for the Unit or otherwise be relieved from any obligations under the Purchase Agreement. Notwithstanding the foregoing, if the actual or anticipated date of the First Year of Condominium Operation is to be delayed for more than six (6) months, Sponsor will amend the Plan to include a revised budget with current projections and if Unit Owner Common Charges exceed those in the latest projected budget by more than twenty-five (25%) percent, then Sponsor will offer all Purchasers a right of rescission for a period of fifteen (15) days after the presentation of the amendment containing such revised budget. In addition, Purchasers will be afforded the right to rescind if Closing cannot occur within twelve (12) months of the projected commencement date of January 1, 2021. Any Purchasers exercising their right of rescission will have their Deposit refunded, with any interest accrued thereon. See the section entitled "Identity of Parties" for Information concerning the construction professionals.

The Building

Sponsor has engaged the architectural firm of John Saracco Architect LLC with an office at P.O. Box 245, Boonton, New Jersey, 07005, to design the Building and undertake architectural supervision of the construction of the Building and provide estimates as to the consumption and cost of energy and related operating expenses of the Condominium. For further information on the background of the principal parties of this Offering Plan, please refer to the section entitled "Identity of Parties."

The Building will be built by Sponsor in accordance with all applicable zoning and building laws, regulations and codes and other government requirements, including those of the City and State of New York, and as described in the property report of John Saracco Architect LLC (the "Report") which Report is included in Part II of this Plan and in accordance with the building plans and specifications as same may be amended from to time. Copies of the building plans and specifications may be inspected by prospective purchasers at Sponsor's office or at the Building site. Construction will be deemed completed in accordance with the Plans and specifications when a FCO for the Building shall have been issued by the Department of Buildings of the City of New York except for work customarily left incomplete until after occupancy, finishes to the interior of some Units, special work orders, and punch list items, if any. In the event that a permanent Certificate of Occupancy has not been obtained by such Closing, Sponsor is obligated to obtain same. Please consult the Section of the Plan entitled "Rights and Obligations of Sponsor" for further discussion.

The Building will be comprised of one (1) six (6) story building consisting of eleven (11) residential Units. The Building will contain one (1) residential Unit on the first floor, and two (2) residential Units on the second, third, fourth, fifth and sixth floors. The Building will contain cellar space, consisting of Storage Lockers, bicycle parking within six (6) of the Storage Lockers, and mechanical rooms, as well as a rooftop containing Private Terrace A and Private Terrace B, a common Terrace for public access, a hot water heater room and an elevator machine room.

The Units will be of varying sizes, and subject to Sponsor's right to change the size and/or layout of any Unit. Units will include the installation of new kitchen appliances, custom cabinets, bathroom equipment and finished floors. Units will include all major fixtures and appliances including stoves, ovens, dishwashers, refrigerators, washers and dryers. (See the Architect's Report attached hereto as Document 5 of Part II of the Plan for a description of the appliances, equipment and fixtures included within the Units.)

Terraces and balconies, which are appurtenant to certain Units, as described in Schedule A and the Floor Plans set forth in Part II of the Plan, will be Limited Common Elements available for the exclusive use of the Unit Owners of such Units. The following Units contain balconies: Unit 3B, Unit 4B, Unit 5B, and Terrace Suite B. The following Units contain terraces: Garden Suite, 1B, Terrace Suite A and Terrace Suite B. The

Condominium Board shall have the right to erect and maintain scaffolding equipment on the Terraces, as required for maintenance, and repairs of the Building.

The Building and the Units will be constructed in accordance with all applicable zoning and building laws, regulations, codes and requirements of all governmental entities having jurisdiction, including, without limitation, the New York City Building Code and the Zoning Resolution. See the Architect's Report (Description of Property and Building Condition) attached hereto as Document 5 of Part II of the Plan for a detailed description of the Building's condition.

Sponsor reserves the right to amend or modify in any way the architectural, structural, mechanical, electrical or other plans and specifications, including, without limitation, changing materials, appliances, equipment, fixtures and other construction and design details set forth therein or in the "Description of Property and Building Condition" set forth in Part II of the Plan and to substitute in their place similar materials, appliances, equipment and/or fixtures of Equal to or Better Quality, provided that any necessary approval of any governmental authority having jurisdiction thereof is timely obtained. Any or all of the foregoing shall not give rise to a right of rescission on the part of any Purchaser and may be made without prior notice or amendment of the Plan, but no such change may be made that would materially adversely affect any binding Purchase Agreement unless same is dictated by construction conditions at the Property and, in such event, Sponsor will amend the Plan and offer affected Purchaser(s) the right of rescission for fifteen (15) days from the Presentation Date of the amendment and, if an affected Purchaser rescinds, receive a full refund of the Deposit together with interest earned thereon, if any, except for funds expended by or reimbursed to Sponsor for upgrades or extras.

Floor Plans

In accordance with Section 339-p of the New York Real Property Law, a registered architect or licensed professional engineer shall certify, within reasonable tolerances, that the Floor Plans for the Units filed with the Declaration are a substantially accurate copy of the portion of the plans of the Building as filed with, and approved by, the Department of Buildings.

The Units

Subject to the rights of Sponsor and its designee to change the number of Unsold Units, there will be a total of eleven (11) Units in the Building. Detailed descriptions of the Units are set forth in the Declaration of Condominium attached hereto as Document 7 of Part II of the Plan as well as in the Architect's Report (Document 5 of Part II of the Plan).

Generally, a Unit consists of the square foot area of the apartment measured horizontally from the exterior side of the exterior walls (perimeter concrete columns and perimeter mechanical pipes are not deducted) to the midpoint of the interior walls and

partitions separating one unit from another unit, or the exterior side of the interior walls and partitions separating a unit from public corridors, stairs, elevators and other mechanical equipment spaces or any Common Elements or Limited Common Elements. As is customary in New York City, these square foot areas may significantly exceed the useable floor area of each unit. A Unit also consists of the area measured vertically from the top of the concrete floor to the underside of the structural concrete ceiling. Units include entrance doors, interior walls, partitions and doors, floor and ceiling coverings, all windows, including panes, casements and frames and all equipment, fixtures and appliances, plumbing and wiring affixed, attached or appurtenant to such Unit and benefiting only that Unit. The measurements of a Unit are approximations within reasonable tolerances. Unit measurements are not measured from interior side of the interior walls and, thus, Unit measurements significantly exceed the Unit measurements in Schedule A. The approximate square footages and Purchase Prices of the Units are set forth on Schedule A. A more detailed narrative description of the term "Unit" is set forth in Article 5 of the Declaration of Condominium attached hereto as Document 7 of Part II of the Plan.

Common Elements

The Common Elements consist of the Land and all parts of the Building other than the Units and the Limited Common Elements, including, without limitation, the following:

(a) all foundations, columns, beams, supports, girders, exterior walls, interior walls, partitions, floors, roofs and ceilings, to the extent that the same are not expressly provided in the Declaration of Condominium to be included as a part of a Unit or the Limited Common Elements;

(b) all hallways, mailrooms, corridors (except to the extent incorporated into any Unit), lobbies, vestibules, plazas, bulkheads, ladders, mechanical and electrical equipment spaces, spaces devoted to the use of persons employed in connection with the operation of the Property and entrances to, and exits from, the Building, to the extent same are not expressly provided in the Declaration of Condominium to be included as part of a Unit or the Limited Common Elements;

(c) all central and appurtenant installations for services such as power, light, telephone, intercom, gas, sewer, plumbing, drainage, hot and cold water distribution, heat, ventilation, and other mechanical and electrical systems, to the extent that the same are not expressly provided in the Declaration of Condominium to be included as a part of a Unit or the Limited Common Elements (hereinafter collectively referred to as the "Equipment"); and

(d) all other parts of the Property, and all apparatus and installations existing in the Building or on the Property, either 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 and not expressly provided in the Declaration of Condominium, to be included as part of a Unit or the Limited Common Elements.

Limited Common Elements

The Limited Common Elements are to be used exclusively by the Owner of a Unit and are appurtenant to that Unit. Residents of Units Garden Suite, 3B, 4B, 5B, Terrace Suite A and Terrace Suite B have exclusive use of the Terraces and/or balconies in each respective Unit. Primary access to the private exterior spaces will be from an individual Unit. Each of the Storage Lockers located in the Storage Lockers Area of the Building will also be a Limited Common Element appurtenant to a Unit. Purchasers are advised that the Storage Lockers will be complete within six (6) months of the First Unit Closing. The Board of Managers shall have the right to access all roof areas and any private terrace for necessary inspections, maintenance, or repairs.

The Board of Managers shall have the right to require a Unit Owner to remove plantings, roof surface and other installations which have been placed on the Terraces if the Board of Managers determines, in its sole discretion, that such plantings or other installations may adversely affect the integrity of the roof or other portion of the Building or is otherwise unsafe. In addition, the Board of Managers shall have the right, in connection with any construction, repair, cleaning or maintenance work in the Building, to erect scaffolding temporarily on any Terrace. In no event shall any Unit Owner of a Unit having a Terrace be permitted to enclose or erect any structure on such Terrace. The Board of Managers may establish such other rules and regulations it deems necessary to protect the Common Elements and the Units and to ensure the integrity of the Building and the health and safety of the occupants.

The proposed size, layout and approximate dimensions of the Limited Common Elements appurtenant a Unit are depicted on the Floor Plans set forth as Document 6 in Part II of the Plan. Note the measurements of the Limited Common Elements are approximations within reasonable tolerances.

Storage Lockers

As part of the amenities offered to Unit Owners, each of the Storage Lockers located in the Storage Locker Area of the Building will be a Limited Common Element appurtenant to a Unit. As per Zoning Resolution 25-811, bicycle parking will be provided in the following six (6) individual Storage Lockers: the Storage Locker labeled S-1 (27 s.f.) that is appurtenant to residential Unit Terrace Suite A, the Storage Locker labeled S-2 (27 s.f.) that is appurtenant to residential Unit Terrace Suite B, the Storage Locker labeled S-3 (26 s.f.) that is appurtenant to residential Unit 5A, the Storage Locker labeled S-4 (26 s.f.) that is appurtenant to residential Unit 5B, the Storage Locker labeled S-5 (27 s.f.) that is appurtenant to residential Unit Garden Suite, and the Storage Locker labeled S-6 (18 s.f.)

that is appurtenant to residential Unit 4B. Please refer to Document 6 in Part II of the Plan entitled "Floor Plans".

Sponsor's Easements

Prior to the sale of all Units Sponsor shall have, and the Units and Common Elements shall be subject to, an easement to use the Common Elements of the Building. Sponsor's easement will remain in effect until all Units in the Building have been sold. Common Elements may be used by Sponsor for any lawful purposes including, but not limited to, the purposes of (a) Communications Work, provided that access to any Unit or Common Element (including that portion of the roof and such risers and conduits, as constitute Common Elements) or performance of any Communications Work in furtherance of such easements shall be exercised in a manner as will not unreasonably interfere with the residential use of the Units and use of the Common Elements and Limited Common Elements of the Premises; and (b) maintaining any encroachment on any Unit, or any Common Elements or elsewhere on the Property resulting from the maintenance thereof; provided that access to any Unit or Common Element in furtherance of such easements shall be exercised in a manner as will not unreasonably interfere with the use of the Units for their permitted purposes. Purchasers are advised that there is an appropriate amount and type of roof space available for the installation of Communications Equipment that would not affect or interfere with the Terraces appurtenant to Suite A and Suite B, a common terrace for public access, a hot water heater room and an elevator machine room.

The aforesaid easements may be used by Sponsor, its designee, tenant, assignee or licensee for its own account or the account of the designee, tenant, licensee or assignee of Sponsor for the purpose of serving the Condominium or an adjacent building or area in the event the use of such easement is in the best interest of the Condominium or mandated by law, such as in the instance of an action under New York Real Property Actions and Proceedings Law Section 881. The Condominium shall not be entitled to any portions of fees, compensation or other profits received by Sponsor, its designee, tenant, assignee or licensee for the use of the aforesaid easements or equipment. Any satellite dishes or other facilities placed on the roof, the facade of the Building or any other portion of the Common Elements by Sponsor, its designee or licensee shall be the exclusive property of Sponsor, its designee, tenant, assignee or licensee and neither the condominium nor any other Unit Owner shall have any rights with respect thereto.

Heating and Hot Water

The Units are provided heating and cooling by a multi-zone heat pump system. The multi-zone heat pump system is air cooled split system to provide either heating or cooling for the Units and Common Elements. Electricity to each heat pump unit is supplied from the Unit and common panel and consumption is metered through the individual Unit and common meter. A water heater will be located in the cellar of the Building. The lobby of the Building will have one 32.0 MBH Mitsubishi heat pump air handler. Individual Units

will be equipped with two (2) Mitsubishi heat pump air handlers, one (1) 18.0 MBH in each living room and one (1) 10.9 MBH in each bedroom. Domestic hot water will be provided by two (2) gas-fired hot water heaters with storage capacity of 100 gallons each as manufactured by A.O. Smith Model BTH-150 or equal. The bulkhead above the roof will serve as the hot water heater room. Please refer to the Sections entitled "Schedule B-1" and "Projected Annual Utilities Cost Estimates" in Part I of the Plan.

Electricity and Gas

Consolidated Edison Company, Inc. will provide electricity to the Condominium. Each Unit will be separately metered for electricity. Each Unit Owner will pay the cost of electricity consumed in his or her Unit directly to the utility company and same is not included in the Common Charges. Please refer to the Section entitled "Projected Annual Utilities Cost Estimates" in Part I of the Plan. There will also be a separate house electric meter for electricity servicing the Common Elements.

Gas is supplied by Consolidated Edison Company, Inc. The cost of gas servicing any Common Element will be divided among all Units, according to their proportionate share of Common Elements allocated to those Units. There will be two (2) gas meters in the Building. One gas meter will be for the residential Units, for cooking and dryers. Each Unit will be separately billed for its gas usage. The other gas meter will be for the Building. The cost of gas servicing any Common Element will be divided among all Units, according to their proportionate share of Common Elements allocated to those Units.

Air Conditioning

Cooling of Each Unit will be achieved by the cooling cycle or a forced air, multi-zone split heating and cooling system. Cooled air will be supplied to the spaces within Units (via air handlers in each living room and bedroom). Air drawn from an outside heat pump unit will be cooled and filtered by the air handling units and distributed to the interior spaces. Please refer to the Sections entitled "Schedule B-1" and "Projected Annual Utilities Cost Estimates" in Part I of the Plan.

Water Service

Water service will be provided from the New York City water main in East 53rd Street. The pressure of the water service will be augmented by two (2) domestic water booster pumps as manufactured by Federal Pumps Co. Model SP-4040-2 with 40 GPM each with an 80-gallon cushion tank or equal. All domestic water pipes will be copper and insulated as required. The charges for water and sewer services provided to the Building (including residential Units and Common Elements) will be levied on the basis of a master city meter and borne by the Unit Owners as a Common Expense.

Elevator Service

There will be one (1) passenger elevator servicing the Building. The elevator will provide service from the cellar to roof of the Building. The elevator will have 3,500-pound lifting capacity, and travel at 150 feet per minute. The passenger elevator doors will be one speed automatic left side opening type.

Mail

Each Unit Owner will have a locked mailbox located in the lobby on the first floor. Incoming mail will be delivered to the Building and inserted into the mailboxes by the U.S. Postal Service.

Refuse Disposal

There is no refuse chute, incinerator or compactor. A refuse room will be located in the cellar. Refuse disposal will be the responsibility of each individual Unit occupant. Each occupant will take their garbage from the Unit and place it in one of the garbage cans located in the cellar of the Building. The garbage will be removed from the cellar by a janitorial service and placed on the curb in front of the Building on the nights before scheduled garbage collection by the New York City Department of Sanitation.

Building Personnel

The Building staff will include a part-time non-resident porter/porter. The porter will not reside in the Building; however, the porter will live within 200 feet of the Property. The porter will be responsible for cleaning the Common Elements, for making minor repairs and accepting deliveries to the extent that the porter is available. (Please refer to the Section entitled “Projected Annual Utilities Cost Estimates” in Part I of the Plan).

Laundry

Each Unit will have a laundry closet and will be provided with a clothes washer and dryer. Each dryer will be mechanically ventilated, as required by applicable code, with a booster exhaust fan as manufactured by Greenheck or equal. The dryer booster exhaust fans will be located on the roof.

LOCATION AND AREA INFORMATION

Location: Area and Neighborhood Description

The Condominium is situated at 323 East 53rd Street, New York, New York, between Second Avenue to the west, First Avenue to the east, East 52nd Street to the south and East 54th Street to the north.

The Condominium is in Block 1346, Lot 12 in a R8B zoning district. R8 districts are high density residential districts mapped along the Grand Concourse in the Bronx and on the edge of Brooklyn Heights. R8 districts are also widely mapped in Manhattan neighborhoods, such as Washington Heights. New buildings in R8 districts may be developed under either height factor regulations or the optional Quality Housing regulations that often reflect the older, pre-1961 neighborhood streetscape. R8B contextual districts usually present the same unified blocks of "brownstone" rowhouses as R5B and R6B districts but the higher floor area ratio ("FAR") of 4.0 creates a taller building that is commonly found on the narrow side streets of the Upper West Side and the Upper East Side in Manhattan. The mandatory Quality Housing bulk regulations encourage new six-story apartment buildings, with a setback at the top story, that fit in well with the rows of 19th century houses. Permissible uses of the Building include groups 1-4. The proposed use is residential (Use Group 2) as permitted as-of-right in R8B Districts. The intended use of the Building as described in accordance with the provisions of this Plan will be in compliance with the current requirements of the Zoning Resolution. A copy of the zoning regulations and variances with respect to the Project is on file at Sponsor's office.

Municipal Services

Police: The nearest police station is the 17th Precinct, located at 167 East 51st Street, New York, New York.

Fire Department: The local fire department is the Battalion 8 Engine 8 Ladder 2 firehouse located at 166 East 51st Street, New York, New York.

Post Office: The closest post office is located at 23 East 54th Street, New York, New York.

New York City will supply water and sewer services and the related charges will be billed as described herein. The City of New York is responsible for the maintenance of the roads adjacent to the Condominium.

Transportation

The Condominium is served by a variety of transportation outlets. Transportation to and from the Building, and throughout New York City, is readily available by taxi,

limousine, private automobile, Citi bike, subway or bus. Entrances to the city's subway system are located a short walk from the Building.

The following trains service the neighborhood around the Condominium:

- 4 and 6 at the 51st Street Station
- E and M lines at the Lexington Avenue – 53rd Street Station.

The following buses service the neighborhood around the Condominium: M50, M101, M102, M103, BxM1, M50, QM31, QM32, QM34, QM35, QM36, QM40, QM42 and QM44.

New York City is serviced by three (3) airports - LaGuardia Airport, JFK Airport and Newark Airport.

Parks, Recreation and Cultural Activities

The Building is located in New York City, which is one of the leading cultural centers of the world, with many museums, universities, libraries, art galleries, theaters and cultural institutions. New York City is also the nation's center for financial services, communications, publishing, advertising, art and culture and the fashion industry.

The Building is nearby many of Manhattan's retailers and restaurants. Major shopping institutions nearby include Saks Fifth Avenue, Bloomingdales, Macy's, J. Crew, and the finest assortment of boutiques. Nearby dining options include Yara, The Smith, Lavo, The Modern, Le Bernadin, Capital Grille, Avra Estiatorio, Hillstone, Fig & Olive and Magnolia Bakery.

Houses of Worship

The Building is nearby local houses of worship that include, but are not limited to, the following: Central Synagogue, Temple Emanu-El, Fifth Avenue Synagogue, Central Presbyterian Church, St. Bartholomew's Church, and First Episcopal Church.

Educational Facilities

Many educational facilities are within close proximity to the Building. The Building is in Public School District No. 2, which includes P.S. 059 Beekman Hill International located at 231-249 East 56th Street and J.H.S 104 Simon Baruch located at 330 East 21 Street. There are several public high schools with various specialties available within the City of New York with entrance by competition or examination, such as the Repertory Company High School for Theatre Arts, Renanim Manhattan and 228 East 57th High School of Art and Design.

Additionally, there are many private schools within close vicinity to the Property, including, but not limited to, The Beekman School, Fusion Academy Manhattan, Dominican Academy, The Browning School, Aaron School High School, Lyceum Kennedy International School, and The Daytop Preparatory School. Sponsor, however, makes no guarantee or representation as to which school a child residing at the Building may attend.

Medical Facilities

The Condominium is accessible to numerous hospitals and medical facilities including New York Weill Cornell Medical Center located at 525 East 68th Street, Lenox Hill Hospital located at 100 East 77th Street, Manhattan Eye, Ear and Throat Hospital located at 210 East 64th Street, and Hospital for Special Surgery located at 535 East 70th Street.

Changes in Information

In the event any of the aforesaid information changes while sales are continuing, Sponsor shall file an Amendment to the Plan disclosing any such change within thirty (30) days after such change occurs.

Currently, Sponsor is not the sponsor of any real estate development projects within a one (1) block radius of the Condominium or any development projects adjacent or directly across the street from the Condominium. In the event the 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 view or closing of lot line window), the sponsor shall disclose any such material change in an amendment to the offering plan within a reasonable period of time.

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

THIS PAGE INTENTIONALLY LEFT BLANK

Schedule A

PURCHASE PRICES OF UNITS & RELATED INFORMATION

THIS PAGE INTENTIONALLY LEFT BLANK

323 East 53rd Street Condominium
Schedule A: Purchase Prices and Related Information for the Projected First Year of Condominium Operation (1/1/21-12/31/21)

Unit	Number Bedrooms (BR) / Bathrooms (BA) (2)	Terrace/Balcony Square Footage (1)	Storage Unit Square Footage (1)	Unit Square Footage (1)	Offering Price	General Common Interest (3)(a)	Estimated Monthly Common Charges (4)	Estimated Monthly Real Estate Taxes 1st Year (5)	Estimated Annual Real Estate Taxes 1st Year (5)	Estimated Total Monthly Charges 1st Year (6)	Estimated Total Annual Charges 1st Year (6)
Garden Suite & S-5	0BR/1BA	592	27	552	$995,000	10.9719%	$992.29	$1,239.99	$14,879.84	$2,232.28	$26,787.36
2A & S-9	1BR/1BA	0	25	542	$860,000	8.5330%	$771.72	$964.36	$11,572.28	$1,736.08	$20,832.95
2B & S-8	1BR/1BA	0	26	560	$875,000	8.8179%	$797.49	$996.56	$11,958.72	$1,794.05	$21,528.63
3A & S-11	1BR/1BA	0	25	542	$885,000	8.5330%	$771.72	$964.36	$11,572.28	$1,736.08	$20,832.95
3B & S-10	1BR/1BA	49	26	560	$900,000	9.0056%	$814.47	$1,017.77	$12,213.22	$1,832.23	$21,986.81
4A & S-7	1BR/1BA	0	18	542	$910,000	8.4687%	$765.90	$957.09	$11,485.02	$1,722.99	$20,675.87
4B & S-6	1BR/1BA	49	18	560	$925,000	8.9321%	$807.81	$1,009.46	$12,113.50	$1,817.27	$21,807.28
5A & S-3	1BR/1BA	0	26	542	$935,000	8.5422%	$772.55	$965.40	$11,584.75	$1,737.95	$20,855.40
5B & S-4	1BR/1BA	49	26	560	$950,000	9.0056%	$814.47	$1,017.77	$12,213.22	$1,832.23	$21,986.81
Terrace Suite A & S-1	1BR/1BA	154	27	542	$1,100,000	9.1412%	$826.73	$1,033.09	$12,397.09	$1,859.82	$22,317.82
Terrace Suite B & S-2	1BR/1BA	319	27	560	$1,115,000	10.0489%	$908.82	$1,135.67	$13,628.08	$2,044.49	$24,533.89
Residential Unit Sub-Total		**1,212**	**271**	**6,062**	**$10,450,000**	**100.0000%**	**$9,043.98**	**$11,301.50**	**$135,618.00**	**$20,345.48**	**$244,145.76**

FOOTNOTES TO SCHEDULE A

(1) Purchasers should review the Architect's Floor Plans for the Building and all Units that are set forth in Part II of the Offering Plan. Purchasers should note that the square footage of each Unit as reflected in Schedule A of Part I and the Architect's Floor Plans is approximate (within reasonable tolerances) and is based on measurements from exterior walls to exterior walls and not from interior wall to interior walls and therefore such measurements significantly exceed the interior space in the Unit. Each Unit is measured horizontally from the exterior side of the exterior walls (columns, mechanical pipes, shafts, shaftways, chases, chaseways and conduits are not deducted from measurement of each Unit) to the centerline of the partitions separating one Unit from another Unit, or separating one Unit from corridors, stairs, and other mechanical equipment spaces or any Common Elements not within a Unit or to the exterior side of the opposite exterior walls. 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. As is customary in New York, the estimated dimensions and floor area of the Units may significantly exceed the usable floor area of each Unit. (Please refer to Document 5 in Part II of the Plan entitled "Description of Property and Building Condition".)

Any floor plan or sketch shown to a prospective purchaser is only an approximation. Such floor plan or sketch shall be within reasonable tolerances of the dimensions and layout of a typical Unit. Each floor plan reflects the number of bathrooms and bedrooms listed on Schedule A that validates their respective uses as bedrooms and bathrooms. The total number of bathrooms and bedrooms in each Unit is established using the accounting standard of the Real Estate Board of New York utilized in the New York real estate industry. Purchasers should note that the square footage of each Unit as reflected in Schedule A is approximate within reasonable tolerances. As is customary in New York, Unit measurements are not measured from interior side of the interior walls and, thus, Unit measurements significantly exceed the Unit measurements in Schedule A. Plans and dimensions may also contain immaterial variations from floor to floor. Each Unit may vary immaterially in its actual dimension, layout and physical condition. The Floor Plans for each Unit are included in Part II of the Offering Plan. The Limited Common Elements appurtenant to each Unit, such as Terraces, and/or Storage Lockers, are also detailed in Floor Plans included in Part II.

Terraces and balconies, which are appurtenant to certain Units, as described in Schedule A and the Floor Plans set forth in Part II of the Plan, will be Limited Common Elements available for the exclusive use of the Unit Owners of such Units. Units Garden Suite, Terrace Suite A and Terrace Suite B have Terraces and Units 3B, 4B, 5B and Terrace Suite B have balconies.

Once the Declaration is recorded, all changes in the size of or number of Units or changes in the Common Elements or the Common Interests of the Units must be made by amendment to the Declaration and such amendment is duly recorded. Notwithstanding

the foregoing, Sponsor may not change the size, location of Units or other improvements or the Common Elements if such changes affect the percentage of Common Interest or adversely affect the value of any Unit to which title has closed or for which a Purchase Agreement has been executed and is in effect unless all affected Unit Owners and contract vendees consent in writing to such change. The Plan will be amended in the event of any such changes. See Section entitled "Changes in Prices or Units" for additional details. No adverse material change will be made in the size and no material adverse change will be made in the quality of the Common Elements without the consent of all Purchasers affected by any such change.

(2) The Purchase Price for any Unit is subject to change and is negotiable. These offering prices are set by Sponsor and are not reviewed or approved by the Department of Law or any governmental agency. The Plan will be amended to reflect (i) a general price change affecting a group, line, or other category of Unit (as distinguished from an isolated price change), (ii) a price change to be advertised in a newspaper or other media, or (iii) a higher price on an individual Unit. See the section entitled "Changes in Prices or Units" for full details.

(3) The percentage of Common Interest for each Unit in the Common Elements is based upon the floor space, which is based on measurements from exterior walls to exterior walls and not from interior wall to interior walls. All dimensions are approximate within reasonable tolerances. As is customary in New York, the estimated dimensions and floor area of the Units may significantly exceed the usable floor area of each Unit and shall include columns, mechanical risers, shaftways, chases, chaseways and conduits that may be incorporated behind protruding walls, or may be separately enclosed as free-standing columns, thereby reducing the available floor area. The percentage of Common Interest for each Unit is also subject to the location of such space and the additional factors of relative value to other spaces 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, having been determined in accordance with the provisions of Section 339(i)(1)(iv). The aggregate Common Interest of all Units must always equal one hundred (100%) percent. Any dispute relating to the appropriateness of the allocation will be submitted to arbitration pursuant to Article 11 of the By-Laws.

(4) These estimates of Common Charges were prepared for the First Year of Condominium Operations, assuming same will commence on or about January 1, 2021. No portion of the Common Charges will be tax deductible to individuals occupying Units solely as a residence. The following costs are not included in the Common Charges and must be borne by individual Unit Owners as separate items of expense.

(i) the cost of electricity supplied to the Units is separately metered and payable directly by the Unit Owner to the utility company;

(ii) the cost of interior repairs, maintenance and decoration of the Units, including the fixtures, equipment and appliances contained therein;

(iii) any individual insurance coverage for furnishing, belongings, equipment or other personal property in the Unit and/or personal injury occurring within the Unit;

(iv) for a Purchaser receiving purchase money financing, the payments required under his or her loan or loans;

(v) real estate taxes levied against the Unit; and

(vi) personal services such as telephone, cable, etc.

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

Lester Bleckner & Shaw LLP, attorneys for Sponsor, have read and reviewed the Mazursky Group, Inc. Opinion, however, Lester Bleckner & Shaw LLP is not a taxation expert, has not independently verified the information in the Mazursky Group, Inc. Opinion and makes no judgment as to its accuracy. However, based upon: (i) the Mazursky Group, Inc. Opinion being correct; (ii) any updated opinion of Mazursky Group, Inc. regarding such tax issues being consistent with the Mazursky Group, Inc. Opinion; (iii) the assumption that the assessed transitional valuation that will be applicable to the Property in the first fiscal year after completion of construction (i.e., commencing January 1, 2021) will be one million eighty thousand six hundred twenty-two ($1,080,622) dollars, and (iv) the real estate tax liability after completion of construction and establishment of a condominium is estimated to be one hundred thirty-five thousand six hundred eighteen ($135,618) dollars at a tax rate of .1255 in effect for the fiscal year beginning July 1, 2020 and ending July 30, 2021 per $100 of assessed valuation. Refer to Document 10 of Part II of the Plan entitled "Real Estate Tax Projection Opinion" by the Mazursky Group, Inc. (with an office at 42 Broadway, Suite 1744, New York, New York 10004).

Purchasers should note that the estimated monthly and annual real estate taxes set forth in Schedule A for each Unit, taxed as a separate tax lot, has been based on a calculation using an average of the estimated tax rates in effect for the second half of the 2020/2021 tax year and the first half of the 2021/2022 tax year. Purchasers should also note that the tax year begins on July 1st and ends on June 30th of each fiscal year.

The projected real estate taxes for the first year of operation contained on Schedule A are based on an assessment of the building before construction is complete. Purchasers are advised that real estate taxes may increase materially when the building is reassessed after construction is complete. See Footnote 5 to Schedule A for more information regarding the projected assessed valuation after completion of construction.

It has been the practice of the New York City Real Property Assessment Department to increase the assessed valuation attributable to a parcel under renovation and/or construction during and after completion of the renovation and/or construction. However, since no set formula is used to determine the amount of increase, it is impossible to guaranty what the actual increase in the assessed valuation will be.

Sponsor makes no representation that the actual assessed valuation will not exceed the projected assessed valuation or that the tax rate will not be greater than the projected rate. Neither Sponsor, counsel to Sponsor, nor any other person makes any warranty regarding the projections or as to the amount of the tax that will be assessed against the Units or the amount of Real Estate Taxes that will be payable at any time by any Unit Owner.

The Property is first assessed as one entity and the tax liability is then apportioned among the Units when the tax lots are allocated amongst the Units and are recorded at the New York City Register's Office. Such allocation and individual tax bills take approximately six months from the date that the tax lots are recorded. During that period prior to billing of individual Units, the Condominium Board shall make one payment on behalf of the Property. The projection of the apportionment of the assessments amongst the Units has been commonly done primarily on the basis of the Common Interests allocated to each Unit as set forth in Schedule A. However, the New York City Finance Department may consider other factors in determining such apportionment and may allocate the taxes in such other manner as the taxing authority deems appropriate. Neither Sponsor, Lester Bleckner & Shaw LLP, nor the Mazursky Group, Inc. can make any representation as to the City's apportionment method or the estimated tax liability of individual Units.

If Purchaser obtains mortgage financing on the Unit, the debt service on such financing would be an additional monthly expense paid solely by Purchaser. The interest portion of monthly mortgage payments made by Purchasers who obtain mortgage financing for their Units, and designate same as primary or secondary qualifying residence, although not shown in this column, is also deductible for tax purposes by persons who itemize deductions, as more particularly described in, and subject to the qualifications set forth in, the Section of the Plan entitled "Taxes – Deductions to Unit Owners and Tax Status of the Condominium." The portion of the debt service deductible for income tax purposes may vary in subsequent years due to financing-related changes such as changes in the interest rate on a Purchaser's mortgage, if any, the interest rate on a refinanced mortgage, or the allocation of constant debt service payments between interest and principal. Please consult the Section of the Plan entitled "Taxes – Deductions to Unit Owners and Tax Status of Condominium" and "Opinion of Counsel" for conditions of deductibility for further discussion.

SCHEDULE B
PROJECTED BUDGET

323 East 53rd Street Condominium
ESTIMATED SCHEDULE OF RECEIPTS AND EXPENSES
FOR FIRST FULL YEAR OF OPERATION
BEGINNING January 1, 2021

RECEIPTS			
COMMON CHARGES - RESIDENTIAL	(1)	$	108,528
		$	108,528
EXPENSES			
LABOR	(6)	$	15,956
GAS (COOKING & HEAT/HOT WATER)	(7)	$	4,989
ELECTRICITY	(8)	$	21,371
WATER & SEWER	(9)	$	11,086
REPAIRS & MAINTENANCE	(10)	$	3,450
SERVICE CONTRACTS	(11)	$	4,137
INSURANCE	(12)	$	23,500
MANAGEMENT FEE	(13)	$	12,000
LEGAL AND ACCOUNTING	(14)	$	4,000
CONTINGENCY	(16)	$	8,039
REPLACEMENT RESERVE	(17)	$	-
TOTAL OPERATING EXPENSES		$	108,528

SCHEDULE B

PROJECTED BUDGET FOR FIRST YEAR OF CONDOMINIUM OWNERSHIP BEGINNING JANUARY 1, 2021

Estimated Income

Unit Common Charges (1)	$108,528.00
TOTAL ESTIMATED INCOME	**$108,528.00**

Estimated Expenses

Labor (2)	$15,956.00
Heating & Hot Water (Gas) (3)	$4,989.00
Utilities (Common Electricity) (4)	$21,371.00
Water Charges and Sewer Rents (5)	$11,086.00
Repairs & Maintenance (6)	$3,450.00
Service Contracts (7)	$4,137.00
Insurance (8)	$23,500.00
Management Fee (9)	$12,000.00
Legal and Accounting Fees (10)	$4,000.00
Contingency (11)	$8,039.00
TOTAL ESTIMATED EXPENSES	**$108,528.00**

Sponsor anticipates that the first year of Condominium ownership will commence on or about January 1, 2021 with the First Unit Closing of title. The estimated Common Charges to be collected from Unit Owners during the First Year of Condominium Operation are based upon the assumption that the First Year of Condominium Operations will commence on or about January 1, 2021. The actual first year of operation may be earlier or later. If the start date of the projected Budget above is delayed more than six (6) months from said date, Sponsor must amend the Plan to update the Budget. If the amended projected Budget exceeds the original Budget by at least twenty-five (25%) percent, Sponsor shall offer all Purchasers a right of rescission for a period of fifteen (15) days from the date of presentation of the amendment, whether or not Sponsor offers to guaranty the previous Budget. Sponsor will, upon such written rescission, return the Deposit within a reasonable period of time. Sponsor may not declare the Plan effective where there are material changes to the Budget if these changes have not been disclosed by a duly filed amendment to the Plan. In addition to common expenses set forth above, each Unit will have separate electric meters that measures consumption. Each Owner is billed separately by Consolidated Edison Company.

The above projections are subject to inflation, changes in the economy, changing costs of energy, insurance, supplies, materials, services, payroll, the number of people residing in the Building and unforeseen factors. Therefore, it is likely that actual expenditures will differ from estimates set forth herein. The accompanying notes to Schedule B are an integral part hereof and should be read in conjunction herewith. The above cited Budget includes income and expenses for the Units. Refer to Schedule B-1 on the following page for a breakdown of total income and expenses for the Units according to their respective percentages of common interest.

Determination of Common Expenses

Generally, Common Charges are projected based on estimated usage and benefit derived from the Units and allocated to Units based on Percent Common Interest. The foregoing budget not intended and should not be taken as a guarantee by anyone that the income or expenses for the first or any subsequent year of Condominium Operation will be as set forth in said budget. At the time of the Closing of title of each Unit to a bona fide Purchaser, such Purchaser shall pay into the Working Capital Fund of the Condominium a sum equal to two (2) months' Common Charges for the respective Unit. Any amounts in the Working Capital Fund may be held or used, at any time, for Working Capital, to make repairs or for such other appropriate purposes permitted under the Declaration and the By-Laws as determined by the Board of Managers in its sole discretion. See sections entitled "Working Capital and Repair and Reserve Fund" and "Unit Closing Adjustments and Costs" in this Plan for further discussion.

In the opinion of Andrews whose Budget certifications are set forth in Part II of the Offering Plan, the projected annual Budget appears reasonable and adequate based on present prices and estimates to meet the estimated expenses of the first year of Condominium Operation, assuming such year commences on or before January 1, 2021. The foregoing Budget, however, is not intended and should not be taken as a guarantee by anyone that the annual Common Charges or Common Expenses for the first year of operation will be as set forth in said projected budget.

It is likely that the actual annual Common Charges for the first year of Condominium Operation will vary from the amounts shown on the projected Budget. Sponsor has reserved the right to enter into service, maintenance, employment, insurance policies, concessionaire and other agreements that will be binding on the Board of Managers at the commencement of Condominium Operation. However, Sponsor may not enter into any binding service or maintenance contract for longer than three years that will materially increase the first year's estimated Common Charges. Any such agreement or expense that materially increases Common Charges above 25% of the January 1, 2021 – December 31, 2021 Budget will be disclosed in an Amendment to the Plan and recission will be offered.

The Sponsor anticipates that the first closing of a Unit will occur by January 1, 2021. Purchasers will be offered a right of rescission if: (i) the actual date of closing of title to the first Unit occurs after January 1, 2022; or (ii) the projected date of closing of title to the first Unit occurs later than December 31, 2021, twelve months after the projected date for the first closing. If the Plan is amended to provide for a later projected date for the first closing, purchasers will be entitled to an offer of rescission if the first closing occurs more than 12 months beyond that amended, later date.

However, if the first closing occurs before January 1, 2021, the Sponsor may schedule the closings of title to other units significantly later than such date, but if such subsequent closings are scheduled after January 1, 2022, such affected purchasers will be offered a right of rescission. Unless your Purchase Agreement contains an outside closing date, the Sponsor is not obligated to

schedule your closing within any specified time frame or to ensure that closing of title to your closing within any specified time frame or to ensure that closing of title to your Unit will occur by any date certain. PROSPECTIVE PURCHASERS SHOULD THEREFORE CAREFULLY CONSIDER SUCH RISKS IN THEIR DETERMINATION AS TO WHETHER TO PURCHASE A UNIT.

SCHEDULE B-1

ENGINEER'S PROJECTION OF INDIVIDUAL UNIT ENERGY COSTS

The projections for energy costs relating to Unit energy consumption and utility costs are set forth in the following letter dated July 9, 2020 issued by Kam Chiu Consulting Engineer, P.C. having an office at 54 Howard Street, 5th floor, New York, New York 10013. The letter provides estimates of annual electric energy costs for lighting and for operating the typical electrical appliances located in each Unit.

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

NOTES TO SCHEDULE B

ESTIMATED INCOME

1. **Common Charges: $108,528.00**

Common Charges represent each Unit's proportionate share of the Common Expenses set forth in the Section entitled "Schedule A" and described in the "Footnotes to Schedule A". All amounts are projected on the assumption that the First Year of Condominium Operations will be the year from January 1, 2021 through December 31, 2021. The actual First Year of Condominium Operations may be earlier or later than that year. In the event the projected commencement date of the First Year of Condominium Operations differs by six (6) months or more from the anticipated date of the First Unit Closing, the Plan will be amended to include a revised budget disclosing current budget projections. If the Common Charges in the revised budget projections exceed the original projections by twenty-five (25%) percent or more, Sponsor will offer all Purchasers the right, for a period of fifteen (15) days, subsequent to the date of mailing or personal delivery of a copy of the amendment to the Plan, to rescind their Purchase Agreements and have their Deposit refunded.

The estimated income set forth above represents Common Charges payable by the Units.

The budgeted amount of income to the Condominium does not include any interest income that may be received by the Condominium Board from its investment of the Working Capital Fund to be retained at the Closing of title the Units or any reserve funds for contingencies which may be contributed by the Unit Owners in the Common Charges. The interest income cannot be determined exactly and may be inconsequential and was therefore not included in the budget for the first year of operations. All or part of these funds may be expensed during subsequent years of operation.

ESTIMATED EXPENSES

2. Labor: $15,956.00

The Building staff shall consist of:

Position and Number	Weekly Rate	Total
Porters (1) (10 hours per week)	$200 X 52	$ 10,400
Sub-Total:		**$ 10,400**
Overtime	5% of Base Wages	$ 520
Vacation, Sick & Holiday	11% of Base Wages	$ 1,144
Gross Wages:		**$ 12,064**

Health Benefits	-	-
Payroll Taxes	See Schedule Below	$ 2,391.91
Monthly Processing Fee ($125 per month)		$ 1,500
Total Payroll and Related:		**$ 15,956**

Payroll includes the services of a part-time non-resident, non-union porter. After the First Year of Condominium Operations, the Board of Managers may replace the porter. The porter will not reside in the Building; however, the porter will live within 200 feet of the Property. The porter will be responsible for general janitorial and maintenance functions to the Common Elements, such as cleaning, minor repairs and alterations. In the event major or alterations are required to be performed at the Building, which cannot be performed by the porter, the Board of Managers will be obliged to hire and pay outside laborers to perform such work and will be required to provide access to the Building so that such work may be performed. The level of staffing complies with the applicable housing and labor laws.

The following expenses are mandated by Law for each employee:

FICA Employer	7.65% of Wages	7.65%	$	922.90
NY State Unemployment	(1st $10,300)	4.0%	$	414.58
Federal Unemployment	(1st $7,000)	6.0%	$	420.00
State Disability Insurance	(Yearly)	$31.20	$	31.20
Workers Compensation	5.5% of Wages	5.5%	$	603.20
		SUB-TOTAL	$	2,391.87

3. Gas for Heating, Hot Water & Cooking: $4,989.00

Based on an estimate dated July 9, 2020 by Kam Chiu Consulting Engineer, P.C., with offices located at 54 Howard Street, 5th Floor, New York, NY 10013, it is anticipated that gas for common area heat and domestic hot water and cooking will be provided to the Units by natural gas and will cost $4,536, adding a 10% inflation factor yields a total estimated cost of $4,989. This estimate is based on a projected usage of 2,160 Therms of gas per year at an anticipated average cost of $2.10 per Therm. See section entitled "Schedule B-2" in this Plan for further discussion.

The estimates contained herein are based on review of comparable buildings and corresponded with the energy calculations submitted for New York City Energy Conservation Code compliance.

4. Electricity for Common Areas: $21,371.00

Based on an estimate dated July 9, 2020 by Kam Chiu Consulting Engineer, P.C., with offices located at 54 Howard Street, 5th Floor, New York, NY 10013, it is anticipated

that light and power for the Common Elements as well as the mechanical equipment will be approximately 58,896 KW/HR/YR at an annual cost of $0.33 per KW/HR totaling $1,619.00 per month. Including a 10% inflation factor in connection therewith yields an annual cost estimate of $21,371.00. 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 Limited Common Elements appurtenant thereto shall be payable directly to Con Edison. See section entitled "Schedule B-2" in this Plan for further discussion.

The estimates contained herein are based on review of comparable buildings and corresponded with the energy calculations submitted for New York City Energy Conservation Code compliance.

5. Water Charges and Sewer Rents: $10,086.00

Based on an estimate dated April 21, 2020 by Kam Chiu Consulting Engineer, P.C., with offices located at 54 Howard Street, 5th Floor, New York, NY 10013, it is anticipated that water and sewer charges for the Units and all Common Elements, will be approximately $10,086, accounting for the addition of a 10% inflation factor, based on the Report by Kam Chiu Consulting Engineer, P.C., as set forth on Exhibit B-2. Sewer charges represent 159% of water charges. The estimates contained herein are based on review of comparable buildings and corresponded with the energy calculations submitted for New York City Energy Conservation Code compliance. See section entitled "Schedule B-2" in this Plan for further discussion.

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

Both hot and cold water is provided to the Units and the cost of such service is included to the Unit Owners in the Common Charges for the Building.

Total Annual Cost of Water:
722,700 gallons/year X 1/7/41 cu.ft./gallons X $3.99/100 cu. ft. = **$3,891.00/year**

Total Annual Cost of Sewer Usage:
$3,891.00 X 1.59 = **$6,187.00/year**

6. Repairs, Maintenance and Supplies: $3,450.00

The budget figure for these items is based on normal maintenance and repairs, the painting of public halls and Common Elements, the purchase of normal items such as cleaning supplies and materials, lubricants, bulbs, public area fixtures, general and hardware supplies and rubbish compactor bags. Unit Owners will be responsible for the cost of the interior repairs in, and decoration and painting of, their respective Units,

appliances and fixtures. The amount budgeted is calculated based on the consultant's previous management experience in managing newly renovated and/or newly constructed buildings of comparable size, quality and amenities. No provision has been made to cover any major capital expenditure. If such expenditure is required, each Unit Owner will be obligated to pay his pro-rata share of such expenditure.

Supplies and Hardware	$	1,200
Plumbing	$	250
Windows, Locks and Doors	$	500
Plaster/Paint	$	500
General Repairs	$	1,000
Total	**$**	**3,450**

7. Service Contracts: $4,137.00

This estimate includes the cost of various services used in or for the Common Elements, including but not limited to extermination, fire systems, supplies, and central station monitoring. Sponsor anticipates, but does not guarantee, that these services will be fully functional and available on the date of the First Unit Closing. No service contract has been entered into by Sponsor that will be binding on the Condominium after the First Unit Closing during Sponsor's Initial Control Period. The estimated cost of each service contract is as follows:

Exterminating	$	500
Fire Extinguishers	$	200
Fire Alarm (Protection)	$	800
Supplies	$	1,200
Central Station Monitoring	$	1,437
Total	**$**	**4,137**

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, the Andrews Organization 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 Operations, no warranty or guarantee is made that the actual costs for these services or other services will be in accordance with this projection. In the event that there is a surplus of funds for actual cost of the above-described services such surplus will be added the to the Reserve Fund. Upon the expiration of Sponsor's Initial Control Period, the Board of Managers may cancel any service contracts and/or enter into new service contracts with alternate vendors.

8. Insurance: $23,500.00

The following insurance is available for the Property for the First Year of Condominium Operations as set forth in a letter provided by Signature B&B Companies, a licensed insurance broker with an address at 501 Franklin Avenue, Garden City, New York 11530 with an office telephone number: (516) 764-1100.

Property Section:	
Building Limit	**$4,800,000**
Business Income/Extra Expense	**$2,000,000**
Equipment Breakdown	Included
Sewer Backup	**$250,000**
Earthquake	**$1,000,000**
Flood	**$1,000,000**
Ordinance or Law – Coverage A	Included
Ordinance or Law – Coverage B and C: Increased Cost of Construction and Demolition	**$500,000**
Deductible	**$5,000**
Earthquake Deductible	**$50,000**
Flood Deductible	**$50,000**
Employee Fidelity (Crime):	
Each Claim	**$250,000**
Managing Agent Rider	Included
General Liability:	
Each Occurrence:	**$1,000,000**
General Aggregate:	**$2,000,000**
Products/Completed Operations	Included
Personal & Advertising Injury	**$1,000,000**
Damage to Rented Premises to you	**$300,000**
Water Damage Legal Liability	**$1,000,000**
Medical Payments – Each Person	**$5,000**
Hired and Non-owned Auto Liability	**$1,000,000**
Management Liability:	
Each Claim:	**$1,000,000**
Aggregate:	**$1,000,000**
Deductible:	**$5,000**
Umbrella Coverage:	
Limit	**$10,000,000**

The total estimated annual premium is $28,000. As per the Schedule B, for the first year of Condominium Operations, $23,500 of this amount will be paid by the Condominium and, as a courtesy, at the First Unit Closing, Sponsor will pay $4,500 of the annual premium for the first year of Condominium operations, only. The status of Sponsor's $4,500 payment of the annual premium for the first year of Condominium operations will be disclosed in the initial post-Closing amendment to the Plan.

The coverage provides for one hundred (100%) percent replacement cost and contains an agreed endorsement that eliminates co-insurance. The above-mentioned premiums are subject to change based on market conditions.

The fire, casualty and general liability insurance provides (i) that each Unit Owner is an additional insured party; (ii) there will be no cancellation of the insurance without notice to the Board of Managers; (iii) a waiver of subrogation; (iv) a waiver of invalidity because of the acts of the insured and Unit Owners; and (v) a waiver of pro-rata reduction if the Unit Owners obtain additional coverage.

Unit Owners are advised that they may find it desirable to obtain additional insurance at their own cost to cover such risks as fire and casualty losses to Unit contents, replacements, additions, fixtures and improvements and liability coverage for occurrences within the Unit or, where applicable on Limited Common Elements.

Rent insurance, water damage, elevator collision, boiler and machinery, excess liability, and fidelity bond insurance are not covered in the budget. Coverage for these items may be purchased for additional cost.

9. Management Fee: $12,000.00

The Property will be managed by Andrews, with an office located at 666 Broadway, 12th Floor, New York, New York 10012, pursuant to a management contract, which shall be for a term of one (1) year, commencing on the date of the First Unit Closing at an annual base compensation of $12,000 payable in equal monthly installments. The annual base compensation is similar for management services provided in other buildings in New York City. The monthly payment for the first year is $1,000 per month. See Section entitled "Management Agreement, Contracts and Lease" in Part I of the Plan for a more detailed description of the terms of the management contract. This firm has considerable experience in the management of properties in New York City.

Management of the Building will entail the following: the hiring of a part-time porter to perform certain necessary janitorial and maintenance functions for the Common Elements, such as cleaning the common area, complying with local building codes and regulations; paying or causing to be paid all bills for maintaining and operating the Building; review of proposed sales and/or leasing packages, including references from all prospective purchasers; billing for maintenance and other charges; setting up and keeping

in good order a separate accurate set of books for the Condominium, hiring accountants for preparation of federal, state and other income tax returns required by governmental authorities and, generally, of the Property. Administrative Expenses include the costs of phones, bank fees, mailing costs, copying and miscellaneous office supplies.

10. Legal and Accounting Fees: $4,000.00

Frendel, Brown, and Weissman, LLP with an office located at 655 3rd Avenue, New York, New York 10017 will provide accounting services for the Condominium at a cost of $2,000 for the First Year of the Condominium Operation. The balance of the budgeted amount ($2,000) 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. There are no anticipated legal fees incurred during the First Year of the Condominium Operation. No attorney has yet been determined and the Board of Managers shall hire one in the future as needed.

11. Contingency: $8,039.00

The contingency 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.

12. Total Estimated Expenses: $108,528.00

The budget for the First Year of the Condominium Operation is based on the estimates and projections of the management company and the experts retained by Sponsor. The budget for Condominium Operation for the second year will be set by the Board of Managers pursuant to the By-Laws and may be equal to or higher than the first year due to the fact that the cost of the items shown in Schedule B may change due to factors beyond the control of Sponsor and/or the Board of Managers.

The foregoing budget, however, is not intended and should not be taken as a guarantee by anyone that the income or expenses for the first or any subsequent year of Condominium Operation will be as set forth in said budget, and it is likely that the actual maintenance charges and expenses will vary from the amounts shown in the Budget.

At the time of the Closing of title of each Unit to a bona fide Purchaser, such Purchaser shall pay into the Working Capital Fund of the Condominium the sum equal to two (2) months' Common Charges for the respective Unit. Any amounts in the Working Capital Fund may be held or used, at any time, for working capital, to make repairs or for such other appropriate purposes permitted under the Declaration and the By-Laws as determined by the Board of Managers in its sole discretion. See sections entitled "Working

Capital and Repair and Reserve Fund" and "Unit Closing Adjustments and Costs" in this Plan for further discussion.

The foregoing is not intended and should not be taken as a guarantee or warranty that the annual Common Charges or Expenses for the initial year or any subsequent year of operation will be as set forth in said schedule, or that the first year of Condominium operations shall commence on the projected date.

SCHEDULE B-2
ANNUAL PROJECTED UTILITIES COST ESTIMATES

Kam Chiu Consulting Engineer, P.C.

54 Howard street- 5th floor, New York, NY 10013 Tel: 917-743-3267 Email:kchiupe@gmail.com

July 9, 2020

323 East 53rd Street Condominium
323 East 53rd Street
New York, N.Y. 10022
Tax Block: 1346 and Tax Lot: 12

Energy Budget Estimates for "323 East 53rd Street Condominium"

The following are the **estimated** annual electric and fuel usage and cost for the above referenced premise address.

PARAMETERS, CALCULATIONS AND COSTS

Hot water cost for apartments and common area:

1. Hot water heaters = 300,000 Btu/hr for domestic water,
   Average usage = 2 hrs / day.

2. Estimated cost

- 3 therms * 2 hrs/day * 30 days/month * $2.1/therm = $378.00/month.

  $378.00 * 12 month/yr = **$4,536.00/yr**

Estimated Annual Gas usage:

Total gas usage for hot water with 10% inflation: **$4,989.00/yr**

Building Water Consumption for apartments and common space:

1. Estimated water consumption is estimated at 1,980 gallons/day for 11 apartments with 2 person per apartment.

2. Estimated annual water consumption is 722,700 gallons/yr.

3. Estimated cost

- 722,700 gallons/yr. * 1/7.41 cu. ft./gallons * $3.99/100 cu. ft. = **$3,891.00/yr**

Building Sewage Usage for apartments and common space:

1. Sewer charges are metered at 159% of water charges.

2. Estimated cost

- $3,891 * 1.59 = **$6,187.00/yr**

54 Howard street- 5th floor, New York, NY 10013 Tel: 917-743-3267 Email:kchiupe@gmail.com

Estimated Annual water and sewage cost (see break down above):

Total water consumption and sewage usage with 10% inflation: **$11,086.00/yr**

Electrical Cost for each apartment (1st, 2nd to 6th floor)-typical for 11:

1. Lighting (220 watts, operates 6 hrs/day)
   220 watts * 6 hr = 1,320 watt-hr/day * 30 days/month = 40 kwh/month

2. Refrigerator (800 watts, operates 24 hrs/day, cycle 50%)
   800 watts * 24 hr * 0.50 = 9,600 watt-hr/day * 30 days/month = 288 kwh/month

3. Television (200 watts, operates 3 hrs/day)
   200 watts * 3 hr = 600 watt-hr/day * 30 days/month = 18 kwh/month

4. Misc. household appliance (1000 watts, operates 1 hr/day)
   1000 ts * 1 hr = 1,000 watt-hr/day * 30 days/month = 30 kwh/month

5. Fan coil units and Condensing units for heating and cooling
   Based on NYC Bin weather data
   Average of 376 kwh/month

6. Electric cooktop (14,300 watts, operates 2 hrs/day at 30% load)
   14,300 watts * 2 hrs * 30% = 8,580 watt-hr/day * 30 days/month = 257 kwh/month

7. Estimate cost

   Total use per month = 1,009 kwh/month
   1,009 kwh/month * $0.33/kwh = $333.00/month
   Total = $333.00/month

- Annual estimate cost with 10% inflation = $333.00/month * 12 month
  = **$4,396.00/yr (average) per apartment**

Electrical Cost for Common area:

1. Lighting (26x20 watts each, 520 watts, operates 24 hrs/day)
   520 watts * 24 hr = 12,480 watt-hr/day * 30 days/month = 374 kwh/month

2. Exhaust fans (4,020 watts, operates 12 hrs/day)
   4,020 watts * 12 hr = 48,240 watt-hr/day * 30 days/month = 1,447 kwh/month

3. Elevator (15 hp, operates 2 hrs/day)*********
   16,600 watts * 2 hrs = 33,200 watt-hr/day * 30 days/month = 996 kwh/month

4. Duplex ejector pumps (1,840 watts, operates 1 hrs/day)

1,840 watts * 1 hrs = 1,840 watt-hr/day * 30 days/month = 55 kwh/month

5. Recirculating hot water pump (250 watts, operates 12 hrs/day)
250 watts * 12 hrs = 3,000 watt-hr/day * 30 days/month = 90 kwh/month

6. Electric wall heaters (3,300 watts, operates 24 hrs/day for 3 months, 50% cycle)
3,300 watts * 24 hr * 50% cycle = 39,600 watt-hr/day * 30 days/month = 1188 kwh/month
Average of = 297 kwh/month

7. Electric unit heaters (3,000 watts, operates 24 hrs/day for 3 months, 50% cycle)
3,000 watts * 24 hr * 50% cycle = 36,000 watt-hr/day * 30 days/month = 1080 kwh/month
Average of = 270 kwh/month

8. Domestic booster pumps (4,600 watts, operates 2 hrs/day)
4,600 watts * 2 hrs = 9,200 watt-hr/day * 30 days/month = 276 kwh/month

9. Fan coil units and Condensing units for heating and cooling for lobby and Elevator Machine Room
Based on NYC Bin weather data
Average of 1,020 kwh/month

10. Energy recovery units (115 watts, operates 24 hrs/day for 12 months)
115 watts * 24 hr = 2,760 watt-hr/day * 30 days/month = 82.8 kwh/month
Average of = 82.8 kwh/month

11. Estimated cost

Total use per month = 4,908 kwh/month
4,908 kwh/month * $0.33/kwh = $1,619.00
Total = $1,619.00/month

- Annual estimate cost with 10% inflation = **$21,371.00/yr (average)**

Actual costs may vary depending upon the hours of use, thermostat setting and proper maintenance. The cost figures are estimate and are not intended as guarantees.

In view of the fact that these estimates include the use of energy by persons of varying needs with different standards of comfort, or with families of different sizes, the amount of energy used by a purchaser may vary substantially from the estimates herein provided. In addition, the effect of inflation, fuel adjustment charges and other factors may raise the costs of electrical and gas substantially higher than the current or projected rated.

Although the sponsor is under the obligation to provide accurate information to prospective purchasers, factors beyond its control may substantially affect the cost of

heating and cooling after the purchase of a unit or in subsequent years. The sponsor represents, however, that it will follow the plans and specifications provided by the manufacturer of the appliances together with the recommendations of the experts to enable these items of equipment to operation at optimum efficiency at the lower cost.

Thank you for the opportunity to serve your company and should you have any questions or wish to discuss this Project further please feel to contact me.

Very truly yours,
Kam Chiu Consulting Engineer, P.C.

Kam Chiu, Leed AP, P.E.

OPINION LETTER - COMPLIANCE WITH REAL PROPERTY LAW 339-i

PART 20: LETTER TO ATTORNEY GENERAL
RE: REAL PROPERTY LAW SECTION 339-I COMPLIANCE

November 16, 2020

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

Re: Condominium Offering Plan
323 East 53rd Street Condominium
323 East 53rd Street
New York, New York, 10022 ("Property")

Dear Sir/Madam:

323 E 53rd Street Owner LLC ("Sponsor")of the Condominium Offering Plan ("Offering Plan") for the Property retained The Andrews Organization, 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 managing agent in the State of New York. The principals of the Firm have been engaged in the real estate management business for over thirty-three (33) years and have been actively associated with the management of condominium and cooperative buildings.

The Firm has been advised by Sponsor that the Common Interest of each Unit has been determined in accordance with Real Property Law Section 339-I (1)(iv) 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 overall dimensions of the particular Unit.

In the Firm's opinion, within the framework of Real Property Law Section 339-I (1)(iv), 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 Management of the Property 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,

The Andrews Organization, Inc.

By: _____
Name: STUART SMOLAR
Title: SENIOR VICE PRESIDENT

Dated: 11/16/2020

State of NEW YORK County of QUEENS

The foregoing instrument was acknowledged before me on this 16th day of NOVEMBER, 2020 by STUART SMOLAR.

_____
Notary Public Signature

David H. Kalloo
NOTARY PUBLIC, STATE OF NEW YORK
Registration No. 01KA6383922
Qualified in Queens County
Commission Expires November 26, 2022

CHANGES IN PRICES OR UNITS

The right has been reserved to increase or decrease the Purchase Price of any Unit. However, no such change in Purchase Price shall be made with respect to a Unit for which a Purchase Agreement is then in effect without the consent of the Purchaser thereunder.

The Plan will be amended to reflect (i) a general price change affecting a group, line, or other category of Units (as distinguished from an isolated price change), (ii) a price change to be advertised, or (iii) a higher price for an individual Unit.

In the event of a price change for one or more Units, the Purchaser of a Unit may pay, or may have paid, more or less than other Purchasers of comparable Units having the same percentage of Common Interest. A change in price, in and of itself, will not affect the Common Charges or percentage of Common Interest for any Unit (including those Units whose price has changed), nor affect the Purchase Price stated in any Purchase Agreement then in effect.

Sponsor also reserves the right to negotiate with Purchasers all aspects of the price of the Units, including, but not limited to (i) renovations or improvements to the Units or the FFE contained therein, or credits or allowances therefor; (ii) reduced Deposit on account of the Purchase Price; (iii) amount of financing, the term of the loan and the lender for which application is to be made; (iv) payment of all or part of the Purchaser's Closing costs, (v) custom work and extensions of time periods within which to perform obligations under the Purchase Agreement and (vi) any and all other costs related to acquiring the Unit. Furthermore, Sponsor reserves the right, without further amendment to the Plan to add and/or delete negotiable terms for all or some Purchasers or any Purchaser; however, in the event Sponsor makes a change to all of the Units or a group or line of multiple Units (such as a price increase) Sponsor will amend the Plan accordingly. Sponsor does not represent that it will offer any, all, or any combination of the above cited incentives or any particular purchase and reserves the right to make, accept or reject such offers in its sole discretion. 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 rights of rescission or any other relief under a Purchase Agreement. No party will have the right to approve changes in prices or other terms, of Unsold Units, whether before or after the First Unit Closing.

Changes Requested by Purchasers

Sponsor may agree, in its sole and absolute discretion, at the request of any Purchaser, to modify the interior of any Unit, including the fixtures contained therein, or to perform any other specialized work in any Unit prior to the Closing, as Purchaser may request, provided only that any such work will comply with any laws, rules or regulations of any governmental agency having jurisdiction over the work. Such work shall be performed upon such terms and conditions as Sponsor and the Purchaser may agree upon. Sponsor shall have the right to refuse to perform any additional work unless Purchaser shall Deposit with Sponsor an additional sum in an amount to be agreed upon, to cover the cost of any such work.

Changes to Common Elements

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:

(a) the portion of the Common Elements taken for exclusive use must be of immaterial nature and size.

(b) the portion of the Common Elements taken must only serve or be accessible to Unit or Units taking such portion for exclusive use.

(c) such taking cannot affect access or service to other Units or Common Elements.

(d) the Unit or Units benefitting from taking the Common Element is/are responsible for the maintenance of such Common Element.

(e) such taking for exclusive use cannot change the Common Interests.

In the event Sponsor does not control the Board of Managers, the Board of Managers must approve such sale, lease, license or transfer of such Common Elements. Any such sale, lease, license or transfer will be disclosed in a duly filed amendment to the Plan and the Declaration and Floor Plans will be amended, if required. After the Condominium Documents have been recorded, Sponsor shall not make any change in size or any material adverse change in the quality of the Common Elements unless all Unit Owners and all Purchasers, with respect to any Unit for which a Purchase Agreement is then in effect and Purchaser consents to such change in writing. In addition, Sponsor shall have, and the Units and Common Elements shall be subject to, an easement for access to certain Terraces and Balconies for the purpose of conducting certain necessary maintenance and/or repairs to the Building. Except in an emergency, Sponsor, or the Board of Managers, as the case may be, shall provide the owner of the respective Unit with reasonable prior written notice of the fact that access to such terrace or balcony is required for the purpose of necessary maintenance and/or repair to the Condominium. Following such notice, such Unit Owner shall provide reasonable access to such terrace and/or balcony to Sponsor or the Board of Managers, as the case may be, for the purpose of conducting such necessary maintenance and/or repair. The aforementioned easements may be used by Sponsor for its own account or the account of any licensee of Sponsor for the purpose of servicing the Condominium or any other building or area. The Condominium shall not be entitled to any portion of fees, compensation or other profits received by Sponsor for the use of the aforesaid easements.

Sponsor may not:

(i) materially change the size, layout or percentage of Common Interest allocated to a Unit without the consent of the affected Purchaser or contract vendee;

(ii) materially change the size of a Unit, number of Units or the Common Elements allocated to a Unit, or materially change the size and quality of the Common Elements except by amendment to the Plan and, when applicable, the Declaration; and

(iii) materially change the size or make a materially adverse change to the quality of the Common Elements unless all Purchasers consent.

Changes of Sizes, Layouts, Finishes and Number of Units

In order to meet the possible varying demands for number and type of Units, or to meet the particular needs of prospective purchasers, or for any other reason, Sponsor reserves the right, both prior to and after the First Unit Closing, to change:

(i) the layout of Unsold Units;

(ii) change the size or number and/or or the percentage of Common Interest of any Unsold Unit, in the event Sponsor subdivides or combines Unsold Units as aforesaid, or by altering the boundary walls of Unsold Units or otherwise including, without limitation, the use of the portion(s) of the Common Elements or Limited Common Elements adjacent to such Unsold Units to the extent that such portion(s) are not necessary for access or egress to any other Units, provided that Sponsor amends the Plan and, when applicable, the Declaration; and

(iii) the use of any portion of the Common Elements adjacent to such Unsold Units to the extent that such portion is not required to be maintained as Common Elements pursuant to the terms of the Declaration and that no material change will be made in the in the quality of Common Elements provided any such affected Purchaser or contract vendee consents to such change.

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

Prior to the date that the Condominium Documents have been recorded, except as provided to the contrary in this Section or in the By-Laws, the right to change the size, layout, alteration of interior partitions and the number of Unsold Units may be exercised by Sponsor without the consent or approval of the Board of Managers, any Unit Owner or any mortgagee or any other party and without prior notice or amendment to the Plan.

Unless a Unit Owner, or a Purchaser under a fully executed Purchase Agreement, as the case may be, consents in writing to such change, Sponsor shall not make any material change to the size, layout or Percentage of Common Interest for such Unit. Additionally, unless all affected

Unit Owners, contract vendees and Purchasers consent in writing to such change, Sponsor shall not make any material change to the size of the Common Elements in the Building and shall not make any material adverse change in the quality of the Common Elements. Any such change shall be disclosed by the filing of an amendment to the Offering Plan with the Department of Law and an amendment to the Declaration shall be recorded.

If the size of a Unit is changed either as a result of subdivision, combination, alteration of boundary walls or otherwise, the percentage of Common Interest allocated to such Unit may be increased or decreased accordingly; however, no such reallocation will increase or decrease the total Common Interest allocated to all Units in the Building and no such modification may be made unless all affected Unit Owners and contract vendees consent to such change in writing.

Any reallocation of Common Interest will vary the estimated annual Common Charges for the Unit or Units affected thereby from the amounts estimated in Schedule A; however, such change shall not affect the proportion or amount of Common Charges for other Units.

Once the Declaration is recorded, all changes in the size of or number of Units or changes in the Common Elements or the Common Interests of the Units must be made by amendment to the Declaration and such amendment is duly recorded. Notwithstanding the foregoing, Sponsor may not change the size, location of Units or other improvements or the Common Elements if such changes affect the percentage of Common Interest or adversely affect the value of any Unit to which title has closed or for which a Purchase Agreement has been executed and is in effect unless all affected Unit Owners and contract vendees consent in writing to such change. The Plan will be amended in the event of any such changes. As more particularly provided in the Declaration, while Sponsor or its designee is the Owner of at least one Unsold Unit and provided further that the consent of any affected Unit Owners is obtained, Sponsor will have the right itself to so amend the Declaration to effectuate such change, without the Condominium Board, the other Unit Owners or any mortgagee authorizing, consenting to, or executing, such amendment. Unless all affected Purchasers, with respect to any Unit for which a Purchase Agreement is then in effect, and all Unit Owners consent to such change in writing, Sponsor shall not make any material change to the size, layout or Percentage of Common Interest for such Unit.

INTERIM USE AND OCCUPANCY AGREEMENTS

Once a Purchase Agreement is signed for a vacant Unit and for so long as such Purchase Agreement is in effect, Sponsor reserves the right, at Sponsor's sole discretion, prior to the date of Closing title thereto to enter into a use and occupancy agreement ("Interim Use and Occupancy Agreement") with such Purchaser of any Unit, which agreement is not subject to any right of first refusal in favor of the Condominium Board, for such amount, such term and on such other conditions as may be agreed to between Sponsor and any such Purchaser who has paid the Deposit required by the Purchase Agreement. The form of the Interim Use and Occupancy Agreement is set forth as Document 4 in Part II of the Plan.

The Interim Use and Occupancy Agreement will provide, among other things, that an uncured default by the Purchaser under the Purchase Agreement with respect to the Unit which is the subject of the Interim Use and Occupancy Agreement will constitute a default under the Interim Use and Occupancy Agreement entitling Sponsor, at its sole option, to terminate such Interim Use and Occupancy Agreement in accordance with applicable Law with respect to the Unit. In addition, each Purchase Agreement may provide that an uncured default by the Purchaser under the Interim Use and Occupancy Agreement will constitute a default under the Purchase Agreement entitling Sponsor, at its sole option, to terminate such Purchase Agreement and to exercise any remedies therein provided but only after Sponsor has obtained an order of eviction or other judgment or order from a court or agency of competent jurisdiction against the Purchaser. In addition, in the event (i) the Purchase Agreement is rescinded; (ii) the Plan is abandoned; or (iii) Sponsor is entitled to possession as a result of a default under the Purchase Agreement, the Purchaser will be required to vacate the Unit within thirty (30) days after rescission, abandonment or the receipt of written notice from Sponsor of such default, as the case may be, subject to any protections then afforded to the occupant by the Interim Use and Occupancy Agreement. Sponsor is under an obligation to make a written demand for payment after default at least thirty (30) days before forfeiture of the deposit may be declared. No portion of use and occupancy fees paid under an Interim Use and Occupancy Agreement shall be credited toward the Unit's Purchase Price. Sponsor anticipates that the Interim Use and Occupancy Agreement will not be subject to the Rent Laws. The Sponsor and its agents will not discriminate against any person on the basis of race, creed, color, national origin, sex, age, disability, marital status or other grounds prohibited by law.

Purchasers or any other persons entering into an Interim Use and Occupancy Agreement for a Unit shall be required to pay the legal fees of Sponsor's counsel, if any, in connection therewith, upon execution of the Interim Use and Occupancy Agreement. All other charges or other fees due under an Interim Use and Occupancy Agreement shall be adjusted as of the Closing to the Unit. Notwithstanding any of the foregoing, Sponsor shall be under no obligation to enter into any Interim Use and Occupancy Agreement. A Purchaser may be acquiring a Unit that has been previously occupied, but unless specifically agreed to, such Unit will be delivered at Closing free and clear of all leases, tenancies and rights of occupancy.

Although Sponsor will obtain a certificate of insurance covering each Unit prior to the First Unit Closing, and, subsequently, after such First Unit Closing, the Condominium will obtain a certificate of insurance insuring same against fire or other casualty, such insurance does not cover the

contents of the Unit or insure against liability for personal injuries occurring within the Unit. Purchasers may find it desirable to purchase an optional "walls in" insurance policy to cover Purchasers' personal belongings. Purchasers or any other persons entering into an Interim Use and Occupancy Agreement for a Unit and taking possession of said Unit prior to Closing assume the risk of losses not covered by insurance.

Prior to the Plan being declared effective, Sponsor will not lease any Unit. While Sponsor currently intends to sell all of the Units, Sponsor has reserved the unconditional right to cease marketing or rent those Units, after the Plan is consummated, in the event Sponsor is unable to sell them at the prices provided for in the Plan, as amended. (Please see Special Risk 10 "Control by Sponsor" for further discussion).

PROCEDURE TO PURCHASE

The following is a summary of certain material provisions contained within each Purchase Agreement. Reference should be made to the form of Purchase Agreement set forth as Document 1 in Part II of the Plan for the full terms and conditions of the Purchase Agreement.

Procedure to Purchase

The Purchase Agreement contains the terms and conditions upon which a Unit will be sold and should be read carefully by each prospective purchaser and his or her legal or financial representative before signing it. The form of the Purchase Agreement is set forth as Document 1 in Part II of the Plan.

A person desiring to purchase a Unit is required to sign four (4) copies of the Purchase Agreement and return it to the Selling Agent together with his or her or its unendorsed, personal check for ten (10%) percent of the Purchase Price constituting the initial Deposit (the "Initial Deposit") with an additional, second Deposit of five (5%) percent of the Purchase Price due and payable no later than the earlier to occur of (x) fifteen (15) days after Sponsor presents an amendment declaring the Offering Plan effective, and (y) six (6) months after the date of the Purchase Agreement (the "Additional Deposit"), but in any event, no later than the Closing Date, plus the full cost of any special work ordered by the Purchaser and itemized in the Purchase Agreement drawn to the order of "Lester Bleckner & Shaw LLP, Escrow Account for the 323 East 53rd Street Condominium." The Initial Deposit will be deemed to have been unconditionally tendered when it is delivered to Sponsor's Attorney with four (4) copies of the signed Purchase Agreement, and applicable exhibits thereto, without any request for change in the terms of the Purchase Agreement. The Escrow Agent shall deposit all Deposits and advances in the special escrow account within five (5) business days after the Deposit has been unconditionally delivered.

All funds received by Sponsor from Purchasers for such special work, upgrades or extras in Units shall be held in escrow by the Escrow Agent until Sponsor requests release of such funds to pay for such special work, upgrades, or extras by delivery to the Escrow Agent of a written request together with a certification by Sponsor that such funds will be used for such special work, upgrades, or extras. In the event a Purchaser defaults or becomes entitled to a rescission after the release of such funds, Purchaser shall not receive a refund of any funds released for such labor and materials actually employed for such special work. If the Offering Plan is abandoned, a full refund plus any interest of the custom work funds will be made to Purchaser.

Sponsor will not accept any Purchase Agreements from prospective purchasers unless such Purchasers have received a copy of the Plan at least three (3) business days prior to the submission of the Purchase Agreement. A Purchaser may obtain a copy of the Offering Plan upon payment of a $200 Deposit which amount will be fully refunded upon either (i) the prompt return of the Plan in good condition, or (ii) the execution of the Purchase Agreement by Purchaser that is subsequently accepted by Sponsor.

A prospective purchaser who submits a signed Purchase Agreement with the requisite Deposit will have the right for seven (7) days from the date of such submission to rescind his Purchase Agreement and receive his full Deposit. Such rescission must be in writing, addressed to Sponsor and be postmarked within the seven (7) day period or hand delivered by midnight of the seventh (7th) day subsequent to Purchaser's executing and delivering such Purchase Agreement. Those Purchasers who have had at least three (3) business days to review the Offering Plan and all filed amendments thereto prior to executing a Purchase Agreement shall not be permitted the aforementioned time period to rescind.

The Purchase Agreement shall not be binding upon Sponsor until a duplicate thereof, executed by Sponsor, and is delivered to Purchaser or Purchaser's attorney. Within twenty (20) days after receipt of the Purchase Agreement from a prospective purchaser, Sponsor will either accept the Purchase Agreement or reject it. If no action is taken within the twenty (20) days, the Purchase Agreement shall be deemed rejected. In all situations where the Purchase Agreement is rejected, the Deposit will be refunded to the prospective purchaser without interest. If Sponsor elects to accept the Purchase Agreement, one counterpart signed by Sponsor, will be returned to the Purchaser. Sponsor shall have the right to reject the Purchase Agreement without cause or explanation to Purchaser, provided such rejection is not based upon race, creed, color, sex, disability, marital status, age, ancestry, national origin or other ground proscribed by law. If a Purchaser tenders a Deposit without an executed Purchase Agreement, Sponsor shall have the right to reject the Deposit and return it to Purchaser. In the event a check delivered by a Purchaser fails collection, then, except for provisions thereof (if any) that are expressly stated therein to survive termination thereof, the Purchase Agreement will be deemed void ab initio (as if the Purchase Agreement had never been executed) at the option of Sponsor, who reserves the right to exercise this option in its discretion, by notifying Purchaser in writing within five (5) business days of receipt of notice from the Escrow Agent that the check failed of collection. In the event that a Purchaser Agreement is executed by a Purchaser and accepted by Sponsor and the Plan is then abandoned by Sponsor, the Deposit and any additional funds Deposited by the Purchaser for special work, upgrades or extras under the Purchase Agreement will be returned to the Purchaser.

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

After the Plan is declared effective, Sponsor will give each Purchaser not less than thirty (30) days prior written notice of the date, time and place for the Closing of title to the Unit and the date on which the Common Charges for the Unit will be due and payable. At the Closing, the

Purchaser will pay the balance of the Purchase Price for the Unit. For a detailed discussion concerning the Closing of individual Units, see the sections below entitled "Closing of Title to Individual Units" and "Unit Closing Adjustments and Costs."

Other than the checks for the Deposit, all checks in payment of the Purchase Price or other amounts payable prior to the Closing are to be made payable to the order of the "323 E 53rd Street Owner LLC" and must be drawn on a member bank of the New York Clearing House Association.

Sponsor presently contemplates that, unless delayed by Force Majeure, construction of the Building will be sufficiently completed to permit the First Unit Closing to occur on or about January 1, 2021. In the event such First Unit Closing is delayed by twelve (12) months or more, Purchasers shall have the right to rescind their Purchase Agreements and receive back their Initial Deposits with interest, if any.

Reporting Requirement

The updated Geographic Target Order ("GTO") issued by FinCEN (Financial Crimes Enforcement Network of the US Department of the Treasury) with an effective date of May 14, 2019 requires title insurance companies to report to FinCEN the personal identity of purchasers in residential real estate transactions in which: (1) the purchaser is a legal entity as defined in the GTO; (2) the purchaser purchases residential real property located in the Boroughs of Bronx, Brooklyn, Queens, Manhattan, and Staten Island; (3) the total Purchase Price is in in the amount of $300,000 or more; (4) such purchase is made without a bank loan or other similar form of external financing; and (5) the purchase is made, at least in part, using currency or a cashier's check, a certified check, a traveler's check, a personal check, a business check, a money order in any form, a funds transfer, or virtual currency. The updated FinCEN disclosure must make clear that as long as the GTO remains in effect, its reporting requirements apply to all residential real property Closings meeting the above criteria and occurring on or after May 14, 2019, the revised GTO's effective date.

Incorporation of Plan, Exhibits and Amendments

The Plan and any duly filed amendments thereto, and the Exhibits are incorporated by reference into each Purchase Agreement. The execution and submission of a Purchase Agreement constitutes Purchaser's acceptance of the Plan and the Exhibits and Purchaser's agreement to abide and be bound by their terms, as well as the terms of all duly filed amendments to the Plan. No Purchaser shall have the right to approve or consent to any such amendments, and except, as provided under the Plan, no such amendment will excuse a Purchaser from performing his obligations under a Purchase Agreement or entitle such Purchaser to any credit or offset against the Purchase Price set forth therein. Sponsor, however, shall not have the right to unilaterally cancel an outstanding Purchase Agreement, except as therein provided (such as in the case of an uncured default by the Purchaser or abandonment of the Plan), nor change the Purchase Price or payment terms contained in a fully executed Purchase Agreement, unless the Purchaser consents thereto in writing. Any inconsistency between the Plan and any Purchase Agreement shall be resolved in favor of the Plan.

Unless all affected Purchasers, with respect to any Unit for which a Purchase Agreement is then in effect, and all Unit Owners consent to such change in writing, Sponsor shall not make any material change to the size, layout or Percentage of Common Interest for such Unit.

Sponsor shall not make any material adverse change in the quality of the Common Elements unless all Unit Owners and all Purchasers, with respect to any Unit for which a Purchase Agreement is then in effect, consent to such change in writing, although Sponsor reserves the unilateral right to change a Common Element into a Limited Common Element provided Sponsor controls the Board of Managers. In the event Sponsor does not control the Board of Managers, such change must be consented to by the Board of Managers.

The Purchase Agreement

The Purchase Agreement is attached hereto as Document 1 in Part II of the Plan. The relevant escrow trust fund provisions are included in Section 5 of the Purchase Agreement, which must be executed by the Escrow Agent.

The Escrow Agent:

The law firm of Lester Bleckner & Shaw LLP, with an address at 350 5th Avenue, Suite 3301, New York, New York, telephone number (212) 279-4490, shall serve as escrow agent ("Escrow Agent") for Sponsor and Purchaser. Escrow Agent has designated the following attorneys to serve as signatories: Martin Shaw, Esq. and Ian Lester, Esq. All designated signatories are admitted to practice law in the State of New York. Neither the Escrow Agent nor any authorized signatories on the account are Sponsor, Selling Agent, Managing Agent, or any principal thereof, or have any beneficial interest in any of the foregoing.

The Escrow Account:

The Escrow Agent has established the escrow account at First Republic Bank, located at Rockefeller Center, 1230 Avenue of the Americas, New York, New York 10020, in the State of New York ("Bank"), a bank authorized to do business in the State of New York. The escrow account is entitled Lester Bleckner & Shaw LLP, Escrow Account for the 323 East 53rd Street Condominium ("Escrow Account"). The Escrow Account is federally insured by the FDIC at the maximum amount of $250,000 per Deposit. Any Deposit in excess of $250,000 will not be insured, unless Escrow Agent has established multiple accounts on behalf of Purchaser at various institutions.

All Deposits received from Purchaser shall be in the form of checks, money orders, or wire transfers, and shall be made payable to or endorsed by the Purchaser to the order of Lester Bleckner & Shaw LLP, as Escrow Agent.

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

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

The Purchase Agreement is attached hereto as Document 1 in Part II of the Plan. The relevant escrow trust fund provisions are included in Section 5 of the Purchase Agreement, which must be executed by the Escrow Agent.

Notification to Purchaser:

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

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

Release of Funds:

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

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

The Escrow Agent shall release the Deposit if so directed:

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

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

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

If the Escrow Agent is not directed to release the Deposit pursuant to paragraphs (a) through (c) above, and the Escrow Agent receives a request by either party to release the Deposit, then the Escrow Agent must give both the Purchaser and Sponsor prior written notice of not fewer than thirty (30) days before releasing the Deposit. If the Escrow Agent has not received notice of objection to the release of the Deposit prior to the expiration of the thirty (30) day period, the Deposit shall be released, and the Escrow Agent shall provide further written notice to both parties informing them of said release. If the Escrow Agent receives a written notice from either party objecting to the release of the Deposit within said thirty (30) day period, the Escrow Agent shall continue to hold the Deposit until otherwise directed pursuant to paragraphs (a) through (c) above. Notwithstanding the foregoing, the Escrow Agent shall have the right at any time to deposit the Deposit contained in the Escrow Account with the clerk of the county where the [unit/building] is located and shall give written notice to both parties of such Deposit.

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

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

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

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

Waiver Void

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

Events of Default

A Purchaser shall be in default under the terms of the Purchase Agreement in the event that a Purchaser:

(i) defaults in paying the balance of the Purchase Price on the scheduled Closing Date;

(ii) defaults in performing some other obligation under the Purchase Agreement; or

(iii) becomes a tenant or occupant of the Building and fails to pay rent or to perform some other lease or tenancy obligation or vacates or abandons the Unit.

In the event of any such default, Sponsor must make a written demand for payment after default at least thirty (30) days before forfeiture of the Deposit may be declared. Sponsor shall notify Purchaser that if Purchaser fails to cure any such default within thirty (30) days after Sponsor has sent to Purchaser a written notice specifying the nature of the default, then Sponsor shall have the right to either (i) retain, as and for liquidated damages, the Initial Deposit plus any additional expenses incurred by Sponsor on account of any special work in the Unit ordered by the Purchaser together with the interest thereon (hereinafter called the "Liquidated Sum"), or (ii) seek specific performance. If the Purchase Agreement is cancelled, then any payments received by Sponsor in excess of the Liquidated Sum, together with any interest earned on such excess payments, shall be refunded to the Purchaser within fifteen (15) days after cancellation. Time is "of the essence" for paying any amounts due under the Purchase Agreement and curing any defaults thereunder during the aforementioned thirty (30) day period.

In the event that a Purchase Agreement is cancelled, both Sponsor and the Purchaser shall be relieved of all further obligations and liabilities thereunder and under this Plan, and Sponsor shall be free to sell the Unit to another as though such Purchase Agreement had never been made, and without accounting to the Purchaser for the proceeds received on such sale.

Purchase Agreements May Not Be Assigned

The Purchaser may not assign a Purchase Agreement, without obtaining the express written consent of Sponsor to such assignment.

Foreign Entity Purchaser

Any Purchaser that is a foreign government, a resident representative of a foreign government or other person or entity otherwise entitled to the immunities from suit enjoyed by a foreign government (i.e. diplomatic or sovereign immunity) ("Foreign Government Purchaser") shall be required to expressly and voluntarily waive such immunity and consent to any suit, action or proceedings 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 such Purchaser shall designate and authorize 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 the Purchase Agreement or the Condominium Documents. Such Purchaser will be required at Closing to deposit with the Condominium an amount equal to six (6) months

Common Charges in effect for the Unit which will be in addition to the required contribution to the Working Capital Fund.

Non-Survival of Obligations

No provision of the Purchase Agreement shall survive the delivery of the Unit Deed, except those obligations expressly stated in the Purchase Agreement or the Plan to so survive, or to be performed subsequent to the Closing. Acceptance by a Purchaser of the Unit Deed will constitute said Purchaser's acceptance and acknowledgement of the full performance by Sponsor of, and the discharge of Sponsor from, all obligations under the Purchase Agreement, except those obligations expressly stated to survive or to be performed subsequent to the delivery of the deed. Nothing contained herein will be in derogation of the rights of Purchasers under Article 23-A of the General Business Law.

Based upon the current construction schedule, Sponsor presently contemplates that, unless delayed by Force Majeure, construction of the Building will be sufficiently completed to permit the First Unit Closing to occur on or about January 1, 2021. The anticipated occurrence of the First Unit Closing corresponds to the first year of Condominium operation as projected in Schedule B. If such date is delayed twelve (12) months or more, Purchasers will be offered a right of rescission. If the actual or anticipated date is delayed six (6) or more months after January 1, 2021, the Plan must be amended to include a revised budget disclosing the then current budget projections. If the then amended Plan reflects that (i) the budget has increased twenty-five (25%) percent or greater or (ii) the First Unit Closing does not occur within twelve (12) months of January 1, 2021, then, in either case, Sponsor shall offer all Purchasers a right of rescission and a reasonable period of time that is not less than fifteen (15) days after the date of presentation to exercise such rescission right, whether or not Sponsor offers to guarantee the previous budget projection. The First Unit Closing, for purposes of tolling the six (6) month rescission period, must be for a Unit (See also Special Risk 13 entitled "Certificate of Occupancy").

At the Closing, each Purchaser will be required to sign and deliver a Unit Power of Attorney in favor of the Board of Managers of the Condominium and Sponsor, the failure of which shall be a default under the Purchase Agreement entitling Sponsor to all of the remedies set forth in the Plan and the Purchase Agreement. The Unit Power of Attorney shall be substantially in the form set forth as Document 3 in Part II of the Plan.

To the extent that there is a conflict between the Plan and Purchase Agreement any such conflict between the Plan and the Purchase Agreement will be resolved according to the terms of the Plan.

The Purchase Agreement and Plan may not contain, or be modified to contain, a provision waiving Purchaser's rights or abrogating Sponsor's obligations under Article 23-A of the GBL.

Damage to Units

The Sponsor retains the risk of loss until Purchaser either closes title or takes possession of the Unit. If the Purchaser actually occupies the Unit before the Closing of title thereto, and, before such Closing, the Unit is damaged by casualty or otherwise, such Purchaser shall assume the risk of loss (if and to the extent not covered by Sponsor's insurance) and the obligation to repair the damage if the cause thereof originated inside the Unit and resulted from the acts of such Purchaser or the occupant of the Unit or Purchaser's guests, invitees or workmen. Accordingly, in the event Purchaser elects to occupy the Unit before the Closing of title thereto, Purchaser is advised to confer with an insurance agent or other professional regarding insuring the Unit. Within sixty (60) days after Sponsor has received notice of a casualty, Sponsor shall advise all Purchasers whether or not the damage resulting from such casualty shall be restored. No Purchaser shall have the right to occupy a Unit purchased by him prior to the Closing of title unless Sponsor agrees to permit same under an Interim Use and Occupancy Agreement or other written agreement. See Sections entitled "Rights and Obligations of Sponsor" and "Leasing of Unsold Units."

Except as set forth in the preceding paragraph, all other risk or damage prior to Closing is assumed by Sponsor, but Sponsor shall not be obligated or liable to repair any damage. If Sponsor, or in the event the Declaration is filed, the Unit Owners, do not elect to repair the damage, the Purchase Agreement will be cancelled and be of no further force or effect. Thereafter, the Purchaser will be refunded all purchase monies paid to Sponsor with any interest earned thereon, unless Purchaser is then in default (beyond the applicable grace period, if any), in which event the said purchase monies (but in no event to exceed the Liquidated Sum) will be retained by Sponsor as and for liquidated damages. If Sponsor elects to repair or replace the loss or damage, the Purchase Agreement shall continue in full force and effect; Purchaser shall not have the right to reject title to the Unit or to receive a credit against, or abatement in, the Purchase Price; Sponsor shall be entitled to a reasonable period of time to complete such repairs or replacement; and Purchaser shall not be required to pay the balance of the Purchase Price unless and until (i) the Unit has been repaired, as near as reasonably possible to its condition immediately prior to the casualty, (ii) its essential services (such as gas, electricity, and heat) and a reasonable means of ingress and egress to the street have been restored, and (iii) the condition in the Unit for which a violation (if any) is noted or issued has been corrected, other than those that are the obligation of the tenant to cure, or that are caused by the act or omission of the tenant. Sponsor will endeavor in good faith, and with reasonable diligence, to remove, all violations of record it is obligated to correct within a reasonable period of time subsequent to Closing.

Appliances and Equipment

At Closing, each Unit will contain only those appliances, countertops, cabinets, sinks, vanities, hardware and other fixtures and equipment installed therein as set forth in the Plan and the Purchase Agreement pertaining thereto. Sponsor has the right to substitute other appliances, materials, equipment, cabinets, fixtures, windows and flooring in place of those listed in the Plan and in the Purchase Agreement, provided only that the substitutes are of equal to or greater quality and design.

Each Unit is to be sold unfurnished, without window blinds or shades. Furniture, wall coverings, furnishings, decorations and the like, in or about any model, are not included in the sale. There will be no modifications or extras unless agreed to in writing by the parties.

Purchase Agreements Are Not Contingent on Financing

A Purchaser's obligations under the Purchase Agreement are not contingent upon the Purchaser's ability to obtain financing for the purchase of a Unit, unless a fully executed financing contingency rider is included in the Purchase Agreement. Neither Sponsor nor the Selling Agent makes any representations as to the terms or availability of any mortgage financing. Prospective purchasers are, therefore, advised to finalize their financing arrangements before signing the Purchase Agreement. Any Purchaser who executes a Purchase Agreement and does not obtain financing may lose the Deposit if unable to pay the balance of the Purchase Price. Purchasers who need financing to purchase are advised to consult with a bank before executing a Purchase Agreement to ascertain the likelihood of obtaining financing. No representation is made by Sponsor as to the availability or cost of such financing. It may be possible for a Purchaser to experience difficulty obtaining a loan in a building or group of buildings where the Sponsor has not sold a substantial percentage of the apartments in the building or group of buildings, which in some cases may be as high as seventy percent (70%). Prospective purchasers should be aware that even if a loan commitment is obtained, the terms may be fixed, and it could expire prior to the Closing Date and therefore Purchaser would have to close without financing or risk losing the Deposit. Purchaser's failure to obtain financing shall not relieve Purchaser of Purchaser's obligations. However, prospective purchasers should be aware that even if loan commitment is obtained, its terms may fix a Closing Date, which could expire before the actual Closing Date set by Sponsor and a Purchaser would have to close without such financing or risk losing his or her Deposit.

If a Purchaser fails for any reason to close title to the Unit on the original scheduled Closing Date, and Sponsor elects not to cancel the Purchaser's Purchase Agreement as a result of the same, the Closing adjustments will still be calculated as of midnight of the day preceding the originally scheduled Closing Date, and Purchaser will be required to pay, in additional to other Closing adjustments, an amount equal to 0.03% of the Purchase Price of the Unit for each day that the Closing is adjourned. The Agreement also provides that Purchaser shall be obligated to reimburse Sponsor for any legal fees and disbursements incurred by Sponsor in defending Sponsor's rights under the Agreement or enforcing Purchaser's obligations thereunder.

If Purchaser does obtain a mortgage loan for the purchase of the Unit (the "Purchase Money Mortgage"), Purchaser will pay to Sponsor a sum equal to the partial mortgage tax credit to which Purchaser may be entitled pursuant to Section 339-ee (2) of the Condominium Mortgage Act, which sum will be paid as reimbursement for the mortgage recording tax previously paid by Sponsor in connection with any existing mortgages(s).

Prior to the Closing of title to a Unit, the Purchase Agreement prohibits the Purchaser from advertising or otherwise, offering, promoting, or publicizing the availability of the Unit for sale or lease without Sponsor's prior written consent, at Sponsor's sole option. Furthermore, Unit

Owners may not sell a Unit at a price below that offered by Sponsor in the Offering Plan or amendments thereto for one year from the First Unit Closing.

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

Arbitration

Pursuant to the Department of Law's memorandum entitled "Disclosures Concerning Arbitration Provisions" dated March 22, 2013 the Purchase Agreement also provides, in clear and explicit terms**, that except as prohibited by law, the parties waive trial by jury, bench trial or any other court proceeding in connection with any litigation arising out of, or connected with, or relating to, the Plan, this Agreement or the relationship created hereby. All disputes arising in connection with the Plan and this Agreement are subject to arbitration.** (Please refer to the Article 9 of the By-Laws for further discussion). Such arbitrator shall be neutral and independent of the Sponsor and its Principal(s). The arbitration shall take place in New York County and shall be pursuant to the rules of the American Arbitration Association.

Purchasers are advised that (i) arbitration awards are generally final and binding, and that a party's ability to have a court reverse or modify an arbitration award is very limited (see New York Civil Practice Law and Rules § 7511); (ii) the ability of the parties to obtain documents, witness statements and other discovery may be more limited in arbitration than in court proceedings; (iii) the arbitrators may not have to explain the reason(s) for their award and the rules of some arbitration forums may impose time limits for bringing a claim in arbitration; (iv) New York law does not authorize the filing of a notice of pendency based on ongoing arbitration proceedings, unlike litigation; (v) the costs in connection with such arbitration incurred by the prevailing party shall be paid by such non-prevailing party; and (vi) in the event the dispute concerns an escrowed deposit that the deposit shall not be released from escrow until at least 90 days has elapsed from the issuance of a final arbitration award (see CPLR § 7511). If the purchaser brings a proceeding pursuant to CPLR § 7511 to vacate the award, the funds must remain in escrow until that proceeding is finally adjudicated.

ASSIGNMENT OF PURCHASE AGREEMENT

No assignment of Purchase Agreements by Purchasers will be permitted without the prior written consent of Sponsor, which may be given or withheld at Sponsor's sole discretion. Purchaser shall petition Sponsor in writing for the right to assign such Purchase Agreement. In the event Sponsor consents to same, Purchaser may assign such Purchase Agreement via an assignment prepared by Sponsor. Any purported assignment by Purchaser in violation of the Purchase Agreement will be voidable at the option of Sponsor. Sponsor's refusal to consent to an assignment will not entitle a Purchaser to cancel the Purchase Agreement or give rise to a claim against Sponsor for damages. If Sponsor, in its sole and absolute discretion, consents to a Purchaser's request to assign the Purchase Agreement, the assignee of the Purchase Agreement shall be required to close title to the Unit on the date originally scheduled as the Closing Date. If assignee fails, for any reason, to close title to the Unit on the originally scheduled Closing Date, and if Sponsor does not elect to cancel the Purchase Agreement, then the apportionments shall be made as of the original Closing Date and Purchaser will be required to pay to Sponsor an amount equal to .03% of the Purchase Price of the Unit for each day that the Closing is delayed. If Sponsor consents to an assignment or for any addition, deletion or substitution of names on the Purchase Agreement, then Purchaser shall be required to pay to Sponsor's counsel a fee of $1,000 for preparation of an assignment and any necessary revisions in the Closing documents. See section entitled "Unit Closing Adjustments and Costs" for additional details relating to the Closing costs to be incurred by prospective purchasers.

EFFECTIVE DATE OF THIS OFFERING PLAN

The offering under the Plan and all Purchase Agreements entered into thereunder are contingent upon the Plan being declared effective on the terms and conditions set forth below. Sponsor may, in its sole discretion, abandon the Plan for any reason before it is declared effective.

Pursuant to the terms of the General Business Law, the Plan may be declared effective when Purchase Agreements have been executed and are in effect for fifteen (15%) or two (2) of the Units being offered pursuant to this Plan by Bona Fide Purchasers, including Investors.

If the Plan has not been declared effective when Purchase Agreements have been executed and are in effect for fifteen (15%) percent or two (2) of the Units being offered for sale, then it will be declared effective when Purchase Agreements have been executed and are in effect for eighty (80%) percent or more of the Units being offered for sale (i.e., nine (9)) or more Units). For the purposes of this Plan, a Purchase Agreement shall be valid and binding if executed by both the Purchaser and Sponsor.

Notwithstanding the fact that not all purchasers used for purposes of declaring the plan effective may actually close, Sponsor must re-declare the plan effective in order to consummate the offering plan in accordance with 13 N.Y.C.R.R. §20.1(c)(6) if all purchase agreements are either rescinded or terminated prior to the date of First Unit Closing, regardless of whether the condominium declaration has been recorded. In that event, Sponsor must re-declare the offering plan effective.

For the purposes of effectiveness, Purchase Agreements for Units will not be included in the count toward effectiveness if: (i) such Purchase Agreement was signed by a Purchaser who has been granted a right of rescission that has not yet expired or been waived; or (ii) the Purchaser was not afforded the protection required by 13 NYCRR §20.3(o)(15) which affords purchasers no fewer than seven (7) days after delivery of an executed purchase agreement the right to rescind and/or three (3) business days to review the Plan and all filed amendments before executing a purchase agreement; or (iii) signed by any Purchaser who is Sponsor, the Selling Agent, the Managing Agent or a principal of any of them, or is related to Sponsor, the Selling Agent or the Managing Agent or to a principal of any of them by blood, marriage or adoption, or as a business associate, employee, shareholder or limited partner of any of them. Notwithstanding the foregoing, such a Purchaser, other than Sponsor or a principal of Sponsor, may be included in the computation if Sponsor has submitted proof, satisfactory to the Department of Law, establishing that the Purchaser is a Bona Fide Purchaser.

Sponsor may declare the Plan effective by personal service of notice on every purchaser with commencement of such service by mail stating that the Plan is declared effective and submitting an amendment to the Department of Law within five (5) days confirming that the Plan was declared effective on a specified date. 13 NYCRR §20.3(q)(1). The First Unit Closing shall not take place until said amendment is accepted for filing.

If requested, Sponsor will submit to the Department of Law copies of all Purchase Agreements and any amendments or modifications thereto, within five (5) business days after the request is made.

Pursuant to 13 NYCRR §20.3(q)(7), once the Plan has been declared effective, Sponsor may not abandon the Plan for any reason except in the event of: (i) a defect in title which cannot be cured without litigation or cannot be cured for less than a stated amount which shall not be less than one-half (1/2) of one (1%) percent of the total offering amount, the one-half (1/2) of one (1%) percent of the total amount, at the time of the acceptance for filing is $52,250, however, this amount may change if the total offering changes; (ii) substantial damage or destruction of the building by fire or other casualty which cannot be cured for less than one-half (1/2) of one (1%) percent of the total offering price, the one-half (1/2) of one (1%) percent of the total amount of the offering; or (iii) the taking of any material portion of the property by condemnation or eminent domain. The dollar amount so relied upon by Sponsor must exclude all attorneys' fees or any such title defects or determinations of any authority or regulatory association which exist on the date of presentation of the plan and are either known to Sponsor or are a matter of public record.

As of the acceptance for filing date of the Plan, the total offering price is $10,450,000. Purchasers are advised that the total offering price may change based on increases or decreases in Unit prices. Sponsor will not be obligated to remedy violations performed by or caused by the acts or omissions of any person who becomes a Tenant or occupant of the Building in accordance a Unit Owner's lease or an Interim Use and Occupancy Agreement, as applicable.

Subsequent to the First Unit Closing, the Plan may not be withdrawn or abandoned unless at least eighty (80%) percent of the Unit Owners, both in number and in Common Interest, vote to terminate the Condominium. Sponsor will not vote the aggregate percentage of Common Interest appurtenant to its Units for such termination unless at least eighty (80%) percent of other Unit Owners, both in number and in Common Interest, elect to terminate, in which event Sponsor may choose to vote its Common Interests, either in favor of or against termination of condominium Ownership, as it sees fit. (See the section below entitled "Summary of Declaration and By-Laws; Termination of the Condominium" for further discussion.)

This Plan may be abandoned by Sponsor at any time prior to either being declared effective or obtaining valid and binding Purchase Agreements for eighty (80%) percent or nine (9) of the Units. If the Plan is withdrawn or abandoned, all Purchasers in good standing will be sent written notices thereof and within ten (10) days thereafter, all Deposit paid to Sponsor pursuant to Purchase Agreements then in effect, together with any interest earned thereon, will be returned to Purchasers in good standing. However, with respect to any Purchaser who is then in default under his Purchase Agreement beyond any applicable grace period, or whose Purchase Agreement had been cancelled previously due to such Purchaser's default, Sponsor will retain as liquidated damages the Liquidated Sum referred to in the preceding section entitled "Procedure to Purchase; Events of Default." Upon the return of the Deposit or retention of the Liquidated Sum, as the case may be, 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. In the event the Plan is abandoned, Sponsor must promptly submit both (i) an amendment to the Department of Law reflecting such abandonment

and (ii) file a notice of abandonment on Form RS-3 or such other form as the Department of Law may then require, explaining the reason for the abandonment and the disposition of the funds received in accordance with 13 NYCRR §20.3(q)(6). Purchaser's deposit funds must be returned within five (5) days after the amendment abandoning the plan has been accepted for filing in accordance with 13 NYCRR §20.1(1)(2).

As of the date the Plan is accepted for filing, Sponsor has not entered into any Purchase Agreements with any Purchasers and no Purchasers' Deposits have been placed in escrow.

TERMS OF SALE

The Units, when sold by Sponsor, will be sold in fee simple absolute to Purchasers, who may be individuals, a duly formed partnership, a limited liability company, corporation, trust, estate, fiduciary, unincorporated association, syndicate, joint venture, organization, government, any department or agency thereof, or any other entity which is permitted to own property in the State of New York. The sale of the Units will be made at the respective offering prices set forth in the column of Schedule A titled "Offering Price" (as such prices may be changed by Sponsor, as set forth in the Section of the Plan titled "Changes in Prices or Units" located in Part I of the Plan) and, with respect to the Units, will include the respective undivided interest in the Common Elements. Good and marketable title to the Units, and their appurtenant interests in the Common Elements, will be conveyed by Sponsor by Bargain and Sale Deed with Covenants Against Grantor's Acts delivered to Purchaser at the Closing of title to each Unit and containing the provisions set forth in subdivision 5, Section 13 of the Lien Law, free and clear of all liens, mortgages and encumbrances, other than as set forth in Document 1 of Part II of the Plan entitled "Purchase Agreement" and as set forth in a survey of the Building and any subsequent facts revealed in a subsequent survey, provided same do not render title unmarketable.

Closing of Title to Individual Units

The word "Closing Date" refers to the date, time and place where title to a Unit is transferred to a Purchaser. This transfer is accomplished by Sponsor's delivery of a Unit Deed to the Purchaser covering the Unit. The transfer of title includes title to the Unit as well as the Unit's undivided percentage interest in the Common Elements.

Title to each unit and its appurtenant interest in the Common Elements will be conveyed at the Closing free and clear of all liens, encumbrances and title exceptions other than those as detailed in Exhibit 4 to the Purchase Agreement which lists the permitted encumbrances to which the Unit will be transferred. (See Purchase Agreement, Document 1, Part II)

All personal property located within the unit on the date the Purchase Agreement is signed or located within the Common Elements on the date the Declaration is filed, that is owned by Sponsor is included in the conveyance unless specifically excepted in the Offering Plan.

Sponsor is obligated to repair damage from a casualty or other cause that may occur before the Closing of a Purchaser's Unit.

After the Plan has been declared effective, Sponsor will, from time to time, fix one or more dates for the Closing of title to Units. The Closings will be held at the offices of Lester Bleckner & Shaw LLP or such other place in the City of New York as Sponsor may designate.

Each Purchaser will receive not less than thirty (30) days' prior written notice of the place, date and time for which his Closing has been scheduled. Sponsor shall have the right to postpone any such Closing and, on ten (10) days' prior written notice, to reschedule the Closing. In the event that a Purchaser fails to close title on the Closing Date set by Sponsor, all Closing adjustments shall be

calculated based upon the Closing Date originally set by Sponsor. Purchasers shall pay to Sponsor at Closing an adjustment equal to .03% times the unpaid Purchase Price for each day that the Closing is adjourned, in addition to any other sums due and payable.

Notwithstanding the foregoing, the Closing of a Unit shall take place only in the event the following Closing prerequisites have occurred, at or prior to, the Closing (the "Closing Prerequisites"):

(i) issuance of a temporary or permanent certificate of occupancy for the Building or covering the Unit being purchased;

(ii) the Condominium Documents (including the Declaration) as well as any other documents required by law have been filed in accordance with the Condominium Act and/or other applicable law;

(iii) except as set forth in the Plan the release of the Unit and its percentage of Common Interest from the liens of all prior mortgage; it being agreed that in the event that Sponsor is unable to deliver marketable title to a Unit, the Purchaser's sole remedy shall be to accept such title as Sponsor is able to deliver without any reduction in the Purchase Price for his or her Unit or to rescind his Purchase Agreement and receive back his Initial Deposit with interest, if any;

(iv) Purchaser being given the opportunity to inspect the Unit and the Property prior to the Closing at a time mutually agreeable to Sponsor and Purchaser. During such inspection, Purchaser will be accompanied by Sponsor's representative. At such inspection, Purchaser and Sponsor shall note any mutually agreed upon unfinished items that Sponsor is required to complete on the inspection report. Any work noted on the inspection report which Sponsor is obligated to perform will survive Closing and will be accomplished within a reasonable period of time, but in no event later than one hundred eighty (180) days after Closing;

(v) the Plan has been amended to declare it effective and to confirm that any Units to be closed have been constructed in accordance with all governmental regulations and the description contained in the Architect's Report and in compliance with the Closing Prerequisites;

(vi) the assignment by Sponsor of any manufacturer's warranties with respect to the equipment and appliances in the Unit to the Unit Owner and, with respect to the equipment and appliances in the Common Elements, to the Board of Managers; and

(vii) delivery to Purchaser of a bargain and sale deed with covenants against grantor's acts substantially in the form set forth as Document 2 in Part II of

the Plan, and otherwise in proper form for recording and containing the provisions set forth in subdivision 5 of Section 13 of the Lien Law.

At the Closing, the Purchaser will deliver to Sponsor the balance of the Purchase Price of the Unit as well as the Unit Owners' Power of Attorney (in the form set forth as Document 3 in Part II of the Plan). In addition, the Purchaser will also be required to pay certain Closing adjustments and costs as more fully explained in the following Section entitled "Unit Closing Adjustments and Costs."

At the Closing, Sponsor will deliver to the Purchaser a certificate of insurance covering the Unit, insuring same against fire or other casualty. Such insurance does not cover the contents of the Unit or insure against liability for personal injuries occurring within the Unit (for more details concerning insurance, see Section entitled "Rights and Obligations of the Unit Owners and Rights and obligations of the Board of Managers"; "Insurance" and "Summary of Declaration and By-Laws").

At or prior to the first conveyance of a Unit, each holder of a mortgage on the Property will either (a) consent to the formation of the Condominium and acknowledge that its lien will be limited to the Unsold Units, (b) subordinate the lien of its mortgage to the Condominium Declaration, or (c) release its lien on the Condominium Unit being conveyed and its interest in Common Elements.

Resale of Units

If Purchaser enters into a contract, for the sale of his or her Unit, within one (1) year after the date on which he closed title to the purchase of such Unit from Sponsor, then Purchaser shall pay to Sponsor the "Unit Sale Excess Consideration", as calculated below. The Unit Sale Excess Consideration shall be an amount equal to fifty (50%) percent of the difference between (A) the sale price of the Unit, as set forth in the contract for the sale of the Unit by Purchaser, from which Purchaser, as the seller of the Unit, shall deduct the following expenses in connection with the sale of the Unit: (i) brokerage commissions incurred and paid by Purchaser, as seller of the Unit, but not to exceed, in the aggregate, six (6%) percent of the sale price of the Unit; (ii) transfer taxes imposed by Law on Purchaser, as the seller of the Unit and paid by Purchaser, as the seller of the Unit; (iii) costs incurred and paid by Purchaser to renovate the Unit, provided any such renovation was undertaken in accordance with the terms and conditions set forth in the Condominium Documents, including designer fees and architectural fees, as well as typical hard costs associated with any such renovation; and (iv) reasonable legal fees incurred and paid by Purchaser, as seller of the Unit, but not to exceed $5,000; and (B) the Purchase Price paid by Purchaser to Sponsor, as set forth in this Agreement between Purchaser and Sponsor. The Unit Sale Excess Consideration shall be due and payable by Purchaser to Sponsor on the day on which Purchaser, as the seller of the Unit, closes title to the sale of his or her Unit. (See also "Purchase Agreement" Article 30(A)).

UNIT CLOSING ADJUSTMENTS AND COSTS

Closing Adjustments

In addition to the Purchase Price, Purchaser will be responsible at Closing of title for certain other expenses as explained in this Section of the Plan. While general guidelines to certain expenses of Purchaser are approximated in this Section, Sponsor is unable to determine the total amounts to be incurred by Purchasers because these will vary for Purchasers according to such factors as the cost of a particular Unit, whether mortgage financing is obtained, Purchaser's retained consultants, and Purchaser's attorney's fees.

At the Closing of title to each Unit, the following items will be apportioned between Sponsor and the Purchaser as of midnight of the day preceding the Closing Date scheduled by Sponsor in the notice of Closing sent by Sponsor or Sponsor's counsel:

(i) Real estate taxes and water and sewer charges, if any attributable to the Unit pro-rated until the end of the applicable period of such charges. If the individual tax lots have not yet been broken out, the adjustment will be based on the Unit Owner's percentage interest in the Common Elements multiplied by the taxes for the entire Property;

(ii) Common Charges based on twelve (12), equal thirty (30) day months;

(iii) If the Purchaser has an Interim Use and Occupancy Agreement, use and occupancy fees and other charges under the Interim Use and Occupancy Agreement for the month in which title closes based on a thirty (30) day month; and

(iv) Unpaid balance of the Purchase Price multiplied by .03% per day for the number of days elapsed between the date first noticed by Sponsor for Closing and the date of the Closing of title.

In the event the net Closing adjustments are in favor of Sponsor, Purchaser shall pay same at Closing by personal check. Similarly, in the event the net Closing adjustments are in favor of Purchaser, Sponsor shall deliver to Purchaser, at the Closing, a separate check for the credited amount. Accordingly, the Closing adjustments shall not affect the amount of the certified check(s) that the Purchaser is required to deliver to Sponsor at Closing in payment of the balance of the Purchase Price. In the event there are any errors or omissions in computing the adjustments at Closing, same shall be corrected promptly after discovery and payment made to the proper party. This obligation to correct any mistakes in the Closing adjustments shall survive delivery of the Unit Deed.

If Units have not been separately assessed for real estate tax purposes prior to the Closing of title to the first Unit, Sponsor may place in escrow, in the name of the Board of Managers, an amount equal to the unpaid real estate taxes which will be levied against the parcel for the six (6) month period following the first Closing. Alternatively, the Sponsor may place in escrow, in the name of the Board of Managers, an amount equal to the real estate taxes attributable to the Unsold Units for such six (6) month period and may collect at each Unit Closing the estimated amount of taxes

attributable to such Unit for the balance of the six (6) month period. The Board of Managers will pay the real estate taxes from any escrow account when taxes are due and payable, and the funder of any escrow account will be entitled to reimbursement from Unit Owners to the extent of the actual assessment. If Sponsor funds the tax escrow account, the amount of the real estate tax account will be disclosed in the initial post-closing amendment.

As provided in the Condominium By-Laws, until the Units are separately assessed for real estate tax purposes, the Board will pay or cause to be paid all taxes with respect to the Property and allocate the cost thereof among all Units in proportion to each Unit's percentage of Common Interest as shown on Schedule A of the Offering Plan, and each Unit Owner will pay to the Board for his proportionate share thereof. Such payment shall be allocated as if it were a Common Charge.

Closing Costs

At Closing, each Purchaser will pay certain Closing costs, which include the following:

(i) If the Purchaser retains an attorney, the legal fees of such attorney;

(ii) If the Purchaser elects to obtain fee title insurance, he or she will pay the premium therefor to the title company. The premium will vary depending upon the amount of insurance requested. The premium for fee title insurance (in accordance with the current schedule of rates set by the New York Board of Underwriters and filed with the New York State Insurance Department) is currently $350.00 for the first $35,000 of fee insurance, plus the following amounts for each additional $1,000 of insurance:

Fee Amount	Premiums
$35,000	$350
$35,001-$50,000	$5.81/$1,000
$50,001-$100,000	$4.74/$1,000
$100,001-$500,000	$3.80/$1,000
$500,001-$1,000,000	$3.47/$1,000
$1,000,001-$5,000,000	$3.19/$1,000

Each Purchaser is free to obtain title insurance from any title insurance company without incurring a penalty from Sponsor. Sponsor makes no warranty as to the cost, terms or availability of such other title insurance or that the above rates will be in effect at the time of any Unit Closing;

(iii) If a Purchaser elects to obtain both fee title insurance and mortgage title insurance from the title company, the premium for the mortgage title insurance will be at a simultaneous rate. If the simultaneous rate is obtained, the premium on the amount of the loan policy that does not exceed the amount of the fee policy shall be calculated at a rate equal to thirty (30%) percent of the regular scheduled rates for loan policies. Using such discounted rates, the following would apply:

Loan Amount	Fee
$35,000	$90
$35,001-$50,000	$1.45/$1,000
$50,001-$100,000	$1.26/$1,000
$100,001-$500,000	$ 0.95/$1,000
$500,001-$1,000,000	$ 0.87/$1,000
$1,000,000-$5,000,000	$ 0.80/$1,000

(iv) Each Purchaser will pay the recording fee for the Unit Deed and the Unit Owner's Power of Attorney, which fee is currently seventeen ($17) dollars for each instrument plus five ($5) dollars per page, together with a service charge to his or her title company for recording each instrument;

(v) The New York City Real Property Transfer Taxes are generally a seller's/ Sponsor's obligation; however, such obligation is being transferred to the Purchaser. The New York City Real Property Transfer Tax for each Unit, which is currently one (1%) percent of the total consideration where the Purchase Price is $500,000 or less, but when paid by the purchaser is approximately 1.01% since the shifting of the obligation from the seller to the purchaser is considered to be additional consideration, or at the rate of 1.425% of the Purchase Price where the price is more than $500,000, but when paid by the purchaser is approximately 1.445%, plus a Fifty ($50) dollar filing fee to the City of New York. In addition, if the total consideration paid for a Unit is $1,000,000 or more, Purchaser shall also be obligated to pay the New York State Additional Tax pursuant to Article 31 of the Tax Law, commonly referred to as the "Mansion Tax". The Mansion Tax rates are as follows: (i) 1% where the Purchase Price equals at least $1,000,000 but less than $2,000,000; (ii) 1.25% where the Purchase Price equals at least $2,000,000 but less than $3,000,000; (iii) 1.5% where the Purchase Price equals at least $3,000,000 but less than $5,000,000; (iv) 2.25% where the Purchase Price equals at least $5,000,000 but less than $10,000,000; (v) 3.25% where the Purchase Price equals at least $10,000,000 but less than $15,000,000; (vi) 3.5% where the Purchase Price equals at least $15,000,000 but less than $20,000,000; (vii) 3.75% where the Purchase Price equals at least $20,000,000 but less than $25,000,000, or (viii) 3.9% where the Purchase Price equals at least $25,000,000;

(vi) The New York State deed document stamps, if the tax is paid by the Purchaser, the amount of the tax will be increased from (i) .40% to approximately .4016% where the Purchase Price is less than $3,000,000.00; and (ii) .65% to approximately .6542% where the Purchase Price is $3,000,000.00 or more and the New York City Real Property Transfer Tax will be increased from 1% to 1.01% where the Purchase Price is less than $500,000, and from 1.425% to 1.4453% where the price is in excess of $500,000 for Units. At the Closing of the purchase of a Unit, the Purchaser will execute the appropriate Real Property Transfer Tax Returns and will pay the tax due thereon;

(vii) The amount of $3,000 to Lester Bleckner & Shaw LLP, Sponsor's Closing counsel, representing a fee for services in connection with preparing the Unit Deed, the Unit Owner's Power of Attorney and for coordinating and attending the Closing. Such fees shall be payable at, or

prior to, the Closing by certified or bank check made payable directly to the order of Lester Bleckner & Shaw LLP. In the event the Closing takes place outside of the offices of Lester Bleckner & Shaw LLP to accommodate a Purchaser's request, an additional travel fee in the amount of $500 shall be paid. In the event a Purchaser fails to close on the Closing Date, there will be an additional fee of $500 payable to Lester Bleckner & Shaw LLP in addition to all other fees and costs. All of the foregoing fees are cumulative;

(viii) A sum equal to two (2) months' Common Charges for the respective Unit at the Closing of title to be contributed towards working capital; and

(ix) If the Purchaser obtains a mortgage loan for a Unit, such Purchaser will pay:

(a) a mortgage recording tax in the amount provided by law (at the date of this Plan the tax is 2.05% of the face amount of the mortgage for loans up to $500,000 and 2.13% for loans in excess of $500,000, less twenty-five ($25) dollars;

(b) a sum to reimburse Sponsor in an amount equal to the partial mortgage tax credit to which Purchaser is entitled under Section 339-ee (2) of the Condominium Act (such sum is based, in general, on the Unit's percentage of Common Interest multiplied by a portion of the mortgage tax previously paid on account of pre-existing mortgages on the Property);

(c) if mortgage title insurance is required by the lender, an additional premium for insurance, insuring the mortgagee's interest in an amount equal to the principal amount of the loan;

(d) if required by the lender, a mortgage application fee;

(e) if required by the lender, an origination fee, which is usually a percentage of the amount being borrowed;

(f) if required by the lender, an appraisal of the Unit;

(g) a fee to the lender's attorney for appearing at the Closing;

(h) if required by the lender, Deposits for Common Charges, real estate taxes, any assessments and separately assessed water charges and sewer rents in an initial amount and in such monthly sum after Closing as is deemed sufficient by the lender; and

(i) all other Closing costs and expenses required to be paid on behalf of such lender It is recommended that the prospective purchaser consult with his or her lender with respect to the nature and amounts of all Closing costs and/or other expenses to be paid in connection with any loan, and Sponsor makes no warranty with respect thereto.

By way of example, with respect to a typical Unit having a Purchase Price of $1,100,000, a mortgage of $825,000 and projected monthly Common Charges of $798.72, a Purchaser may estimate his Closing costs as follows (all amounts are approximate):

a.	Premium for fee and mortgage title insurance, assuming the discount for obtaining both policies simultaneously:	$ 4,950.00
b.	Miscellaneous fees charged by the title company for departmental searches, lien searches, bankruptcy searches and service charges:	$ 750.00
c.	Recording fees for the Unit Deed and the Power of Attorney:	$ 175.00
d.	New York City Real Property Transfer Tax and New York State Real Estate Transfer Tax:	$ 20,075.00
e.	"Mansion" tax:	$ 11,000.00
f.	Mortgage recording tax:	$ 15,881.00
g.	Fee for recording mortgage:	$ 200.00
h.	Fees and expenses to Sponsor's attorney:	$ 3,000.00
i.	Contribution to Working Capital Fund:	$ 1,597.44
	Total of Estimate Closing Costs:	$ 57,628.44

RIGHTS AND OBLIGATIONS OF SPONSOR

Construction Obligations

Sponsor has undertaken the following obligations in connection with the construction of the Building:

(a) Sponsor will cause to be performed such work and will cause to be supplied all materials necessary to complete the Building in accordance with the description set forth in the Architect's Report. The issuance of a permanent Certificate of Occupancy for the Building shall be deemed presumptive evidence that the Building, and all the Units have been completed in accordance with the Architect's Report. However, nothing herein shall excuse Sponsor from its obligation to correct any defects in construction to the extent required in paragraph 3 below or in any Purchaser's Inspection Statement, nor relieve Sponsor from any of its other obligations under the Plan or in law.

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 Improvements' set forth in Part II of the Plan.

(b) Sponsor reserves the right to amend the Plan from time to time (including, without limitation, to make changes in layouts and designs or changes affecting the materials, appliances, equipment, fixtures and other construction details) and to substitute materials, appliances, equipment and fixtures in place of those described in the Architect's Report, provided such substitutions are of Equal or Better Quality and, provided further, that the approvals (if required) of any governmental authorities having jurisdiction are first obtained. Sponsor may not change the size, location of Units or other improvements or the Common Elements if such changes affect the percentage of common interest or adversely affect the value of any Unit to which title has closed or for which a purchase agreement has been executed and is in effect unless all affected Unit Owners and contract vendees consent in writing to such change.

(c) Sponsor will not be obligated to correct, and will not be liable to any Purchaser or the Board of Managers as a result of: (i) any immaterial variations from the description of the Building set forth in the Architect's Report, which are neither in violation of applicable building codes nor require the approval of any governmental authority having jurisdiction, or which are necessitated by site conditions or job requirements, provided such variations are of Equal or Better Quality and design as those set forth in said Architect's report, or (ii) immaterial variations in the dimensions or arrangement of rooms, walls or other areas within the Units. The foregoing shall not change Sponsor's obligation to complete construction of the Building, including the Units.

(d) Based upon the current construction schedule, Sponsor presently contemplates that the construction of the Building will be sufficiently completed to permit Closing of title to the Units to begin in or about January 1, 2021. Prospective purchasers should note, however, that the Units may be completed at differing times over a significant period of time beyond the anticipated Closing Date. Purchasers will not be excused from paying the full Purchase Price for their Unit and will have no claim against Sponsor for damages or losses if the Closing is delayed. If the

commencement date of the First Year of Condominium Operations is delayed by six (6) months or more, Sponsor will amend the Plan to include a revised budget with current projections. If the Unit Owner Common Charges in the amended budget exceed those in the original projected budget by more than twenty-five (25%) percent, then Sponsor will offer all Purchasers a right of rescission for a period of fifteen (15) days after the presentation of the amendment containing such revised budget. Any Purchasers exercising their right of rescission will have their Deposit refunded, with any interest accrued thereon.

(e) Prospective purchasers are advised that construction is a complicated process requiring the coordination of numerous tasks and the balancing of complex mechanical and architectural systems. No guaranty can be given that the construction will be completed by the projected construction date set forth in the Plan. During the First Year of Condominium Operations, construction workers and related personnel will be at the Property from time to time making adjustments, completing punch-list items and performing various tasks necessary to complete the construction. In addition, various systems, including, but not limited to, plumbing, heating and electrical systems and the air conditioning equipment may need to be shut down from time to time to make any necessary adjustments or repairs. Moreover, adjustments to the windows and other systems may require more than eighteen (18) months after the First Unit Closing to complete. Sponsor reserves the right to decorate the corridors, including, but not limited to, the hanging of lighting fixtures and the installation of wall coverings until all or substantially all of the Units have been sold, which Sponsor estimates, but does not guarantee, to occur one (1) year after the first closing of a Unit on or before January 1, 2021, and the occupants of the Units have moved into their Units.

(f) Sponsor is obligated to build and complete the Condominium in accordance with the building plans and specifications identified in the Plan and Sponsor's right to substitute equipment or materials and make modifications of layout or design, provided however, that sponsor may not: (i) substitute equipment or materials of lesser quality or design; or (ii) change the size, location of buildings or Units other improvements or common elements if such changes affect the percentage of Common Interests or adversely affect the value of any Unit to which title has closed or for which a purchase agreement has been executed and is in effect unless all affected Unit Owners and contract vendees consent in writing to such change. However, Sponsor reserves the right, in its sole and absolute discretion, to change or substitute any of the materials, finishes, fixtures, equipment or appliances specified in the Architect’s report, the Description of Property and Specifications or Building Condition, or elsewhere in the Plan, provided only that any substitutions to the materials, finishes, fixtures, equipment or appliances must be of Equal to or Better Quality than item being replaced. Sponsor’s intention is to use the materials, fixtures, appliances and other equipment described in this Plan and in the architectural plans on file, but, due to unavailability of materials and supplies, site conditions or for any other reason, Sponsor may substitute materials, fixtures, appliances and equipment of substantially similar or better quality for any of those set forth in the plans or otherwise in this Plan. In addition, Sponsor reserves the right to make changes in its construction of the Building, including architectural, structural, electrical or mechanical plans, provided only that the approval of any governmental agency having jurisdiction over the work is obtained. Any changes that are material and adverse will be disclosed in an amendment to the Plan and as determined by the New York Attorney General’s Office, will trigger a right of rescission for all affected purchasers.

Payment of Costs in Connection with Construction and Creation of the Condominium

Sponsor will pay or cause to be paid all expenses incurred in connection with the construction of the Building, including without limitation, all sums properly due to contractors, subcontractors and materialmen and all others involved in the construction of the Building for work performed and fixtures, material and equipment supplied or installed. Sponsor will also bear all costs and expenses to be incurred in connection with the creation of the Condominium, including the preparation, filing and distribution of the Plan and the filing of the Condominium Documents. In addition, Sponsor will pay all selling expenses and brokerage commissions of the Selling Agent or other broker engaged by Sponsor.

Sponsor will cause any and all mechanic's liens arising out of the construction of the Building and its appurtenances, authorized by Sponsor, to be discharged on or prior to the First Unit Closing. In addition, Sponsor will furnish bond or other security to discharge such mechanic's liens.

In the event that there are violations of record or other title encumbrances (other than mortgages and permitted encumbrances) affecting the Property at the time of the First Unit Closing, Sponsor shall cause such violations or encumbrances (other than mortgages and permitted encumbrances) affecting the Property at the time of the First Unit Closing, to be cured, remedied and removed, at its sole cost and expense. Sponsor agrees to indemnify the Board of Managers and Unit Owners, and hold them harmless, from any such violations of record or other title encumbrances (other than mortgages and permitted encumbrances) or other claims affecting the Property. Additionally, Sponsor agrees to defend any suits or proceedings arising out of Sponsor's acts or omissions and to indemnify the Board of Managers and Unit Owners and hold them harmless in connection with any such suits or proceedings. Pursuant to 13 NYCRR §20.3(q)(7), and notwithstanding anything contained hereinabove to the contrary, Sponsor shall have no obligation to cure, remedy, or remove any violations of record, title encumbrances or other claims affecting the Property only in the event that the same cannot be accomplished at stated amount in the aggregate cost and expense of not less than one-half (1/2) of one (1%) percent of the total offering amount. One-half (1/2) of one (1%) percent of the total offering amount is $52,250. The existence of any such violations or encumbrances will not constitute an objection to title or excuse any Purchaser from completing payment of the balance due under his Purchase Agreement (without provision for escrow), provided that Sponsor either furnishes adequate proof that such violation or encumbrance has been cured or remedied, or Deposits with the Board of Managers a reasonable sum to secure Sponsor's obligation to cure and remedy such violation or encumbrance subsequent to the First Unit Closing. At Sponsor's request, the Board of Managers shall apply the sums so Deposited towards payment of the cost of curing or remedying the title defect, except that the Board of Managers shall retain a sufficient portion of such security Deposit to pay for the reasonable costs of curing or remedying the remaining title defects. Pursuant to 13 NYCRR §20.3(q)(7), Sponsor may only abandon the Plan after it has been declared effective in the event that the aggregate cost and expense of curing, remedying and removing all encumbrances exceeds one-half (1/2) of one (1%) percent of the aggregate offering or a maximum amount equal to or less than $52,250 (as actually stated by Sponsor). If Sponsor elects not to cure the same, Sponsor shall withdraw and abandon the Plan in accordance with the terms of the section above entitled "Effective Date of This Offering Plan."

Security for Sponsor's Obligations

No bond or other security has been furnished to secure the performance of Sponsor's obligations set forth in this section.

Certificate of Occupancy

Sponsor and/or its Principals will procure an FCO for the Building and all the Units. In the event only a TCO for the Units in the Building, or a particular floor of the Building or line of Units, has been issued at the time of First Unit Closing, Sponsor and/or its Principals are obligated to cause the Building Department to continuously renew the TCO until the FCO for the Units has been issued. Sponsor anticipates, in all events, that the FCO for the Building will be issued by not later than the second anniversary of the First Unit Closing.

In addition, in the event an FCO has not been issued at, or prior to, the First Unit Closing, Sponsor will place in a special escrow account pursuant to Section 352-e(2)(b) of the General Business Law with its counsel, Lester Bleckner & Shaw LLP, all Deposits and funds received from Purchasers under this Plan, which sums may be released from escrow upon issuance of an FCO. Notwithstanding the foregoing, unless Sponsor's engineer, architect or other qualified expert certifies that a lesser amount will be reasonably necessary to complete the work needed to obtain an FCO, in which case the sum exceeding the amount so certified by Sponsor's engineer, Architect or other qualified expert may be released from any special escrow account. Alternatively, by prior amendment to the Plan, Sponsor must Deposit with Lester Bleckner & Shaw LLP, an unconditional, irrevocable letter of credit or post a surety bond or Deposit cash in the amount so certified or provide other collateral acceptable to the Department of Law. Any interest earned on any such funds shall be paid to Sponsor as and when earned.

Purchasers are advised that in New York City, newly constructed and newly renovated buildings are sometimes offered as condominium projects without an FCO covering the entire building but with only a TCO, and sometimes with several successive temporary certificates of occupancy. Certificates of occupancy are generally governed by Section 301 of the New York Multiple Dwelling Law and local building codes and rules. Both TCOs and FCOs are issued by the DOB. A TCO is intended to indicate that the property conforms substantially to the DOB approved plans and specifications, and to the requirements of all applicable laws, rules, and regulations for the uses and occupancies specified in the TCO. No change of use or occupancy shall be made unless a new certificate of occupancy is issued. All TCOs have an expiration date. A TCO typically expires 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 an FCO. Sponsor anticipates this scenario may occur. Sponsor and its Principals will undertake the responsibility for extending each TCO received prior to expiration thereof, and ultimately for obtaining an FCO covering the entire building. However, Sponsor and its Principals make no representation or guarantee that DOB will issue the FCO within two years, which is the timeframe anticipated by the Multiple Dwelling Law for issuance of an FCO. Notwithstanding the foregoing, Sponsor and its Principals are

obligated to procure the FCO for the entire Building and shall exercise best efforts to obtain the FCO within such two-year period while keeping the TCO current. Unit Owners and the Board of Managers shall be obligated to cooperate with and refrain from obstructing sponsor in these undertakings.

Furthermore, because Sponsor and the By-Laws of the Condominium may permit Unit Owners to undertake certain renovations to individual Units prior to the procurement of an FCO, such renovations may cause additional delays in the issuance thereof. Notwithstanding the foregoing, Sponsor and its Principals are obligated to timely procure the FCO.

Buyers are advised to visit the DOB website for further recommendations when purchasing a unit in a building that does not have an FCO. A factsheet on Certificates of Occupancy is available on the DOB website at: https://www1.nyc.gov/assets/buildings/pdf/cofo_guide.pdf

Until the Condominium is divided into individual tax lots, and each unit is taxed as a separate tax lot for real estate tax purposes based on each unit's percentage of common interest, all amendments to the Plan filed after the First Unit Closing will disclose the amount of funds held in escrow by Lester Bleckner & Shaw LLP for the payment of real estate taxes.

Sponsor's Right to Liquidate

Sponsor has reserved the right to transfer or sell its Unsold Units and otherwise liquidate its assets at any time. Such liquidation and the concomitant distribution of Sponsor's assets will affect Sponsor's ability to perform its obligations hereunder. In the event of dissolution or liquidation of Sponsor or the bulk transfer of two (2) or more Units or twenty (20%) percent or more of the total number of Units in the Condominium, whichever is less, the Principals of Sponsor will provide financially responsible entities or individuals who will assume the status and all of the obligations of Sponsor for those units under the Offering Plan, applicable laws or regulations. Sponsor reserves the right to sell the Units in one or more bulk sales. Pursuant to this Plan, in the event of a bulk transfer of two (2) or more Units, such transfer will constitute a bulk sale and the purchaser of such Units will become a successor-sponsor.

Sponsor's Right of Access to Complete Construction

Sponsor and its contractors, subcontractors, agents and employees will have a right of reasonable access to each Unit and its Limited Common Elements and to all of the Common Elements for purposes of completing construction of the Building or performing certain alterations and repairs in or about Unsold Units and in fulfilling Sponsor's obligations under the Plan, provided (i) Sponsor repairs any resulting damage to the Unit and restores it to substantially the condition it was in prior to Sponsor's entry, and (ii) Sponsor provides reasonable prior notice to the Unit Owner of the Unit to which access is required. In the event any Unit Owner fails to provide access to Sponsor, as permitted above, to any such Unit and its Limited Common Elements, or to repair any punch list item, within thirty (30) days of Closing, such Unit Owner shall be deemed to have voided such Unit Owner's right to have Sponsor fulfill Sponsor's repair obligations under the Plan.

Leasing of Unsold Units

Sponsor reserves the right, freely and without restriction, to rent or lease Units to Purchasers and non-purchasers at any time after the consummation of the Plan (the date of the First Unit Closing), provided that with respect to a Unit a permanent or temporary Certificate of Occupancy covering such Unit has been obtained. The lease will be for such rent (but not to exceed the maximum rent legally collectible, if any) and upon such other terms as may be mutually agreed upon. Such lease will also provide that an uncured default by the Purchaser under his Purchase Agreement will constitute a default under the lease entitling the landlord (Sponsor), at its sole option, to terminate the lease. The Purchase Agreement contains a similar cross-default provision entitling Sponsor to cancel the Purchase Agreement in the event that the Purchaser fails to cure a default under his lease within the applicable grace period (if any) and such default results in his eviction from the Unit (whether by voluntary removal or by court order). No portion of the rental paid under such lease will be credited toward the Unit's Purchase Price. No Purchaser shall have the right to occupy the Unit purchased by him prior to Closing unless Sponsor agrees to permit such occupancy under an Interim Use and Occupancy Agreement or other written rental agreement.

Sponsor will endeavor in good faith to sell all of the Units offered for sale in the Plan, as set forth in Schedule A, in reasonably, timely manner, Purchasers are also advised that there are no lender restrictions on Sponsor's right (i) to rent rather than sell the Units, (ii) the number or percentage of Units that must be sold to declare the Plan effective (iii) or any minimum release prices for the Units. Sponsor is hereby reserving an unconditional right to rent, after consummation of the Plan, rather than sell its Unsold Units above the number of Units necessary to make the Plan effective, that is, a minimum of fifteen percent (15%) or two (2) of the Units of the eleven (11) Units offered for sale at this time, or to cease marketing other Units for sale. Furthermore, Sponsor reserves the right to rent or lease Unsold Units prior to Closing the sale thereof to the Purchaser. Consequently, it is possible that a significant portion of Unit Owners will not be residents of the Building.

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

Sponsor's right to rent or lease any Unsold Unit will not be subject to any right of first refusal in favor of the Board of Managers.

Sale of Units

Sponsor reserves the right, freely and without restriction, to sell any of the Unsold Units. In connection with the sale of any of the Unsold Units, Sponsor shall have, in addition to any other rights Sponsor may have pursuant to the terms of the By-Laws and Declaration, the right to maintain any of the Unsold Units as a sales office (and/or a leasing office) and to post signs in the common areas advertising the Units for sale (or rent).

Sponsor may freely sell or rent its Unit without the consent of the Board of Managers or right of first refusal by the Board of Managers provided the use to which such place is intended conforms herein to this Plan, the Bylaws and the Building's FCO.

The Board of Managers shall, at the request of Sponsor, cause any existing building alteration, application or permit to be modified to allow any work, which Sponsor seeks to perform with respect to the Common Elements or the Unsold Units.

Notwithstanding anything contained herein, Sponsor agrees to pay all Common Charges, special assessment and Real Estate Taxes with respect to Unsold Units. Sponsor will pay for such obligations using funds currently held by Sponsor.

Sponsor's Obligation to Pay Common Charges on Unsold Units

Sponsor will pay all Common Charges, special assessments and real estate taxes assessed against the Unsold Units for so long as Sponsor owns them. Sponsor has the financial resources to meet the aforesaid obligations and to fund same from projected sales, the rental of Unsold Units and Sponsor's other financial resources.

Notwithstanding the foregoing, the Common Charges required to meet the expenses set forth in the Projected Budget for the First Year of Condominium Operations (see Schedule B entitled "Projected Budget for First Year of Condominium Ownership" set forth in the Plan), during the first six (6) months of Condominium operations, or until there has been a Closing of title with respect to seventy-five (75%) percent of the Units, may be reduced if the actual expenses of operating the Building are less than the projected expenses set forth in the Budget for the First Year of Condominium Operations. If the operating expenses are reduced, then the difference between the actual expenses and the full Common Charges will be refunded to all Unit Owners (including Sponsor) on a pro-rated basis in the form of either a credit against future Common Charges or as a cash reimbursement to the extent that the Unit Owner (including Sponsor) has sold the Unit prior to the receipt of the full credit provided that the Board issues certified financial statements substantiating that a surplus has been obtained for the applicable year and an amendment to the Plan is filed reflecting same. Sponsor makes no warranty or representation that the operating expenses during this period will be less than the actual Common Charges or as to the amount of any credit that may be available as a result of any such computation.

No Warranties or Guaranties by Sponsor

All Units, Common Elements or Limited Common Elements offered pursuant to this Plan are sold as described in the Plan. Neither Sponsor, the Selling Agent or any offeror hereunder makes any warranty or guaranty, express or implied, with respect to the materials, Building systems, fixtures, windows, appliances, workmanship or any other aspect of the Units, Common Elements or Limited Common Elements or any portion thereof, except as set forth in the Plan.

Sponsor's obligation, regardless of any limitations in the warranty or in this Offering Plan, is to construct the Premises in accordance with all applicable codes and filed plans and specifications, and that any conflict between the disclaimers and the Sponsor's obligation to construct the Premises in accordance with all applicable codes and filed plans and specifications shall be resolved in favor of the latter.

Sponsor will correct, repair, or replace any and all defects relating to construction of the Building, or in the installation or operation of any appliances, fixtures or equipment therein, or will cause the same to be corrected, repaired, or replaced, but only if:

(1) such defects are due to improper workmanship or construction practices or the use of materials that are substantially and materially at variance with the description of the work set forth in the Architect's Report; and

(2) Sponsor is notified of the same in accordance with the following, which notice shall be by certified mail, return receipt requested:

(i) with respect to any latent defect (that is, a defect that is not visually ascertainable) in the construction of a Unit, or latent defects in the Common Elements affecting a Unit, one (1) year from the Closing Date of such Unit;

(ii) with respect to any patent defect in the construction of a Unit, or patent defects in the Common Elements affecting a Unit within one hundred eighty (180) days after the Closing Date of such Unit; and

(iii) with respect to the Building Common Elements, one (1) year from the later of (y) the issuance of a TCO; or (z) completion of that portion of the Common Elements which is claimed to be defective.

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

Sponsor will be conclusively considered to have discharged any obligation that it may have with respect to any defects, whether patent or latent, if:

(1) Sponsor is not notified of the existence of such defect, in the manner and within the appropriate time period specified above, time being of the essence.

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

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

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

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

(2) resulting from normal wear and tear, natural deterioration, normal settling, deflection, or shifting of the Building;

(3) that are caused by the failure of the Condominium to maintain the Building, its fixtures, equipment or systems, or to properly enforce any warranties or guaranties; or

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

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

(ii) 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, immaterial variations in floor and ceiling levels, carpet or floor discoloring or stretching, immaterial 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;

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

(iv) immaterial variations in tone or color of natural stone or variations in tone or color of vanity tops or other natural stone surfaces, scratches in plastic laminate, vitreous china, natural stone, wood, stainless steel, or porcelain surfaces, discoloration to hardware and plumbing finishes, cracked bath tile grouting, variation in grouting thickness, and misalignment of bathroom finishes;

(v) immaterial variations in wood floor stains and finishes caused by normal foot traffic during construction and sales periods;

(vi) normal plumbing, heating, air-conditioning, ventilating, and floor noises and creaking;

(vii) repair of chips, scratches, mars, breaks, dents, cracks, and other defects in any windows and window sashes, sliding glass doors, shower doors, louvers, insulation attached to the curtain wall, 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;

(viii) normal wear, including chips, to apartment doors and apartment door frames;

(ix) pertaining to television, radio, internet or other telecommunications reception; and

(x) regardless of any limitations or warranty in this Section or in the Plan, Sponsor is to construct the Building in accordance with all applicable codes and filed plans and specifications, and that any conflict between the disclaimers and Sponsor's obligation to construct the Building in accordance with all applicable codes and filed plans and specifications shall be resolved in favor of the latter.

Notwithstanding the foregoing, Sponsor will be obligated to repair 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 Unsold Units by Unit Owners, but Sponsor will not be obligated to replace any such surfaces. Additionally, during the course of construction concrete cracks and/or chips or a material nature on the exterior façade of the Building may be repaired by Sponsor by field patching.

The items and conditions described above are not defects and may be found in any newly constructed building. Purchasers who purchase a Unit in the Building or in any other newly constructed building may experience some or all of these items and conditions in their Units or the Common Elements. Sponsor has no obligation to correct or repair any immaterial conditions and shall not be liable to any Purchaser or Condominium Board thereof if Purchaser or Condominium Board desires to correct or repair any such items or conditions. To the extent they can be corrected or repaired, the Purchaser or Condominium Board will have to proceed at its sole cost and expense and/or against any warranties or undertaking assigned to it by Sponsor.

Nothing contained in this Section will be construed so as to render Sponsor liable for consequential damages (whether based on negligence, breach of contract, breach of warranty, or otherwise), it being intended that Sponsor's sole obligation under this Section will be to repair or replace any defective item of construction upon, and subject to, the terms and conditions set forth above. Additionally, except as expressly set forth above, Sponsor will have no obligation to correct or repair any defective or other conditions in the Building (including in the Unsold Units and Common Elements) or in, or with respect to, its installations, apparatuses, fixtures, finishes, materials, and appurtenances. Aside from any Sponsor warranties and undertakings with respect to the construction and completion of the Building contained in this Section, no other warranties and undertakings shall be implied.

Regardless of any limitations or warranty in this Section or in the Plan, Sponsor will construct the Building in accordance with all applicable codes and in accordance with the filed plans and specifications, and that any conflict between the disclaimers and Sponsor's obligation to construct the Building in accordance with all applicable codes and such filed plans and specifications shall be resolved in favor of the latter.

Sponsor will, except as hereinafter provided, cause to be corrected any defects in the construction of the Building, including its electrical, mechanical, air conditioning, heating, ventilating, plumbing and other systems (hereinafter collectively called the "Building Systems"), due to improper workmanship or defective material or material substantially at variance with the Architect's Description, **provided and on condition that Sponsor is notified in writing by the Board of Managers of such defects** within the following time periods: (a) one (1) year from the Closing Date with respect to any latent defect in the construction of any Unit; (b) one hundred eighty (180) days from the Closing Date with respect to any patent defect in the construction of a Unit; or (c) with respect to the Building Common Elements, the later of one (1) year from the later of issuance of the TCO or completion of that portion of the Common Elements which is claimed to be defective.

At the First Unit Closing or thereafter, with reasonable promptness after receipt of any assignable manufacturer's or subcontractor's warranty or bond relating to a portion of the Common Elements, Sponsor will deliver to the Board of Managers an assignment of such warranty or bond. Sponsor will also deliver to each Unit Owner, with reasonable promptness after the issuance of the Unit Deed, an assignment of all assignable manufacturer's warranties and bonds relating to appliances

in a Unit and in the event of a problem, each Unit Owner will have the sole responsibility of pursuing remedies with the manufacturer.

Obligations to Survive Delivery of Deed

The obligations set forth in this section contain all the obligations of Sponsor under the Plan and none other shall be implied, except that nothing contained herein shall be deemed to limit the rights of Purchasers relative to their Units under their respective Purchase Agreements. Sponsor makes no warranties other than as set forth in this section. The obligations of Sponsor under this section shall survive the delivery of the Unit Deeds to the respective Unit Owners for the respective time periods indicated herein. Sponsor shall not be liable for, nor obligated to defend, any suits or claims with respect to any Unit, arising out of any occurrence taking place on or after the date of the Closing of title to such Unit, or the leasing thereof to any Purchaser or, with respect to the Common Elements or Limited Common Elements, Sponsor shall not be liable for, nor obligated to defend, any action arising out of any occurrence taking place on or after the date of the First Unit Closing, except for suits or claims arising out of the acts or omissions of Sponsor or the representations made by Sponsor in the Plan.

The obligations of Sponsor under this section with respect to the Condominium, the Common Elements or Limited Common Elements shall be enforceable only by the Board of Managers on behalf of all Unit Owners. In no event shall any obligations of Sponsor be enforceable by individual Unit Owners unless the Board of Managers fails to take reasonable action to enforce such obligations within ninety (90) days following the giving of written notice of such claim by any Unit Owner to the Board of Managers.

Sponsor's Easements

Prior to the sale of all Units Sponsor shall have, and the Units and Common Elements shall be subject to, an easement to use the Common Elements of the Building. Sponsor's easement will remain in effect until all Units in the Building have been sold. Common Elements may be used by Sponsor for any lawful purposes including, but not limited to, the purposes of (a) Communications Work, provided that access to any Unit or Common Element (including that portion of the roof and such risers and conduits, as constitute Common Elements) or performance of any Communications Work in furtherance of such easements shall be exercised in a manner as will not unreasonably interfere with the residential use of the Units and use of the Common Elements or Limited Common Elements of the Premises; and (b) maintaining any encroachment on any Unit, or any Common Elements or elsewhere on the Property resulting from the maintenance thereof; provided that access to any Unit or Common Element in furtherance of such easements shall be exercised in a manner as will not unreasonably interfere with the use of the Units for their permitted purposes. The aforesaid easements may be used by Sponsor, its designee, tenant, assignee or licensee for its own account or the account of the designee, tenant, licensee or assignee of Sponsor for the purpose of serving the Condominium or another building or area. The Condominium shall not be entitled to any portions of fees, compensation or other profits received by Sponsor, its designee, tenant, assignee or licensee for the use of the aforesaid easements or equipment. Any satellite dishes or other facilities placed on the roof, the facade of the Building or

any other portion of the Common Elements by Sponsor, its designee or licensee shall be the exclusive property of Sponsor, its designee, tenant, assignee or licensee and neither the condominium nor any other Unit Owner shall have any rights with respect thereto.

CONTROL BY SPONSOR

Initial Control Period

The By-Laws do not include a provision that after Sponsor's Initial Control Period, a majority of the Board of Managers are required to be, owner-occupants or members of an owner-occupant's household who are unrelated to Sponsor and its Principals. In addition, non-resident owners, including Sponsor, have no investment in their Units and, therefore, do not share the same economic interests as Unit Owners in the maintenance and care of the Building's facilities and amenities and owner-occupants and non-resident Unit Owners, including Sponsor, may have inherent conflicts on how the Condominium should be managed because of their different reasons for purchasing (i.e., purchase as a home as opposed to as an investment). Purchasers are referred to the By-Laws for further details.

Sponsor or its designee shall designate all members of a three (3) member Board of Managers during the Initial Control Period. Sponsor shall have the right to vote all of the Common Interest attributable to the Unsold Units. At the First Annual Meeting of Unit Owners, which will be held within approximately nine (9) months after the First Unit Closing, the three (3) member Board of Managers shall resign in favor of a new three (3) member Board of Managers which shall be designated by Sponsor, provided the Initial Control Period has not ended.

If the Initial Control Period has ended prior to the First Annual Meeting, then at the First Annual Meeting the Board of Managers shall increase from three (3) members to five (5) members, the original three (3) member board shall resign and the Unit Owners in good standing shall elect the new five (5) member Board of Managers. If the Initial Control Period has not ended by the date of the First Annual Meeting, then within thirty (30) days of the expiration of the Initial Control Period, Sponsor shall give a thirty (30) day written notice to all Unit Owners of a meeting of Unit Owners for the purpose of electing a new Board of Managers, where the number of members of the Board of Managers shall increase to five (5). The Sponsor-appointed three (3) member Board shall resign and all Unit Owners in good standing shall be entitled to vote for all members of the five (5) member Board of Managers. In the event the Initial Control Period ends due to the expiration of the five (5) year period from the First Unit Closing rather than expiring due to Sponsor selling one hundred (100%) percent of the Units, Sponsor may still control a majority of the Common Interest attributed to all of the Units. Thus, Sponsor may exercise voting control, and through such voting power continue to control certain decisions of the Condominium.

The number of members of the Board of Managers may not be increased without the consent of the Owner of the Unsold Units for so long as there remains at least two (2) Unsold Units. The By-Laws do not include a provision that after Sponsor's Initial Control Period, a majority of the Board of Managers must be owner-occupants or members of an owner-occupants household who are unrelated to Sponsor and its Principals. Purchasers are referred to the By-Laws for further details.

All members of the Board of Managers shall serve without compensation. Members of the Board of Managers are subject to removal, without cause, by vote of Unit Owners owning more than

fifty (50%) percent of the Common Interest, attending a meeting at which a quorum is present. However, members designated or elected by Sponsor or its designee may only be removed without cause by Sponsor or its designee, who alone will have the right to designate a replacement. Notwithstanding anything herein to the contrary, any member of the Board of Managers may be removed for cause by Unit Owners owning more than fifty (50%) percent of the Common Interests but upon any such removal of a Sponsor designee, Sponsor shall have the sole right to designate a replacement member of the Board of Managers.

Until Sponsor no longer elects a majority of the members of the Board of Managers, Sponsor will, through its control of the Board of Managers, be able to control 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.

Notwithstanding anything to the contrary contained herein, during the first five (5) years following the First Unit Closing, the Board of Managers may not, without Sponsor's or such designee's prior written consent: (a) make any addition, alteration, or improvement to the Common Elements or Limited Common Elements or to any Unit, unless required by law or necessary for the health or safety (but not the general comfort and welfare) of the Unit Owners (nothing contained herein shall restrict the right and obligation of the Board of Managers to maintain and repair the Common Elements or Limited Common Elements); (b) assess any Common Charges for the creation or replacement of, or addition to, all or part of a reserve, contingency, or surplus fund in excess of five (5%) percent in the aggregate of the estimated Common Expenses for any year of operation; (c) increase the number or change the type of employees from that described in Schedule B; (d) enter into any service or maintenance contract costing in excess of $10,000 per annum; or (e) borrow money on behalf of the Condominium.

At, or prior to, the First Unit Closing, Sponsor shall deliver to the Board of Managers (i) a copy of the "as-built" Building Plans; the final Building Plans shall be considered "as-built" for purposes of this paragraph; (ii) and policies or binders for fire and casualty insurance coverage described in footnote 8 of Schedule B. The projected all-risk coverage described in that footnote is based upon an agreed amount replacement cost for the Building (less site preparation). In order to safeguard the investment of the Unit Owners, in the event of a substantial or total destruction of the Building, the Board of Managers should periodically review the amount of casualty insurance for the Building to insure that the amount of coverage equals the Building's then replacement cost. The foregoing insurance does not include the insurance coverage found in a standard "Homeowners policy" for any belonging or personal property in a Unit Owner's Unit. See footnote 8 to Schedule B for further discussion.

Sponsor's Veto Power

Sponsor may not exercise veto power over expenses described in Schedule B, or over expenses required;

(i) any matter affecting the health and safety of the occupants of the building; or
(ii) to comply with applicable laws or regulations; or

(iii) to remedy any notice of violation; or
(iv) to remedy any work order by an insurer.

Sponsor may exercise veto power over expenses other than those described above, for a period ending not more than five (5) years after the First Unit Closing or the date on which one hundred percent (100%) of the Unsold Units are sold, whichever is sooner.

BOARD OF MANAGERS

Sponsor or its designee shall designate all members of a three (3) member Board of Managers during the "Initial Control Period" for a period ending on the date which is the earlier to occur of (i) the date on which one hundred percent (100%) of the Unsold Units are sold or (ii) five (5) years from the date of the First Unit Closing, unless Sponsor voluntarily relinquishes such right prior to the expiration of such five (5) year period. At the First Annual Meeting of Unit Owners, which will be held within approximately nine (9) months after the First Unit Closing, the three (3) member Board of Managers shall resign in favor of a new three (3) member Board of Managers which shall be designated by Sponsor, provided the Initial Control Period has not ended.

If the Initial Control Period has ended prior to the First Annual Meeting, then at the First Annual Meeting the Board of Managers shall increase from three (3) members to five (5) members, the original three (3) member board shall resign and the Unit Owners in good standing shall elect the new five (5) member Board of Managers. If the Initial Control Period has not ended by the date of the First Annual Meeting, then within thirty (30) days of the expiration of the Initial Control Period, Sponsor shall give a thirty (30) day written notice to all Unit Owners of a meeting of Unit Owners for the purpose of electing a new Board of Managers, where the number of members of the Board of Managers shall increase to five (5). The Sponsor-appointed three (3) member Board shall resign and all Unit Owners in good standing shall be entitled to vote for all members of the five (5) member Board of Managers. In the event the Initial Control Period ends due to the expiration of the five (5) year period from the First Unit Closing rather than expiring due to Sponsor selling one hundred (100%) percent of the Units, Sponsor may still control a majority of the Common Interest attributed to all of the Units. Thus, Sponsor may exercise voting control, and through such voting power continue to control certain decisions of the Condominium.

With respect to amendments, modifications, additions, or deletions affecting Sponsor or its designee and its respective successors and assigns or any Unsold Units, any provision of the Declaration and/or By-Laws may be added to, amended, modified or deleted by the vote of at least sixty-six and two thirds (66-2/3%) percent in number and in Common Interest of all Unit Owners taken in accordance with the provisions of the By-Laws, or in lieu of a meeting, any amendment may be approved in writing by sixty-six and two thirds (66-2/3%) percent in number and in Common Interest of all Unit Owners, provided, however, that the Common Interest appurtenant to each Unit as expressed in the Declaration shall not be altered without the written consent of all Unit Owners affected.

Within approximately nine (9) months after title to the first Unit has been conveyed (other than to Sponsor's designee or a successor and assign of Sponsor or its designee), the first annual meeting of Unit Owners shall be held. Thereafter, annual meetings shall be held in each succeeding year as determined by the Board of Managers. At such meetings, the Unit Owners shall elect members to fill vacancies in the Board of Managers or to succeed retiring members of the Board of Managers as provided in the By-Laws and shall also transact such other business of the Condominium as may properly come before the meeting.

Immediately following the First Unit Closing, Sponsor will assign any assignable service and maintenance contracts and agreements relating to the Property to the Board of Managers, and the Board of Managers will, on behalf of all Unit Owners, assume same and indemnify Sponsor against all claims and liability arising thereunder that relate to matters and events occurring on or after the First Unit Closing.

Except for members elected by Sponsor all other members of the Board of Managers shall be Unit Owners or spouses of Unit Owners, or an individual Permitted Mortgagee (as hereinafter defined), or, in the case of partnership Unit Owners or Permitted Mortgagees, shall be managers or employees (or their spouses) of such partnerships, or in the case of corporate Unit Owners or Permitted Mortgagees, shall be directors, officers, stockholders or employees (or their spouses) of such corporation, or, in the case of fiduciary Unit Owners or Permitted Mortgagees, shall be the fiduciaries or their beneficiaries (or their spouses), or directors, officers, stockholders or employees (or their spouses) of a corporate fiduciary, or partners or employees (or their spouses) of a partnership fiduciary. Except for members elected by Sponsor (unless all Units owned by Sponsor are sold), no member shall continue to serve on the Board of Managers after he ceases to be a Unit Owner or an interested party in a Unit as specified in the preceding sentence. At such time as title to all Sponsor-Owned Units is conveyed, all members elected by Sponsor or its designee, as a result of its ownership of said Sponsor-Owned Units, shall resign.

Subject to the applicable provisions of the By-Laws, if the Initial Control Period has ended prior to the First Annual Meeting, then at the First Annual Meeting the Board of Managers shall increase from three (3) members to five (5) members, the original three (3) member board shall resign and the Unit Owners in good standing shall elect the new five (5) member Board of Managers. Accordingly, if the Initial Control Period has not ended by the date of the First Annual Meeting, then within thirty (30) days of the expiration of the Initial Control Period, Sponsor shall give a thirty (30) day written notice to all Unit Owners of a meeting of Unit Owners for the purpose of electing a new Board of Managers, where the number of members of the Board of Managers shall increase to five (5). The Sponsor-appointed three (3) member Board shall resign and all Unit Owners in good standing shall be entitled to vote for all members of the five (5) member Board of Managers. When voting for members of the Board of Managers, the voting shall be by ballot and shall state the name of the Unit Owner voting, the number of such Unit Owner's Unit and the percentage of Common Interests owned by such Unit Owner, and, in addition, the name of the proxy if such ballot is cast by a proxy. Nothing contained in the By-Laws shall be determined to permit cumulative voting.

The term of office of each non-Sponsor designated member of the Condominium Board shall consist of at least one (1) member for one (1) year and one (1) member for two (2) years. A Sponsor designated member shall have the right to serve indefinitely. Notwithstanding anything to the contrary, however, each Condominium Board shall serve until a successor Board of Managers is elected and qualified. At the expiration of the initial term of office of each member, his or her successor shall be elected to serve for a term of two (2) years. The members shall hold office for the term herein fixed and until their successors have been qualified and elected. There shall be no limit on the number of successive terms a member may serve on the Board of Managers, if elected as herein provided.

Any member of the Condominium Board may resign his or her membership at any time by giving written notice thereof to the Condominium Board. Subject to the By-Laws, at any regular or special meeting of Unit Owners, any one or more of the members of the Board of Managers may be removed with or without cause by a vote of seventy-five percent (75%) of the Unit Owners, and a successor may then and there or thereafter be elected to fill the vacancy thus created, except that members elected by Sponsor or its designee may only be removed (i) by the Board of Managers for cause; or (ii) by Sponsor or (iii) said designee, respectively, and only Sponsor or said designee shall have the right to designate a replacement for any member removed by the Board of Managers for cause, Sponsor or said designee. Any member of the Board of Managers whose removal has been proposed by the Unit Owners shall be given an opportunity to be heard at the meeting.

Any vacancy in the Board of Managers caused by any reason other than the removal of a member thereof by a vote of the Unit Owners shall be filled by vote of a majority of the remaining members at a special meeting of the Board of Managers held for that purpose promptly after the occurrence of any such vacancy, even though the managers present at such meeting may constitute less than a quorum, and each person so elected shall be a manager of the Board of Managers for the remainder of the term of the member creating such vacancy and until a successor shall be elected at the next annual meeting of the Unit Owners. Notwithstanding the foregoing, vacancies of members elected by Sponsor or its designee shall be filled only by Sponsor or said designee, respectively. No member of the Condominium Board shall receive any compensation from the Condominium for acting as such.

The first meeting of the Board of Managers following each annual meeting of Unit Owners shall be held within ten (10) days after such annual meeting at such time and place in the City of New York as shall be fixed by a majority of the members thereof, and no notice shall be necessary to the newly elected Board members in order to legally constitute such meeting, provided that a majority of the members of the Board of Managers shall be present thereat. 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 four (4) such meetings shall be held during each fiscal year. Notice of regular meetings shall be given to each member thereof by personal delivery, mail or e-mail at least five (5) business days prior to the date scheduled for such meeting. Any officer of the Board of Managers may call a special meeting of the Condominium Board whenever he or she deems the same to be necessary or desirable provided all members of the Board of Managers are given oral, written or electronic communication with a minimum of forty-eight (48) hour notice unless all Condominium Board members agree to an earlier meeting.

To the extent permitted by law, no manager of the Board of Managers shall have any personal liability with respect to any contract, act or omission of the Board of Managers or of any managing agent or porter 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 hereinafter set forth. Condominium Board members shall have no liability to Unit Owners for errors of judgment, negligence or otherwise, except that a Condominium Board

manager shall be liable for his own bad faith or willful misconduct. All Unit Owners, as the case may be, shall severally, to the extent of their respective interests in their Units and their appurtenant interest in the Common Elements, indemnify each Condominium Board member against any liability or claim, except those arising out of his own bad faith or willful misconduct. The Board of Managers may contract or effect any other transaction with any Condominium Board member, any Unit Owner, Sponsor or any affiliate of any of them without, except in cases of bad faith or willful misconduct, incurring any liability for self-dealing.

Every contract made, and other document executed, by or on behalf of the Condominium Board, any committee thereof, or the Managing Agent shall expressly state (if obtainable and in addition to the limitation of liability of the officers of the Condominium and the Unit Owners pursuant to the terms of the applicable sections of the By-Laws) that the same is made or executed by or on behalf of the Condominium Board, such committee, or the Managing Agent solely as agent for the Unit Owners and that the members of the Condominium Board or such committee or the Managing Agent shall have no liability thereon, except to the extent of their liability, if any, as Unit Owners pursuant to the terms of Section 4.12 of the By-Laws.

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; 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.

The Unit Owners shall jointly and severally indemnify and hold each member of the Condominium Board harmless from and against any claim or liability to others arising from his or her acts or omissions as, or by reason of the fact that such individual is or was, a member of the Condominium Board, except, however, to the extent that such claim or liability shall be due to, or shall arise out of, the bad faith or willful misconduct of such member. Additionally, Sponsor agrees to indemnify the Board of Managers and Unit Owners and hold them harmless from, and Sponsor is obligated to defend on their behalf, any suits, actions, proceedings or claims arising out of acts or omissions of Sponsor or the representations made by Sponsor in the Plan. To the extent that a manager of the Condominium Board or an officer of the Condominium has been successful on the merits, or otherwise in the defense of any action, suit or proceeding, or in defense of any claim, issue or matter therein, or has settled such action, suit or proceeding with the consent of the other members of the Condominium Board, or if all Condominium Board members are co-defendants with the consent of a majority in Common Interest of all Unit Owners, he or she shall be indemnified against any losses, liabilities or expenses (including legal fees) actually and reasonably incurred by him in connection therewith, consistent with the limitation expressed above.

Expenses incurred in defending a civil action, suit or proceeding may be paid by the Condominium in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Managers in the specific case upon receipt of an undertaking, by or on behalf of

the person or entity seeking such indemnification or payment in advance, to prepay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Condominium as authorized in the applicable section(s) of the By-Laws.

The Board of Managers shall obtain and ensure maintenance of fidelity bonds or insurance, in amounts deemed to be appropriate by it, for all its members, officers and employees and the managing agent or manager, if any, employed by it and the premium of such bonds or insurance shall constitute Common Expenses.

RIGHTS AND OBLIGATIONS OF UNIT OWNERS AND RIGHTS AND OBLIGATIONS OF THE BOARD OF MANAGERS

Each Unit Owner will have the following rights and obligations:

Sale and Leasing of Units

Each Unit Owner may sell or lease his or her Unit, provided he or she first gives written notice to the Board of Managers of his or her intention to do so, subject to the Board of Manager's Right of First Refusal. Purchasers are advised that the Board of Managers is controlled by Sponsor during the Initial Control Period. Such notice shall be accompanied by a fully executed copy of the Purchase Agreement or lease agreement, containing all of the terms offered in good faith by the prospective purchaser or tenant.

After a Unit Owner notifies the Board of Managers of its intention to sell or lease his or her Unit, the Board of Managers, on behalf of all Unit Owners, shall have the exclusive right to purchase or lease the Unit (or designate another to purchase or lease the Unit), which such right shall expire at 11:59 p.m. on the date that is thirty (30) days after receipt of such notice (the "ROFR Expiration"), on the same terms, as more specifically set forth in Article 7 of the By-Laws. If the Board of Managers or its designee shall fail to accept such offer before the ROFR Expiration, the Board of Managers shall be deemed to have waived its right of first refusal and the Unit Owner shall have ninety (90) days following expiration of the said thirty (30) day period to consummate the sale or lease accordance with the terms stated in the contract of sale or lease agreement appended to such notice, failing which, the Unit Owner will again be required to first offer the same to the Board of Managers as provided above. In accordance with Section 7.5(B)-(F) of the Condominium By-Laws: No lease shall be for a period of which is less than six (6) months in order to avoid transient tenancies.

The foregoing restrictions shall not apply to Unsold Units. Sponsor and its designees shall have the right freely to sell such Units or freely to lease all or any part thereof without first having to offer the same for sale or lease to the Condominium Board.

With regard to the Condominium Board's right of first refusal, the Board of Managers may not discriminate against any person on the basis of race, creed, color, national origin, sex, age, disability, marital status or other grounds prohibited by law.

The Board of Managers, which is controlled by Sponsor during the Initial Control Period, may not exercise its option to purchase any Unit unless the Unit Owners owning more than one-half (1/2) of the Common Interest affirmatively vote in favor thereof, in person or by proxy, at a meeting of Unit Owners at which a quorum is present. The Board of Managers may not exercise its option to lease any Unit unless a majority of the members of the Board of Managers affirmatively vote in favor thereof, in person or by proxy, at a meeting of the Board of Managers at which a quorum is present. If approval is given, the Board of Managers may assess each Unit Owner (other than the selling Unit Owner), in proportion to his percentage of Common Interest, an amount necessary to effectuate the purchase or lease.

Notwithstanding the foregoing, any Unit Owner may sell or lease his or her Unit to his spouse, adult child, parent, grandparent, parent-in-law, or adult sibling, or may convey his or her Unit by gift, devise it by will, or have it pass by intestacy, without complying with the restrictions described above, provided, however, that each succeeding Unit Owner shall be bound by, and his or her Unit shall be subject to, such restrictions. In addition, any Unit Owner that is not a natural person may sell, lease, or convey its Unit to a related or controlled entity as more particularly set forth in Article 7 of the By-Laws.

The foregoing restrictions upon the sale and leasing of Units shall not apply to Sponsor or its designee, with respect to any Unsold Units or to Units acquired by a mortgagee in foreclosure or by deed in lieu of foreclosure, who shall be free to sell or lease their respective Units without first offering to sell or lease same to the Board of Managers.

Unit Owners (including the Condominium or its Board of Managers but excluding Sponsor or Sponsor's designee) who sell their Units shall be required to pay to the extent allowed by law, a fee to the Board of Managers or its Managing Agent for the services performed in connection with processing the application for the sale or lease of their Units.

Each conveyance of a Unit by a Unit Owner shall include, as part of the property to be conveyed, such Unit Owner's (i) percentage of Common Interest, (ii) the undivided interest in any Unit or Units acquired by the Board of Managers (or the proceeds received at a foreclosure or other judicial sale of a Unit), and (iii) the undivided interest in any other assets of the Condominium. In addition, title to a Unit may not be conveyed unless all unpaid Common Charges and liens against such Unit, other than Permitted Mortgages, are paid and satisfied at or prior to Closing. At the time of acquisition of a Unit and as a condition thereof, the new Unit Owner shall be required to execute, acknowledge and deliver, in accordance with Article 16 of the Declaration of Condominium as set forth as Document 7 in Part II of the Plan, a Unit Owner's Power of Attorney in favor of the Board of Managers and Sponsor, in the form set forth as Document 3 in Part II of the Plan.

A lease for any Unit (other than an Unsold Unit) shall be for a term of not less than six (6) months and not more than two (2) years and shall be in the form of an apartment lease then approved by the Real Estate Board of New York, Inc., except for such changes thereto as are provided in the By-Laws. The restrictions provided for herein shall not apply to Sponsor or its designees who may lease their respective Units on such terms and conditions as they deem appropriate. In addition, any such lease shall also provide that if the Unit Owner defaults in paying any amount, which may be due and owing to the Condominium, then tenant shall, upon demand of the Condominium, pay any amounts due under the lease to the Condominium.

The foregoing restrictions and limitations on the right to sell or lease a Unit may be modified or added to in the future provided the provisions in the By-Laws for amending same are followed (see the section entitled "Summary of Declaration and By-Laws" for further details).

Restrictions on the Use and Occupancy of Units

A Unit owned by an individual may be occupied by that individual or that individuals' Family Members or the Unit Owner may lease such Unit to Family Members or unrelated third parties provided that such rental to unrelated third parties shall be subject to Section 7.5 of the condominium By-Laws.

Each Unit shall be used only as a residence, by not more than one (1) family unit and for any home occupation permitted by law. Notwithstanding the foregoing, Sponsor may use any one or more of the Unsold Units as model units and sales and/or promotion offices in connection with the sale or rental of the Unsold Units or for any other purpose, subject only to compliance with the applicable laws and the then existing Certificate of Occupancy.

A Unit owned or leased by a corporation, partnership, fiduciary, or other entity may be occupied by a designated officer, director, stockholder, or employee of such corporation, or by a designated partner or employee of such partnership, or by said fiduciary (including designated officers, directors, stockholders, or employees of corporate fiduciaries), or by the beneficiary of said fiduciary, or by a principal or designated employee of such other entity, respectively, or by members of the immediate family of any of the foregoing. Within thirty (30) days after a Unit is acquired by one other than an individual, such non-individual Owner shall notify the Building's Managing Agent of the name of the officer, director, stockholder, partner or employee designated by such Owner to occupy its Unit. The person so designated may be changed from time to time by the non-individual Owner by similar written notice to the Managing Agent. However, all designees must be bona fide officers, directors, stockholders, partners or employees of the non-individual Owner and, under no circumstances, may more than one (1) family occupy a Unit at one time.

Guests are permitted to occupy a Unit only when a Unit Owner (or, in the case of a Unit owned by a non-individual, the designee of such Unit Owner) or members of his family are present. The foregoing restriction does not apply to the Unsold Units.

As determined by the Condominium Board, no nuisance or immoral, improper, offensive or unlawful use shall be allowed in the Building or any portion thereof. No portion of a Unit, other than the entire Unit, may be rented, and no transient tenants may be accommodated therein. All valid laws, zoning ordinances and regulations of governmental bodies having jurisdiction thereof, relating to any portion of the Property, shall be complied with at the sole expense of the respective Unit Owners or the Board of Managers, whoever shall have the obligation to maintain or repair such portion of the Property. No plantings shall be placed or installed on the terraces without the prior written approval of the Board of Managers or the Managing Agent.

The Rules and Regulations of the Condominium, which govern the use of all of the Units, may be amended from time to time by the Board of Managers, provided that copies of such amendments are furnished to each Unit Owner prior to the time that they become effective and provided further that no such amendment may be made which will affect the right of Sponsor or its designee, without their prior written consent.

Right to Mortgage Units

Each Unit Owner has the right to mortgage his or her Unit, provided the Unit Owner first complies with the following conditions, as more particularly set forth in Article 7 of the By-Laws of the Condominium in the form as set forth as Document 8 in Part II of the Plan: (i) the mortgage must be substantially in the form of the New York statutory form of mortgage or the form required by a Bank, Savings, and Loan Association or other lending institution, except for such changes or additions as may be required to permit a lender to make the loan; (ii) written notice thereof together with a copy of the mortgage is sent to the Board of Managers; and (iii) the Unit Owner is not in arrears of Common Charges and first satisfies all other pre-existing unpaid liens against his or her Unit. Sponsor or its designee, as the Owner of an Unsold Unit, shall have the right to mortgage such Unsold Unit without any restriction or limitation, except that the Board of Managers is required to be notified in writing of the making of any such mortgage and is to be given a copy thereof.

Obligation to Pay Common Charges and Assessments

The Board of Managers will prepare and distribute to all Unit Owners annually a budget setting forth its projection of the Common Expenses for the Condominium's coming fiscal year. Based upon such budget, the Board of Managers will determine and advise each Unit Owner of the proportionate share of the Common Charges payable by each Unit Owner during the ensuing fiscal year, which will be paid on the percentage of Common Interest allocated to his or her Unit.

Pursuant to the terms of Article 6 of the By-Laws, the Board of Managers has the right to revise its projection of the Common Expenses at any time and from time to time during the Condominium's fiscal year. Any such revision may result in an increase or decrease in the amount of Common Charges payable by Unit Owners during such fiscal year. However, no such revision shall have a retroactive effect on the amount of Common Charges payable by Unit Owners prior to the date of such new determination.

Unless otherwise determined by the Board of Managers, Common Charges will be payable in monthly installments, in advance, on the first day of each calendar month. No Unit Owner will be relieved from liability for the payment of his Common Charges by waiving the use of any of the Common Elements or Limited Common Elements or by mere abandonment of his or her Unit. No Unit Owner, however, will be liable for the payment of any part of the Common Charges assessed against his or her Unit subsequent to a permissible sale, transfer, or other conveyance by him of such Unit.

Any Unit Owner may, by conveying his or her Unit to the Board of Managers without consideration and by complying with certain conditions set forth in the By-Laws in connection therewith, exempt himself from Common Charges accruing thereafter.

In the event that the Board of Managers forecloses its statutory lien on any Unit for unpaid Common Charges and the net proceeds of the foreclosure sale are not sufficient to pay such unpaid Common Charges, or if such Unit is acquired by a mortgagee or buyer at a mortgage foreclosure sale,

then, in either event, the defaulting Unit Owner shall remain personally liable for the balance of unpaid Common Charges. The Board of Managers shall have the right to assess such unpaid balance amongst all Unit Owners at the time that the lien is levied.

Under the provisions of Section 339-z of the Condominium Act and Article 6 of the By-Laws, the Board of Managers will have a lien, on each Unit for unpaid Common Charges assessed against such Unit together with interest thereon. All such liens, however, will be subordinate, to the extent required by applicable law, to any liens for real estate taxes and assessments on such Unit.

Obligation to Repair and Maintain the Units, Common Elements or Limited Common Elements

Generally, all maintenance, repairs and replacement to the Common Elements and all maintenance, repairs and replacements of a structural nature to the Limited Common Elements will be made by the Condominium and all maintenance repairs and replacements to the Units and non-structural maintenance, repairs and replacements to the Limited Common Elements will be made by the respective Unit Owners at their own cost and expense. For a discussion relating to the repair of the Building or the Common Elements in the event of a fire or other casualty see paragraph 5 of the following section entitled "Summary of Declaration and By-Laws."

In the event that any Unit Owner fails to maintain or repair his or her Unit, or in the event of any breach of the Condominium Documents, then, as set forth in Article 6 of the By-Laws, the Board of Managers shall have certain rights to perform such maintenance or repairs, or to cure such breach, at such Unit Owner's expense.

The Board of Managers has the right to accumulate reserves for capital expenditures.

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

Alterations and Improvements of Units, Common Elements and Limited Common Elements

No Unit Owner (except Sponsor or its designee) may make any structural alteration, addition, improvement, or repair in or to his or her Unit or its Limited Common Elements without the prior written approval of the Board of Managers. Such approval may be conditioned, in the discretion of the Board of Managers, upon the execution of an agreement by such Unit Owner, in form and substance satisfactory to the Board of Managers, setting forth the terms and conditions upon which such alteration, addition, improvement, or repair may be made, including (a) obtaining such insurance as the Board of Managers may reasonably require, and (b) indemnifying the Board of Managers. Except as otherwise provided in the By-Laws, no Unit Owner may make any alteration, addition, improvement, or repair in or to the Common Elements or Limited Common Elements.

Sponsor (or its designee) shall have the right, without the approval of the Board of Managers, or representatives of holders of mortgages on Units to (a) make alterations, additions,

improvements, or repairs in or to any Unsold Unit, including a change in the use and Certificate of Occupancy for any Unsold Unit and its Limited Common Elements, whether structural or non-structural, interior or exterior, ordinary or extraordinary, and (b) subdivide, combine and change the boundary walls of Unsold Units (see the section entitled "Changes in Prices or Units" for further discussion).

At the request of Sponsor (or its designee), the Board of Managers, will execute any application or other document required to be filed with any governmental authority having or asserting jurisdiction in connection with any such addition, alteration, improvement, repair, change of use or proposed to be made to the Unsold Units, at which time Sponsor (or such designee) shall indemnify and hold the Condominium harmless from any expense or liability by virtue of the execution of the application or such other documents.

Generally, all alterations, additions or improvements in or to the Common Elements and Limited Common Elements will be made by the Condominium, and the cost and expense thereof will be charged to all Unit Owners as a Common Expense.

Insurance

Upon commencement of Condominium operations, the Property will be provided with the insurance coverage described in Note 8 to Schedule B, which is for the benefit of all the Unit Owners and provides for basic casualty insurance for the Limited Common Elements and the Common Elements and liability insurance for occurrences on the Common Elements. This insurance does not cover personal property within Units. Unit Owners may obtain supplemental or additional insurance for their own benefit, provided that such policies contain waivers of subrogation and provided further, that the liability of the companies issuing insurance procured by the Board of Managers shall not be affected or diminished by any Unit Owner's supplemental or additional insurance.

Each Unit Owner should consider the desirability of obtaining additional insurance at his or her own cost covering: (i) fire or casualty losses to the contents of his or her Unit and any replacements, additions, upgraded fixtures and improvements therein, and (ii) liability for personal injury or property damage as a result of occurrences in his or her Unit and any appurtenant Limited Common Elements.

Rights of Access

As more fully set forth in the By-Laws, the Board of Managers, the Managing Agent and all other persons authorized by the Board of Managers have a right of access to any Unit and its Limited Common Elements for the following purposes, among others: to make inspections regarding violations of governmental laws or regulations against any part of the Property, curing defaults committed by the Owner of such Unit under the Condominium Documents, or correcting any conditions originating in any Unit and threatening any other Unit, Common Element, or Limited Common Element. In addition, Sponsor and its contractors, subcontractors, agents and employees have a right of access to each Unit and to all of the Common Elements or Limited Common Elements, for purposes of completing construction of the Building or performing

alterations and repairs in or about Unsold Units and in fulfilling Sponsor's obligations under the Plan. In the event Sponsor, the Managing Agent, or the Board of Managers damages a Unit exercising the rights enumerated in this paragraph, Sponsor, the Managing Agent, or the Board of Managers, as applicable, shall be responsible for remediating such damages.

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

Each Unit Owner must strictly comply with the provisions of the Condominium Documents, as the same may be amended, modified, deleted, or added to, from time to time, pursuant to the terms thereof. Failure to strictly comply with the provisions of the Condominium Documents is grounds for an action for damages, injunctive relief, or both.

SUMMARY OF DECLARATION AND BY-LAWS

Board of Managers

The affairs of the Condominium shall be governed by the Board of Managers, which shall initially consist of three (3) members designated by Sponsor. Sponsor has designated Edward Martell David Aviram and Jason Leibowitz, designees of Sponsor, to be the initial members of the Board. All members of the Board of Managers shall serve without compensation. At the First Annual Meeting of the Unit Owners, which will be held within approximately nine (9) months after the First Unit Closing, the three (3) member Board of Managers shall resign in favor of a new three (3) member Board of Managers which shall be designated by Sponsor, provided the Initial Control Period has not ended.

If the Initial Control Period has ended prior to the First Annual Meeting, then at the First Annual Meeting the Board of Managers shall increase from three (3) members to five (5) members, the original three (3) member board shall resign and the Unit Owners in good standing shall elect the new five (5) member Board of Managers. If the Initial Control Period has not ended by the date of the First Annual Meeting, then within thirty (30) days of the expiration of the Initial Control Period, Sponsor shall give a thirty (30) day written notice to all Unit Owners of a meeting of Unit Owners for the purpose of electing a new Board of Managers, where the number of members of the Board of Managers shall increase to five (5). The Sponsor-appointed three (3) member Board shall resign and all Unit Owners in good standing shall be entitled to vote for all members of the five (5) member Board of Managers. In the event the Initial Control Period ends due to the expiration of the five (5) year period from the First Unit Closing rather than expiring due to Sponsor selling one hundred (100%) percent of the Units, Sponsor may still control a majority of the Common Interest attributed to all of the Units. Thus, Sponsor may exercise voting control, and through such voting power continue to control certain decisions of the Condominium.

Thereafter, elections to the Board of Managers shall be held at the regular annual meeting of Unit Owners held in March of each succeeding year. See Article 3 of the By-Laws entitled "Unit Owners" for further discussion.

A Sponsor designated member shall have the right to serve indefinitely during Sponsor's Initial Control Period. Notwithstanding anything to the contrary, however, each Condominium Board shall serve until a successor Board is elected and qualified. At the expiration of the initial term of office of each member of the Board of Managers, such member's successor shall be elected to serve for a term of two (2) years.

The By-Laws do not include a provision that after Sponsor's Initial Control Period, members of the Board of Managers are required to be owner-occupants or a member of an owner-occupant's household who are unrelated to Sponsor and its Principals. As such, the members of the Board of Managers, other than Sponsor or any Sponsor designees, shall be either: (a) Unit Owners or spouses of Unit Owners, or mortgagees of Units or a spouse of an individual mortgagee; (b) partners or employees (or their spouses) of a partnership owning a Unit or a mortgage covering a Unit; (c) officers, directors, stockholders or employees (or their spouses) of corporate Owners or

corporate mortgagees of Units; or (d) fiduciaries or their beneficiaries (or their spouses) who are Owners of mortgagees of Units (or directors, officers, stockholders, or employees, or their spouses, of corporate fiduciaries, or partners or employees, or their spouses, of partnership fiduciaries). However, members designated by Sponsor or its designee are not subject to the foregoing restrictions. Other than members designated by Sponsor or its designee, no member shall continue to serve on the Board of Managers after he or she ceases to be a Unit Owner or an interested party in a Unit Owner, as specified in the first sentence of this paragraph.

Members of the Board of Managers are subject to removal, without cause, by vote of Unit Owners owning more than fifty (50%) percent of the Common Interest, attending a meeting at which a quorum is present. However, members designated or elected by Sponsor or its designee may only be removed without cause by Sponsor or its designee, who alone will have the right to designate a replacement. Notwithstanding anything herein to the contrary, any member of the Condominium Board may be removed for cause by Unit Owners owing more than fifty (50%) percent of the Common Interests but upon any such removal of a Sponsor designee, Sponsor shall have the sole right to designate a replacement member of the Condominium Board.

Powers and Duties of the Board of Managers

The Board of Managers shall have the powers and duties necessary for the administration of the affairs of the Condominium (subject to the limitations set forth in the By-Laws), including, without limitation, the following:

(a) operation, care, upkeep and maintenance of the Common Elements and Limited Common Elements;

(b) determination of the Common Charges required for the affairs of the Condominium, including, without limitation, the operation and maintenance of the Property;

(c) collection of the Common Charges from the Unit Owners;

(d) employment and dismissal of the personnel necessary for the maintenance and operation of the Common Elements and Limited Common Elements;

(e) adoption and amendment of the Rules and Regulations covering the details of the operation and use of the Property (subject to the right of the Unit Owners to overrule the Board of Managers as provided in the By-Laws);

(f) maintaining bank accounts on behalf of the Condominium and designating the signatures required therefor;

(g) purchasing, leasing, or otherwise acquiring in the name of the Board of Managers or its designees, on behalf of all Unit Owners, Units offered for sale or lease or surrendered by their Owners to the Board of Managers;

(h) purchasing Units at foreclosure or other judicial sales, in the name of the Condominium or its designee, on behalf of all Unit Owners;

(i) selling, leasing, mortgaging, or otherwise dealing with (but not voting the votes appurtenant to) Units acquired by, and subleasing Units leased by, the Condominium or its designee, on behalf of all Unit Owners;

(j) obtaining and renewing insurance for the Property, including the Units;

(k) making repairs, additions and improvements to, or alterations of, the Property and repairing and restoring the Property after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings;

(l) enforcing obligations of the Unit Owners;

(m) levying fines against the Unit Owners for violations of the Rules and Regulations (no fine may exceed fifty ($50) dollars for any one violation, but for each day a violation continues after notice, it shall be considered a separate violation);

(n) commencing any action or other proceeding against any third party (including Sponsor) to enforce the rights of Unit Owners or the Condominium, provided only that, any litigation or proceeding, which is estimated to cost more than fifty thousand ($50,000.00) dollars in the aggregate, as reasonably determined by the Board of Managers, shall require the consent of at least sixty-six and two thirds (66-2/3%) percent of all Unit Owners, and provided further that the Board of Managers may commence, without first obtaining the consent of the Unit Owners, any proceeding necessary to collect maintenance charges;

(o) borrowing money on behalf of the Condominium when required in connection with the operation, care, upkeep, and maintenance of the Common Elements and Limited Common Elements, provided, however, that (i) the consent of at least seventy five (75%) percent of all Unit Owners, both in number and in Common Interests, shall be required for the borrowing of any sum in excess of twenty thousand ($20,000.00), and (ii) no lien to secure repayment of any sum borrowed may be created on any Unit or its appurtenant interest in the Common Elements without the consent of the Unit Owner;

(p) adjusting and settling insurance claims and executing and delivering releases in connection therewith; and

(q) bringing tax certiorari proceedings on behalf of the Unit Owners.

The Board of Managers shall be responsible for maintaining and repairing the Common Elements and Limited Common Elements as set forth in the Declaration and in the By-Laws, regardless of whether a Unit is vacant or occupied by the Owner thereof or by a permitted tenant or other occupant.

Notwithstanding anything to the contrary contained herein, for so long as Sponsor or its designee or both shall continue to collectively own Units representing twenty (20%) percent or more in number or in aggregate Common Interest, but in no event later than the expiration of the Initial Control Period, five (5) years from the date of the First Unit Closing, the Board of Managers may not, except as disclosed in this Offering Plan, without Sponsor's or such designee's prior written consent:

(a) make any addition, alteration, or improvement to the Common Elements or to any Unit, unless required by law or necessary for the health or safety (but not the general comfort and welfare) of the Unit Owners (nothing contained herein shall restrict the right and obligation of the Board of Managers to maintain and repair the Common Elements and Limited Common Elements);

(b) assess any Common Charges for the creation or replacement of, or addition to, all or part of a reserve (for capital replacements or otherwise), contingency, or surplus fund in excess of five (5%) percent in the aggregate of the estimated Common Expenses for any year of operation;

(c) increase the number or change the type of employees from that described in the First Year's Budget;

(d) enter into any service or maintenance contract costing in excess of $10,000 per annum; or

(e) borrow money on behalf of the Condominium.

Officers of the Condominium

The officers of the Condominium shall consist of the President, the Secretary and the Treasurer, all of whom shall be elected by the Board of Managers at its annual meeting. All officers shall serve without compensation from the Condominium. None of the officers need be Unit Owners until the five (5) member Board of Managers is elected at the first meeting of the Unit Owners. Thereafter, the President (or Vice President, if applicable), the Secretary and the Treasurer must all be Unit Owners.

Cost of Services

The cost of snow removal from, and maintenance of, the sidewalks, arcades, plaza, planted areas etc. and public walks shall be a Common Expense. Snow removal, planting and regular

maintenance of the terraces, gardens and roof terraces shall be the responsibility of the Unit Owners. All maintenance and repairs to the Common Elements and Limited Common Elements, which are the responsibility of the Board of Managers, shall be performed by employees of the Condominium or by independent contractors. The Condominium be serviced by a third party, whose estimated wages are included in Schedule B.

When, in the judgment of the Board of Managers, the Common Elements and Limited Common Elements shall require additions, alterations, or improvements costing more than Fifty Thousand dollars ($50,000.00) in the aggregate, in any calendar year, such additions, alterations, or improvements shall not be made unless the same have been approved by the Unit Owners (including Sponsor, if it then owns any Unit) owning a majority of the Common Interests at a duly constituted Unit Owner's meeting and by the representatives of institutional mortgagees of Units (the "Mortgage Representatives"), if any, appointed pursuant to the By-Laws. If approved, the Board of Managers may, in its discretion, assess each Unit Owner his pro-rata share of the cost of such additions, alterations, or improvements, according to his or her Common Interest, as part of the Common Charges. Any additions, alterations, or improvements costing Fifty Thousand dollars ($50,000.00) or less, in the aggregate, in any calendar year, may be made by the Condominium without the approval of the Unit Owners or the Mortgage Representatives, if any, and the cost thereof shall constitute a Common Expense. Notwithstanding the foregoing, no additions, alterations, or improvements shall be made to the Common Elements or Limited Common Elements, regardless of the cost thereof, without the consent of Sponsor (for the sooner of two (2) years following the First Unit Closing or for so long as Sponsor or its designee or both shall collectively own Units representing twenty (20%) percent or more in number or in Common Interests), unless same is required by law or is necessary for the health or safety (but not the general comfort or welfare) of the residents of the Building. However, nothing contained in the preceding sentence shall restrict the right and obligation of the Condominium to maintain and repair the Common Elements or Limited Common Elements.

Repair or Restoration After Fire or Other Casualty

Except as set forth in the next paragraph, in the event that the Building or any part thereof is damaged or destroyed by fire on other casualty, the Board of Managers will arrange for the prompt repair and restoration thereof (including any damaged Units, but excluding appliances, fixtures, furniture, furnishings, or other personal property not constituting a part of such Unit). If the insurance proceeds are insufficient to cover the cost of repairs or restoration, the Condominium may assess all Unit Owners for such deficit as a Common Expense. Any surplus insurance proceeds shall be paid to all Unit Owners in proportion to their respective Common Interests, except that no payment shall be made to a Unit Owner until there has first been paid, out of his share of such funds such amounts as may be necessary to reduce unpaid liens on his or her Unit (other than mortgages that are Permitted Mortgages) in the order of priority of such liens.

If seventy-five (75%) percent or more of the Building is destroyed or substantially damaged, and if seventy-five (75%) percent or more of all Unit Owners, both in number and in Common Interests, do not promptly resolve to proceed with the repair or restoration thereof, the Building will not be repaired and shall be subject to an action for partition instituted by any Unit Owner or lienor, in which case the net proceeds of the resulting 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 his or her share of such funds, such amounts as may be necessary to discharge all unpaid liens on his or her Unit (other than) mortgages that are not Permitted Mortgages) in the order of the priority of such liens. If Sponsor or its designee is then a Unit Owner, it will have the right to vote at any meeting of Unit Owners called for the purpose of deciding whether or not to proceed with the restoration or repair of the Building.

Insurance

The Board of Managers shall maintain fire insurance policies, insuring 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 or any furniture, furnishings, or other personal property supplied or installed by the Unit Owners or tenants of Unit Owners) and covering the interests of the Condominium, the Board of Managers, all of the Unit Owners and the holders of all Permitted Mortgages (the "Permitted Mortgagees"), as their respective interests may appear, in an amount equal to at least the full replacement value of the Building (exclusive of excavation and foundations), without deduction for depreciation. Each of such policies shall contain a New York Standard Mortgagee clause in favor of each Permitted Mortgagee, which shall provide that the loss proceeds, if any, thereunder shall be payable to such Permitted Mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Board of Managers and the Insurance Trustee (hereinafter defined) as set forth below. The cost of all such insurance shall be paid by the Board of Managers and shall be borne by the Unit Owners as part of the Common Charges.

The proceeds of all such policies of physical damage insurance shall be payable to the Board of Managers, in the event of a loss amounting to One Hundred Thousand dollars ($100,000.00) or less, and to the Insurance Trustee, if the loss shall amount to more than One Hundred Thousand dollars ($100,000.00). Such proceeds shall be applied for the purpose of repairing, restoring, or rebuilding the Building, unless otherwise determined by Unit Owners. In no event shall such proceeds be paid to the holder of any mortgage placed by a Unit Owner on his or her Unit unless, in accordance with the provisions of Section 5.12 of the By-Laws, there shall be a determination not to rebuild the Building. The Insurance Trustee shall be a bank or trust company, having an office in the City and State of New York, designated by the Board of Managers in accordance with the By-Laws.

All policies of physical damage insurance shall contain waivers of subrogation and of any defense based on co-insurance or on invalidity arising from any acts of the insured and of pro-rata reduction of liability and shall provide that such policies may not be cancelled or substantially modified without at least ten (10) days' written notice to all of the insureds, including Permitted Mortgagees. Duplicate originals of all policies of physical damage insurance and of all renewals thereof, together with proof of payment of premiums, shall be delivered to all permitted mortgagees ten (10) days prior to the expiration of the then current policies, and each Unit Owner shall receive a certificate of such insurance.

The Board of Managers shall also maintain, to the extent obtainable (a) fidelity insurance covering all officers and employees of the Condominium and of the Managing Agent (if any) who handle Condominium funds; (b) public liability insurance as to personal injury and property damage in such limits and amounts as the Board of Managers may, from time to time, determine, covering each member of the Board of Managers, the Managing Agent or manager (if any) and each of the Unit Owners; (c) rent loss insurance in such limits and amounts as the Board of Managers may, from time to time, determine; (d) workmen's compensation and New York State disability benefits insurance; (e) boiler insurance; and (f) such other insurance as the Board of Managers may, from time to time, determine. Such public liability insurance will also cover cross-liability claims of one insurer against another.

However, such insurance will not cover the individual liability of a Unit Owner arising from any occurrence within his or her own Unit. In addition, members of the Board of Managers and officers of the Condominium shall have no liability to the Unit Owners for errors of judgment, negligence, or otherwise, except that each member or officer (as the case may be) shall be liable for his or her own bad faith or willful misconduct. Prospective members and officers are advised to consult with their own attorneys about the risk of personal liability in their capacity as a board member or officer.

Any insurance maintained by the Condominium may provide for such deductible amounts as the Board of Managers may determine. The cost of all such insurance shall be paid by the Condominium and shall be borne by all Unit Owners as part of the Common Charges.

Unit Owners shall not be prohibited from carrying other insurance for their own benefit, provided that such policies contain waivers of subrogation and provided, further, that the liability of the carriers issuing insurance procured by the Board of Managers shall not be affected or diminished by reason of any Unit Owner's other insurance. A Unit Owner should consider maintaining, at his or her own expense: (a) separate insurance on the contents (i.e., furniture and other personal property and belongings) in his or her Unit, in such amount as will be adequate to insure against loss by reason of fire or other casualty, and (b) liability insurance against claims for personal injury or property damage resulting from occurrences in his or her Unit or its appurtenant Limited Common Elements.

Liability of the Board of Managers and the Unit Owners

The members of the Board of Managers and the officers of the Condominium will have no liability to Unit Owners because of errors of judgment, negligence, or otherwise, except that individual members and officers will be liable for their own bad faith or willful misconduct. The Board of Managers may contract or effect other transactions with any member thereof, with any Unit Owner, with Sponsor, or with any affiliate of any of them at competitive rates without incurring any liability for self-dealing.

Every contract made by the Board of Managers, by any officer of the Condominium, or by any Managing Agent of the Building shall state (if obtainable) that (a) it is made only as agent for all Unit Owners (if the contract affects the Common Elements and/or Limited Common Elements), (b) the members of the Board of Managers or such officer, or Managing Agent shall have no personal

liability for such contract (except in their capacities as Unit Owners), and (c) the liability of any Unit Owner with respect to such contract shall be limited to: (i) the 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, and (ii) such Unit Owner's interest in his or her Unit and its appurtenant Common Interest, unless otherwise provided by law.

All Unit Owners shall severally indemnify each member of the Board of Managers against any liability or claim, contractual or otherwise, except those arising out of the bad faith or willful misconduct of such member or that are contrary to law or the terms of the Declaration or the By-Laws. However, the liability of any Unit Owner on account of such indemnification will be limited to such proportionate share thereof as the Common Interest of such Unit Owner bears to the aggregate Common Interests of all Unit Owners.

Reports to Unit Owners

An annual report of the income and expenses of the Condominium, certified by an independent certified public accountant, shall be submitted by the Board of Managers to all Unit Owners within four (4) months after the end of each fiscal year of the Condominium. The records and books of account of the Condominium will be available for inspection by any Unit Owner during reasonable business hours.

Amendments to the Condominium Documents

Generally, subject to certain exceptions, and provided that any required consent of the Mortgage Representatives is obtained, any provision of the Declaration, the By-Laws, or the Rules and Regulations may be amended, modified, added to, or deleted by the affirmative vote of two thirds (2/3) of all Unit Owners, both in number and in Common Interests. However, for so long as Sponsor or its designee is the Owner of one or more Units, the Declaration, the By-Laws and the Rules and regulations may not be amended or modified so as to adversely affect Sponsor or such designee without the prior written consent of Sponsor or said designee. In addition, the provisions of the Declaration and By-Laws relating to (i) the use of Units or each Unit's Common Interest may not be amended without the prior written consent of every Unit Owner affected by such amendment or (ii) the rights, benefits and exemptions of the Unsold Units.

Termination of the Condominium

The Condominium shall continue (unless terminated by casualty, loss, condemnation, or eminent domain as provided in the By-Laws) until such time as the Property shall be withdrawn from the provisions of the Condominium Act as a result of the vote to do so of at least eighty (80%) percent of all Unit Owners, both in number and in Common Interests. In addition, the written consent of the Mortgage Representatives, if any, shall be required before such vote is effective. Sponsor will not vote the aggregate Common Interests appurtenant to Unsold Units for such withdrawal unless at least eighty (80%) percent of all other Unit Owners, both in number and in Common Interests, elect to withdraw, at which time Sponsor may choose to vote its Common Interests either in favor of, or against, withdrawal from condominium Ownership, as it sees fit. 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 resulting therefrom shall be divided among all Unit Owners in proportion to their respective Common Interests after first applying the share of the net proceeds of such sale otherwise payable to any Unit Owner to the payment of any liens on his or her Unit, in the order of priority of such liens.

Right of First Refusal

In accordance with Article 7 of the By-Laws, the Condominium (or its designee), on behalf of all Unit Owners, shall have the exclusive right to purchase or lease a Unit (other than an Unsold Unit) for a period of time ending at 11:59 p.m. on the date that is thirty (30) days after the day of receipt of notice of a proposed sale or lease, on the same terms set forth in the applicable contract or lease. The Board of Managers must notify the Unit Owner during such exclusive periods of its election to purchase or lease the Unit. In the event the Board of Managers elects to exercise its right of first refusal as aforesaid, title shall close, or lease shall be executed (as the case may be) within sixty (60) days after the day upon which the Board of Managers gives notice of its election. The Board of Managers may use any funds Deposited in its capital and/or expense account or may assess each Unit Owner (other than the selling Unit Owner), in proportion to his Common Interest, an amount necessary to effectuate the purchase or lease (and to maintain the Unit thereafter, if applicable).

In the event the Condominium becomes the Owner of a Unit, same will be owned by the Condominium, on behalf of all Unit Owners, as tenants-in-common. Such Unit will be deemed and thereafter treated in the same way as a Limited Common Element. Such Unit may be sold by the Condominium or leased. In the event the Condominium or its designee becomes the tenant of a Unit, any lease thereof must comply with the requirements of the By-Laws, except the consent of the Landlord shall not be required to enter into a sublease.

Such Unit may be offered for sale by the Condominium by regular sale, public auction or other commercially reasonable method. The proceeds from the sale or lease of a Unit owned by the Condominium may (at the discretion of the Board of Managers) be used to reduce the Common Charges payable by Unit Owners, be applied to the Working Capital fund or other reserve or contingency fund, or be divided among all Unit Owners in proportion to their respective Common Interest, provided, however, that no payment shall be made to a Unit Owner until there has first been paid out of such Unit Owner's share of net proceeds all liens on the Unit Owner's Unit, in the order of priority of such liens.

All units acquired or leased by the Condominium shall be held by the Condominium on behalf of all Unit Owners. Any rent, Purchase Price, Closing costs or Closing adjustments payable in connection with the acquisition or lease of such Units shall be assessed against all Unit Owners as a Common Expense. No Units held by the Condominium shall carry voting rights. Such Unit shall be deemed and otherwise treated in the same manner as the Limited Common Elements.

Procedure to Review Real Estate Tax Assessments

In the event any Unit Owner seeks to have the Assessed Valuation of his or her Unit reduced by bringing a certiorari proceeding, the Board of Managers, if necessary for such proceeding, will execute any documents or other papers required for, and otherwise cooperate with such Unit Owner in pursuing, such reduction, provided that such Unit Owner indemnifies the Board of Managers from all claims, costs and expenses (including without limitation, reasonable attorney's fees, resulting from such proceedings). The Board of Managers shall have the right to institute such proceedings on behalf of all Unit Owners, who shall individually execute any documents required in connection therewith.

Covenant Against Partition of Common Elements and Limited Common Elements

The Condominium shall continue until terminated in accordance with the By-Laws and Declaration. In the event that withdrawal from the provisions of the Condominium Act 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 the 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 out of such Unit Owner's share of such net proceeds all liens on the Unit Owner's Unit, in the order of priority of such liens.

Copies of the Declaration and By-Laws are set forth in Part II of the Plan as Documents 7 and 8, respectively.

REAL ESTATE TAXES

After the Units are separately assessed, each Unit will be taxed as a separate tax lot for real estate tax purposes by the City of New York. Units will be subject to a Class 2 rate. After the Units are separately assessed, a Unit Owner will not be responsible for unpaid taxes on other Units, nor will his or her Unit be subjected to any lien arising from the non-payment of taxes on other Units.

Taxes

The value of the Property for real estate tax purposes is determined annually by the Property Division of the Department of Finance of the City of New York. Each year the Property Division fixes the "actual" assessment of a property based upon its market value. Under Article 18 of the Real Property Assessment Tax Law, changes in a property's actual assessed value from one year to another, attributable to changes in its market value, other than those due to renovation, new construction or alteration, are phased in over five (5) years in equal annual increments or decrements of twenty (20%) percent per year, resulting in a "transitional" assessment for the property which is also determined each year. For any given year, taxes are based on the lower of the "actual" or "transitional" assessed value. However, increases in assessed value due to new construction, as is the case here, are not phased in, so the "transitional" assessed value and the "actual" assessed value of the Property may be the same.

The projected real estate taxes for the first year of operation contained on Schedule A are based on an assessment of the building before construction is complete. Purchasers are advised that real estate taxes may increase materially when the building is reassessed after construction is complete. See Footnote 5 to Schedule A for more information regarding the projected assessed valuation after completion of construction.

The estimated taxes discussed below are based upon estimates made by the Mazursky Group, Inc. Lester Bleckner & Shaw LLP, attorneys for Sponsor, have read and reviewed the Mazursky Group, Inc. Opinion, however, Lester Bleckner & Shaw LLP is not a taxation expert, has not independently verified the information in the Mazursky Group, Inc. Opinion and makes no judgment as to its accuracy. However, based upon: (i) the Mazursky Group, Inc. Opinion being correct; (ii) any updated opinion of the Mazursky Group, Inc. regarding such tax issues being consistent with the Mazursky Group, Inc. Opinion; (iii) the assumption that the assessed transitional valuation that will be applicable to the Property in the first fiscal year after completion of construction (i.e., commencing January 1, 2021) will be one million eighty thousand six hundred twenty-two ($1,080,622) dollars, and (iv) the real estate tax liability after completion of construction and establishment of a condominium is estimated to be one hundred thirty-five thousand six hundred eighteen ($135,618) dollars at a tax rate of .1255 in effect for the fiscal year beginning July 1, 2020 and ending June 30, 2021 per $100 of assessed valuation. Refer to Document 10 of Part II of the Plan entitled "Real Estate Tax Projection Opinion" by the Mazursky Group, Inc. (with an office at 42 Broadway, Suite 1744, New York, New York 10004). (See also Section entitled "Real Estate Taxes" in Part I of the Plan.)

Schedule A allocates the projected real estate taxes payable by Unit Owners according to each Unit's proportionate interest in the Common Elements. However, it is possible that the tax assessor of the City of New York may allocate assessments on a basis that differs from the allocation of proportionate interest in the Common Elements.

The foregoing estimates were based on existing tax rates, current City of New York assessing policies and Sponsor's description of the Building to be constructed on the Property. However, once Units are separately assessed, there is no assurance that the New York City taxing authority will allocate taxes, and thus the tax exemption, between the Units in accordance with their proportionate valuation in the first, unamended Schedule A of this Plan.

No tax certiorari proceedings are currently pending in regard to the Condominium.

Separate Assessment of Units

It is intended that Units shall be separately assessed on their Closing Date for the then current tax year, but this may not have been done, depending on the Closing Date of the Unit. In the event that Units have not been separately assessed for real estate tax purposes prior to the First Unit Closing of title to a Unit, Sponsor will collect from each Unit Owner, at the Closing, an amount to be held in escrow in the name of the Board of Managers equal to the unpaid real estate taxes, which will be levied against the Property for the six (6) month period next following the tax period for which an adjustment is made at the Closing of title. The Board of Managers shall pay the real estate taxes from this escrow account when they become due and payable, and Sponsor shall pay any amounts which may be due and owing with respect to the Unsold Units during the period of Sponsor's Ownership. If there are funds remaining in the account after the Units are separately assessed, then the Condominium shall refund the excess amount to the Unit Owner entitled to any such refund. To the extent that the escrow funds are insufficient to cover the taxes or the Units are not separately assessed within six (6) months from the Closing Date, then each Unit Owner shall be obligated to contribute such Owner's pro-rata share of any such taxes, according to each Unit's proportionate valuation in the first, un-amended Schedule A of this offering plan.

To provide for the possibility that Units may still not be separately assessed for real estate tax purposes at the end of the six (6) month period hereinabove referred to, Purchasers shall be required, at Closing, to enter into an agreement with Sponsor whereby they agree to deliver to the Condominium within ten (10) days after request therefor, a check payable to the appropriate taxing authority in the amount necessary to cover the Purchaser's percentage of taxes due after the six (6) month period and prior to separate assessment. The Condominium's request shall contain a copy of the relevant tax bill and the calculation of the Purchaser's portion.

The review of real estate tax assessments will be the responsibility of the Board of Managers of the Condominium.

TAXES - DEDUCTIONS TO UNIT OWNERS AND TAX STATUS OF THE CONDOMINIUM

The following discussion of certain income tax consequences of the Ownership of Units is based, in part, upon the income tax opinion of Lester Bleckner & Shaw LLP, counsel to Sponsor. A copy of this opinion is set forth in the Section entitled "Opinion of Counsel."

LESTER BLECKNER & SHAW LLP IS COUNSEL TO SPONSOR AND NOT TO THE UNIT OWNERS. EACH PURCHASER SHOULD CONSULT WITH HIS OR HER OWN TAX COUNSEL AS TO THE TAX CONSEQUENCES OF OWNERSHIP OF A UNIT.

Each Unit Owner will own his or her Unit in fee simple and each Unit will be a separate tax lot for purposes of New York City real estate taxes and assessments. Because each Unit Owner will own his or her Unit in fee simple, the Owner may, subject to certain restrictions discussed above, mortgage such Unit and will thereby become individually liable for the payment of the principal and any finance charges or interest on such mortgage indebtedness (and not on mortgage indebtedness secured by other Units).

It is the opinion of Lester Bleckner & Shaw LLP that, under present law, Unit Owners who itemize their deductions will, in general, be entitled to a deduction for mortgage interest and real estate taxes for Federal, New York State and New York City income tax purposes in the taxable year in which the same are actually paid or accrued by such Unit Owners in accordance with their method of accounting.

Common Charges will be borne by the Unit Owners and assessed and collected by the Condominium. The status of the Condominium for Federal, New York State and New York City income tax purposes is uncertain. If the Condominium were deemed to be merely a conduit for the Unit Owners, all income earned by the Condominium, less the expenses incurred in earning such income, would be deemed income to the Unit Owners and taxable to them. However, Common Charges would not be considered income to the Condominium.

However, the Internal Revenue Service may contend that the Unit Owners, acting through the Condominium, constitute an association taxable as a corporation because of certain of its features such as: centralized management, the attempt to limit the contractual liability of the Unit Owners and the possibility of the perpetual life. If the Unit Owners, acting through the Condominium, were treated as an association taxable as a corporation, such association would be subject to Federal, New York State and New York City corporate income tax on earned income, if any, for the portion of the Common Charges deemed to constitute gross income less deductible expenses. (See the Real Estate Tax Consultant's Estimate of Taxes set forth as Document Number 10 in Part II of the Plan for a further discussion of the tax status of the Condominium.)

The foregoing opinion is not a guaranty: It is based upon existing rules of law applied to the facts referred to above. No assurance can be given that the tax laws upon which counsel bases this opinion will not change. In no event will Sponsor, Sponsor's Attorney, the selling agent, the managing agent, or any other person connected with this offering be liable if any

such persons, the Unit Owners or the Condominium, do not meet or, at any future time, cease to meet the requirements of the Internal Revenue Code of 1986, as amended, the New York State Tax Law or the New York City Administrative Code, if there are changes in the facts on which counsel relied in issuing this opinion or if there are changes in applicable statutes, regulations, decisional law or IRS Rulings on which counsel relied. Moreover, none of the aforesaid make 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 make any statements other than those contained herein.

LESTER BLECKNER & SHAW LLP
350 Fifth Avenue, Suite 3301
New York, New York 10118

February 22, 2021

323 E 53rd Street Owner LLC
100 Park Avenue, Suite 2805
New York, NY 10017

Re: The 323 East 53rd Street Condominium

Gentlemen:

We are serving as special counsel to you, Sponsor for the proposed condominium to be known as the 323 East 53rd Street Condominium (the "Condominium"). You have requested our opinion concerning (i) the availability of income tax deductions for purchasers of Units in said Condominium, (ii) the tax consequences to the Condominium of the collection of assessments from Unit Owners, and (iii) compliance with Section 339-i of the Real Property Law of the State of New York with respect to the allocation of common interests to each Unit in the Condominium.

We have reviewed the Condominium Offering Plan and the documents set forth therein, including the Declaration of Condominium. We have also reviewed Article 9-B of the Real Property Law of the State of New York, as amended, pursuant to which said Condominium will be formed, Section 339-i of the Real Property Law of the State of New York, the relevant Sections of the Internal Revenue Code of 1954, as amended (the "Code"), the regulations or rules issued thereunder and any judicial interpretations thereof, the Tax Reform Act of 1976, the Economic Recovery Act of 1980, the Tax Equity and Fiscal Responsibility Act of 1982, the Tax Reform Act of 1984, the Tax Reform Act of 1986 and the New York State Tax Law. We have also reviewed the opinion of the Andrews Organization Inc. regarding the method of allocation of common interests to each Unit in the Condominium.

Based on our review of the foregoing and assuming the Condominium is validly created pursuant to said Article 9-B, we are of the opinion that, under present law, each Unit Owner of the Condominium who itemizes deductions on his or her income tax return may deduct for both Federal and New York State Income Tax purposes all real estate taxes assessed against the Unit and paid by him or her in the year in which such taxes are paid, and may likewise deduct all "qualified residence interest" paid by him or her on any mortgage indebtedness covering the Unit in the year in which such interest is paid. (Revenue Ruling 64-31, 1964-1 Cumulative Bulletin (Part 1) 300). No deduction is allowed for interest which is not "qualified resident interest." "Qualified resident interest" is interest on indebtedness secured by a "qualified residence" of the taxpayer, which is defined as the taxpayer's principal residence plus one other residence selected by the taxpayer. "Qualified residence interest" is further limited to exclude interest allocable to that portion of the principal of the indebtedness, which, when added to all other indebtedness secured by the residence, exceeds the lesser of (i) the fair

market value of the residence and (ii) the sum of the taxpayer's adjusted basis therein, plus the amount of indebtedness secured by the residence and incurred after August 15, 1986 to pay for qualified medical expenses or qualified educational expenses.

In addition, if any of the Unit Owners are Veterans of the United States Armed Forces, they may be entitled to Veterans' Exemptions covering part of the real estate taxes assessed against their respective Units.

It should be noted that under Section 55 of the Code a non-corporate taxpayer may be subject to an alternative minimum tax on his or her alternative minimum taxable income ("AMTI") in lieu of the regular income tax. AMTI means the taxpayer's adjusted gross income for the taxable year, plus tax preference items described in Section 57 of the Code, and minus certain specified deductions, including, but not limited to, qualified housing interest (incurred to buy, build or rehabilitate the taxpayer's principal residence or a qualified dwelling used by the taxpayer or any member of his family), but excluding certain deductions allowed with respect to the regular income tax, such as real estate taxes.

New York State also imposes a minimum tax based on certain Federal tax preference items, including "adjusted itemized deductions." See Sections 601-A and 622 of the Tax Law of the State of New York.

Section 528 of the Code, which concerns the taxability of condominiums, provides that a Condominium Management Association ("Association") may elect to be exempt from federal income tax on assessments collected from Unit Owners if it meets certain requirements set forth in said section of the Code. Those requirements are:

1. The Association must be organized and operated to provide for the acquisition, construction, management, maintenance and care of Association property, which includes property held by the Association and property commonly held by the members of the Association;

2. Sixty (60%) percent or more of the Association's gross income must consist of assessments from Unit Owners ("exempt function income");

3. Ninety (90%) percent of the Association's expenditures must be for the acquisition, construction, management, maintenance and care of the Association property;

4. No part of the net earnings can inure to the benefit of private individuals; and

5. Substantially all units must be used as residences.

In order for a Condominium Management Association meeting the above requirements to obtain the tax treatment provided by Section 528 of the Code, it must elect to have said Section apply for the taxable year of the Association. The election may be made by filing Form 1120-H, U.S. Income Tax Return for Homeowners Associations, within the time provided for filing Federal income tax returns for the year for which the election is made, including any extensions. A Condominium

meeting the requirements of Section 528 of the Code and electing to be exempt from federal income tax or exempt function income would be taxable at corporate rates, with some minor modifications, on the amount by which its non-exempt function income exceeds the amount of allowable deductions, which are directly connected with the production of such income. Any tax paid on non-exempt function income would be a common expense of the condominium. Each Unit Owner's share of the income tax would then be based on his or her Unit's percentage of interest in the Common Elements of the Condominium.

It is our opinion that the 323 East 53rd Street Condominium will qualify as a "Condominium Management Association," and that the receipts from the Unit Owners, which qualify as dues and assessments, will be "exempt function income" for the taxable year for such Association. It is our further opinion that the 323 East 53rd Street Condominium will meet the above requirements for election of Section 528 during its first year of operation, but we are unable to express an opinion as to whether it will be able to qualify under Section 528 in any particular subsequent taxable year.

If an exemption under Section 528 of the Code is not in effect for any taxable year, the tax status of the Condominium will be governed by the law effective prior to the enactment of said section. Under New York State law, the Condominium would be an unincorporated association, and, in such event, each Unit Owner would be directly taxable on his or her proportionate shares of non-exempt function income, if any. The status of the federal law prior to the enactment of Section 528 is unclear. The characterization of the Condominium under State law is not controlling. The Internal Revenue Service may disregard the status of the Condominium as an unincorporated association and treat it as an association taxable as a corporation. In such event, the result would be similar to an effective election under Section 528.

No warranties are made that either the United States Treasury Department or the New York State Department of Taxation and Finance will allow the aforementioned deductions for real estate taxes and/or mortgage interest to Unit Owners or that the tax laws, regulations and rulings upon which this opinion is based will not change. The undersigned will in no event be liable if it shall be determined that the Condominium does not meet, or at any future time ceases to meet, the requirements of the Internal Revenue Code of 1954, as amended, or the New York State Tax Law, or any amendment of either thereof, by reason of changes in fact or statutory or decisional law or amendment to any law, which could not be foreseen or expected to be foreseen. Moreover, no opinion is expressed nor is any representation or warranty made with respect to the tax consequences of the Plan or any other matter (including, without limitation, the tax consequences of Ownership of Units offered under the Plan), except as herein expressly set forth.

Based on the review of the Condominium Offering Plan, including the Declaration of Condominium, the aforementioned opinion of the Andrews Organization Inc. and Section 339-i of the Real Property Law, we are of the opinion that the allocation of common interests to each Unit in the Condominium, assuming, as set forth in the aforementioned opinion of Andrews that is has been based upon method (iv) of Section 339-i of the Real Property Law, complies with Section 339-i of the Real Property Law.

Notwithstanding the information contained herein, Purchasers are advised that Purchasers should consult with their respective experts regarding the tax consequences of purchasing a Unit.

All defined terms not defined herein shall have the meanings set forth in the Plan.

We hereby consent to the inclusion of this opinion letter in the Condominium Offering Plan.

Very truly yours,

Lester Bleckner & Shaw LLP

WORKING CAPITAL AND REPAIR AND RESERVE FUND

Working Capital Fund

At the time of the Closing of each Unit sold by Sponsor under this Plan, each Purchaser will contribute the amount equal to two (2) months' Common Charges for the respective Unit to the Condominium Working Capital Fund to be maintained by the Board of Managers. Once all the Units have closed, $17,475.28 will have been contributed to the Working Capital Fund. While Sponsor is in control of the Board of Managers, Sponsor will not use the Working Capital Fund for the purpose of reducing the maintenance charges.

The Working Capital Fund may be held, or used for working capital, to make repairs and/or for such other appropriate purposes permitted under the Declaration and the By-Laws as will be determined by the Board of Managers, in its sole discretion.

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

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

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

(a) Fees for assignable permits and licenses, if any;

(b) Charges for electricity and gas and other utilities for the Common Elements and Limited Common Elements;

(c) Payments under service and maintenance contracts and concession agreements, if any;

(d) Real estate taxes, assessments, water charges and sewer rents on the basis of the fiscal or calendar year for which assessed (unless separately assessed to individual Units);

(e) Cost of building supplies on hand, at Sponsor's cost, plus sales tax; and

(f) Premiums for transferable insurance policies.

At the time of the Closing of title of each Unit to a bona fide Purchaser, such Purchaser shall pay into the Working Capital Fund of the Condominium a sum equal to two (2) months' Common Charges for the respective Unit.

Reserve Fund

The Budget for First Year of Condominium Operations does not include an expenditure for a Reserve Fund for the Condominium. After the First Year of Condominium Operation, the Budget may include a Reserve Fund for the purpose of paying the cost of future repairs and/or maintenance to the Premises. The Reserve Fund will never be used to reduce the monthly Common Charges.

Neither the department of law nor any other governmental agency has passed judgement upon the adequacy of the Reserve Fund or Working Capital Fund.

MANAGEMENT AGREEMENT, CONTRACTS AND LEASES

The Condominium will enter into a one (1) year Management Agreement with the Andrews Organization Inc. ("Andrews") with an office at 666 Broadway, 12th Floor, New York, New York 10012 to be the managing agent ("Managing Agent") of the Condominium, effective as of the date of the First Closing of title to a Unit, at an annual base compensation of $12,000. The monthly payment for the first year is $1,000 per month. If the Managing Agent wishes to end the contract for any reason, the Managing Agent shall give the Board of Managers sixty (60) days written notice. The Board of Managers, which is controlled by Sponsor during the Initial Control Period, may cancel the management contract during the initial term upon thirty (30) days' written notice.

All expenses incurred by the Managing Agent in performance of its duties to the Condominium will also be reimbursed to the Managing Agent. See the Budget for the First Year of Condominium Operations (Schedule B). The Management Agreement provides that the books and records held by the Managing Agent shall be returned to the Condominium upon termination. The Management Agreement may not be assigned by either party without the consent of the other. It may be cancelled by either party for cause. The Management Agreement provides that the Condominium shall indemnify the Managing Agent for acts properly performed by the Agent in accordance with the terms of the Management Agreement.

The Managing Agent will, among other things:

(a) cause to be hired, paid and supervised, all persons necessary to be employed in order to properly maintain and operate the Common Elements, all of whom shall be the Condominium's employees;

(b) cause the Common Elements to be maintained in such condition as may be deemed advisable by the Board of Managers, provided that ordinary repairs or alterations involving an expenditure of over $2,500 for any one item which is not part of a previously approved operating or capital budget shall be made only with the prior approval of the Condominium, although emergency repairs, i.e., those immediately necessary for the preservation and safety of the Common Elements or for the safety of Unit Owners or other persons, or required to avoid the suspension of any necessary service to the Property, may be made by the Managing Agent without prior approval irrespective of the cost thereof, but with notice to the Board of Managers as soon as practicable thereafter. Notwithstanding the foregoing, the Managing Agent shall not be required to supervise any major capital improvement projects, although it will solicit bids, if requested by the Board of Managers;

(c) recommend, and with the approval of the Board of Managers, cause all such acts and things to be done in or about the Common Elements as shall be necessary or desirable to comply with any and all laws, rules and orders or violations affecting the Common Elements, placed thereon by any federal, state or municipal authority having jurisdiction thereover;

(d) enter into contracts for any necessary services and supplies, provided that any such contract having a term longer than two (2) years, or requiring annual payments in excess of $2,500, must be authorized by the Board of Managers;

(e) check and approve all bills received for services, work, and supplies ordered in connection with maintaining and operating the Common Elements, and pay or cause to be paid all such bills and all water charges, sewer rents and assessments imposed on the Building as and when the same shall become due and payable;

(f) supervise the moving in and out of Unit Owners;

(g) bill or cause to be billed Unit Owners for Common Charges, late charges and other charges, use its best efforts to collect such Common Charges and other charges, and Deposit the same promptly into an account approved by the Board of Managers;

(h) consider, and when reasonable attend to, complaints of Unit Owners. If the Managing Agent shall deem any complaint unreasonable, it shall advise the Board of Managers of the complaint and the reason for its opinion that the complaint is unreasonable;

(i) if requested by the Board of Managers, carry out required procedures and give required notice as set forth in the Condominium Documents in connection with the exercise of the right of first refusal on proposed sales or leases of Units;

(j) cause to be prepared and filed the necessary forms for unemployment insurance, withholding and social security taxes and all other tax and other forms relating to the employment of Condominium employees;

(k) set up and keep in good order a separate, accurate and full set of receipts and disbursements, and maintain files containing all documents pertaining to the Building. Maintain accurate and complete accounting records and a checkbook on the Condominium's bank account;

(l) prepare and send out all letters and reports to members of the Board of Managers as the Board of Managers may request;

(m) attend Condominium Board meetings each month and all Unit Owner meetings;

(n) process applications by Unit Owners for consent to alterations; assemble proposed plans and coordinate with the Unit Owner for use of Building services, but without supervising the renovations, at a fee to the Unit Owner, which shall be set by the Board of Managers; and

(o) generally, do all things reasonably deemed necessary or desirable by the Board of Managers for the proper management of the Condominium.

Additionally, the Managing Agent shall receive from every Unit Owner, other than Sponsor or its designee as Owner of Unsold Units, a fee for processing applications for sale and rental of Units, which shall initially be as follows:

(i) $550 as a processing fee in connection with the sale of Units; and

(ii) $350 as a processing fee in connection with the rental of Units.

In the event after the transfer of control of the Board of Managers to the Unit Owners, the Condominium Board elects to employ a different managing agent or manager of its own choice, any additional cost thereof shall be added to the annual budget and become part of the Common Charges assessed against all of the Unit Owners. No representation is made by Sponsor as to cost, terms or availability of such management services.

No Leases with the Condominium

Sponsor has not entered into any lease for any space located at the Condominium Building, which will be binding upon the Condominium after the First Unit Closing.

IDENTITY OF PARTIES

Sponsor:

Sponsor of the Offering Plan is 323 E 53rd Street Owner LLC, a New York limited liability company, Sponsor has one (1) member: Maverick Lien Fund IV LP, a Delaware limited partnership; by its manager Maverick Real Estate Partners LLC, a New York limited liability company by its managing members, Edward Martell and David Aviram. The business address for Sponsor, Mr. Martell and Mr. Aviram is at 100 Park Avenue, Suite 2805, New York, NY 10017. Sponsor, 323 E 53rd Street Owner LLC, has no prior experience in the sale of cooperatives or condominiums, planned unit development homes or time shares which were first offered within the past five (5) years in the State of New York. The Principals of Sponsor are Edward Martell and David Aviram.

Mr. Martell and Mr. Aviram have been real estate investors in the New York metropolitan area for the past ten (10) years. Neither Mr. Martell nor Mr. Aviram has been a Sponsor principal in a real estate development during the past five (5) years in New York. Mssrs. Martell and Aviram do not have any prior felony convictions, nor do they have any bankruptcies, convictions, injunctions or judgments against them. Mr. Martell and Mr. Aviram are professional real estate investors and financiers.

There are no other cooperative, condominium or homeowners association, other than this condominium, where the sponsor, general partner or principal of the sponsor, or the holder of unsold shares, owns ten (10%) percent or more of the unsold shares or units.

Sponsor's sole member (Maverick Lien Fund IV LP) owns more than ten (10%) percent equity interest in the Sponsor, and its Principals have not had any prior bankruptcies, convictions, injunctions and judgments within the fifteen (15) years prior to the submission of the Offering Plan.

Copies of the Offering Plans for the above projects are available at the office of Sponsor and at the office of the New York State Attorney General with an office located at 28 Liberty Street, 21st floor, New York, New York 10005.

Selling Agent:

The Selling Agent for the Condominium will be Sotheby's International Realty, with an office located 650 Madison Avenue, New York, NY 10022. The Selling Agent has no ownership interest in Sponsor and is compensated on the basis of sales of condominium units at the building. The Selling Agent does not have any prior felony convictions, nor does it have any bankruptcies, convictions, injunctions or judgments against it.

Attorneys:

Sponsor's attorneys are Lester Bleckner & Shaw LLP, 350 Fifth Avenue, Suite 3301, New York, New York 10118 (Tel. No.: 212-279-4490), who have prepared the Plan, the Declaration, the By-Laws and the Purchase Agreement. Lester Bleckner & Shaw LLP is experienced in the preparation of Offering Plans. The Plan was prepared under the supervision of Martin Shaw, Esq. and Ian Lester, Esq. Lester Bleckner & Shaw LLP has read all the printed copy submitted to the Department of Law but disclaims any responsibility to have made an independent inspection of the building or property or investigation of the information furnished by Sponsor. The law firm has no financial interest in the Property or Sponsor, except that it is paid a legal fee for its services. Lester Bleckner & Shaw LLP's role as escrowee under the Purchase Agreement will not affect its ability to fulfill its obligations as escrowee even though they also represent Sponsor. Such dual role will not create any conflict of interest.

No separate counsel has been retained to represent the Condominium.

It is suggested and expected that each Purchaser will consult and be represented by his or her own counsel in connection with this Offering.

Architects:

Sponsor's architect is John Saracco Architect LLC with an office at P.O. Box 245, Boonton, New Jersey 07005. Sponsor's architect has experience in planning and designing all forms of housing in the New York area. Sponsor's Architect has no ownership or proprietary interest, past or present, in Sponsor, the Property or the Condominium except to be paid for services rendered in its capacity as Sponsor's architect.

Engineers:

Kam Chiu Consulting Engineer, P.C. provided the Projected Annual Utilities Cost Estimates, which is reproduced in Part I of this Plan. Kam Chiu Consulting Engineer, P.C.'s projections were based on review of comparable buildings and corresponded with the energy calculations submitted for New York City Energy Conservation Code compliance. Neither the firm nor its principals have any financial relationship with Sponsor or the Principals of Sponsor except for being retained to do the analysis contained herein and paid a fee for its services. The firm has an office located at 54 Howard Street, 5th Floor, New York, New York 10013.

Condominium Budget Expert:

Andrews assisted in reviewing the Projected Budget for First Year of Condominium Operations and provided the certification of budget and Common Charges. Andrews has over thirty-two (32) years' experience managing residential, mixed-use properties and rental buildings in City of New York. Andrews and its Chief Executive Officer, Eugene Andrews, are not owned

or controlled by Sponsor and will be paid a fee its services. Andrews has an office located at 666 Broadway, 12th Floor, New York, New York 10012.

Managing Agent:

Immediately after the First Unit Closing, the Condominium will enter into a one (1) year Management Agreement with Andrews, with an office located at 666 Broadway, 12th Floor, New York, New York 10012.

Real Estate Tax Consultant:

The Mazursky Group, Inc. is a property tax consultant and maintains its offices 42 Broadway, Suite 1744, New York, New York 10004. Neither the firm nor its principals have any financial relationship with Sponsor or the Principals of Sponsor except for being retained to do the analysis contained herein and paid a fee for its services.

REPORTS TO UNIT OWNERS

All Unit Owners will be entitled to receive annually from the Board of Managers of the Condominium, at the expense of the Condominium, copies of the following:

(a) annual financial statements of the Condominium, prepared and certified by independent certified public accountants, to be received within four (4) months after the end of the fiscal year;

(b) notices of the holding of the annual meetings of the Unit Owners, to be sent not less than ten (10) days nor more than forty (40) days in advance of the meeting, stating the purposes thereof as well as the time and place where it is to be held; and

(c) a copy of the proposed annual budget of the Condominium, to be received not less than ten (10) days prior to the date set for adoption thereof by the Board of Managers. While Sponsor is in control of the Condominium, this budget will be certified in accordance with Section 20.4(d) of the Attorney General's Regulations.

DOCUMENTS ON FILE

The Declaration and the By-Laws will be recorded in the New York County officer of the Register of the City of New York prior to the conveyance of title to the first Unit. In addition, a set of floor plans for the Building showing the layout, location and approximate dimensions of the Units and Unit designations, certified by the Real Property Assessment Department of the City of New York as conforming to the official tax lot number for each such Unit, and an Architect's statement required by Section 339-p of Article 9-B of the Real Property Law of the State of New York, certifying that the floor plans fully and fairly depict the layout, location, Unit designations and approximate dimensions of the particular Unit or Units as built, will be filed in said City Register's office.

Pursuant to Section 352-e(9) of the General Business Law, copies of this Offering Plan, all Exhibits or documents referred to herein and all Exhibits submitted to the Department of Law in connection with the filing of the Plan are and will be kept on file at the offices of Sponsor set forth on the cover page hereof for six (6) years from the First Closing of title to a Unit, for examination without charge and copying at a reasonable charge, during normal business hours and upon reasonable notice, by prospective purchasers and any person who has purchased a Condominium interest offered by this Plan and who has otherwise participated in this offering.

Sponsor will deliver to the Board of Managers at the First Closing of title to a Unit, a copy of all documents filed with the City Register.

GENERAL

This Plan does not knowingly omit any material fact or knowingly contain any untrue statement of a material fact. This Plan does not contain a full summary of all the provisions of various documents referred to herein. Statements made to the provisions of such documents are qualified in all respects by the contents of such documents, and, in the case of any such documents executed by or with the written consent of a Purchaser pursuant to this Plan, any rider or separate agreement changing or adding provisions to such document.

There are no lawsuits or other legal proceedings now pending, or any judgments outstanding, against Sponsor, or any person or persons, which might become a lien against the Property, or which might materially and adversely affect this offering, the Purchasers of Units, the Property, the Condominium, or the operation thereof or Sponsor's capacity to perform all its obligations under the Plan.

In accordance with the provisions of the laws of the State and City of New York, neither Sponsor nor any selling agent engaged by Sponsor will discriminate against any person because of sex, race, creed, color, national origin, ancestry, disability, marital status or other ground prohibited by law in the sale of the Units offered by Sponsor pursuant to this Plan, or in the leasing of any such Units or any other portion of the Building.

Sponsor agrees to pay such interest on Deposits as a court may consider just and proper as part of any order granted pursuant to Section 354 of the General Business Law.

No Person other than the respective 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 Person shall be deemed to have received any benefit as a result of any of the provisions of the Plan.

To the best of Sponsor's knowledge, there are no circumstances which may affect the use or enjoyment of the Property and appurtenances, including, but not limited to, any usage restriction by statute, ordinance or zoning resolution, such as specified occupancy percentage by certified artists, or historic district or landmark designation, unless disclosed elsewhere in the Plan.

The Property has not been the subject of any prior public offering. Sponsor has not entered into any contracts or agreements and no Deposits or advances of funds have been accepted as of the date the Plan is accepted for filing.

In accordance with the provisions of the laws of the State and City of New York, neither Sponsor nor any Selling Agent engaged by Sponsor will discriminate against any person because of race, creed, color, sex, disability, marital status, age, ancestry, national origin or any other ground proscribed by law in the sale of Units offered by Sponsor pursuant to this Plan, or in the leasing of any such Units or any other portion of the Building.

Sponsor reserves the right to revise, from time to time, the terms and conditions upon which Units are to be sold and to otherwise revise this Plan, including revisions affecting the rights, obligations and liabilities of Sponsor, Purchasers or prospective purchasers, without obtaining the consent of Purchasers or others. However, Sponsor may neither unilaterally cancel an outstanding Purchase Agreement, except as therein provided (such as in case of an uncured default), nor unilaterally change the Purchase Price or the payment terms contained in such a Purchase Agreement. All substantive or material revisions will be contained in a duly filed amendment to this Plan. If there is a substantial amendment to the Plan that materially adversely affects the rights, obligations or liabilities of then existing Purchasers or reduces the undertakings or obligations of Sponsor, then, except as otherwise provided herein, such Purchasers will be given, for fifteen (15) days after the presentation of the amendment, a right to rescind their Purchase Agreements by written notice to Sponsor and be refunded the Deposit made thereunder, with any interest earned thereon, within thirty (30) days after the presentation of the amendment, except the Purchaser will not receive a refund of any funds released for actual work, upgrades or extras authorized by Purchaser. However, such rescission, as to a Purchaser who becomes a tenant of the Building, will be conditioned on the cancellation of any Interim Use and Occupancy Agreement and surrender of possession of his or her Unit within forty-five (45) days thereafter. Sponsor shall retain such Deposit, and interest, in the case of any Purchaser who is in default under the Purchase Agreement beyond any applicable grace period, but not to exceed fifteen percent (15%) of the Purchase Price (together with interest earned thereon, if any and the costs of actual work authorized by Purchaser). Sponsor must comply with the provisions of the Escrow agreement set forth in Part II of the Plan.

As of the date this Plan is accepted for filing, Sponsor has not entered into any agreement, oral or written, nor has Sponsor accepted any Deposits or advances of any funds by or on behalf of Sponsor in connection with the purchase of any Unit.

Sponsor agrees that copies of this Plan, Parts A, B and C of the Exhibits and documents referred to herein shall be on file and available for inspection without charge and copying at a reasonable charge by prospective purchasers and by any Purchaser, at the office of Sponsor, 100 Park Avenue, Suite 2805, New York, New York 10017, and shall remain available for such inspection or copying for a period of six (6) years from the date the Declaration is recorded.

All statements and representations made in this Plan with respect to items prepared by others such as the Section of the Plan entitled "Sponsor's Statement of Specifications of Building Condition" and the Floor Plans of the Building, have been made in reliance upon the respective firms and their authority as experts, as well the opinion letters on energy consumption and costs, on projected real estate tax liability after construction, on real estate tax benefits, which have been reproduced in the Plan.

Unless the context otherwise requires, words used in the singular in Part I of this Plan include the plural and vice versa, a reference to any one gender, masculine, feminine, or neuter, includes the other two, and a reference to both the masculine and/or feminine gender includes the neuter gender.

No person has been authorized to make any statement or representation or furnish any information which is not expressly contained herein. Information, data or representations not contained herein or in the documents or exhibits referred to herein must not be relied upon. This Plan may not be changed or modified orally.

EXCESS DEVELOPMENT RIGHTS

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

SPONSOR'S STATEMENT OF
SPECIFICATIONS OF BUILDING CONDITION

Sponsor adopts the "Description of Property and Building Condition" (the "Report") set forth in Part II of the Plan prepared by the architecture firm of John Saracco Architect LLC with an office at P.O Box 245, Boonton, New Jersey 07005, that accurately states the description of the Property and the planned renovations and partial new construction as of the date it was prepared subject to being amended as needed, and Sponsor has relied solely on this Report. Sponsor represents that it does not know of any material defect of need for major repairs except as set forth in the Report.

The proposed total of the Units in the Offering Plan, eleven (11) Units, and their uses will be identical to the number of Units and uses for which a Certificate of Occupancy will be obtained upon completion of construction. Sponsor will comply with all laws and regulations concerning the no-lead paint laws. The storage locker facilities in the cellar will also be in accordance with the Certificate of Occupancy.

Dated: New York, New York
February 22, 2021

323 E 53rd Street Owner LLC
SPONSOR

PART II

THIS PAGE INTENTIONALLY LEFT BLANK

PURCHASE AGREEMENT

THIS PAGE INTENTIONALLY LEFT BLANK

PURCHASE AGREEMENT

A PURCHASER SIGNING THIS AGREEMENT SHALL BE ENTITLED TO RESCIND THIS AGREEMENT BY DELIVERY OF WRITTEN NOTICE OF RESCISSION TO THE SPONSOR WITHIN SEVEN (7) DAYS AFTER EXECUTION HEREOF IF SUCH PURCHASER HAS NOT BEEN IN POSSESSION OF A COPY OF THE OFFERING PLAN FOR AT LEAST THREE (3) BUSINESS DAYS PRIOR THERETO.

THIS AGREEMENT IS NOT CONDITIONED ON FINANCING UNLESS PURCHASER EXECUTES THE FINANCING CONTINGENCY RIDER ANNEXED HERETO AND MADE A PART HEREOF AS EXHIBIT 4.

PURCHASE AGREEMENT (this "Agreement") by and among _____ and _____ (collectively, "Purchaser), each having an address at _____ and 323 E 53rd STREET OWNER LLC, having an office at c/o Maverick Real Estate Partners LLC, 100 Park Avenue, Suite 2805, New York, New York 10017 ("Sponsor") for the Condominium Unit designated as _____ in the proposed Condominium located at 323 East 53rd Street, New York, New York 10022, together with the Unit's ____% undivided interest in the common elements ("Common Elements"), which Purchaser agrees to buy and Sponsor agrees to sell as set forth in this Agreement:

1. Purchase Price

A.	The "Purchase Price" is:	$_____
B.	The "Initial Deposit" (10% of the Purchase Price, the receipt of which is acknowledged) is:	$_____
C.	The "Additional Deposit" (5% of the Purchase Price, together with the Initial Deposit, the "Contract Deposit") is:	$_____
D.	The "Balance" (to be paid at Closing) is:	$_____

2. Definitions

The following terms in this Agreement shall have these meanings:

A. "Attorney for Sponsor" means Lester Bleckner & Shaw LLP, having an address at 350 Fifth Avenue, Suite 3301, New York, New York 10118; Attention: Ian Lester, Esq. Telephone Number: (212) 279-4490. Fax Number: (212) 279-4495. E-mail address: ilester@lesterblecknershaw.com.

B. "Attorney for Purchaser" means _____, having an address at _____. Attention: _____, Esq. Telephone number: _____. Facsimile number: _____. E-mail address: _____.

D. "Building" shall mean the building or buildings located at 323 East 53rd Street, New York, New York 10022.

E. "Closing Date", "Closing", "closing of title" and similar words are used synonymously and mean the settlement of the mutual obligations of Sponsor and Purchaser under this Agreement, including the payment to Sponsor of the Purchase Price and delivery to Purchaser of the deed transferring ownership to the Unit on the terms set forth in this Agreement.

F. "Condominium" shall mean the 323 East 53rd Street Condominium.

G. "Declaration" shall mean the Declaration establishing condominium ownership of the Property.

H. "Escrow Agent" shall mean Attorney for Sponsor.

I. "Plan" shall mean the Offering Plan to convert the Property to condominium ownership and any amendments thereto filed prior to the date upon which Purchaser signs this Agreement.

J. "Property" shall mean the Building and the land upon which they are erected.

K. "Selling Agent" shall mean Sotheby's International Realty, with an address at 650 Madison Avenue, New York, New York 10022. Telephone Number: (212) 606-7718.

All other terms not defined elsewhere herein shall have the meanings ascribed to them below.

3. Plan

Purchaser acknowledges having received and read the Plan at least three (3) full business days prior to Purchaser's signing this Agreement. The Plan is incorporated in this Agreement with the same force and effect as if set forth herein at length. In the event of any inconsistency or conflict between the provision of this Agreement and those contained in the Plan, the provisions of the Plan shall govern and be binding. Purchaser acknowledges having had full opportunity to examine all documents and investigate all statements made in this Agreement and in the Plan.

4. Payment of Purchase Price

A. The balance of the Purchase Price (hereinafter referred to as the "Balance"), due at the Closing, must be paid by official cashier's check or official bank check drawn on a bank that is a member of the New York Clearing House Association, and made payable to the direct order of Sponsor or such other party as Sponsor may designate.

B. Subject to Sponsor's continued obligation to perform all of its obligations under the Offering Plan, including without limitation, its obligations to complete the alterations, obtain the Certificate of Occupancy and guarantee the quality of the work as set forth in the Section of the Plan entitled "Rights and Obligations of Sponsor", Purchaser's payment of the Balance and acceptance of a deed to the Unit shall constitute Purchaser's recognition that Sponsor has satisfactory 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 expressly stated herein or in the Plan to be performed by Sponsor, prior to, or subsequent to the closing.

C. Purchaser is not required to close title, to pay the Balance or accept title to the Unit unless all of the conditions set forth in the Section "Closing of Title to Individual Units" in Part I of the Plan are met concurrently with, or prior to, the closing.

5. Contract Deposit and other Deposits to be Held in Escrow Account

A. The law firm of Lester Bleckner & Shaw LLP, with an address at 350 Fifth Avenue, Suite 3301, New York, New York 10118, telephone number (212) 279-4490, shall serve as escrow agent ("Escrow Agent") for Sponsor and Purchaser. Escrow Agent has designated the following attorneys to serve as signatories: Ian Lester, Esq. and Martin Shaw, Esq. All designated signatories are admitted to practice law in the State of New York. Neither the Escrow Agent nor any authorized signatories on the account are Sponsor, Selling Agent, Managing Agent, or any principal thereof, or have any beneficial interest in any of the foregoing.

B. Escrow Agent and all authorized signatories hereby submit to the jurisdiction of the State of New York and its Courts for any cause of action arising out of this Agreement or otherwise concerning the maintenance of release of the Contract Deposit from escrow.

C. The Escrow Agent has established the escrow account at First Republic Bank, located at Rockefeller Center, 1230 Avenue of the Americas, New York, New York 10020 ("Bank"), a bank authorized to do business in the State of New York. The escrow account is entitled Lester Bleckner & Shaw LLP Escrow Account for the 323 East 53rd Street Condominium ("Escrow Account"). The Escrow Account is not an IOLA account. The Escrow Account is federally insured by the FDIC at the maximum amount of $250,000 per deposit. Any deposit in excess of $250,000 will not be insured. In the event that Purchaser has an account in the Bank, Purchaser's funds at the bank are included with the escrowed deposit when calculating the $250,000 FDIC insurance limit.

D. All deposits (including the Contract Deposit) received from Purchaser shall be in the form of checks or wire transfers and shall be made payable to or endorsed by Purchaser to the order of Lester Bleckner & Shaw LLP Escrow Account for the 323 East 53rd Street Condominium, as Escrow Agent.

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

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

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

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

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

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

(i) pursuant to terms and conditions set forth in this Agreement to Sponsor 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 Escrow Agent is not directed to release the Contract Deposit pursuant to paragraphs (i) through (iii) above, and the Escrow Agent receives a request by either party to release the Contract Deposit, then the Escrow Agent must give both Purchaser and Sponsor prior written notice of not fewer than thirty (30) days before releasing the Contract Deposit. If the Escrow Agent has not received notice of objection to the release of the Contract Deposit prior to the expiration of the thirty (30) day period, the Deposit shall be released, and the Escrow Agent shall provide further written notice to both parties informing them of said release. If the Escrow Agent receives a written notice from either party objecting to the release of the Contract Deposit within said thirty (30) day period, the Escrow Agent shall continue to hold the Contract Deposit until otherwise directed pursuant to paragraphs (a) through (c) above. Notwithstanding the foregoing, the Escrow Agent shall have the right at any time to deposit the Contract Deposit contained in the Escrow Account with the clerk of the county where the Building is located and shall give written notice to both parties of such deposit.

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

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

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

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

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

L. Escrow Agent shall maintain the Escrow Account under its direct supervision and control.

M. A fiduciary relationship shall exist between Escrow Agent and Purchaser, and Escrow Agent acknowledges its fiduciary and statutory obligations pursuant to GBL §§ 352-e(2-b) and 352(h).

N. Escrow Agent may rely upon any paper or 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.

O. Sponsor agrees that it shall not interfere with Escrow Agent's performance of its fiduciary duties and statutory obligations as set forth in GBL §§ 352-e(2-b) and 352-(h) and the New York State Department of Law's regulations.

P. Sponsor shall obtain or cause the selling agent under the Plan to obtain a completed and signed Form W-9 or W-8, as applicable, from Purchaser and deliver such form to Escrow Agent together with the Contract Deposit and this Agreement.

Q. Prior to release of the Contract Deposit, Escrow Agent's fees and disbursements shall neither be paid by Sponsor from the Contract Deposit nor deducted from the Contract Deposit by any financial institution under any circumstance.

R. Sponsor agrees to defend, indemnify, and hold Escrow Agent harmless from and against all costs, claims, expenses and damages incurred in connection with or arising out of Escrow Agent's responsibilities arising in connection with this 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 the obligations set forth in this Agreement or involving gross negligence of Escrow Agent. This indemnity includes, without limitation, disbursements and attorneys' fees either paid to retain attorneys or representing the hourly billing rates with respect to legal services rendered by Escrow Agent to itself.

S. Any conflict between the provisions of this Agreement and the provisions of the Plan shall be resolved in favor of the Plan.

6. Closing Contingent on Plan Being Declared Effective

The obligations of Purchaser and Sponsor under this Agreement are conditioned upon the Plan being declared effective. The Plan shall not be declared effective except in accordance with the terms of the Plan, as same may be amended from time to time. Purchaser understands and agrees that Sponsor shall have the right to abandon the Plan at any time prior to its being declared effective or thereafter, in certain limited cases set forth in the Plan. Sponsor shall notify Purchaser, by notice and subsequently duly filed amendment to the Plan, when the Plan becomes effective or is abandoned.

7. Closing Date and Place

A. The closing of title shall occur as set forth in the Plan, and on the date and at the time and place in the City and State of New York as Sponsor shall designate to Purchaser on not less than thirty (30) days prior to written notice, subject to Purchaser's waiver of such thirty (30) days' notice by execution of the waiver annexed hereto as Exhibit 1. Sponsor shall have the right, from time to time, to adjourn such date and time for closing on written notice to Purchaser. If adjourned, Sponsor shall fix a new date and time for title closing and shall give Purchaser not less than ten business days' prior written notice of the new scheduled date and time for closing.

B. The closing of title shall occur only after, or concurrently with, compliance with the prerequisites set forth under Section "Closing of Title to Individual Units" in Part I of the Plan.

8. The Deed

At Closing, Sponsor shall deliver to Purchaser a Bargain and Sale Deed with covenants against grantor's acts, transferring to Purchaser full ownership (fee simple title) to the Unit. The deed shall be substantially in the form reproduced in the Plan and shall be executed and acknowledged by Sponsor in form for recording. Such executed deed shall be delivered immediately to the representative of the title company insuring Purchaser's title (or, if no such representative is present, then to Purchasers attorney) for recording at the Office of the Register of the County of New York, City and State of New York. After being recorded, the deed shall be returned to Purchaser.

9. State of Title

Except as otherwise set forth in Article 11 below, legal ownership to the Unit shall be transferred to Purchaser at Closing subject only to the liens, encumbrances and title conditions (hereinafter called the "Permitted Encumbrances") enumerated in Exhibit 3 to this Agreement. Any other liens, encumbrances, or conditions shall not be an objection to title if: (i) the instrument required to remove it from the record is delivered to the representative of Purchaser's title insurance (or, if none, to Sponsor's attorney) for recording in the proper office, together with the requisite recording or filing fees; or (ii) Purchaser's title insurance company will insure Purchaser and Purchaser's lending institution against its collection or enforcement out of the Unit.

10. Title Company Approval

Subject to the terms of Article 11 below, Sponsor shall give, and Purchaser shall accept, such title as _____ Title Insurance Company ("_____") will approve and insure, provided that the only liens, encumbrances and conditions effecting title shall be the Permitted Encumbrances, and further provided that if a title insurance company selected by Purchaser other than _____ or such other title insurance company designated by Sponsor and licensed to do business in New York ("Sponsor's Designated Title Company") refuses to approve and insure title in accordance with the foregoing, and _____ or Sponsor's Designated Title Company delivers its commitment to approve and insure in accordance herewith, then in that event, Purchaser shall accept such title as _____ or Sponsor's Designated Title Company will approve and insure, subject only to Permitted Encumbrances.

11. Sponsor's Inability to Convey Title

In the event that Sponsor is unable to deliver to Purchaser title to the Unit in accordance with the provisions of this Agreement, Sponsor will not be obligated to bring any action or proceeding or otherwise incur any cost or expense of any nature whatsoever in excess of ½ of 1% of the Purchase Price to render title marketable, and in such case, if Sponsor notifies Purchaser of its refusal to remedy the defect in title and if Purchaser is not in default hereunder, Purchaser shall have the option to (i) take title subject to such title defect (without any abatement in, or credit against, the Purchase Price, or claim or right of action against Sponsor for damages or otherwise), or (ii) terminate this Agreement. If Purchaser elects to terminate this Agreement, Sponsor shall instruct the Escrow Agent to return to Purchaser, within ten (10) days after receipt of Purchaser's termination notice, all monies deposited hereunder, with interest accrued thereon, if any. Upon making such refund, this Agreement shall be null and void and neither party shall have any further rights, obligations or liabilities with respect to the other hereunder or under the Plan. The above option must be exercised by Purchaser in writing sent to Sponsor within ten (10) days after the giving of Sponsor's notice of refusal to remedy the title defect, failure of which shall be conclusively deemed that Purchaser elected the first option above to acquire title subject to the title defect.

12. Closing Adjustments

A. At Closing, Sponsor and Purchaser shall apportion, as midnight of this day preceding the Closing:

(i) Common Charges for the month in which title closes;

(ii) Real Estate Taxes and any escrow for Real Estate Taxes;

(iii) if Purchaser has executed an interim lease for the Unit, rent and other charges due thereunder for the month in which closing takes place based upon a thirty (30) day month.

(iv) if Purchaser fails to close on the Closing Date initially Scheduled by Sponsor, all adjustments (except interim rent, if any) shall be made as of the original closing date. In addition, Purchaser shall pay to Sponsor interest on the full amount of the Purchase Price at the rate of .03% per day each day from and including the original closing date through and including the date of the actual closing of title.

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.

B. In the event the Unit has not been separately assessed for the then current fiscal tax year at the time of title closing, the apportionment of real estate taxes shall be based on the Unit's pro rata share (in proportion to its Common Interest) of the then current real estate taxes assessed against the Property. If the Unit has been separately assessed, but the closing occurs before the tax rate is fixed, then the apportionment of real estate taxes shall be based upon the latest tax rate applied to the most recent assessed valuation.

C. Any errors or omissions in computing apportionments at Closing shall be corrected any payment made to the proper party promptly after discovery. This provision shall survive the closing.

D. Installments of tax assessments due after the delivery of the deed, if any, shall be paid by Purchaser and shall not be considered a defect in title.

13. Purchaser's Closing Costs

A. At Closing, Purchaser will pay certain costs in connection with the Purchase of the Unit and the amount of any net credit in favor of Sponsor that may result from the closing apportionments described in the preceding Article 12. Such closing costs will include the following, the amounts of which are based on rates in effect on the date of the Plan and are subject to change without prior notices:

(i) If Purchaser elects to obtain fee title insurance, Purchaser will pay a premium to the title company for such insurance, which will vary depending on the amount of insurance from a title insurance company other than the company named above or Sponsor's Designated Title Company. Additionally, Sponsor makes no representation or warranty as to the cost, terms or availability of such other title insurance and, in the event Purchaser opts to obtain such other title insurance, the provisions of Article 10, above, shall be carefully noted by Purchaser;

(ii) Purchaser will pay a fee for recording the deed and the Unit Owner's Power of Attorney together with a service charge to the title company for such recording; and

(iii) If Purchaser obtains a mortgage loan, Purchaser will pay:

(a) If required by the mortgage lender, mortgage origination fee of the lender, appraisal and credit investigation fee;

(b) A fee and service charge for recording the mortgage at the same rates give above for recording the deed;

(c) A mortgage recording tax in the amount provided by law (at the date of this Plan the tax is 2.05% of the face amount of the mortgage for loans up to $500,000 and 2.13% for loans in excess of $500,000, less twenty-five ($25) dollars (the tax for the Community Facility Unit is 2.8%);

(d) To Sponsor, a sum equal to the partial mortgage tax credit to which Purchaser is entitled under Section 339-ee (2) of the New York Condominium Act; however; in no event shall the reimbursement of Sponsor exceed the amount of the mortgage recording tax paid by Purchaser as set forth in the preceding subdivision (ii);

(e) The legal fees of counsel to the lender in connection with such mortgage loan as agreed between Purchaser and the lender;

(f) If required by the lender, a premium for mortgage title insurance insuring the mortgagee's interest in an amount equal to the mortgage loan. The premium for both fees and mortgage title insurance, if ordered simultaneously from Sponsor's Designated Title Company, will vary depending upon the amount of fee and mortgage title insurance requested;

(g) If required by the lender, an escrow for real estate taxes, any assessments and (if separately assessed) water charges and sewer rents in an initial amount and in such monthly sums after closing as is deemed sufficient by the lender; and

(h) Such other charges Purchaser's mortgage lender may require.

(iv) Purchaser will pay to the Condominium one (1) month of common charges for the month following the month in which the Closing occurs.

(v) Purchaser will pay to the Condominium, at the time of closing, an amount equal to two (2) months' common charges towards working capital reserve.

(vi) Purchaser shall pay to Lester Bleckner & Shaw LLP the sum of $3,000, which sum represents the attorney fee for services rendered in preparing the Unit Deed, the Power of Attorney and for coordinating and attending the Closing. In the event the Closing is held at a location other than the offices of Lester Bleckner & Shaw LLP, the attorney fee shall be increased by an additional $750. Should Purchaser fail to close on the date set forth for the original closing of title, Purchaser will pay Lester Bleckner & Shaw LLP an additional fee of $500 for its services in attending the adjourned closing. All fees noted herein are cumulative.

(vii) Transfer Taxes are generally a seller's obligation; however, such obligation is being transferred to the Purchaser. Purchaser shall pay the New York City Real Property Transfer Tax for each Residential Unit, which is currently one (1%) percent of the total consideration where the purchase price is $500,000 or less, but when paid by the purchaser is approximately 1.01% since the shifting of the obligation from the seller to the purchaser is considered to be additional consideration, or at the rate of 1.425% of the purchase price where the price is more than $500,000, but when paid by the purchaser is approximately 1.445% plus a Fifty ($50) dollar filling fee to the City of New York (the Tax for the Community Facility Unit is 2.625% and when paid by purchaser is approximately 2.75%);

(viii) Purchaser shall pay the New York State deed document stamps, currently .4% of the total consideration, but when paid by the purchaser is increased to approximately .4016%, and that portion of the New York State Real Property Transfer Tax as computed in Schedule B, Part II of the TP-584 return (a so-called "Mansion Tax", as described herein) by certified check or attorney escrow check in the amount of such taxes payable to the appropriate government agency or entity. If the total consideration paid for a Unit is $1,000,000 or more, Purchaser shall also be obligated to pay the New York State

Additional Tax pursuant to Article 31 of the Tax Law, commonly referred to as the "Mansion Tax". The Mansion Tax rates are as follows: (i) 1% where the Purchase Price equals at least $1,000,000 but less than $2,000,000; (ii) 1.25% where the Purchase Price equals at least $2,000,000 but less than $3,000,000; (iii) 1.5% where the Purchase Price equals at least $3,000,000 but less than $5,000,000; (iv) 2.25% where the Purchase Price equals at least $5,000,000 but less than $10,000,000; (v) 3.25% where the Purchase Price equals at least $10,000,000 but less than $15,000,000; (vi) 3.5% where the Purchase Price equals at least $15,000,000 but less than $20,000,000; (vii) 3.75% where the Purchase Price equals at least $20,000,000 but less than $25,000,000, or (viii) 3.9% where the Purchase Price equals at least $25,000,000

B. No work can be performed in the Unit by a Purchaser prior to closing, prior to issuance of a permanent certificate of occupancy. If Purchaser wishes to make alterations to the Unit, certain Unit finishes may be omitted, but only upon written agreement with Sponsor and only if it will not interfere with obtaining the permanent certificate of occupancy. This provision shall survive closing of the Unit.

C. In addition to those costs and adjustments described in Articles 12 and in this Article 13, 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 "Unit Closing Adjustments and Costs." 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.

D. **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 thirty (30) days from the giving of the 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 Agreement shall be deemed cancelled, and Sponsor shall have the right to retain, as and for liquidated damages, the entire Contract Deposit. 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, and without any obligation to account to Purchaser for any of the proceeds of such sale. If Sponsor elects to seek specific performance, then Purchaser shall have thirty (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 this Agreement (including, but not limited to, attorneys' fees, disbursements and costs of collection).

14. No Guarantee of Mortgage

Purchaser hereby acknowledges and agrees that no warranties or representations were made to Purchaser, either in the Plan or by Sponsor or any other person or entity, that Purchaser will be able to obtain financing for the purchase of the Unit from any lending institution. Purchaser hereby agrees that if Purchaser is unable to obtain any such financing, Sponsor shall have no liability to Purchaser for the failure to obtain any such financing.

15. Power of Attorney to Board of Managers.

At Closing, Purchaser shall execute, acknowledge and deliver to the representative of the title insurance company insuring Purchaser's title to the Unit (or, if no representative is present, ten to Sponsor's attorney) for recording in the New York City Register's office of the County of New York and State of New York, a power of attorney in favor of the Board of Managers relative to purchasing or leasing of Units and in favor of Sponsor relative to amending the Condominium Documents to the extent permitted in the

power of attorney. The power of attorney shall be substantially in the form set forth as Exhibit C in Part II of the Plan. After being recorded, the power of attorney shall be sent to Board of Managers.

16. Certificate of Occupancy

At Closing, Sponsor shall deliver to Purchaser a copy of the Certificate of Occupancy for the Unit, whether permanent or temporary. If a permanent Certificate of Occupancy shall not have been issued at the time of the closing, then Sponsor shall be obligated, at its sole cost and expense, to obtain renewals of the temporary Certificate of Occupancy until such time as a permanent Certificate of Occupancy is obtained.

17. Events of Default

A. The following shall constitute "Events of Default" under this Agreement:

(i) Purchaser's failure to pay the Balance on the Closing Date designated by Sponsor;

(ii) Purchaser's failure to duly sign, notarize and deliver at Closing, the power of attorney pursuant to Article 15 above or the New York City transfer tax return pursuant to Article 13 above;

(iii) The failure to pay, perform or observe any of Purchaser's other obligations hereunder, which is not cured within fifteen (15) days after the mailing of written notice specifying the nature of such default.

B. Upon the occurrence of an Event of Default, Sponsor's sole right shall be to cancel this Agreement by sending Purchaser thirty (30) days prior to written notice of its intention to do so. If Sponsor elects to cancel, Purchaser shall have thirty (30) days to remedy such specified default. Time is of the essence to remedy such default within said thirty (30) day period. If the default is not timely cured, then Sponsor shall have the right to retain, as and for liquidated damages, the Contract Deposit (but in no event to exceed fifteen (15%) percent of the Purchase Price), plus the cost of any special work in the Unit ordered by Purchaser, together with any interest earned thereon (hereinafter called the "Liquidated Sum"), and any sums in excess thereof (together with any interest earned thereon) shall be returned to Purchaser promptly thereafter. Upon cancellation of this Agreement and making such refund to Purchaser (if any), Purchaser, Sponsor, Selling Agent and Escrow Agent will be released and discharged of all further liability and obligations hereunder and under the Plan. Thereafter, the Unit may be sold to another as though this Agreement has never been made, and without accounting to Purchaser for the proceeds of such sale.

18. Acceptance of the Condition of the Building and the Unit

A. The signing of this Agreement by Purchaser signifies Purchaser's acceptance of the condition of the Property, including the Building, the Unit and all necessary machinery, equipment, furnishings, appliances, installations and other personal property contained therein (hereinafter collectively referred to as "Installations"), in their respective existing conditions, subject to Sponsor's obligations to renovate, alter, and construct as set forth in the Plan and the provision of subdivisions, B, C and D of this Article 18.

B. Sponsor warrants and represents that it shall cause its contractors to correct any defects due to improper workmanship or material substantially at variance with the Plans and description contained in the Architect's Report, provided that Sponsor is notified, in writing by certified mail, within three (3) months of the first occupancy of the Unit of any latent defects and thirty (30) days with respect to any patent defects. Notwithstanding the forgoing, Sponsor shall not be obligated to correct any latent or patent defect covered by any assignable warranties or guaranties, or as otherwise limited as provided for in the Plan.

C. Sponsor will not be responsible for correcting defects in appliances, equipment, or fixtures with respect to which assignable warranties guaranties or other undertakings from manufacturers, suppliers, subcontractors, material men or others are assigned to Purchaser. However, all appliances, equipment and fixtures shall be in working order at the time of closing.

D. Sponsor shall not be responsible for any condition resulting after the closing from normal wear and tear, or natural deterioration, or from the normal settling or shifting of the Building, or for defects of any insubstantial nature, such as, without limitation, nail pops, ridging on sheetrock walls, lumber shrinkage, doors sticking due to weather, or warpage of less than ¼, separations in bathroom tiles or tile grouting, slight separation in kitchen tile or normal plumbing, heating and ventilation (exhaust) noises. Unless notified in writing by Purchaser on or before the Closing for such Unit, Sponsor shall not be responsible with respect to such Unit for paint touch-ups or for repair of chips, mars, breaks or other defects in window sashes, electrical fixtures and globes, kitchen cabinets, countertops, vanity tops and bases, medicine cabinets, doors, bases, mirrors, hardware and appliance cabinets. Sponsor shall not be liable for consequential damages (whether based on negligence or breach of contract, warranty, or otherwise), it being intended that Sponsor's sole obligations in this respect shall be to cause its contractors to repair or replace, at its option, any defective items of construction, of set forth in the Statement of Inspection in the form annexed hereto as Exhibit 2 and to be executed by Sponsor and Purchaser at Closing and subject to the terms and conditions of such Statement of Inspection and within the time limit set forth in this Agreement.

19. Possession; Risk of Loss

A. Purchaser shall not be entitled to possession of the Unit until the deed is delivered to Purchaser at Closing.

B. All risk of loss prior to closing has been assumed by Sponsor, but without any obligation or liability of Sponsor to repair the damage or restore the Unit. If Sponsor or (in the event the Declaration is filed) the Unit owners elect to repair or replace the loss or damage, this Agreement shall continue in full force and effect, 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 or to permit the Board of Managers to complete such repairs or replacements. Purchaser shall not be required to pay the Balance unless and until (i) the Unit has been substantially repaired as near as is reasonably possible to its condition immediately prior to the casualty, and (ii) it's essential services such as gas, electricity, and heat) and a reasonable means of ingress and egress to the street have been restored. Any proceeds received from insurance, or in satisfaction of any claim or action in connection with such loss, shall belong entirely to Sponsor (subject to the rights, if any, and of the Board of Managers, or of other Unit Owners). If such proceeds are paid to Purchaser, Purchaser shall promptly, upon receipt, turn them over to Sponsor. The provisions of the two preceding sentences shall survive the Closing.

C. In the event that Sponsor notifies Purchaser that it does not elect to repair or restore the Unit, or (in the event the Declaration has been filed) the Unit Owners do not resolve to make such repairs or restorations pursuant to the Condominiums By-Laws, this Agreement shall be deemed cancelled and of no further force or effect, and Sponsor shall instruct Escrow Agent to return to Purchaser all sums deposited hereunder, together with interest, whereupon the parties and the Escrow Agent shall be released and discharged from all obligations and liabilities hereunder and under the Plan.

20. No Representation

Purchaser acknowledges that Purchaser has not relied upon any architects 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 others, including, but not limited to, any relation 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 the Unit Owners or the estimated Common Charges and estimated real estate taxes for the Units, the right to any income tax deduction for any real estate taxes or mortgage interest paid by Purchaser, or any other data, except as may be specifically represented herein or in the Plan, Purchaser having relied on Purchaser's own examination and investigation thereof. No person has representations or statements shall be considered a part of this Agreement. 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 and correct, provided the layouts and dimensions conform to such Floor Plans and (b) that Purchaser shall not be relieved of any of Purchaser's obligations hereunder by reason of any immaterial inaccuracy or error. The provisions of this Article 20 shall survive the closing title.

21. Notices

A. Any notice, election, demand, request, letter, consent or other communication hereunder or under the Plan shall be in writing and either delivered in person or sent, postage prepaid, by 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 to Purchaser at the address given at the beginning of this Agreement by regular mail, and to the Attorney for Sponsor at the address given at the beginning of this Agreement, with a copy to Sponsor at the address given at the beginning of this Agreement by regular mail. 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 when personal delivery or delivery by overnight courier is effected, or in the case of mailing, the 3 business days after the date of mailing, 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.

B. 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.

C. 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.

22. Broker

Purchaser represents to Sponsor that the Selling Agent is the only broker or sales agent with whom Purchaser has dealt in connection with this transaction. Sponsor represents to Purchaser that, to its knowledge, no other broker or sales agent was instrumental in introducing Purchaser to Sponsor. Sponsor agrees to compensate the Selling Agent pursuant to a separate agreement. Purchaser agrees that should any claims be made against Sponsor for commissions by any broker, other than the Selling Agent, on account of any acts of Purchaser or of Purchaser's representatives, Purchaser will indemnify, and hold Sponsor free and harmless from any and all liabilities and expenses in connection therewith, including (without limitation) reasonable legal fees and disbursements. The provision of this Article 22 shall survive the closing.

23. No Lien; Agreement Subject and Subordinate to Mortgage

A. No lien or encumbrance shall arise against the Property or the Unit as a result of this Agreement or any monies deposited hereunder. This Agreement shall not be recorded and any purported recordation hereof by Purchaser shall constitute an Event of Default.

B. In furtherance, and not in limitation, of Paragraph A of this Section, Purchaser agrees that the provisions of this Agreement are, and shall continue to be, subject and subordinate to the lien of any mortgages heretofore or hereafter made with respect to the Building and any payments or expenses already made or incurred or which hereafter may be made or incurred without the execution of any further legal documents by Purchaser. Sponsor shall, at its option, either satisfy such mortgages or obtain a release of the Unit and its undivided interest in the Common Elements from the lien of such mortgaged 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 obligation hereunder or be the basis of any claim against or liability of, Sponsor, provided that any such mortgage is subordinated to the Declaration and the Unit is released from the lien of such mortgage at Closing.

24. Entire Agreement

This Agreement, together with the Plan, as the Plan may be amended from time to time, constitutes the entire agreement between the parties as to the subject matter hereof and supersedes all prior understandings and agreements.

25. 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. An assignment would include the transfer of a beneficial interest in an entity that is Purchaser. 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. Under no circumstances will Sponsor consent to an assignment of this Agreement in which Purchaser will receive consideration. 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 be required to pay Sponsor's attorneys a fee of $750, in advance, for the review of the assignment and assumption agreement. Any purported assignment by Purchaser in violation of this Agreement shall be a default by Purchaser, entitling Sponsor to the remedies set forth in Article 17 hereof, and shall be voidable at the option of Sponsor.

26. Liability of Sponsor

Sponsor shall be excused from performing any obligation or undertaking provided in this Agreement for so long as such performance is prevented, delayed, or hindered by an act of God, fire, flood, explosion, war, riot, sabotage, epidemics, pandemics, quarantine, inability to procure or general shortage of energy, labor, equipment, facilities, materials or supplies in the open market, failure or transportation, strike lock-out, action of labor unions or any other cause not within the control of Sponsor. Sponsor's time to perform such obligation or undertaking shall be extended for the reasonable period for it to perform, following termination of the event for which such performance was excused.

27. Miscellaneous

A. 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 provision 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.

B. 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 provisions to other person 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.

C. Any failure by Sponsor to insist upon strict performance by Purchaser of any of the provisions of this Agreement shall not be deemed a waiver of any of the provisions hereof, irrespective of the number of violations or breaches that may occur, and Sponsor, notwithstanding any such failure, shall have the right thereafter to insist upon strict performance by Purchaser of any and all of the provisions of this Agreement to be performed by Purchaser.

D. The provisions of this Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State or New York.

E. Except as prohibited by law, the parties shall waive trial by jury, bench trial or any other court proceeding in connection with any litigation arising out of, or connected with, or relating to, the Plan, this Agreement or the relationship created hereby. All disputes arising in connection with the Plan and this Agreement are subject to arbitration.

F. 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.

G. 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.

H. All prior understandings, agreements, representations and warranties, oral or written, between Sponsor and Purchaser are merged in this Agreement; it completely expresses their full agreement and has been entered into after full investigation, neither party relying upon any statement made by anyone else that is not set forth in this Agreement.

I. Neither this Agreement nor any provision thereof may be waived, changed or cancelled except in writing. This Agreement shall also apply to and bind the heirs, distributees, legal representatives, successors and permitted assigns of the respective parties. The parties hereby authorize their respective attorneys to agree in writing to any changes in dates and time periods provided for in this Agreement.

J. The captions in this Agreement are for convenience of reference only and in no way define, limit or describe the scope of this Agreement, and shall not be considered in the interpretation of this Agreement or any provision hereof.

K. This Agreement shall not be binding or effective until duly executed and delivered by Sponsor and Purchaser.

L. Sponsor and Purchaser shall comply with IRC reporting requirements, if applicable. This subparagraph shall survive Closing.

M. This Agreement is intended for the exclusive benefit of the parties hereto and, except as otherwise expressly provided herein, shall not be for the benefit of, and shall not create any rights in, or be enforceable by, any other person or entity.

N. Sponsor's taxpayer identification number is _____. Purchaser's taxpayer identification number is: _____.

O. This Agreement may be executed in counterparts, each of which shall be an original, and all of which counterparts, taken together, shall constitute one and the same agreement. Facsimile, .pdf and photocopy signatures on this Agreement shall have the same force and effect as originals.

28. No Oral Changes

The Agreement cannot be changed, or any provision waived orally. ANY CHANGES OR ADDITIONAL PROVISIONS OR WAIVERS MUST BE SET FORTH IN ADDENDA HERETO OR IN A SEPARATE WRITTEN AGREEMENT BY THE PARTIES.

29. Acceptance of Agreement

A. On or prior to Purchaser's signing and delivering this Agreement, Purchaser shall complete, sign and deliver to the Selling Agent an application for form furnished by Sponsor. Such application shall be used to determine Purchaser's qualification to purchase and own the Unit but does not constitute a reservation binding obligation on either the applicant or Sponsor.

B. The submission of such application or this Agreement to Purchaser does not constitute a binding obligation on either Purchaser or Sponsor. No such binding obligation shall arise until duplicates of this Agreement are executed by, and delivered to, both Purchaser and Sponsor (or Sponsor's duly authorized agent). If, within thirty (30) days after the Selling Agent receives this Agreement, an Agreement signed by Sponsor or its authorized selling agent is not sent or delivered to Purchaser, then it shall be deemed rejected and of no force or effect, and all monies paid by Purchaser shall be promptly refunded, without interest. Upon such refund being made, neither party shall have any further rights, obligations or liabilities hereunder with respect to the other. Sponsor has the right without incurring any liability, to reject this Agreement without cause or explanation to Purchaser. This Agreement may not be rejected due to Purchaser's sex, race, creed, color, national origin, ancestry, or other ground proscribed by law.

30. Prohibition Against Advertising

A. If Purchaser enters into a contract, for the sale of his or her Unit, within one (1) year after the date on which he closed title to the purchase of such Unit from Sponsor, then Purchaser shall pay to Sponsor the "Unit Sale Excess Consideration", as calculated below. The Unit Sale Excess Consideration shall be an amount equal to fifty (50%) percent of the difference between (A) the sale price of the Unit, as set forth in the contract for the sale of the Unit by Purchaser, from which Purchaser, as the seller of the Unit, shall deduct the following expenses in connection with the sale of the Unit: (i) brokerage commissions incurred and paid by Purchaser, as seller of the Unit, but not to exceed, in the aggregate, six (6%) percent of the sale price of the Unit; (ii) transfer taxes imposed by Law on Purchaser, as the seller of the Unit and paid by Purchaser, as the seller of the Unit; (iii) costs incurred and paid by Purchaser to renovate the Unit, provided any such renovation was undertaken in accordance with the terms and conditions set forth in the Condominium Documents, including designer fees and architectural fees, as well as typical hard costs associated with any such renovation; and (iv) reasonable legal fees incurred and paid by Purchaser, as seller of the Unit, but not to exceed $5,000; and (B) the Purchase Price paid by Purchaser to Sponsor, as set forth in this Agreement between Purchaser and Sponsor. By way of example only, if (i) the sale price of the Unit, as set forth in the contract for the sale of the Unit, was $2,000,000; (ii) the Purchase Price paid by Purchaser to Sponsor, as set forth in this Agreement between Purchaser, as seller of the Unit, and Sponsor, was $1,300,000; and (iii) the expenses incurred and paid by Purchaser, as the seller of the Unit, were: (a) brokerage commissions in the amount of $120,000; (b) transfer taxes imposed by Law on Purchaser, as seller of the Unit, in the amount of $36,500; (c) renovation costs in the amount of $85,000; and (d) reasonable legal fees in the amount of $5,000, then the Unit Sale Excess Consideration due and payable to Sponsor, by Purchaser, as the seller of the Unit, would be in the amount of $226,750. The Unit Sale Excess Consideration shall be due and payable by Purchaser to Sponsor on the day on which Purchaser, as the

seller of the Unit, closes title to the sale of his or her Unit. The terms and provisions of this Article 22.1 shall survive the Closing of Title.

B. Prior to the Closing of Title, Purchaser agrees not to list the Unit for resale or rental with any broker or to advertise or otherwise offer, promote or publicize the availability of the Unit for sale or lease, without Sponsor's prior written consent. In addition, a Purchaser (other than a Purchaser purchasing for such Purchaser's own occupancy or the occupancy of such Purchaser's Family Members) may not, in any event, advertise, list or sell a Residential Unit acquired from Sponsor for twelve (12) months after acquisition of such Residential Unit (provided however, such limitation shall not apply from after the date Sponsor conveys title to all of the Residential Units.) Any listing of the Unit or form of advertising, promotion or publicizing of the Unit by Purchaser prior to Closing of Title shall be a default by Purchaser, entitling Sponsor to the remedies set forth in Article 17 hereof. Any conveyance in violation of the foregoing prior to Closing of Title will be voidable by Sponsor.

31. Costs of Enforcing and Defending This Agreement

In the event Sponsor is the prevailing party in any action in connection with this Agreement, the defaulting Purchaser shall be obligated to reimburse the non-defaulting Sponsor for any legal fees and disbursements incurred by the non-defaulting Sponsor in defending its rights under this Agreement or, in the event a Purchaser defaults under this Agreement beyond any applicable grace period, in canceling this Agreement or otherwise enforcing the defaulting Purchaser's obligations hereunder.

32. Limited Warranty

A. Sponsor makes no housing merchant implied warranty or any other warranties, express or implied, in connection with this agreement or the Residential Unit(s) covered hereby, and all such warranties are excluded.

B. Sponsor shall not be responsible for correcting or repairing any immaterial conditions in construction, renovation or rehabilitation (including, without limitation, defective materials or defectively constructed components or portions of the Building or Unit) or defects in the installation or operation of any appliances (including, without limitation, kitchen appliances), equipment or fixtures, to the extent covered by assignable warranties or other undertakings (however denoted) from manufacturers, contractors, materialmen, or others, which are assigned to Purchaser or the Condominium Board.

33. Waiver of Diplomatic or Sovereign Immunity

A. 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.

B. 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.

C. If Purchaser is a foreign mission, as such term is defined under the Foreign Missions Act, 22 U.S.C. Section 4305, Purchaser shall notify the United States Department of State prior to purchasing a Unit and provide a copy of such notice to Sponsor. Sponsor shall not be bound under this Agreement unless and

until the earlier to occur of: (i) a notification of approval is received from the Department of State; or (ii) sixty (60) days after Purchaser's notice is received by the Department of State.

34. Mortgage Tax Credit

In the event a mortgage recording tax credit becomes available pursuant to Section 339-ee (2) of the New York Condominium Act, it is specifically understood that such credit shall 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 of Title, Sponsor will be reimbursed by Purchaser to the extent of any mortgage tax credit allowed. Alternatively, Sponsor may require, in its sole discretion, that a Purchaser who is financing the purchase of the Unit with a purchase money loan secured by a mortgage (the "Purchase Money Mortgage"), must cause the lender making such loan to accept from Sponsor an assignment of a portion of any mortgage securing the Property in an amount up to the Purchase Money Mortgage as determined by Sponsor. Upon such assignment, the Purchase Money Mortgage will be exempt from mortgage recording tax under Section 255 of the Real Property Tax Law. Sponsor will be solely entitled to the benefits of any mortgage tax credit which Purchaser receives as a result of such assignment. Accordingly, at the Closing, Purchaser will pay to Sponsor an amount equal to the mortgage recording tax which would have otherwise been due in connection with the recording of the Purchase Money Mortgage.

35. Confidentiality

Sponsor and Purchaser hereby acknowledge and agree to keep all of the terms and conditions of this Agreement confidential. Sponsor and Purchaser agree that any information which is required to be disclosed to the parties' respective lawyers, architects/engineers, accountants, individuals who "need to know" or governmental agencies, shall not be deemed to be a breach by Sponsor or Purchaser of the parties' undertaking of confidentiality contained in this Agreement. Any failure by either party to keep the terms and conditions of this Agreement confidential shall be a default by such disclosing party, entitling the non-disclosing party to the remedies set forth in Article 17 of this Agreement and/or legal or equitable remedies.

36. Condominium Smoking Policy

A. Smoking (as such term is defined in Article 36.C, below) is prohibited (i) in any Common Areas within the interior of the Building; (ii) outside of areas appurtenant to Residential Units, including Balconies and Terraces, if applicable; (iii) in any Common Areas outside the exterior of Building, including rooftops, parking areas, open courtyards; and (iv) outdoors, within 15 feet of entrances, exists, windows and air intake units on property grounds.

B. Smoking is NOT prohibited (i) inside of Residential Units.

C. Smoking is defined as Smoking: inhaling, exhaling, burning or carrying any lighted or heated cigar, cigarette, little cigar, pipe, water pipe or hookah, herbal cigarette, nontobacco smoking product (e.g., marijuana or non-tobacco shisha), or any similar form of lighted object or device (including electronic cigarettes) designed for people to use to inhale smoke.

REMAINDER OF PAGE LEFT INTENTIONALLY BLANK;
SIGNATURE PAGE TO FOLLOW.

The parties have executed this Agreement this ____ day of _____, 20__.

PURCHASER(S):

_____
(signature)

_____
(signature)

SPONSOR:

323 E 53rd STREET OWNER LLC,
a New York limited liability company

By: Maverick Lien Fund IV LP,
its Sole Member

By: Maverick Real Estate Partners LLC,
its Manager

By: _____
Name: Edward Martell
Title: Managing Member

Executed solely for the purpose of accepting the Contract Deposit in escrow, subject to collection, on the terms and conditions set forth in Article 5 of this Agreement.

Lester Bleckner & Shaw LLP

By: _____

EXHIBIT 1

PURCHASER'S WAIVER OF 30-DAY NOTICE TO CLOSE

Re: Condominium Unit No.___ (the "**Unit**")
in the Condominium known as the 323 East 53rd Street Condominium
located at 323 East 53rd Street, New York, New York

The undersigned, Purchaser of the above referenced Unit located at 323 East 53rd Street, New York, New York at the 323 East 53rd Street Condominium acknowledges that notwithstanding its right to a thirty (30) day period to close from the date of notice to close, pursuant to the Plan, as defined in this Agreement, the undersigned waives its right to such 30-days period.

PURCHASER:

By: _____
Name:
Title:

Dated: _____ ___, 202__

THIS PAGE INTENTIONALLY LEFT BLANK

EXHIBIT 2

Statement of Inspection

Re: 323 East 53rd Street
New York, New York

Purchaser: _____

Unit No.: _____

Date: _____

I (we) hereby acknowledge that I (we) have purchased this Unit in "As Is" condition and therefore Sponsor has no obligation to make any repairs or replacements in or to my Unit except for any condition that may be unsafe or in violation of building code. I (we) found the above referenced Unit, its floors, walls, doors, fixtures, appliances, equipment, hardware, and all other general items to be in good and satisfactory condition and acceptable to me (us) except for those matters, if any, expressly noted below and which Sponsor has agreed, at Sponsor's sole discretion, to repair or replace, prior to closing or within a reasonable time thereafter.

Upon completion of work to each open item, if any, listed below, I agree to initial each such item.

ITEMS	DATE & INITIALS

The undersigned understands and agrees that Sponsor shall not be obligated to make any repairs, adjustments or corrections to the Unit or any portion thereof or fixtures, appliances, equipment, etc., contained therein, from or after the date of delivery of possession of the Unit to the undersigned, except as to those items (if any) expressly excepted above (and Sponsor's obligation regarding any such excepted items shall cease upon the completion of the repair, adjustment or correction of same).

Purchaser acknowledges that except as set forth above, Sponsor's work on the Unit is complete. Nothing contained herein shall be construed to excuse Sponsor from its obligations to correct defects in construction to the extent required in the section entitled "Rights and Obligations of Sponsor" contained in the Offering Plan.

I (we) understand that the full Balance of the Purchase Price of the Unit must be paid at Closing under this Agreement, without provision for escrow, notwithstanding Sponsor's obligation to complete or correct the items noted above after the closing

I (we) also agreed that that Sponsor will be excused from completing any excepted items contained herein if: (a) I (we) undertake any repairs or alterations, or improvements in the Unit prior to Sponsor's start or completion of such excepted items; or (b) if Sponsor or its contractors are not given access to the Unit promptly upon notice.

PURCHASER(S):

_____
(signature)

_____
(signature)

SPONSOR:

323 E 53rd STREET OWNER LLC,
By: Maverick Lien Fund IV LP,
its Sole Member
By: Maverick Real Estate Partners LLC,
its Manager

By: _____
Name: Edward Martell
Title: Managing Member

Date: _____

EXHIBIT 3

PERMITTED ENCUMBRANCES

1. Building restrictions and zoning laws and other regulations, resolutions and ordinances and any amendments thereto now or hereafter adopted by any governmental or quasi-governmental authority having "jurisdiction".

2. Any state of facts which an accurate survey of the Unit would show, provided such state of facts do not render title unmarketable.

3. The terms, burdens, covenants, restrictions, conditions, easements and rules and regulations, all set forth in the Declaration, the By-Laws (and the Rules and Regulations made thereunder), the Power of Attorney from Purchaser to the Condominium Board of Managers and Sponsor and the Floor Plans, all as 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 Land may abut.

5. Any easement or right of use in favor of any utility company for construction, use, maintenance, repair and replacement of all utility lines, wires, boxes, mains, pipes, cables, conduits, poles, connections and other equipment and facilities on, under and across the Land and Building.

6. Encroachments of stoops, areas, cellar steps or doors, trip, copings, retaining walls, bay windows, balconies, cornices, foundations, footings, chutes, drainage and stand pipes, 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 between record lines of the Property and retaining walls and the like, if any.

7. Leases and service, maintenance, employment, concessionaire and license agreements, if any, of other Units or portions of the Common Elements.

8. The lien of any unpaid assessment payable in installments (other than assessments levied by the Condominium Board of Managers), except that Sponsor shall pay all such assessments due prior to the Closing Date and Purchaser shall pay all assessments due from and after such date (however, the then current installments shall be adjusted at Closing).

9. Any encumbrances as to the title insurance company which insures Purchaser's title to the Unit would be willing, in a fee policy issued by it to Purchaser, to insure Purchaser that such encumbrance (a) will not be collected out of the Unit if it is a lien and (b) will not prevent the use of the Unit for dwelling purposes.

10. Any recorded covenant, restriction, reservation, agreement, assessment and encumbrance against the Property other than a mortgage or other lien for the payment of money, which does not prevent the use of the Unit for dwelling purposes.

11. Any lease covering, or tenancy or occupancy or use of, the Unit and the rights of such tenant(s) and occupant(s), if any, under applicable law.

12. Any violations against the Property (other than the Unit's) which are the obligation of the Condominium Board of Managers or another Unit Owner to correct.

13. Standard exceptions contained in the form of fee title insurance policy then issued by the title insurance company insuring Purchaser's title to the Unit.

14. Projections over by trim, standpipe, marquee, and air conditioners.

Policy will except any state of facts an accurate survey of the Unit would show; however, policy will insure that any encroachments of a portion of the Unit structure upon other Units or upon the common elements may remain undisturbed as long as same shall stand.

EXHIBIT 4

FINANCE CONTINGENCY

FINANCING CONTINGENCY RIDER TO PURCHASE AGREEMENT

Sponsor: 323 E 53RD STREET OWNER LLC

Purchaser: _____

Unit No.: _____

BECAUSE PURCHASER DESIRES TO MAKE THIS AGREEMENT CONTINGENT ON OBTAINING FINANCING, PURCHASER MUST COMPLY WITH THE TERMS OF THIS RIDER. SPONSOR, OR ANY OTHER PERSON OR ENTITY, MAKES NO WARRANTIES OR REPRESENTATIONS THAT PURCHASER WILL BE ABLE TO OBTAIN FINANCING FOR THE PURCHASE OF THE UNIT FROM ANY LENDING INSTITUTION AND SPONSOR WILL HAVE NO LIABILITY FOR THE FAILURE OF PURCHASER TO OBTAIN FINANCING.

1. The provisions of this Rider shall be effective if and only if Purchaser makes an application for financing within _____(_____) business days of receipt of a fully executed Purchase Agreement with (i) _____ and/or (ii) a lending institution of Sponsor's choice. A copy of Purchaser's application will be sent to Sponsor's attorney within _____ (_____) business days of the date of the application.

2. Notwithstanding anything to the contrary contained in this Agreement, but subject to the provisions of paragraph 1 of this Rider, Purchaser may cancel this Purchase Agreement and recover the Contract Deposit if Purchaser fails, through no fault of Purchaser, to obtain a "Loan Commitment Letter" (as defined below) within thirty (30) days of the date hereof provided Purchaser has complied with Purchaser's "Financing Obligations" set forth below and Purchaser's other obligations under this Rider and the Agreement. Purchaser is required to comply with the procedure in Paragraphs 5 and 6 below. Any conflict between the provisions of this Rider and the provisions of the Agreement to which this Rider is attached shall be resolved in favor of this Rider.

3. As used herein, "Loan Commitment Letter" means a written commitment for purchase money financing which is issued to Purchaser by a lending institution with or without recourse, and whether or not conditional upon any factor other than an appraisal satisfactory to the lending institution, which provides for substantially the following:

a. principal amount not more than $_____ or any lower amount applied for by Purchaser (but not more than _____(_____%) percent of the purchase price);

b. interest rate then prevailing for similar loans (including, without limitation, fixed, variable or adjustable rate);

c. a term of not less than _____(_____) years (either fixed, by available renewals or otherwise) and not more than _____(_____) years;

d. collateral security for repayment, including a mortgage on the Unit, together with its appurtenant Common Elements; and

e. such other terms and conditions as are usual and customary for the issuer of such commitment.

An offer to make a loan that is conditioned on obtaining a satisfactory appraisal shall become a "Loan Commitment Letter" upon such condition being met.

4. Purchaser's right to cancel under Paragraph 2 above and recover the Contract Down Payment is conditioned upon Purchaser's diligent compliance with all of the following "Financing Obligations": (i) Purchaser shall submit an application for a loan on the loan terms set forth in Paragraph 3 above (the "Loan Terms") within _____(_____) days of receipt of a duly executed copy of this Agreement; (ii) Purchaser promptly submits all additional fees and all information and supporting documents necessary for processing such loan application; (iii) Purchaser's application shall contain truthful, accurate and complete information as required by the lending institution; and (iv) Purchaser shall comply with all other requirements of the lending institution to obtain a Loan Commitment Letter. Purchaser shall submit to Sponsor (a) a copy of the application within such _____(_____) day period referred to in clause (i) above and (b) a copy of any Loan Commitment Letter within ____ (_____) days after receipt thereof by Purchaser.

5. If Purchaser complies with Purchaser's Financing Obligations and its other obligations under this Agreement and is unable to obtain a Loan Commitment Letter pursuant to Paragraph 3 above, Purchaser shall give notice ("Notice of Termination") to Sponsor within five (5) days after the expiration of the loan Contingency Period. In the case of cancellation pursuant to Paragraph 2, a copy of the loan refusal letter or non-complying Loan Commitment Letter (as the case may be) issued by the lending institution shall accompany the notice, if available, or if not then available, shall be provided promptly after receipt. Purchaser's obligations under this Paragraph 5 shall survive the cancellation of this Agreement.

6. Notwithstanding the foregoing, within seven (7) business days of receipt of Purchaser's written Notice of Termination as provided above and subject to the conditions of this Rider, Sponsor shall advise Purchaser by written notice, return receipt requested, stating whether Sponsor shall: (i) try to secure financing for Purchaser from a lending institution; or (ii) terminate the Agreement. Sponsor shall have the right, at its sole discretion, but not the obligation, to attempt to secure such financing.

a. If Sponsor so elects to try to secure financing for Purchaser, Sponsor shall have thirty (30) days from the date of Sponsor's notice to Purchaser to obtain a loan commitment for Purchaser and Purchaser shall be required, in addition to all of the terms hereunder, to accept said commitment and close promptly with Sponsor. In that event, this Agreement shall not terminate but shall continue in full force and effect and the financing contingency shall be deemed satisfied. The loan terms shall be for not more than 90% of the purchase price of the shares at the then prevailing rate of interest on a 30-year basis. In such event, Purchaser is required to complete all forms and provide all documents and otherwise comply with all the applicable terms of this rider.

b. If Sponsor does not elect to secure financing for Purchaser within seven (7) days of Purchaser's Termination Notice or if Sponsor notifies Purchaser that it was unable to secure financing on Purchaser's behalf, then this Agreement shall terminate and the Contract Deposit will be refunded, with any interest earned thereon, provided Purchaser is not then in default.

c. Purchaser shall be responsible for all expenses in connection with any loan application or extension thereof.

7. In the event of a termination notice and the cancellation of this Agreement and upon a refund of the Contract Deposit if Purchaser is entitled to such, neither party shall have a right against or obligation or liability to the other or the Condominium by reason of this Agreement and Sponsor may sell and enter into a new Purchase Agreement as if this Agreement had never been made.

8. Unless Purchaser duly exercises his or her right to terminate this Purchase Agreement in accordance with the provisions of this Rider, Purchaser shall be deemed conclusively to have waived this financing contingency and this Agreement shall be deemed binding on an all-cash basis.

Dated: _____, 2021

PURCHASER:

_____
(signature)

SPONSOR:

323 E 53rd STREET OWNER LLC,
By: Maverick Lien Fund IV LP,
its Sole Member
By: Maverick Real Estate Partners LLC,
its Manager

By: _____
Name: Edward Martell
Title: Managing Member

THIS PAGE INTENTIONALLY LEFT BLANK

FORM OF RESIDENTIAL CONDOMINIUM UNIT DEED

THIS PAGE INTENTIONALLY LEFT BLANK

RESIDENTIAL CONDOMINIUM UNIT DEED

TO THE

323 EAST 53RD STREET CONDOMINIUM

UNIT __

Located At:
323 EAST 53rd STREET
NEW YORK, NEW YORK 10022

Record and Return to:

Purchaser's Attorney
_____
_____
_____

THIS PAGE INTENTIONALLY LEFT BLANK

CONDOMINIUM UNIT DEED

THIS INDENTURE, made the ___ day of _____, 202_, between **323 E 53rd STREET OWNER LLC,** with offices located at c/o Maverick Real Estate Partners LLC, 100 Park Avenue, Suite 2805, New York, New York 10017 (hereinafter referred to as "Grantor") and **PURCHASER**, with an address at _____, New York _____ (hereinafter referred to as "Grantee").

W I T N E S E T H:

That Grantor, in consideration of Ten and 00/100 ($10.00) dollars and other good and valuable consideration, paid by Grantee, does hereby grant and release unto Grantee, and the heirs or successors and assigns of Grantee, forever:

The Condominium Unit known as Unit ____ (the "Unit") together with a ___% undivided interest in the common elements of the 323 East 53rd Street Condominium, also known by the street number 323 East 53rd Street, County of New York, City and State of New York, said Unit being designated and described by the above unit number in the Declaration establishing a plan for Condominium ownership of the condominium property under the Condominium Act of the State of New York, as amended (Article 9 of the Real Property Law of the State of New York) dated _____, 202_ and recorded in the New York County Office of the Register of the City of New York (the "Register's Office") on _____, 202_ as CRFN _____.

The Land on which the Building containing the Unit is located is bounded and described as on Schedule "A" annexed hereto.

The Unit is also designated as Tax Lot __ in Block 1346 of the Borough of Manhattan on the Tax Map of the Real Property Assessment Department of The City of New York and on the Floor Plans of the Building, certified by John Saracco Architect LLC on _____ and filed with the Real Property Assessment Department of The City of New York on _____, ___, as Condominium Plan No. _____and also filed in the Register's Office on___ _____, ___, as Condominium Map No. _____.

TOGETHER with an undivided ____% interest in the Common Elements (as such term is defined in the Declaration);

TOGETHER with, and subject to the rights, obligations, easements, restrictions and other provisions set forth in the Declaration and the By-Laws of the 323 East 53rd Street Condominium, as amended, and may be further amended from time to time (hereinafter referred to as the "By-Laws"), all of which shall constitute covenants running with the Land and shall bind the person having at any time interest or estate in the Unit, as though recited and stipulated at length herein;

SUBJECT also to such 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 hereinafter collectively referred to as the "Property");

TO HAVE AND TO HOLD the same unto Grantee, and the heirs or successors and assigns of Grantee; forever.

If any provisions of the Declaration or the By-Laws is invalid under, or would cause the Declaration or the By-Laws to be insufficient to submit the Property to the provisions of the Condominium Act, or if any provision that is necessary to cause the Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from the Declaration or the By-Laws, or if the Declaration and the By-laws are insufficient to submit the Property to the provisions of the Condominium Act, the applicable provisions of Article 18 of the Declaration shall control.

Except as otherwise specifically permitted by the Condominium's Board of Managers (as such term is defined in the Declaration) a Residential Unit is intended for residential purposes only.

Grantor represents that the Grantor is the same party as the Grantee of the Property under that certain deed, dated March 3, 2020 and recorded in the Register's office on March 6, 2020 as CRFN 2020000087039.

Grantor covenants that Grantor has not done or suffered anything whereby the Unit has been encumbered in any way whatever, except as set forth in the Declaration, as amended, and the By-Laws (any 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 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 improvements of the Property and will apply the same first to the payment of the cost of the improvements before using any part of the same for any other purposes.

Grantee accepts and ratifies the provisions of the Declaration and the By-Laws (and any Rules and Regulations adopted under the By-Laws) and agrees to comply with all the terms and provisions thereof.

This conveyance is made in the regular course of business actually conducted by the party of the first part.

The term "Grantee" shall be read as "Grantees" whenever the sense of this indenture so requires.

REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK
SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, Grantor and Grantee have duly executed this deed on the day and year first above written.

GRANTEE:

By: _____
Name:
Title:

GRANTOR:
323 E 53rd STREET OWNER LLC,
By: Maverick Lien Fund IV LP,
its Sole Member
By: Maverick Real Estate Partners LLC,
its Manager

By: _____
Name: Edward Martell
Title: Managing Member

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On the ___ day of _____ in the year 202_, 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 202_, 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

SCHEDULE A
DESCRIPTION OF PREMISES

[TO BE PROVIDED]

For Information Only: Said premises are known as 323 East 53rd Street Condominium, 323 East 53rd Street, Unit _____, New York, NY, and designated as Block 1346 Lot ____ as shown on the Tax Map of the City of New York, County of New York.

POWER OF ATTORNEY

THIS PAGE INTENTIONALLY LEFT BLANK

323 EAST 53RD STREET CONDOMINIUM

LOCATED AT
323 EAST 53RD STREET
NEW YORK, NEW YORK 10022

UNIT OWNER'S POWER OF ATTORNEY

RESIDENTIAL CONDOMINIUM UNIT___

Block 1346
Lot ___

Return to:

Lester Bleckner & Shaw LLP
350 Fifth Avenue
Suite 3301
New York, New York 10118
Attn: Ian Lester, Esq.

THIS PAGE INTENTIONALLY LEFT BLANK

POWER OF ATTORNEY

The undersigned, _____, residing at 323 East 53rd Street, New York, New York, the Owner of Condominium Unit (hereinafter referred to the "Undersigned's Unit") known as Unit ___ located at 323 East 53rd Street, New York, New York said Unit being designated and described as Unit ___ in the Declaration of the 323 East 53rd Street Condominium (hereinafter referred to the "Condominium") and also designated as Tax Lot __ in Block _____ of the City of New York on the Tax Map of the Real Property Assessment Department of the City of New York and on the Floor Plans, does hereby irrevocably nominate, constitute and appoint the persons who may, from time to time, constitute the Condominium's Board of Managers' true and lawful attorneys' names, as members of the Board of Managers or in the name of their designee (corporate or otherwise), on behalf of all Unit Owners' respective Common Interests, subject to the provisions of the By-Laws then in effect: (1) (a) to acquire or lease any Unit, together with its Appurtenant Interests, from any Unit Owner desiring to sell, convey, transfer, assign, or lease the same; (b) to acquire any Unit, together with its Appurtenant Interests, whose owner elects to surrender the same pursuant to the terms of paragraph (c) of Section 6.2 of the By-Laws; (c) to acquire any Unit, together with its Appurtenant Interests, that becomes the subject of a foreclosure or other similar sale, on such terms and (with respect to any transfer pursuant to the terms of subdivision (a) or (c) of this paragraph) at such price or at such rental, as the case may be, as said attorneys-in-fact shall deem proper, and thereafter to convey, sell, lease, mortgage or otherwise deal with (but not vote the interest appurtenant to) any such Unit so acquired by them, or to sublease any Unit so leased by them, on such terms as said attorneys-in-fact may determine, granting to said attorneys-in-fact the power to present; and (2) to execute, acknowledge and deliver (i) any declaration or other instrument affecting the Condominium that the Board of Managers deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution, or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the maintenance, demolition, construction, alteration, repair, or restoration of the Condominium; or (ii) any consent, covenant, restriction, easement, or declaration, or any amendment thereto, affecting the Condominium or the Common Elements, that the Board of Managers deems necessary or appropriate; and (3) to contest the assessed valuation allocated to the Unit or the Property on behalf of any Unit Owner and to settle such contest on such terms as the Board of Managers deems appropriate.

The acts of a majority of such persons constituting the Board of Managers shall constitute the acts of said attorney-in-fact.

The Undersigned does hereby irrevocably nominate, constitute and appoint (until such date as Sponsor or its designee no longer owns any Unsold Units under the Plan) 323 E 53rd Street Owner LLC (hereinafter referred to as "Sponsor") as attorney-in-fact for the undersigned, coupled with an interest, with power of substitution, to amend from time to time said Declaration, By-Laws and the Rules and Regulations of the said Condominium, or any of said documents when such amendment (1) shall be required to reflect any changes in Unsold Units and/or the reapportionment of the Common Interests of the affected Unsold Units resulting therefrom, made by Sponsor or its designee in accordance with Article 10 of 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 Unit (by any governmental agency having regulatory jurisdiction over the Condominium), or (b) any title insurance company selected by Sponsor to insure title to any Unit, 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, or require a material, physical modification to the Undersigned's Unit, or require a material, physical modification to the Common Elements serving the Undersigned's Unit, or (iii) adversely affect the priority or validity of the lien of any purchase money mortgage or any mortgage held by an Institutional Lender covering the Undersigned's Unit unless the Undersigned (in the event described in subdivision (i) or (ii) of this paragraph) 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 Sponsor or its designees shall cease to own any of the Units in the Condominium.

IN WITNESS WHEREOF, the Undersigned has executed this Unit Owner's Power of Attorney as of this __ day of _____, 202__

_____

_____

INTERIM USE AND OCCUPANCY AGREEMENT

THIS PAGE INTENTIONALLY LEFT BLANK

INTERIM USE AND OCCUPANCY AGREEMENT

AGREEMENT ("Agreement") made this ___ day of _____, 20__, between 323 E 53rd Street Owner LLC, as sponsor ("Sponsor"), and _____, as purchaser ("Purchaser").

WHEREAS, Sponsor and Purchaser have heretofore executed a contract of sale dated as of _____, 20_, ("Purchase Agreement") for the sale of the condominium unit #___ in 323 East 53rd Street Condominium (the "Condominium") located at 323 East 53rd Street, New York, New York (the "Unit"); and

WHEREAS, the closing of the sale of the Unit from Sponsor to Purchaser pursuant to such Purchase Agreement has not yet occurred; and

WHEREAS, Purchaser has requested that Sponsor permit use and occupancy of the Unit, prior to such closing, until the earlier to occur of (i) the closing of the purchase of the Unit by Purchaser (the "Closing Date") or (ii) _____, 202_ ("Vacate Date"), and Sponsor is willing to allow such occupancy upon compliance with and conditional upon the provisions hereinafter provided; and

WHEREAS, Purchaser acknowledges that Sponsor will suffer irreparable and substantial damages if Purchaser fails to either close on the purchase of the Unit or vacate the Unit in the condition as set forth in the Purchase Agreement on or before the Vacate Date.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, Sponsor and Purchaser agree as follows:

1. Each capitalized term appearing but not defined herein shall have the meaning, if any, ascribed to such term in the Purchase Agreement.

2. Sponsor consents that Purchaser may use and occupy the Unit until 11:59 P.M. on the Vacate Date, unless the closing has occurred pursuant to the Purchase Agreement. Notwithstanding the above, this Agreement shall not be deemed to have created a landlord and tenant relationship between Purchaser and Sponsor, and that Purchaser's occupancy of the Unit is solely as a licensee under a terminable license. In the event that Purchaser defaults in its obligations under this License Agreement and Sponsor is obliged to commence appropriate proceedings to compel Purchaser's compliance with this Agreement, Purchaser shall be liable to Sponsor for the costs, disbursements and reasonable attorneys' fees incurred by Sponsor in respect of such proceeding (collectively "Costs"), as well as the liquidated damages herein provided.

3. Purchaser agrees to vacate and surrender the Unit in accordance with the terms and conditions of this Agreement and the Purchase Agreement on or before the Vacate Date. Purchaser and Sponsor agree that Purchaser may vacate and surrender the subject Unit at any time prior to Vacate Date.

4. Purchaser acknowledges that Sponsor shall be damaged if the Unit is not vacated on the Vacate Date, in an amount that might be impossible to ascertain and, accordingly, the parties agree that in the event Purchaser fails to surrender and vacate the subject premises, for any reason, on or before 11:59 P.M. of the Vacate Date, that Purchaser shall be liable to Sponsor for liquidated damages in the sum of $_____for each day from and after the Vacate Date that Purchaser shall have failed to vacate the Unit in accordance with this Agreement, and Purchaser agrees to pay to Sponsor at the rate of $_____ per day for so long as Purchaser occupies the Unit after the Vacate Date.

5. On the date Purchaser vacates the subject Unit, Purchaser shall surrender the Unit to Sponsor by delivery to Lester Bleckner & Shaw LLP, located at 350 Fifth Avenue, Suite 3301, New York, New York 10118, the keys to the Unit and a written acknowledgement executed by Sponsor that Purchaser has vacated the Unit.

6. Sponsor shall not be required to furnish Purchaser with any utilities. Purchaser shall be responsible for, and shall pay directly to the utility companies, the charges for gas, electricity, cable TV, telephone, and any and all other utilities during the period of Purchaser's use and occupancy of the Unit.

7. Sponsor shall not be required to make any alterations or repairs to the Unit or any part thereof. During the period of Purchaser's use and occupancy of the Unit, Purchaser agrees to maintain the Unit in the same condition and repair as on the date hereof, less normal wear and tear. Purchaser agrees to accept the Unit in its then "as is" condition, which "as is" condition shall supersede the provisions of the Purchase Agreement with regard to the condition that Sponsor is required to deliver the Unit to Purchaser as of the Closing. The Unit shall be delivered to Sponsor vacant and in broom clean condition. Sponsor shall have a period of three (3) days from the Vacate Date to determine whether there are any defects or whether there is any damage to the Unit due to Purchaser vacating the Unit.

8. Simultaneously with the execution of this Agreement, Purchaser shall pay to Purchaser's attorney, Lester Bleckner & Shaw LLP ("Escrowee"), the sum of _____ and 00/100 ($_____) Dollars of which (i) $_____ shall be disbursed to Escrowee as and for attorney's fees for the preparation of this Agreement, (ii)_____.00 shall be disbursed to Sponsor as and for use and occupancy for the Unit for the month of _____ 202_ and (iii) the remaining $_____.00 (the "Escrow Deposit) shall be to be held by Escrowee in escrow to secure performance by Purchaser of the provisions set forth above. The Escrow Deposit shall be held in escrow and not released to Purchaser until the earlier of (i) receipt by Escrowee from Purchaser of written acknowledgment that Purchaser has vacated the Unit and of Purchaser's compliance with this Agreement, or (ii) five (5) days after the date Purchaser vacates the Unit and complies with the provisions of paragraph 5 above or (iii) the Closing Date. The provisions of the Purchase Agreement between the parties relating to protection for an Escrowee are incorporated herein and shall be applicable to the Escrowee of this Agreement.

9. Purchaser, at their own cost and expense, shall maintain an existing homeowner's insurance policy covering the Unit, and shall name Sponsor as an additional insured thereunder and loss payee, as his/her interest may appear, in limits of $1,000,000 for liability and $500,000 for

property damage, and provide for ten (10) days' prior notice of cancellation to Purchaser. A copy of such certificate is attached hereto.

10. This Agreement shall be binding upon the respective parties, their heirs, executors, administrators and successors in interest.

11. Sponsor and Purchaser mutually represent as follows:

(i) that they have each read, and understand, the provisions of this Agreement, and that they have carefully considered the legal and practical effect of this Agreement and its impact upon the rights, obligations and financial status of the parties in each and every respect, and that the signatories to this Agreement are fully authorized to bind the respective parties hereto;

(ii) that each had the opportunity to consult with counsel or counsels of his/its/their choosing;

(iii) that this Agreement is not the result of any fraud, duress, coercion, pressure or undue influence exercised by either party, or by any other person or party;

(iv) that having had such legal advice and having weighed all circumstances likely to influence his/its/their judgment, and with such knowledge, each clearly understand and assent to all the provisions hereof; and

(v) that each is signing this Agreement freely and voluntarily, without reliance upon any representation, warranty or Agreement not expressly set forth herein.

12. This Agreement is subject and subordinate to the Declaration, the By-Laws (including the Rules and Regulations) and the Floor Plans, all as may be amended from time to time (the "Condominium Documents") and that in the event of any inconsistency between this Agreement and the Condominium Documents, the inconsistency shall be resolved in accordance with the Condominium Documents, which are paramount and shall govern. In the event of any inconsistency between the offering plan for the Condominium and this Agreement, the terms of the offering plan shall prevail.

13. Sponsor and/or the Condominium Board shall have the right, power and authority to terminate or cancel this Agreement and to bring summary proceedings to evict or remove the Purchaser hereunder in the name of Sponsor in the event of a violation by Purchaser of any of the provisions of the Declaration or the By-Laws (including the Rules and Regulations), as each may be amended from time to time, unless remedied within the applicable grace period.

14. All capitalized terms shall have the meanings given to them in that certain Declaration of condominium establishing the 323 East 53rd Street Condominium pursuant to which the building in which the demised premises is located has been submitted to the condominium ownership under Article 9-B of the New York Real Property Law.

15. This Agreement may be executed in several counterparts, each of which shall be deemed an original, and all such counterparts together shall constitute one and the same instrument. Facsimile and/or .pdf signatures and photocopies shall be deemed to be originals and shall have the same force and effect as originals and shall be binding upon all parties.

16. The Condominium Smoking Policy is as follows:

A. Smoking (as such term is defined in Paragraph 16.C, below) is prohibited (i) in any Common Areas within the interior of the Building; (ii) outside of areas appurtenant to Residential Units, including Balconies and Terraces, if applicable; (iii) in any Common Areas outside the exterior of Building, including rooftops, parking areas, open courtyards; and (iv) outdoors, within 15 feet of entrances, exists, windows and air intake units on property grounds.

B. Smoking is NOT prohibited inside of Residential Units.

C. Smoking is defined as Smoking: inhaling, exhaling, burning or carrying any lighted or heated cigar, cigarette, little cigar, pipe, water pipe or hookah, herbal cigarette, nontobacco smoking product (e.g., marijuana or non-tobacco shisha) or any similar form of lighted object or device (including electronic cigarettes) designed for people to use to inhale smoke.

REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK;
SIGNATURE PAGE TO FOLLOW

IN WITNESS WHEREOF, Sponsor and Purchaser have executed this Agreement this ___ day of _____, 202__.

SPONSOR:
323 E 53rd STREET OWNER LLC,
By: Maverick Lien Fund IV LP,
its Sole Member
By: Maverick Real Estate Partners LLC,
its Manager

By: _____
Name: Edward Martell
Title: Managing Member

PURCHASER:

_____

THIS PAGE INTENTIONALLY LEFT BLANK

DESCRIPTION OF PROPERTY AND BUILDING CONDITION

THIS PAGE INTENTIONALLY LEFT BLANK

JOHN SARACCO
Architect LLC

P.O. Box 245
Boonton, N.J. 07005

o: 973.299.4428
m: 973.722.8725
js@saracco.us
www.saracco.us

Description of Property and Specifications

323 East 53rd Street Condominium
323 East 53rd Street
New York, New York 10022

A. Location and Use of Property:

1.	Address:	323 East 53rd Street New York, NY 10022
2.	Block and lot number(s):	Block 1346 Lot 12
3.	Zoning:	District R8B Map 8D
4.	Permissible Use:	Use groups 1-4
	Use Group 1:	Single- family detached residences
	Use Group 2:	All other types of residential development
	Use Group 3:	Community facilities
	Use Group 4:	Community facilities
5.	Compliance:	Property and proposed use comply with all zoning use requirements.
6.	Quality Housing:	

JOHN SARACCO
Architect LLC

7. Building interior:
    a. Elevated ground floor units — N/A
    b. Refuse storage and disposal — Complies
    c. Laundry facilities — N/A
    d. Daylight in corridors — Complies

8. Recreation Space and Planting Area:
    a. Required recreation space — Complies
    b. Standards for recreation space — Complies
    c. Planting areas — Complies

9. Safety and Security:
    a. Density per corridor — N/A
    b. Parking for quality housing — Complies
    c. Screening — N/A
    d. Special regulations for off-site accessory parking — N/A
    e. Location of accessory parking — N/A
    f. Bicycle parking — Complies
S-1 (27 sf) – Terrace Suite A
S-2 (27 sf) – Terrace Suite B
S-3 (26 sf) – Unit 5A
S-4 (26 sf) – Unit 5B
S-5 (27 sf) – Garden Suite
S-6 (18 sf) – Unit 4B

JOHN SARACCO Architect LLC

B. Status of Construction:

1. Year built:

The building is an existing 4 story masonry with cellar that was built in circa 1910 with a two-story addition and renovation of the existing building. It is anticipated that it will be substantially completed in or about January 2021 substantially in accordance with the construction documents as the same may be amended from time to time, unless delayed by weather, strikes, lockouts, 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 Developer has no control.

2. Class of construction:

I-B two hour rated construction per 2014 NYC Construction Code

3. Certificate of Occupancy, type and number:

After completion of construction, the Developer will apply for a Certificate of Occupancy for the building from the Department of Buildings of the City of New York. Sponsor will obtain a Temporary Certificate of Occupancy prior to closing.

4. Alteration permit numbers and description of work done:

Building plans were filed with the Department of Buildings of the City of New York and approved under application number 122770180.

5. Fire-Resistive Requirements:

Primary structural frame – 2 hour
Interior and exterior bearing walls – 2 hour
Interior and exterior nonbearing walls – 0 hour
Floor construction – 2 hour
Roof construction – 1 hour
Stair enclosure – 2 hour

6. Description of Alt-1 work:

Existing four-story building with a two-story addition and a bulkhead. Interior demolition of existing units to create new units on from the first floor through the sixth floor. Existing building had four residential units in total, the new building now has 11 residential units in total.

JOHN SARACCO Architect, LLC

7. DOB job filings:

File Date	Project Description	Job Status	Status Date	PAA #	Description of Changes	Anticipated Substantial Completion Date
3.2.15	Interior demolition of existing partitions	R permit-entire	12.28.15	N/A	N/A	
3.12.15	Installation of sidewalk shed	R permit-entire	3.13.20	N/A	N/A	
5.5.15	PAA	P Approved	5.7.15	1	Work on first floor	
5.13.15	Test pits and masonry repair	X signed off	3.7.16	N/A	N/A	
5.20.15	PAA for test pits and masonry repair	P Approved	5.22.15	1	PAA for test pits and masonry repair	
5.28.20	Installation of scaffolding	P Approved	3.9.20	N/A	N/A	
6.12.15	Builder pavement plan	R permit-entire	1.6.16	N/A	N/A	
8.21.15	Installation of automatic smoke detection	R permit-entire	11.4.15	N/A	N/A	
5.11.16	Vertical & horizontal enlargement of [E] building	R permit-entire	11.24.17	N/A	N/A	
5.11.16	Structural work	R permit-entire	10.19.17	N/A	N/A	
5.11.16	Mechanical, plumbing, and sprinkler work	R permit-entire	10.25.17	N/A	N/A	
1.13.17	PAA	P Approved	1.17.17	1	Modifications to existing scaffolding	
3.22.17	PAA	P Approved	3.23.17	2	New scaffolding details	
3.28.17	Installation of hoist in existing scaffolding	R permit-entire	3.29.17	N/A	N/A	
4.5.17	PAA	P Approved	4.6.17	1	Filed to show beta max hoist	
12.14.17	PAA	P Approved	12.18.7			
6.15.20	PAA	P Approved	6.24.20			
7.6.20	PAA	P Approved	7.6.20			January 2021

JOHN SARACCO Architect LLC

C. Site:

1. Size:	Approximately 20'-1" (East 53rd Street) x 100'-5" (depth of site).
2. Number of buildings and use:	One building – 6 Stories plus cellar and bulkhead Use Group 2 – Residential
3. Streets owned or maintained by the project:	City of New York
4. Paving:	New concrete paving set to match the existing curb's elevation – to be installed the width of the property on East 53rd Street.
5. Curbing:	New metal curbs set to match the existing curb's elevation – to be installed the width of the property on East 53rd Street.
6. Catch basins, drainage:	The City of New York provides the drainage for the street and sidewalk that are both pitched to drain through existing cast iron catch basins into the New York City Sewer System.
7. Street lighting:	The City of New York provides the street lighting.
8. State whether these items are in conformity with local fire district, town or municipal building codes:	These items conform to all local fire district and New York City Department of Transportation codes.
9. Environmental conditions	This property is not environmentally designated per New York City zoning resolution.

JOHN SARACCO Architect, LLC

D. Utilities:

All utility services are being provided as needed to meet the requirements of all mechanical, electrical, and other equipment.

1. Electrical:

Con Edison will provide electricity to the building. Each Residential Unit shall be separately metered and pay actual usage charges directly to Con Edison. Con Edison will separately meter the electricity consumed in the Residential Common Elements of the building and that cost shall be borne by the Residential Section Unit Owners as a Residential Common Expense.

2. Water:

The City of New York will provide water and sewer service. The charges for water and sewer services provided to the building (including Residential Units and Residential Common Elements) will be levied on the basis of a master city meter and borne by the Residential Section Unit owners as a residential Common Expense.

3. Gas:

There are (2) gas meters:

a. One gas meter for all of the residential units for cooking and dryers.
b. One gas meter for house

4. Heat:

Heat for the building shall be provided by a gas fired water heater located in the cellar of the building. The lobby has one 32.0 MBH Mitsubishi heat pump air handler. Individual apartments will be equipped with 2 Mitsubishi heat pump air handlers:

c. One 18.0 MBH in each living room
d. One 10.9 MBH in each bedroom

The charges for heating provided to the Residential Common Elements will be levied on the Residential Section Unit Owners as a Residential Common Expense.

JOHN SARACCO Architect LLC

5. Air conditioning:

A ceiling- mounted 30.0 MBH Mitsubishi heat pump air handler will serve the common lobby. Individual apartments will be equipped with 2 Mitsubishi heat pump air handlers:

a. One 15.0 MBH in each living room
b. One 8.4 MBH in each bedroom

The charges for air conditioning provided to the building (including Residential Units, and Residential Common Elements) will be levied on the Residential Section Unit Owners as a Residential Common Expense.

6. Telephone:

Each Condominium Unit Owner will be required to pay the telephone charges with respect to their unit directly to the telephone company providing such service. The telephone chares with respect to Residential Common Elements (such as the emergency line in the elevator, etc.) shall be borne by the Residential Section Unit Owners as a Residential Common Expense.

7. Cable television:

Cable television service will be available for all Condominium Units. Each Condominium Unit Owner shall pay for all charges/ subscription fees for cable television to the cable television company. In each Residential Unit a cable television outlet will be provided in the living room and each bedroom or as indicated on the plans.

E. Sub Soil Conditions:

N/A

1. Whether uneven foundation movement or settling has occurred (cracking, mortar joint decay, etc.):

JOHN
SARACCO
Architect LLC

2. Whether there is any evidence of moisture or seepage or ground water infiltration and, if so, whether corrective action is needed:	N/A
3. Whether there is any danger from flooding, either due to water table in area, or overflow from other bodies of water. Note potential for mudslides or erosion and what preventative action is appropriate:	Subsurface information has been established and will meet the needs of the project. The FEMA preliminary flood zone (2007) is Zone X, areas determined to be outside of the 0.2% annual chance floodplain.

JOHN SARACCO Architect LLC

F. Landscaping and enclosures:

1. Grass cover:	None.
2. Plantings:	None.
3. Trees:	One existing tree in sidewalk.
4. Fencing:	New noncombustible 6'-0" fence at the rear of the building and separating adjoining properties' yards.
5. Gates:	None.
6. Garden Walls:	None.
7. Retaining walls:	None.
8. Display Pools and Fountains:	None.

G. Building Size:

1. Total height:	Approximately 75 feet above grade to the bulkhead's heights point. The buildings main roof is at approximately 60 feet above grade.
2. Crawl spaces:	None.
3. Number of sub-cellars and cellars:	One cellar.
4. Number of floors (actual including penthouses):	One Cellar below grade 6 stories Bulkhead level above roof

JOHN SARACCO Architect, LLC

5. Equipment rooms: Cellar – Mechanical room, booster pump room, electrical room, fire pump room, and IT closet.
Bulkhead above roof – Hot water heater room and elevator machine room.

6. Parapet: 4’ above finished roof.

H. Structural Systems:

1. Structure of building: The existing slab on grade in the cellar was demolished. Underpinning was performed under the east party wall and a new foundation was installed as per S-101, all other foundation walls are existing and required no work. A new slab on grade was poured in the cellar. Volclay VOLTEX waterproofing system was used to waterproof the foundation walls and floor slab.

The superstructure of the building above grade (first floor through the roof) is poured in place concrete on metal deck floors with steel beams and columns. All existing floor structures were removed and replaced with structural system outlined above.

2. Walls: Structural walls include the existing masonry party walls, CMU shaft walls, and new 8” type II CMU walls on the sixth floor. All other walls are non-load bearing. Existing exterior walls are masonry walls, they were parged and clad in stone on the front and EIFS on the rear - refer to sheets A-201 and A-203. There are no existing interior walls remaining, all interior walls are new and outlined below.

Local Law 11/98 (FISP) is not applicable, building does not exceed 6 stories.

JOHN
SARACCO
Architect, LLC

Wall Types:

a. 1 hour fire rated wall	5/8” gypsum wall board #20 GA metal studs @ 16” o.c. Roxul acoustical fire batt insulation 5/8” gypsum wall board
b. 2 hour fire rated wall	2 layers 5/8” gypsum wall board #20 GA metal studs @ 16” o.c. Roxul acoustical fire batt insulation 2 layers 5/8” gypsum wall board
c. 3 hour fire rated wall	3 layers 5/8” gypsum wall board #20 GA metal studs @ 16” o.c. Roxul acoustical fire batt insulation 3 layers 5/8” gypsum wall board
d. Bathroom wall	Tiles on grout ½” Durock cement board 2 ½” #20 GA metal studs @ 16” o.c. Roxul acoustical fire batt insulation 5/8” gypsum board
e. Shaft wall – 2 hour rated	2 hour fire wall on both sides of shaft enclosure 1” fire-shield shaft liner I-studs (C-T or C-H a required) Batt insulation 2 layers ½” fire shield “c” gypsum board

f. Furring wall for existing party wall	5/8” gypsum board 1 ½” furring strips R-15 spray on in cavity insulation Masonry wall
g. Exposed concrete block wall	8” thick CMU wall
h. Furring concrete block wall	5/8” gypsum board 7/8” hat furring channel ½” air gap 8” thick CMU wall
i. Concrete block wall with limestone veneer	5/8” gypsum board 3 ½” #18 GS metal studs 16” o.c. R-15 spray on in cavity insulation 8” thick CMU wall Water barrier 2 ½” thick rigid foam insulation R-12.5 1” air gap 3” limestone veneer
j. Concrete block wall with stucco	5/8” gypsum board 3 ½” #18 GA metal studs @ 16” o.c. R-15 spray on in cavity insulation 8” thick CMU wall Water barrier 2 ½” thick rigid foam insulation R-12.5 EIFS – stucco
k. Shaft wall at bathroom double wall – 2 hour fire rated	Tiles on grout ½” durock cement board 3 5/8” studs @ 16” o.c. 2 ½” roxul acoustical fire batt insulation 2 layers ½” fire shield “C” gypsum board Batt insulation I-studs (C-T or C-H as required) 1” fire shield shaft liner

JOHN SARACCO Architect, LLC

A. Windows:	Kolbe Windows and Doors Ultra Series insulated double pane glass with aluminum clad wood for all punched windows and terrace/balcony doors. All flashing is appropriately detailed and consist of stainless-steel metal flashing and fabric membrane flashing as required. All windows to be tilt and turn, double glazed, tempered/laminated. U-factor of 0.35 and an SHGC of 0.40. Air leakage shall not exceed 0.3 CFM/sf in the windows and 0.5 CFM/sf in the doors. Hardware to be satin nickel. Windows include a 1-year installer's warranty against defects in installation. No window screens or guards provided.
B. Landmark status:	No landmark status.
C. Parapets and copings:	CMU and stucco with cast stone copings.
D. Chimneys and caps:	N/A
E. Sound mitigation elements:	Floor/ ceiling assembly includes a 5mm acoustical underlayment genie mat above the concrete deck and below the plywood subfloor. All interior walls are filled with Roxul acoustical fire batts insulation.

JOHN SARACCO Architect, LLC

I. Balconies and Terraces:

1. Deck finish:	Concrete pavers at all balconies and terraces. Balconies are to have a waterproof membrane by American Hydrotech or equivalent below concrete pavers.
2. Balustrade:	N/A
3. Railings:	Vertical metal railing painted aluminum, 42” railing height.
4. Copings:	Cast stone.
5. Soffits:	Exterior grade plaster underside of concrete if not under inside space or insulated and sheathed finished with exterior grade plaster if under and inside space.
6. Doors to balconies and terraces:	Kolbe Windows and Doors Ultra Series insulated double pane glass with aluminum clad wood for all terrace/balcony doors. All flashing is appropriately detailed and consist of stainless-steel metal flashing and fabric membrane flashing as required. U-factor of 0.35 and an SHGC of 0.40. Air leakage shall not exceed 0.5 CFM/sf in. Hardware to be satin nickel.

JOHN SARACCO Architect LLC

J. Exterior entrances:

1. Exterior doors and frames:	Kolbe Windows and Doors Ultra Series insulated double pane glass with aluminum clad wood. Hardware has not been determined but shall be equivalent to Schlage or better.
2. Vestibule doors and frames:	None.
3. Exterior stairs:	None.
4. Railings:	None.
5. Mailboxes:	There are mailboxes located in the lobby – arranged per postal service standards.
6. Lighting:	There are wall mount sconce light fixtures at the ground floor façade next to the entry doors.

JOHN SARACCO Architect LLC

K. Service entrances:

1. Doors and frames: Kolbe Windows and Doors Ultra Series insulated double pane glass with aluminum clad wood. All flashing is appropriately detailed and consist of stainless-steel metal flashing and fabric membrane flashing as required. Service entrance from street to cellar is located on the front facade to the right of the main building entrance.

2. Gates: None.

3. Exterior stairs: None.

4. Railings: None.

L. Roof and roof structure:

1. Material: Heat applied rubberized asphalt.

2. Insulation: 4" polyisocyanurate ci insulation board, R-26.

3. Surface finish: American Hydrotech (broom finish) with concrete pavers on manufacturer approved pedestal system on roof. American Hydrotech (broom finish) with gavel on the bulkhead roof.

4. Bond or guarantee: American Hydrotech System – 15 year warranty from manufacturer, one year guarantee from installer. Commencement date of warranty to be 2.1.21. Roof terrace paver material and installation is acceptable by the manufacturer to retain the roof warranty.

5. Flashing materials including counter flashing: Metal.

JOHN SARACCO Architect LLC

M. Drains:

1. Location, material and type: Roof – stainless steel and brass heavy-duty floor drain with round tractor grate top. Terraces and balconies do not contain any drains, scuppers, gutters and/or leaders. Bulkhead contains 3" scupper and leader. Two emergency overflow drains are provided on the roof.

2. Gutters and leaders: Cast iron leaders from bulkhead to roof.

N. Skylights: None.

O. Bulkheads:

1. Stairs: Cast in place interior stair.

2. Elevator: Metal.

3. Walls: 8" thick CMU with rigid insulation and a stucco finish.

P. Metal work at roof levels:

1. Exterior, metal stairs: None.

2. Vertical ladders, including gooseneck: Painted steel

3. Railings: Railings and gates at rooftop to be cedar or similar, 42" railing height.

4. Hatches to roof: None.

Q. Rooftop facilities:

1. Fire escapes: N/A.

JOHN SARACCO Architect, LLC

2. Yard and courts: There is a roof terrace for public access on the roof over the sixth floor. Maximum occupancy of 29 people. Roof terrace is a passive recreation space that is required to meet NYC Zoning Quality Housing requirements. Roof terrace has been allocated as an accessory to residential space on the proposed certificate of occupancy, refer to sheet Z-100.02 No furnishings or equipment to be provided by the sponsor.

3. Rooftop access: Rooftop access is designed in compliance with 2014 NYC fire code section FC 504.4.

R. Yard and Courts:

1. Paving: N/A

2. Drainage: One 3" stainless steel and brass drain provided in the center of unit 1A terrace.

3. Fencing: New noncombustible 6' high fence surrounding unit 1A terrace.

4. Walls: N/A

S. Interior Stairs:

1. Number of stairs of each type: One poured in place concrete stair for egress at each level. One steel pan with concrete fill staircase from street to cellar.

2. Enclosure: 2 hour fire rated enclosure, painted concrete block.

3. Stair construction: Poured in place concrete.

4. Stringers: Poured in place concrete.

5. Treads: Poured in place concrete.

6. Risers: Poured in place concrete.

7. Guard rails: Painted steel.

8. Balustrade: Painted steel.

T. Interior doors and frames:

1. Unit interior doors and frames: Solid core wood, with painted steel frames.

2. Corridor entry doors and frames: Fire rated solid core wood, with painted steel frames. 1.5 hour fire rated unit entry doors. 2 hour fire rated refuse collection room door.

3. Stair hall doors and frames: Painted hollow metal, with painted steel frames. 1.5 hour fire rated.

4. Roof doors, cellar doors and frames: Painted hollow metal, with painted steel frames.

U. Elevators:

1. Number of passenger and service elevators: One passenger elevator.

2. Manufacturer, age of each and capacity: New elevator – Thyssenkrupp elevator
Capacity: 3500 lbs
Speed: 150 fpm

3. Type of controls: Automatic.

4. Floors served: Cellar through roof – 8 stops.

5. Type: Geared traction.

6.	Doors:	Single speed – left side opening.
7.	Location of machine rooms:	Elevator machine room located on the roof.
8.	DC motor:	N/A

V. Elevator Cabs:

1.	Kind:	Metal Frame.
2.	Floor:	See section KK.
3.	Walls:	See section KK.
4.	Ceiling:	See section KK.
5.	Lighting:	LED recessed lighting.
6.	Alarm, safety system:	As required by local code.

W. Auxiliary facilities:

1.	Laundry rooms – location and number of rooms:	All units have individual washer/dryers.
2.	Clothes washer, number and type:	[1] Washer/unit – see section KK for appliance specification.
3.	Clothes dryers:	[1] Gas dryer/unit – see section KK for appliance specification.
4.	Room ventilation:	N/A – dryer is directly vented.
5.	Dryer ventilation:	Mechanically ventilated – ducted to roof through a metal lined duct.

JOHN SARACCO Architect LLC

6. Storage and storage bins: All storage units are located in the cellar. Each unit will be designated a storage unit as indicated on plans below. Heights of stacked units to be 4' clear as indicated on plans below. Storage unit walls to be 2 hour fire rated consisting of metal studs and two layers of type x gypsum. Doors to units to be hollow metal with lever hands and individually keyed cylinders.

7. Bike storage: Bike storage provided in individual storage units in cellar. Refer to plans for exact location. 6 spots required per code; 6 spots provided.

X. Refuse disposal:

1. Incinerator(s): None.

2. Compactor(s): None.

3. Approvals by authority having jurisdiction (date of each approval): None to date.

4. Initial storage location (ultimate storage location): Refuse room in cellar next to stairwell and each floor located directly across from elevator.

5. Pick-up schedule, and whether public or private: Schedule as per the New York City Department of Sanitation.

Y. Plumbing and drainage:

1. Water supply: 2" domestic service through cast iron pipes. Main shut-off valve located in cellar. ½" thick fiberglass insulation or similar as accepted by ECC for cold water. 1" thick fiberglass insulation or similar as accepted by ECC for hot water.

2. Fire protection system: Building is fully sprinklered with new 4" fire service through cast iron pipes. The entire building shall be provided with wet sprinklered in compliance with New York City Building Code requirements. The water for the sprinkler system shall be supplied from the New York City water main connected via by a sprinkler booster manufactured by A/C fire pump co. Model 1580 3x3x7 and a jockey pump manufactured by Grundos Model CR2-30 or equal located in the Fire Pump Room in cellar.

JOHN SARACCO Architect LLC

The sprinkler system shall be provided with Siamese hose connections at the street level on East 11th Street. Concealed sprinkler heads are provided as per sheet SP-005.01. Temperature rating shall with NFPA-13R table 5.1.1.5.1.

3. Water storage tank and enclosures: AC fire pump #1580 or similar with 2 year installer's warranty.

4. Water pressure and how maintained: The water service shall be augmented by two domestic water booster pumps as manufactured by Federal Pumps Co. Model SP-4040-2 or similar with 40 GPM each with an 80-gallon cushion tank or equal. All domestic water pipes shall be copper and shall be insulated as required. 2 year installer's warranty.

5. Sanitary sewage system: 8" sewer connection to the street main. Waste is routed through cast iron piping to the Municipal Combined Sewer.

6. Sewage disposal: Above grade sewage is disposed by gravity leading to the Municipal Combined Sewer.

7. Storm drainage system: Storm drainage shall consist of gutters, leaders and drains made of aluminum or cast-iron pipe. Storm water shall discharge by gravity into a new storm trap and then into the New York City combine sewer. Four drains located on the roof; one drain located in the rear yard unit 1A terrace.

8. Plumbing permits:

Permit Number:	Issuance Date:
WSPS100049M2016	10.7.16
WSPS100047M2016	10.7.16
122770180-03-PL	7.29.20

JOHN SARACCO Architect, LLC

Z. Heating:

1. Number of boilers and description:	None.
2. Manufacturer and age of boiler:	N/A.
3. Manufacturer and age of burners:	N/A.
4. Type of controls:	The supply of heating and cooling energy to each zone shall be controlled by individual thermostatic controls capable of responding to temperature within the zone.
5. Radiators, piping, insulation, valves, pumps:	Apartment bedrooms and living rooms will be equipped with ceiling mount Mitsubishi heat pump air handlers. UL listed internal duct insulation 15' from rotating fans. Thermal insulation on supply air duct work, 1#/cu ft density. Refrigerant piping receives sectional molded glass fiber, 3.5#/cu ft density.
6. Fuel:	Natural gas.
7. Location of oil tank, materials, enclosure:	N/A.
8. Capacity of oil tank:	N/A.

JOHN SARACCO Architect LLC

9. Adequacy of heating system: Heating system is adequate for maintaining an indoor temperature of 70 degrees F when the outside temperature is 12 degrees.

10. Hot water heater: Two hot water heaters – dual A.O. Smith Cyclone-XHE #BTH-150 100gai 171GPH recovery or similar- located in hot water heater room on roof. Installer's two-year warranty against defects in installation. Thermal efficiency of the recovery is 98%.

11. Condensers: All condensers to be located on bulkhead roof. All condensers to be located on spring type vibration isolators, mason ind. or equal, on protection pads on top of FT 6x6 sleepers, rip to level set on pressure treated blocking.

12. Heating summary: The heating and cooling shall be provided with are provided by Multi-zone heat pump system, with an installers two-year warranty against defects in installation. The Multi-zone heat pump system is air cooled split system to provide either heating or cooling for the residential apartments and common area. The heating mode is designed to maintain an indoor temperature of 70-degree Fahrenheit when outdoor temperature is 12-degree Fahrenheit. The cooling mode is designed to maintain an indoor temperature of 78-degree Fahrenheit when outdoor temperature is 92-degree Fahrenheit. Electricity to each heat pump unit is supplied from the apartment and common panel and consumption is metered through the individual apartment and common meter. Common stairs are provided with electric wall heaters at the egress stair going down to the cellar and the rooftop of egress stair.

The following is a list of Multi-zone heat pump air cooled condensing units and fan coil units or equal provided for each apartment unit and common area.

JOHN
SARACCO

Architect, LLC

HEAT PUMP CONDENSING UNIT SCHEDULE

UNIT #	MANUFACT.	MODEL	MEA #	COOLING (MBH)	HEATING (MBH)	ELECTRIC			SEER	
						VOLTS	MCA	MOCP	ACTUAL	REQUIRED*
CU-1-1	MITSUBISHI	PUZA30NAHZ	122-06-E	30.0	32.0	208/1	24.0	30.0	16.5	14.0
CU-1-2	MITSUBISHI	MXZ4C36NAHZ	122-06-E	30.0	32.0	208/1	42.0	50.0	15.8	14.0
CU-2-1	MITSUBISHI	MXZ4C36NAHZ	122-06-E	30.0	32.0	208/1	42.0	50.0	15.8	14.0
CU-2-2	MITSUBISHI	MXZ4C36NAHZ	122-06-E	30.0	32.0	208/1	42.0	50.0	15.8	14.0
CU-3-1	MITSUBISHI	MXZ4C36NAHZ	122-06-E	30.0	32.0	208/1	42.0	50.0	15.8	14.0
CU-3-2	MITSUBISHI	MXZ4C36NAHZ	122-06-E	30.0	32.0	208/1	42.0	50.0	15.8	14.0
CU-4-1	MITSUBISHI	MXZ4C36NAHZ	122-06-E	30.0	32.0	208/1	42.0	50.0	15.8	14.0
CU-4-2	MITSUBISHI	MXZ4C36NAHZ	122-06-E	30.0	32.0	208/1	42.0	50.0	15.8	14.0
CU-5-1	MITSUBISHI	MXZ4C36NAHZ	122-06-E	30.0	32.0	208/1	42.0	50.0	15.8	14.0
CU-5-2	MITSUBISHI	MXZ4C36NAHZ	122-06-E	30.0	32.0	208/1	42.0	50.0	15.8	14.0
CU-6-1	MITSUBISHI	MXZ4C36NAHZ	122-06-E	30.0	32.0	208/1	42.0	50.0	15.8	14.0
CU-6-2	MITSUBISHI	MXZ4C36NAHZ	122-06-E	30.0	32.0	208/1	42.0	50.0	15.8	14.0
CU-R	MITSUBISHI	MUZ-GL12NA	122-06-E	12.0	14.4	208/1	12.0	15.0	26.1	14.0

ACCESSORIES:
- VIBRATION ISOLATORS
- CONTROLLERS
- MANIFOLDS

* 2014 NYCECC TABLE C 403.2.3(2)

HEAT PUMP AIR HANDLER SCHEDULE

UNIT #	MANUFACT.	MODEL	MEA #	COOLING (MBH)	HEATING (MBH)	FAN			ELECTRIC		CONDENSING UNIT
						CFM	ESP.	HP	VOLTS	MCA	
AH-1-1	MITSUBISHI	PLA-A30BA	122-06-E	30.0	32.0	700	–	–	208/1	1.0	CU-1-1
AH-1-2	MITSUBISHI	SLZ-KA09NA	122-06-E	8.4	10.9	300	–	–	208/1	1.0	CU-1-2
AH-1-3	MITSUBISHI	SLZ-KA15NA	122-06-E	15.0	18.0	390	–	–	208/1	1.0	CU-1-2
AH-2-1	MITSUBISHI	SLZ-KA09NA	122-06-E	8.4	10.9	300	–	–	208/1	1.0	CU-2-1
AH-2-2	MITSUBISHI	SLZ-KA15NA	122-06-E	15.0	18.0	390	–	–	208/1	1.0	CU-2-1
AH-2-3	MITSUBISHI	SLZ-KA15NA	122-06-E	15.0	18.0	390	–	–	208/1	1.0	CU-2-2
AH-2-4	MITSUBISHI	SLZ-KA09NA	122-06-E	8.4	10.9	300	–	–	208/1	1.0	CU-2-2
AH-3-1	MITSUBISHI	SLZ-KA09NA	122-06-E	8.4	10.9	300	–	–	208/1	1.0	CU-3-1
AH-3-2	MITSUBISHI	SLZ-KA15NA	122-06-E	15.0	18.0	390	–	–	208/1	1.0	CU-3-1
AH-3-3	MITSUBISHI	SLZ-KA15NA	122-06-E	15.0	18.0	390	–	–	208/1	1.0	CU-3-2
AH-3-4	MITSUBISHI	SLZ-KA09NA	122-06-E	8.4	10.9	300	–	–	208/1	1.0	CU-3-2
AH-4-1	MITSUBISHI	SLZ-KA09NA	122-06-E	8.4	10.9	300	–	–	208/1	1.0	CU-4-1
AH-4-2	MITSUBISHI	SLZ-KA15NA	122-06-E	15.0	18.0	390	–	–	208/1	1.0	CU-4-1
AH-4-3	MITSUBISHI	SLZ-KA15NA	122-06-E	15.0	18.0	390	–	–	208/1	1.0	CU-4-2
AH-4-4	MITSUBISHI	SLZ-KA09NA	122-06-E	8.4	10.9	300	–	–	208/1	1.0	CU-4-2
AH-5-1	MITSUBISHI	SLZ-KA09NA	122-06-E	8.4	10.9	300	–	–	208/1	1.0	CU-5-1
AH-5-2	MITSUBISHI	SLZ-KA15NA	122-06-E	15.0	18.0	390	–	–	208/1	1.0	CU-5-1
AH-5-3	MITSUBISHI	SLZ-KA15NA	122-06-E	15.0	18.0	390	–	–	208/1	1.0	CU-5-2
AH-5-4	MITSUBISHI	SLZ-KA09NA	122-06-E	8.4	10.9	300	–	–	208/1	1.0	CU-5-2
AH-6-1	MITSUBISHI	SLZ-KA09NA	122-06-E	8.4	10.9	300	–	–	208/1	1.0	CU-6-1
AH-6-2	MITSUBISHI	SLZ-KA15NA	122-06-E	15.0	18.0	390	–	–	208/1	1.0	CU-6-1
AH-6-3	MITSUBISHI	SLZ-KA15NA	122-06-E	15.0	18.0	390	–	–	208/1	1.0	CU-6-2
AH-6-4	MITSUBISHI	SLZ-KA09NA	122-06-E	8.4	10.9	300	–	–	208/1	1.0	CU-6-2
AH-R-1	MITSUBISHI	MSZ-GL-12NA	122-06-E	12.0	14.4	300	–	–	208/1	1.0	CU-R

JOHN SARACCO Architect LLC

AA. Gas supply:

1. Type:	Natural.
2. Meters:	Multiple meters. See item D,3.
3. Piping:	Black iron schedule-40 pipe with malleable fittings.

BB. Air Conditioning:

1. Type of system:	Ceiling mount Mitsubishi heat pump air handlers.
2. Cooling towers, condensers:	Roof mounted Mitsubishi heat pump condensing units.
3. Individual units covered by this offer:	Ceiling mounted Mitsubishi heat pump air handler units (heating & cooling) for living rooms and bedrooms. The system has been designed to maintain an indoor temperature of 78 degrees F when the outside temperature is 92 degrees F.
4. Ventilation:	All bathrooms and laundry dryers are ventilated mechanically (fan-driven). Ducted oven hood exhausts are provided for all kitchens. Toilets are exhausted via a central toilet exhaust system. Bathrooms contain an 80 CFM fan, Panasonic FV-08VK1 or similar, 0.3 sones. Common area shall be mechanically ventilated as required by applicable codes. Cellar floor, elevator vestibules and refuse collection rooms are mechanically ventilated with exhaust fan and Energy recovery ventilators as manufactured by Greenheck and Panasonic or equal where natural ventilation is not provided. All exhaust fans are located on the roof, and Energy recovery ventilator is located in each elevator vestibule. All apartment living room and bedrooms and first floor common area shall be naturally ventilated.
5. Air Conditioning Summary:	A ceiling- mounted Mitsubishi heat pump air handler will serve the common lobby. Individual apartments will be equipped with 2 Mitsubishi heat pump air handlers.

JOHN SARACCO Architect LLC

CC. Electrical system:

1. Service from main service switchgear:

New electrical service of 400 amps has been designed to provide adequate light, power and heating and air conditioning units for the residential apartments and common area. The service shall be provided by Consolidated Edison Company of New York. Final incoming service amps for the electrical service will be determined by Consolidated Edison. The main feeders and disconnect switches shall be located in the cellar electrical meter room. Individual apartment, common area and roof terraces shall be separately metered for electrical usage. The cost of this service shall be paid by each respective tenant and or owner. Common area electrical usage shall be paid metered through a single meter of which 300 amps service. The fee for this service shall be included in the common charges. No provisions for electricity supply during outages, such as the presence of a generator are provided.

2. Service to individual units:

100 ampere service disconnect at 120/208v, 1 phase service with 24 poles electrical panel each. Each apartment unit shall contain circuit breaker panel box within the unit as indicated above and all service shall be fed from the panel box. All wiring shall be in accordance with New York City Electrical Code.

3. Service to common area:

300 ampere service disconnect at 120/208v, 3 phase service with 62 poles electrical panel.

DD. Adequacy:

1. Service:

The electrical distribution system is more than adequate to support the electrical loads.

2. Lighting and fixtures:

Switched incandescent lighting fixtures in bathroom and kitchens. Switched receptacles provided in living rooms and bedrooms. Fixtures to be Litolier or equivalent.

JOHN SARACCO Architect LLC

3. Convenience outlets, appliance outlets:	Adequate number of convenience outlets, and appliance outlets provided.
4. Intercommunication and/or door signal systems, security closed circuit TV:	Wiring installed in each residential until enables owner to obtain cable TV. Service within each apartment may be obtained from the local cable company (currently Time Warner) on an individual basis. The main connections for this service are located at the IT closet in the cellar. Each unit shall be provided with a video intercom system – aiphone GT-series or equivalent. No warranty provided.
5. Public area lighting:	Public lighting in the lobby, corridors, stairwell and cellar will be furnished to the above public areas through fluorescent and/or incandescent fixtures. The roof area shall have surface mounted fixtures at the perimeter on the parapet wall. All lighting is in compliance with applicable codes.
EE. Garages and parking areas:	None.
FF. Swimming pool(s):	None.
GG. Recreation facilities:	There is a roof terrace for public access on the roof over the 6th floor. The maximum occupancy for the roof terrace is 46.
HH. Safety and warning devices:	Each unit will contain a smoke/ carbon monoxide detector in the vicinity of the bedrooms as per code. Detectors are wired to a 120 V local power supple and self-contained with own sounding device. A sprinkler and smoke detection fire alarm system shall be provided for the entire building to include the following: smoke detector shall be provided in each elevator vestibule for elevator recalled and refuse collection room; sprinkler water flow and tamper switch shall be provided for each floor; smoke detectors, carbon detectors, sprinkler water flow and tamper switch shall be provided for the 1st floor; smoke detectors, heat detector

JOHN SARACCO Architect, LLC

and carbon detector shall be provided for the HW heater room, elevator shaft and elevator mechanical room.

II. Permits and Certificates: Building is filed under "Alteration Type 1"

1. CofO Application: 122770180 - NB

2. Required inspections to obtain CofO:

Type of Inspection:	Authority Inspecting:
Construction	DoB
Special & Progress Inspections	DoB
Fire Alarm	DoB
Plumbing	DoB
Sprinkler	DoB
Boiler	DoB
Elevator	DoB
HVAC	DoB
Builders Pavement Plan	DoB
Electrical	DoB

3. Recurring Inspections:
   a. Annual notice such as window guard, lead paint, fire safety and CO detectors
   b. Elevator- cat1 annual inspection
   c. Elevator – cat5 5 year inspection
   d. Boiler – annual inspection
   e. Boiler – triennial registration
   f. Fuel storage – every 3 years
   g. FDNY annual permitting
      (1) Equipment (HVAC, refrigeration, etc)
      (2) Fuel storage
   h. Backflow preventer inspection
   i. Domestic water tank inspection and cleaning
   j. Energy benchmarking and efficiency scores (LL84/LL33 respectively)
   k. Bedbug filing (LL69)
   l. Cooling tower testing, inspection, cleaning, reporting (LL77)

JOHN SARACCO Architect, LLC

m. Sprinklers/ standpipe/ Siamese – every 5 years
n. LL11 / FISP – façade inspection every 5 years based on block number
o. LL152 – gas inspection every 4 years based on CB
p. LL97 – greenhouse has emissions limits, commencing in 2024

JJ. Violations:

1. Open DOB violations

There is currently one outstanding DOB violation. Violation number V040496C061H will be resolved prior to the completion of building construction.

2. Open ECB violations

There are currently 14 outstanding ECB violations. Below is a list of all outstanding ECB violations:

ECB Number:	Violation Type:	Violation Date:
35463148P	Construction	12.4.19
35249430L	Plumbing	6.26.17
35249429Y	Construction	6.26.17
35438714X	Construction	8.13.19
35426337L	Construction	2.7.20
35468227X	Construction	2.7.20
35226820P	Construction	3.7.17
35239616K	Construction	3.25.17
35224725H	N/A	3.20.17
35226819H	Construction	3.7.17
35226818X	Construction	3.7.17
35226817Y	Construction	3.7.17
35165449N	Construction	2.4.16
35165446H	Construction	2.4.16

All outstanding violations will be resolved prior to the completion of building completion.

JOHN SARACCO Architect LLC

KK. Units Information: Finish, Appliance, and fixture schedule

Location Apartment Interiors	Item	Description
Living room @ All Apartment Floors	Ceiling	Painted cementitious coating and/or painted gypsum wall board – primed with two finish coats
	Wall	Painted gypsum wall board – primed with two finish coats
	Base	Painted wood – primed with two finish coats
	Floor	5/8" x 7" Prime Euro White Oak Engineered assorted lengths (2'-10') with 4mm wear layer over QT 5mm rubber with acoustic glue.
Kitchen @ All Apartment Floors	Ceiling	Painted gypsum wall board – primed with two finish coats
	Wall	Painted gypsum wall board – primed with two finish coats
	Base	Painted wood – primed with two finish coats Imported
	Floor	ceramic tile- equal or better
	Cabinets	Wood – Bamboo veneer – equal or better
	Countertop	Concrete – equal or better
	Backsplash	Concrete – equal or better
	Sink	Franke 30" sink PS2X110-30 –equal or better
	Sink Faucet	Kohler – equal or better
	Refrigerator	Sub-zero IT-30CI – equal or better
	Range	Thermador 30" gas range PRG304WH – equal or better
	Hood	Thermador 30" hood PH30HWS – equal or better
	Dishwasher	Bosch 24" dishwasher SHPM65W55N – equal or better
Bathroom @ All Apartment Floors	Ceiling	Painted moisture resistant gypsum wall board – primed with two finish coats
	Wall	Painted moisture resistant gypsum wall board – primed with two finish coats & 12x24 polished Persian White Marble by Porcelanosa at wet wall and imported ceramic tile at tub surround.
	Base	12x24 polished Persian White Marble by Porcelanosa

JOHN SARACCO
Architect LLC

	Floor	12x24 Pietra Serena by ABC Stone
	Toilet	Toto – equal or better
	Sink	Kohler – equal or better
	Sink faucet	Kohler – equal or better
	Shower head	Kohler – equal or better
	Shower mixer	Kohler – equal or better
	Bathtub	Zuma C6030 – equal or better
	Bath faucet	Kohler – equal or better
Bedroom @ All Apartment Floors	Ceiling	Painted cementitious coating and/or painted gypsum wall board – primed with two finish coats
	Wall	Painted gypsum wall board – primed with two finish coats
	Base	Painted wood – primed with two finish coats
	Floor	5/8" x 7" Prime Euro White Oak Engineered assorted lengths (2'-10') with 4mm wear layer over QT 5mm rubber with acoustic glue.
Laundry Closet @ All Apartment Floors	Ceiling	Painted moisture resistant gypsum wall board – primed with two finish coats
	Wall	Painted moisture resistant gypsum wall board – primed with two finish coats
	Base	Imported ceramic tile – equal or better
	Floor	Imported ceramic tile – equal or better
	Washer/Dryer	General Electric GUD27GESNWW – equal or better
All other rooms & halls @ All Apartment Floors	Ceiling	Painted cementitious coating and/or painted gypsum wall board – primed with two finish coats
	Wall	Painted gypsum wall board – primed with two finish coats
	Base	Painted wood – primed with two finish coats
	Floor	5/8" x 7" Prime Euro White Oak Engineered assorted lengths (2'-10') with 4mm wear layer over QT 5mm rubber with acoustic glue.
Doors @ All Apartment Floors	Interior	Painted solid core wood – primed with two finish coats

	Entry Doors	Fire rated solid core wood with natural veneer finish
	Closet	Painted solid core wood – primed with two finish coats
	Laundry Closet	Painted solid core wood with louver – primed with two finish coats

Public Spaces

Elevator Cab	Ceiling	Laminate – equal or better
	Wall	Laminate – equal or better
	Base	Laminate – equal or better
	Floor	Stone – to be determined
Public Corridor	Ceiling	Painted gypsum wall board- primed with two finish coats
	Wall	Painted gypsum wall board – primed with two finish coats
	Base	Painted wood
	Floor	Carpet
Residential Lobby	Ceiling	Painted gypsum wall board – equal or better
	Wall	Painted gypsum wall board – equal or better
	Base	Stone – to be determined
	Floor	Stone – to be determined
Exit Stair	Ceiling	Painted cementitious coating and/or painted gypsum wall board – primed with two finish coats
	Wall	Painted concrete block- primed with two finish coats
	Base	Painted concrete block- primed with two finish coats
	Floor	Painted concrete

Cellar

JOHN SARACCO Architect, LLC

Corridor	Ceiling	Painted cementitious coating and/or painted gypsum wall board – primed with two finish coats
	Wall	Painted gypsum wall board – equal or better
	Base	Vinyl base
	Floor	Painted concrete
Mechanical Room	Ceiling	Painted cementitious coating and/or painted gypsum wall board – primed with two finish coats
	Wall	Painted gypsum wall board – equal or better
	Base	Vinyl base
	Floor	Painted concrete
Electrical Room	Ceiling	Painted cementitious coating and/or painted gypsum wall board – primed with two finish coats
	Wall	Painted gypsum wall board – equal or better
	Base	Vinyl base
	Floor	Painted concrete
Booster Pump Room	Ceiling	Painted cementitious coating and/or painted gypsum wall board – primed with two finish coats
	Wall	Painted gypsum wall board – equal or better
	Base	Vinyl base
	Floor	Painted concrete
Fire Pump Room	Ceiling	Painted cementitious coating and/or painted gypsum wall board – primed with two finish coats
	Wall	Painted gypsum wall board – equal or better
	Base	Vinyl base
	Floor	Painted concrete
IT Closet	Ceiling	Painted cementitious coating and/or painted gypsum wall board – primed with two finish coats
	Wall	Painted gypsum wall board – equal or better
	Base	Vinyl base
	Floor	Painted concrete

JOHN SARACCO Architect, LLC

Vestibule	Ceiling	Painted cementitious coating and/or painted gypsum wall board – primed with two finish coats
	Wall	Painted gypsum wall board – equal or better
	Base	Vinyl base
	Floor	Painted concrete
Refuse Room	Ceiling	Painted cementitious coating and/or painted gypsum wall board – primed with two finish coats
	Wall	Painted concrete block – primed with two finish coats
	Base	Vinyl base
	Floor	Painted concrete
Janitor Bathroom	Ceiling	Painted cementitious coating and/or painted gypsum wall board – primed with two finish coats
	Wall	Painted gypsum wall board – equal or better
	Base	Vinyl base
	Floor	Painted concrete
Storage Closets	Ceiling	Painted cementitious coating and/or painted gypsum wall board – primed with two finish coats
	Wall	Painted gypsum wall board – equal or better
	Base	Vinyl base
	Floor	Painted concrete
Exit Stair	Ceiling	Painted cementitious coating and/or painted gypsum wall board – primed with two finish coats
	Wall	Painted concrete block – primed with two finish coats
	Base	Painted concrete block – primed with two finish coats
	Floor	Painted concrete

JOHN SARACCO
Architect LLC

LL. Floor to Ceiling Heights of Units:	Cellar:	9'-0" (min 8'-0" locally)
	First Floor:	8'-6"
	2nd-6th Floors:	8'-6"

JOHN SARACCO Architect LLC

MM. Further Development:	No further development is being proposed.
NN. Asbestos:	ACM was previously found in roof and was properly abated. ACP-5 is filed with DOB.
OO. Lead-Based Paint:	No known lead-based paint hazards are present. The ingestion of lead poses serious health risks, especially in young children. Purchasers are advised to familiarize themselves with the NYC Local Law 1 of 2004, a copy of which is included as an Exhibit to the Offering Plan. Purchasers of Units, particularly those with young children, are advised to consult with an environmental professional to determine the existence of, and any remediation of, lead-based paint.

JOHN SARACCO
Architect LLC

PP. Additional Information
Dimensions of Units:

The square foot area of the Units set forth in the floor plans, Schedule A to the Offering Plan and Schedule B to the Declaration are approximate and were obtained by using the method customarily used in New York City to measure rental and cooperative apartments. Each Unit is measured horizontally from the exterior side of the exterior walls (columns, mechanical pipes, shafts, shaft-ways, chases, chase- ways and conduits are not deducted from measurement of each Unit) to the centerline of the partitions separating one Unit from another Unit, or separating one Unit from corridors, stairs, and other mechanical equipment spaces or any Common Elements not within a Unit or to the exterior side of the opposite exterior walls. Each Unit is measure vertically from the top of the floor (located under the finished flooring and sub flooring materials) to the underside of the ceiling. As is customary in New York City, these square foot areas exceed the usable floor area of each Unit.

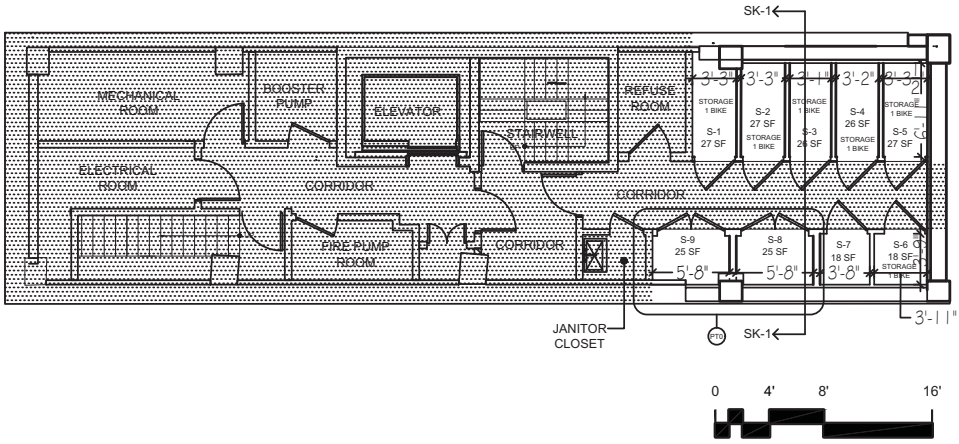
Measured vertically, each Unit will consist of the volume from the top of the concrete floor slab below (located under the finished flooring and sub-floor materials) to the underside of the metal deck above. However, the Board, Sponsor and Sponsor's designee will each have an easement to install and maintain pipes, conduits, wire, ducts, and other facilities in the space between the underside of each such floor slab and the top surface of each Unit's finished ceiling, without any need to obtain the consent of any Unit Owner with respect to the same. The clearance between the top of the concrete floor slab and the bottom of the finish ceiling in the Units is indicated in section KK, but certain Units and areas within other Units may have clearances of less than indicated in section KK to accommodate facilities located above the same or otherwise to respond to filed conditions.

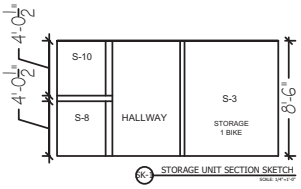
John Saracco, RA
John Saracco
Architect, LLC
February 3, 2021



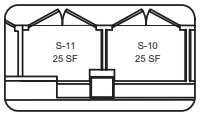
FLOOR PLANS

THIS PAGE INTENTIONALLY LEFT BLANK





SK-1 STORAGE UNIT SECTION SKETCH
SCALE: 1/4"=1'-0"

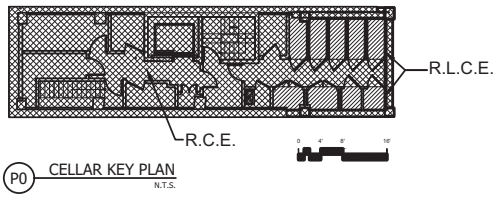


P10 PARTIAL CELLAR PLAN
SCALE: 1/4"=1'-0"

ABBREVIATION KEY	
CL	CLOSET
REF	REFRIGERATOR
DW	DISHWASHER
W/D	WASHER & DRYER

LEGEND

- RESIDENTIAL COMMON ELEMENT (R.C.E.)
- RESIDENTIAL UNIT (R.U.)
- RESIDENTIAL LIMITED COMMON ELEMENT (R.L.C.E.)



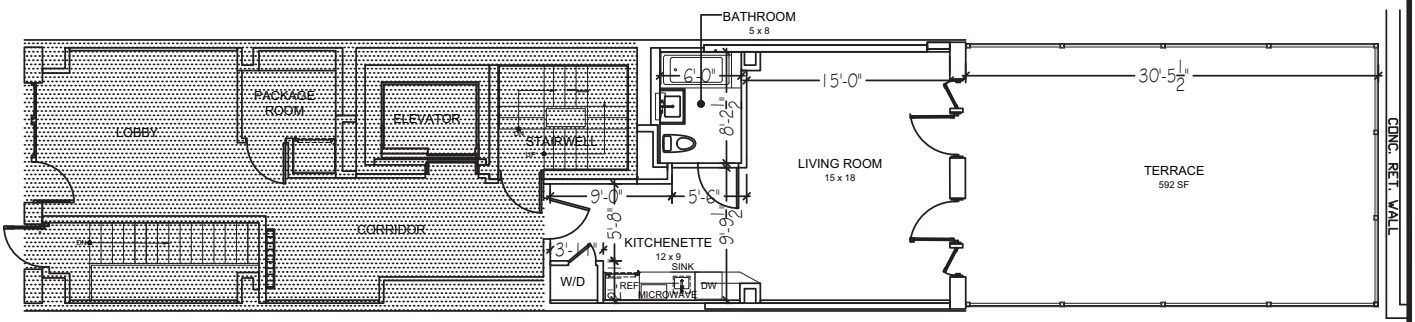
P0 CELLAR KEY PLAN
N.T.S.

JOHN SARACCO ARCHITECT L.L.C.
PO BOX 245
BOONTON, N.J. 07005
TEL: 973.299.4428
www.saracco.us

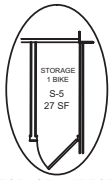
ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCE. DIMENSIONS ARE MAXIMUM OVERALL AND MAY OMIT CUTOUTS. WE RESERVE THE RIGHT TO MAKE CHANGES DUE TO UNFORESEEN CONDITIONS IN ACCORDANCE TO THE OFFERING PLAN.

DRAWING TITLE:	DATE: 2.3.21
STORAGE - CELLAR FLOOR	
220 SF	
CELLAR FLOOR	
323 East 53rd Street	SCALE: AS NOTED

DRAWING NO.: 100



0 4' 8' 16'

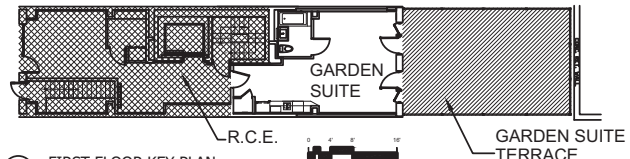


STORAGE UNIT FOR
GARDEN SUITE
LOCATED IN CELLAR

ABBREVIATION KEY	
CL	CLOSET
REF	REFRIGERATOR
DW	DISHWASHER
W/D	WASHER & DRYER

LEGEND

- RESIDENTIAL COMMON ELEMENT (R.C.E.)
- RESIDENTIAL UNIT (R.U.)
- RESIDENTIAL LIMITED COMMON ELEMENT (R.L.C.E.)



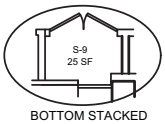
P1 FIRST FLOOR KEY PLAN
N.T.S.

JOHN SARACCO ARCHITECT L.L.C.
PO BOX 245
BOONTON, N.J. 07005
TEL: 973.299.4428
www.saracco.us

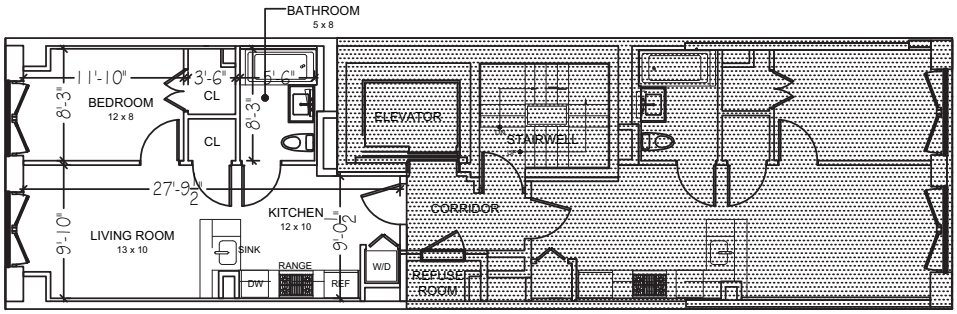
ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCE. DIMENSIONS ARE MAXIMUM OVERALL AND MAY OMIT CUTOUTS. WE RESERVE THE RIGHT TO MAKE CHANGES DUE TO UNFORESEEN CONDITIONS IN ACCORDANCE TO THE OFFERING PLAN.

DRAWING TITLE:	DATE: 2.3.21
GARDEN SUITE - FIRST FLOOR	
552 SF	+ STORAGE UNIT S-5 (27 SF)
FIRST FLOOR	
323 East 53rd Street	SCALE: AS NOTED

DRAWING NO.: 101



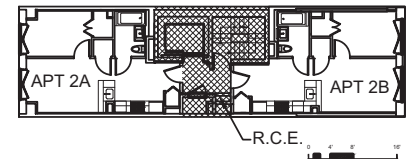
BOTTOM STACKED STORAGE UNIT FOR APARTMENT 2A LOCATED IN CELLAR



ABBREVIATION KEY	
CL	CLOSET
REF	REFRIGERATOR
DW	DISHWASHER
W/D	WASHER & DRYER

LEGEND

- RESIDENTIAL COMMON ELEMENT (R.C.E.)
- RESIDENTIAL UNIT (R.U.)
- RESIDENTIAL LIMITED COMMON ELEMENT (R.L.C.E.)



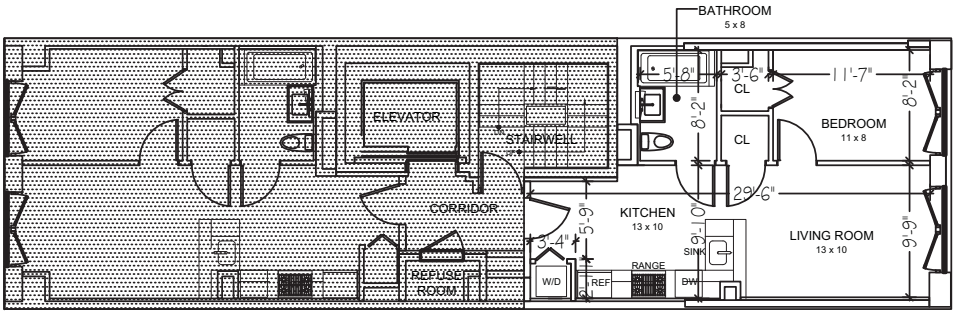
P2 SECOND FLOOR KEY PLAN
N.T.S.

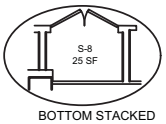
JOHN SARACCO ARCHITECT L.L.C.
PO BOX 245
BOONTON, N.J. 07005
TEL: 973.299.4428
www.saracco.us

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCE. DIMENSIONS ARE MAXIMUM OVERALL AND MAY OMIT CUTOUTS. WE RESERVE THE RIGHT TO MAKE CHANGES DUE TO UNFORESEEN CONDITIONS IN ACCORDANCE TO THE OFFERING PLAN.

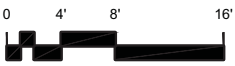
DRAWING TITLE:	DATE: 2.3.21
APARTMENT 2A	
542 SF	+ STORAGE UNIT S-9 (25 SF)
SECOND FLOORS	
323 East 53rd Street	SCALE: AS NOTED

DRAWING NO.: 102





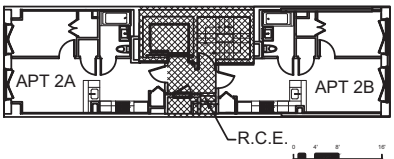
BOTTOM STACKED STORAGE UNIT FOR APARTMENT 2B LOCATED IN CELLAR



ABBREVIATION KEY	
CL	CLOSET
REF	REFRIGERATOR
DW	DISHWASHER
W/D	WASHER & DRYER

LEGEND

- RESIDENTIAL COMMON ELEMENT (R.C.E.)
- RESIDENTIAL UNIT (R.U.)
- RESIDENTIAL LIMITED COMMON ELEMENT (R.L.C.E.)



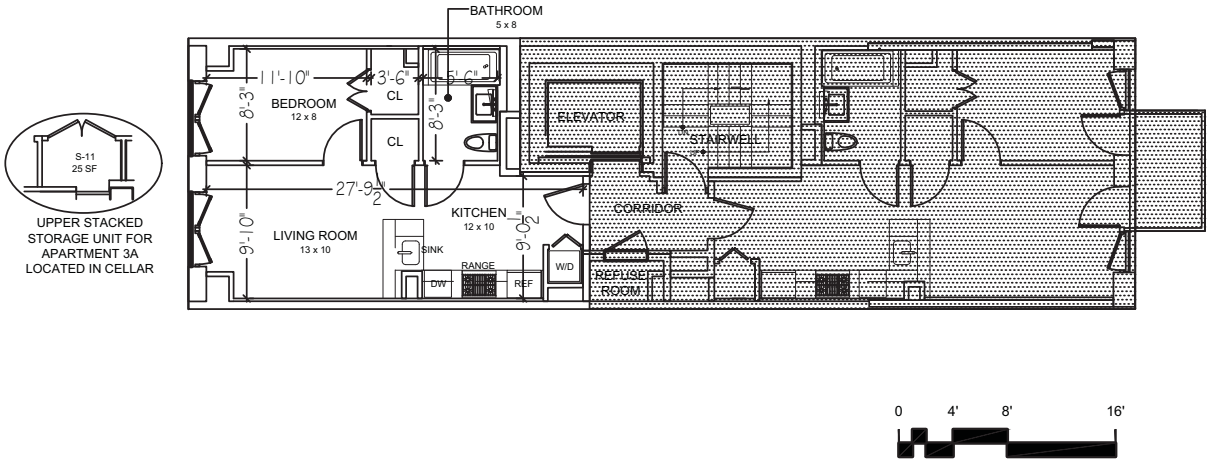
P2 SECOND FLOOR KEY PLAN
N.T.S.

JOHN SARACCO ARCHITECT L.L.C.
PO BOX 245
BOONTON, N.J. 07005
TEL: 973.299.4428
www.saracco.us

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCE. DIMENSIONS ARE MAXIMUM OVERALL AND MAY OMIT CUTOUTS. WE RESERVE THE RIGHT TO MAKE CHANGES DUE TO UNFORESEEN CONDITIONS IN ACCORDANCE TO THE OFFERING PLAN.

DRAWING TITLE:	DATE: 2.3.21
APARTMENT 2B	
560 SF	+ STORAGE UNIT S-8 (25 SF)
SECOND FLOOR	
323 East 53rd Street	SCALE: AS NOTED

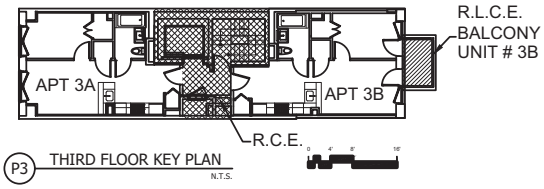
DRAWING NO.: 103



ABBREVIATION KEY	
CL	CLOSET
REF	REFRIGERATOR
DW	DISHWASHER
W/D	WASHER & DRYER

LEGEND

- RESIDENTIAL COMMON ELEMENT (R.C.E.)
- RESIDENTIAL UNIT (R.U.)
- RESIDENTIAL LIMITED COMMON ELEMENT (R.L.C.E.)

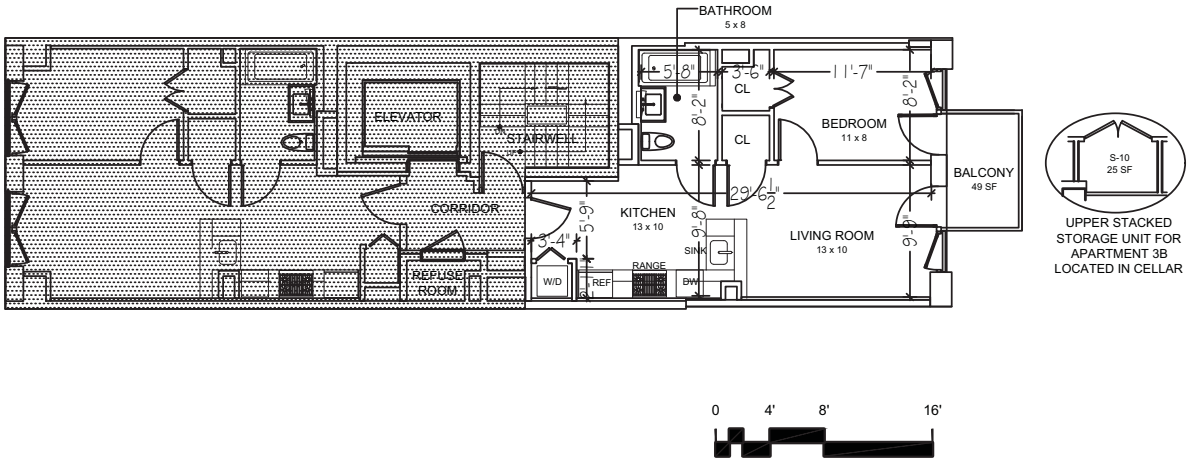


JOHN SARACCO ARCHITECT L.L.C.
PO BOX 245
BOONTON, N.J. 07005
TEL: 973.299.4428
www.saracco.us

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCE. DIMENSIONS ARE MAXIMUM OVERALL AND MAY OMIT CUTOUTS. WE RESERVE THE RIGHT TO MAKE CHANGES DUE TO UNFORESEEN CONDITIONS IN ACCORDANCE TO THE OFFERING PLAN.

DRAWING TITLE:	DATE: 2.3.21
APARTMENT 3A	
542 SF	+ STORAGE UNIT S-11 (25 SF)
THIRD FLOOR	
323 East 53rd Street	SCALE: AS NOTED

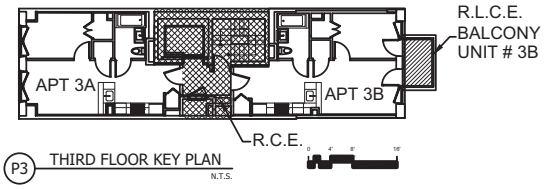
DRAWING NO.: 104



ABBREVIATION KEY	
CL	CLOSET
REF	REFRIGERATOR
DW	DISHWASHER
W/D	WASHER & DRYER

LEGEND

- RESIDENTIAL COMMON ELEMENT (R.C.E.)
- RESIDENTIAL UNIT (R.U.)
- RESIDENTIAL LIMITED COMMON ELEMENT (R.L.C.E.)

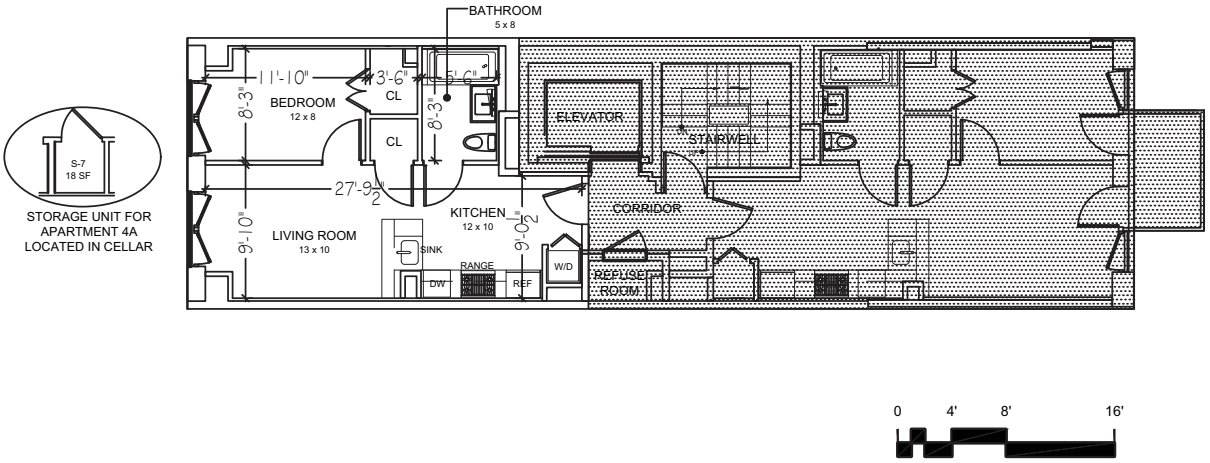


JOHN SARACCO ARCHITECT L.L.C.
PO BOX 245
BOONTON, N.J. 07005
TEL: 973.299.4428
www.saracco.us

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCE. DIMENSIONS ARE MAXIMUM OVERALL AND MAY OMIT CUTOUTS. WE RESERVE THE RIGHT TO MAKE CHANGES DUE TO UNFORESEEN CONDITIONS IN ACCORDANCE TO THE OFFERING PLAN.

DRAWING TITLE:	DATE: 2.3.21
APARTMENT 3B	
560 SF	+ STORAGE UNIT S-10 (25 SF)
THIRD FLOOR	
323 East 53rd Street	SCALE: AS NOTED

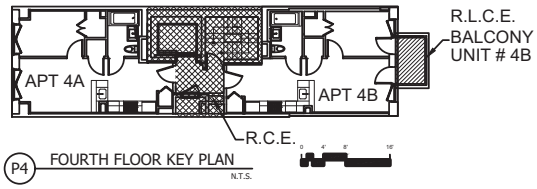
DRAWING NO.: 105



ABBREVIATION KEY	
CL	CLOSET
REF	REFRIGERATOR
DW	DISHWASHER
W/D	WASHER & DRYER

LEGEND

- RESIDENTIAL COMMON ELEMENT (R.C.E.)
- RESIDENTIAL UNIT (R.U.)
- RESIDENTIAL LIMITED COMMON ELEMENT (R.L.C.E.)

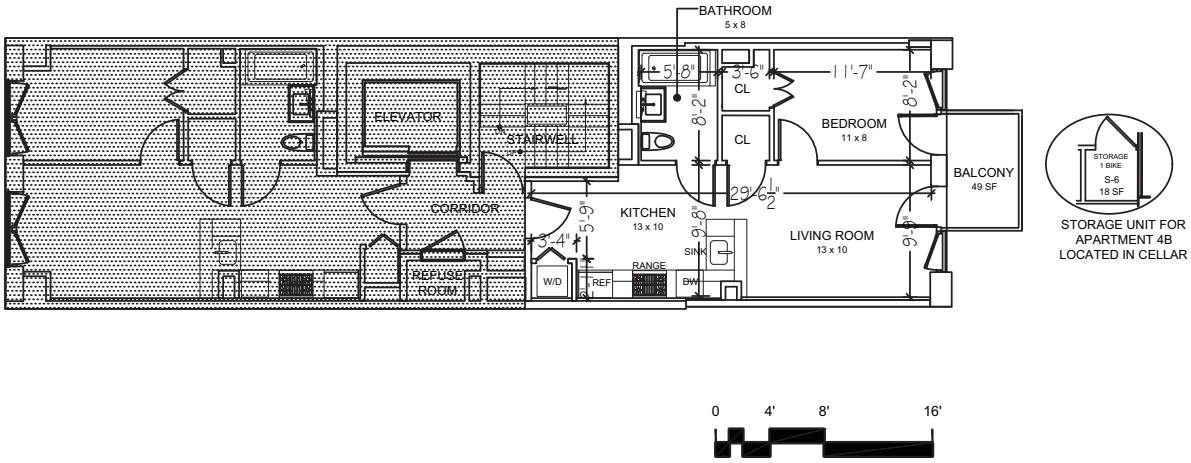


JOHN SARACCO ARCHITECT L.L.C.
PO BOX 245
BOONTON, N.J. 07005
TEL: 973.299.4428
www.saracco.us

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCE. DIMENSIONS ARE MAXIMUM OVERALL AND MAY OMIT CUTOUTS. WE RESERVE THE RIGHT TO MAKE CHANGES DUE TO UNFORESEEN CONDITIONS IN ACCORDANCE TO THE OFFERING PLAN.

DRAWING TITLE:	DATE: 2.3.21
APARTMENT 4A	
542 SF	+ STORAGE UNIT S-7 (18 SF)
FOURTH FLOOR	
323 East 53rd Street	SCALE: AS NOTED

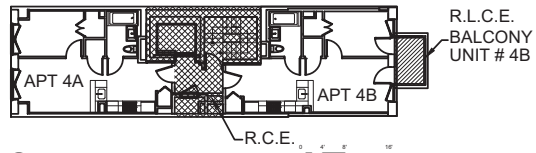
DRAWING NO.: 106



ABBREVIATION KEY	
CL	CLOSET
REF	REFRIGERATOR
DW	DISHWASHER
W/D	WASHER & DRYER

LEGEND

- RESIDENTIAL COMMON ELEMENT (R.C.E.)
- RESIDENTIAL UNIT (R.U.)
- RESIDENTIAL LIMITED COMMON ELEMENT (R.L.C.E.)



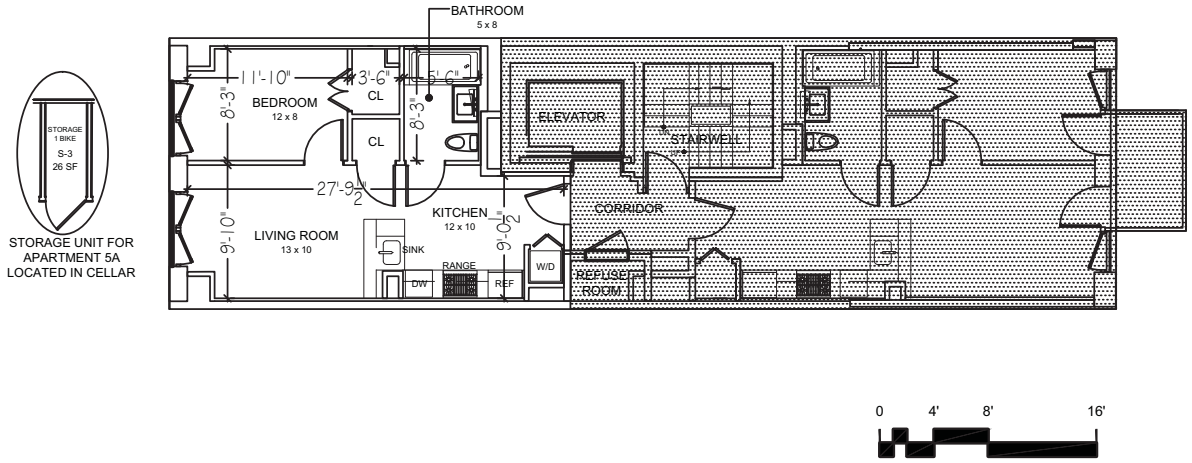
P4 FOURTH FLOOR KEY PLAN
N.T.S.

JOHN SARACCO ARCHITECT L.L.C.
PO BOX 245
BOONTON, N.J. 07005
TEL: 973.299.4428
www.saracco.us

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCE. DIMENSIONS ARE MAXIMUM OVERALL AND MAY OMIT CUTOUTS. WE RESERVE THE RIGHT TO MAKE CHANGES DUE TO UNFORESEEN CONDITIONS IN ACCORDANCE TO THE OFFERING PLAN.

DRAWING TITLE:	DATE: 2.3.21
APARTMENT 4B	
560 SF	+ STORAGE UNIT S-6 (18 SF)
FOURTH FLOOR	
323 East 53rd Street	SCALE: AS NOTED

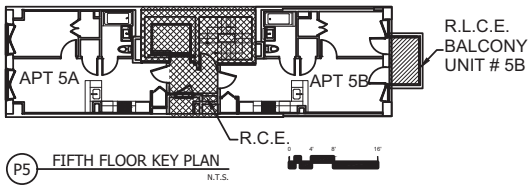
DRAWING NO.: 107



ABBREVIATION KEY	
CL	CLOSET
REF	REFRIGERATOR
DW	DISHWASHER
W/D	WASHER & DRYER

LEGEND

- RESIDENTIAL COMMON ELEMENT (R.C.E.)
- RESIDENTIAL UNIT (R.U.)
- RESIDENTIAL LIMITED COMMON ELEMENT (R.L.C.E.)

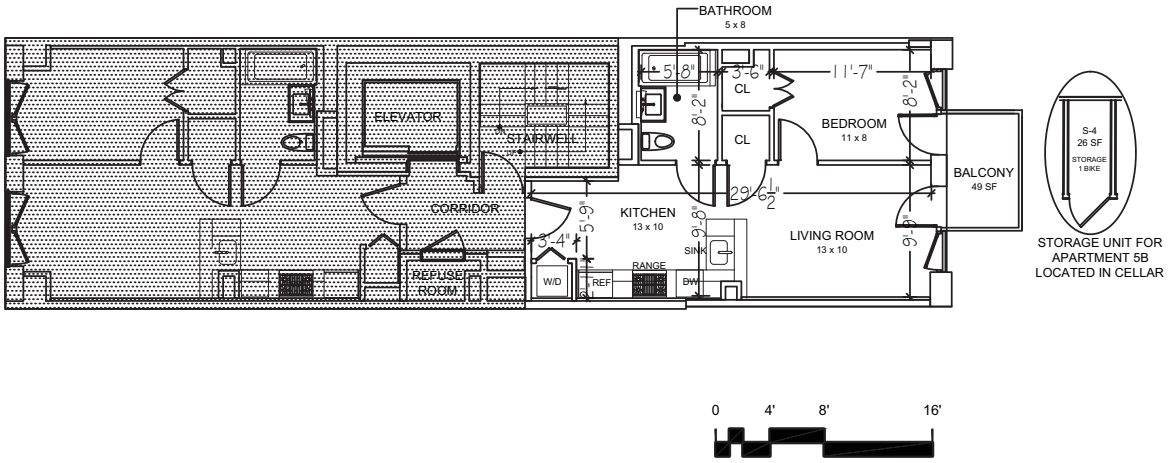


JOHN SARACCO ARCHITECT L.L.C.
PO BOX 245
BOONTON, N.J. 07005
TEL: 973.299.4428
www.saracco.us

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCE. DIMENSIONS ARE MAXIMUM OVERALL AND MAY OMIT CUTOUTS. WE RESERVE THE RIGHT TO MAKE CHANGES DUE TO UNFORESEEN CONDITIONS IN ACCORDANCE TO THE OFFERING PLAN.

DRAWING TITLE:	DATE: 2.3.21
APARTMENT 5A	
542 SF	+ STORAGE UNIT S-3 (26 SF)
FIFTH FLOOR	
323 East 53rd Street	SCALE: AS NOTED

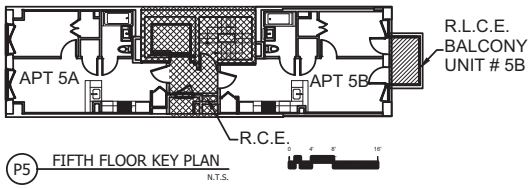
DRAWING NO.: 108



ABBREVIATION KEY	
CL	CLOSET
REF	REFRIGERATOR
DW	DISHWASHER
W/D	WASHER & DRYER

LEGEND

- RESIDENTIAL COMMON ELEMENT (R.C.E.)
- RESIDENTIAL UNIT (R.U.)
- RESIDENTIAL LIMITED COMMON ELEMENT (R.L.C.E.)

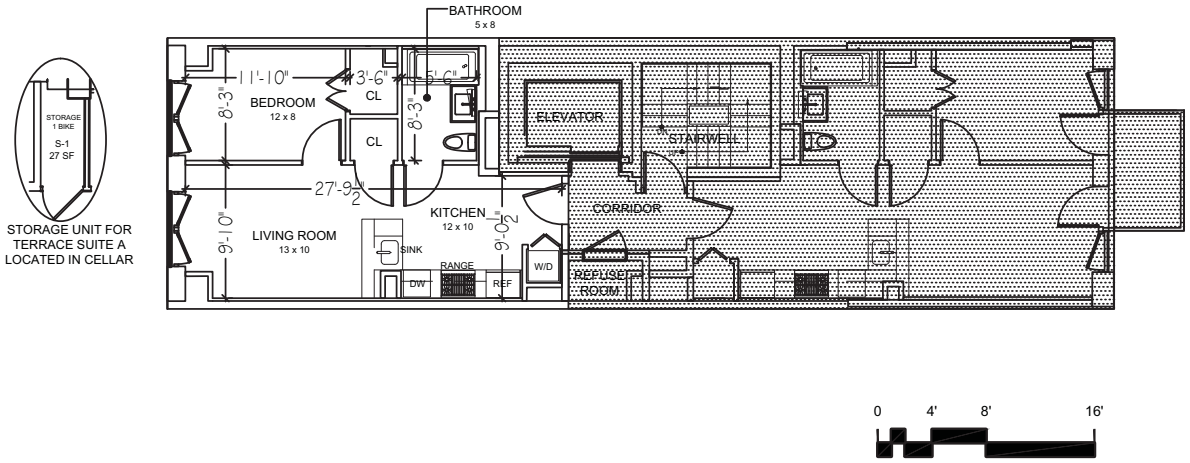


JOHN SARACCO ARCHITECT L.L.C.
PO BOX 245
BOONTON, N.J. 07005
TEL: 973.299.4428
www.saracco.us

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCE. DIMENSIONS ARE MAXIMUM OVERALL AND MAY OMIT CUTOUTS. WE RESERVE THE RIGHT TO MAKE CHANGES DUE TO UNFORESEEN CONDITIONS IN ACCORDANCE TO THE OFFERING PLAN.

DRAWING TITLE:	DATE: 2.3.21
APARTMENT 5B	
560 SF	+ STORAGE UNIT S-4 (26 SF)
FIFTH FLOOR	
323 East 53rd Street	SCALE: AS NOTED

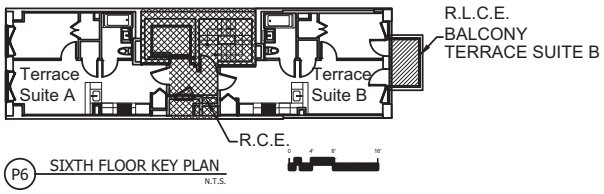
DRAWING NO.: 109



ABBREVIATION KEY	
CL	CLOSET
REF	REFRIGERATOR
DW	DISHWASHER
W/D	WASHER & DRYER

LEGEND

- RESIDENTIAL COMMON ELEMENT (R.C.E.)
- RESIDENTIAL UNIT (R.U.)
- RESIDENTIAL LIMITED COMMON ELEMENT (R.L.C.E.)

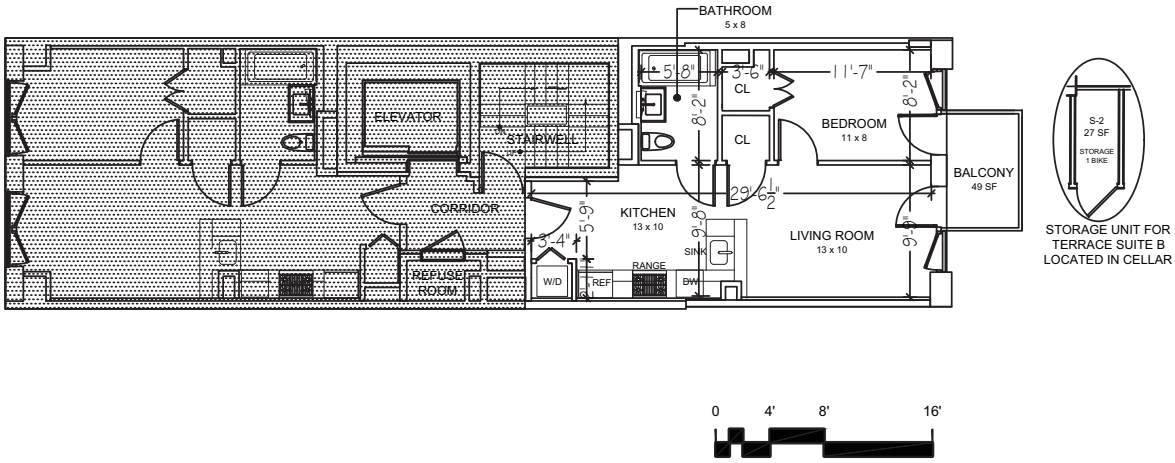


JOHN SARACCO ARCHITECT L.L.C.
PO BOX 245
BOONTON, N.J. 07005
TEL: 973.299.4428
www.saracco.us

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCE. DIMENSIONS ARE MAXIMUM OVERALL AND MAY OMIT CUTOUTS. WE RESERVE THE RIGHT TO MAKE CHANGES DUE TO UNFORESEEN CONDITIONS IN ACCORDANCE TO THE OFFERING PLAN.

DRAWING TITLE:	DATE: 2.3.21
TERRACE SUITE A	
542 SF	+ STORAGE UNIT S-1 (27 SF)
SIXTH FLOOR	
323 East 53rd Street	SCALE: AS NOTED

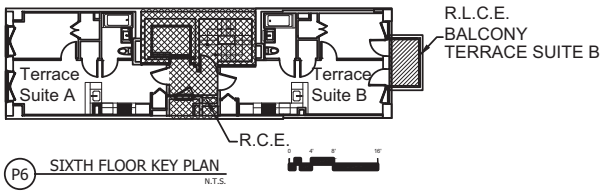
DRAWING NO.: 110



ABBREVIATION KEY	
CL	CLOSET
REF	REFRIGERATOR
DW	DISHWASHER
W/D	WASHER & DRYER

LEGEND

- RESIDENTIAL COMMON ELEMENT (R.C.E.)
- RESIDENTIAL UNIT (R.U.)
- RESIDENTIAL LIMITED COMMON ELEMENT (R.L.C.E.)

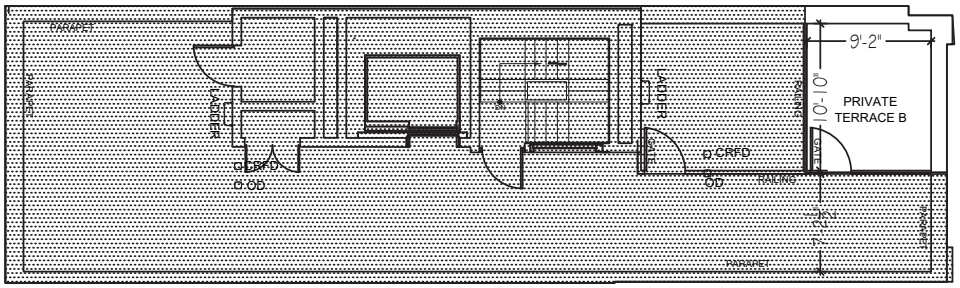


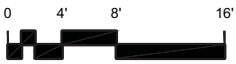
JOHN SARACCO ARCHITECT L.L.C.
PO BOX 245
BOONTON, N.J. 07005
TEL: 973.299.4428
www.saracco.us

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCE. DIMENSIONS ARE MAXIMUM OVERALL AND MAY OMIT CUTOUTS. WE RESERVE THE RIGHT TO MAKE CHANGES DUE TO UNFORESEEN CONDITIONS IN ACCORDANCE TO THE OFFERING PLAN.

DRAWING TITLE:	DATE: 2.3.21
TERRACE SUITE B	
560 SF	+ STORAGE UNIT S-2 (27 SF)
SIXTH FLOOR	
323 East 53rd Street	SCALE: AS NOTED

DRAWING NO.: 111

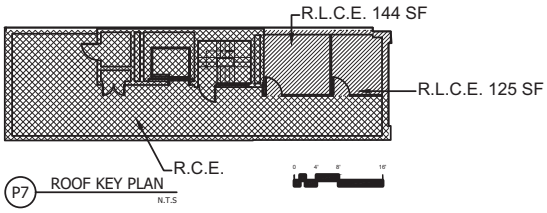




ABBREVIATION KEY	
CL	CLOSET
REF	REFRIGERATOR
DW	DISHWASHER
W/D	WASHER & DRYER

LEGEND

- RESIDENTIAL COMMON ELEMENT (R.C.E.)
- RESIDENTIAL UNIT (R.U.)
- RESIDENTIAL LIMITED COMMON ELEMENT (R.L.C.E.)

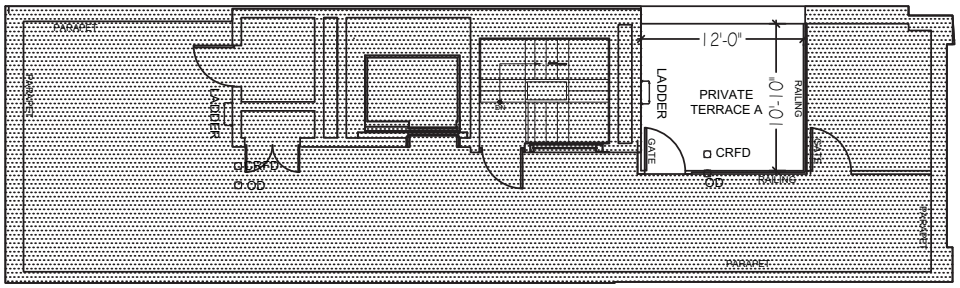


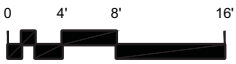
JOHN SARACCO ARCHITECT L.L.C.
PO BOX 245
BOONTON, N.J. 07005
TEL: 973.299.4428
www.saracco.us

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCE. DIMENSIONS ARE MAXIMUM OVERALL AND MAY OMIT CUTOUTS. WE RESERVE THE RIGHT TO MAKE CHANGES DUE TO UNFORESEEN CONDITIONS IN ACCORDANCE TO THE OFFERING PLAN.

DRAWING TITLE:	DATE: 2.3.21
PRIVATE TERRACE B	
125 SF	
ROOF	
323 East 53rd Street	SCALE: AS NOTED

DRAWING NO.: 112

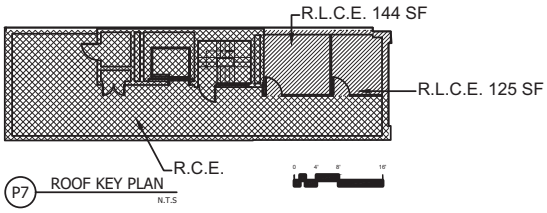




ABBREVIATION KEY	
CL	CLOSET
REF	REFRIGERATOR
DW	DISHWASHER
W/D	WASHER & DRYER

LEGEND

- RESIDENTIAL COMMON ELEMENT (R.C.E.)
- RESIDENTIAL UNIT (R.U.)
- RESIDENTIAL LIMITED COMMON ELEMENT (R.L.C.E.)

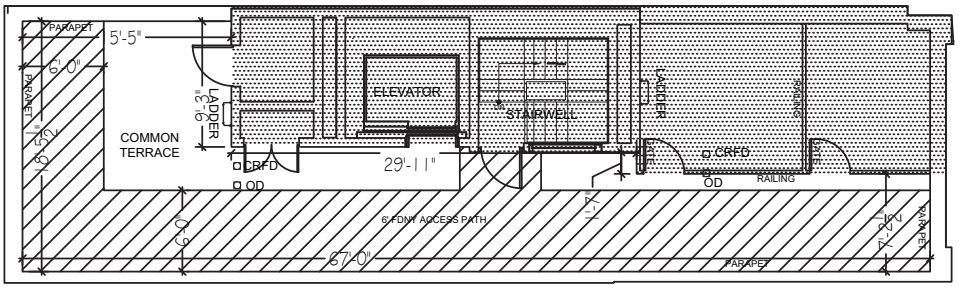


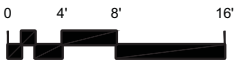
JOHN SARACCO ARCHITECT L.L.C.
PO BOX 245
BOONTON, N.J. 07005
TEL: 973.299.4428
www.saracco.us

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCE. DIMENSIONS ARE MAXIMUM OVERALL AND MAY OMIT CUTOUTS. WE RESERVE THE RIGHT TO MAKE CHANGES DUE TO UNFORESEEN CONDITIONS IN ACCORDANCE TO THE OFFERING PLAN.

DRAWING TITLE:	DATE: 2.3.21
PRIVATE TERRACE A	
144 SF	
ROOF	
323 East 53rd Street	SCALE: AS NOTED

DRAWING NO.: 113

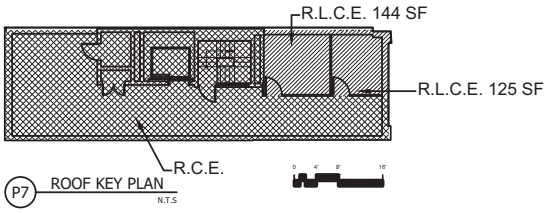




ABBREVIATION KEY	
CL	CLOSET
REF	REFRIGERATOR
DW	DISHWASHER
W/D	WASHER & DRYER

LEGEND

- RESIDENTIAL COMMON ELEMENT (R.C.E.)
- RESIDENTIAL UNIT (R.U.)
- RESIDENTIAL LIMITED COMMON ELEMENT (R.L.C.E.)

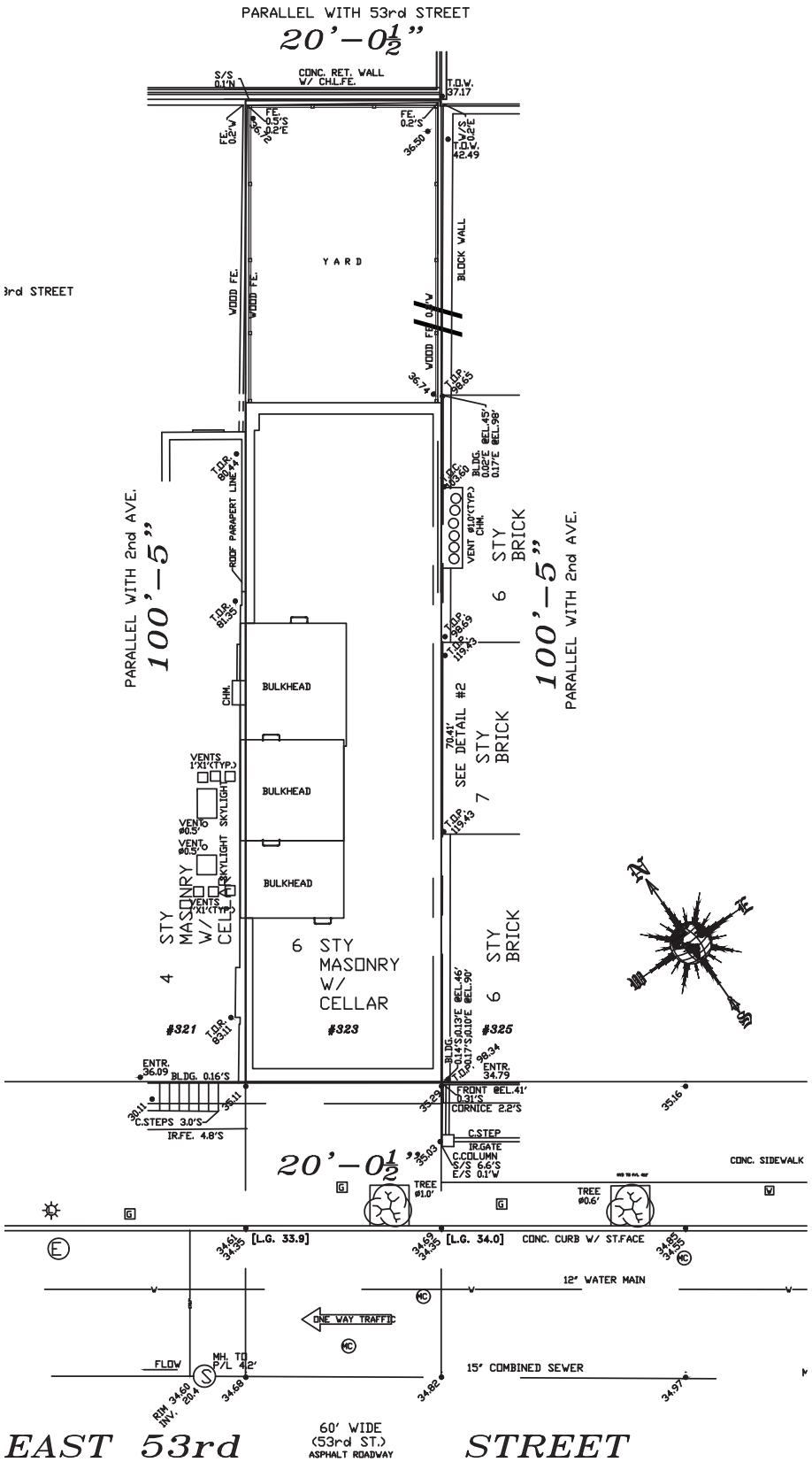


JOHN SARACCO ARCHITECT L.L.C.
PO BOX 245
BOONTON, N.J. 07005
TEL: 973.299.4428
www.saracco.us

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCE. DIMENSIONS ARE MAXIMUM OVERALL AND MAY OMIT CUTOUTS. WE RESERVE THE RIGHT TO MAKE CHANGES DUE TO UNFORESEEN CONDITIONS IN ACCORDANCE TO THE OFFERING PLAN.

DRAWING TITLE:	DATE: 2.3.21
COMMON TERRACE	
811 SF	
ROOF	
323 East 53rd Street	SCALE: AS NOTED

DRAWING NO.: 114



JOHN SARACCO ARCHITECT L.L.C.
PO BOX 245
BOONTON, N.J. 07005
TEL: 973.299.4428
www.saracco.us

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCE. DIMENSIONS ARE MAXIMUM OVERALL AND MAY OMIT CUTOUTS. WE RESERVE THE RIGHT TO MAKE CHANGES DUE TO UNFORESEEN CONDITIONS IN ACCORDANCE TO THE OFFERING PLAN.

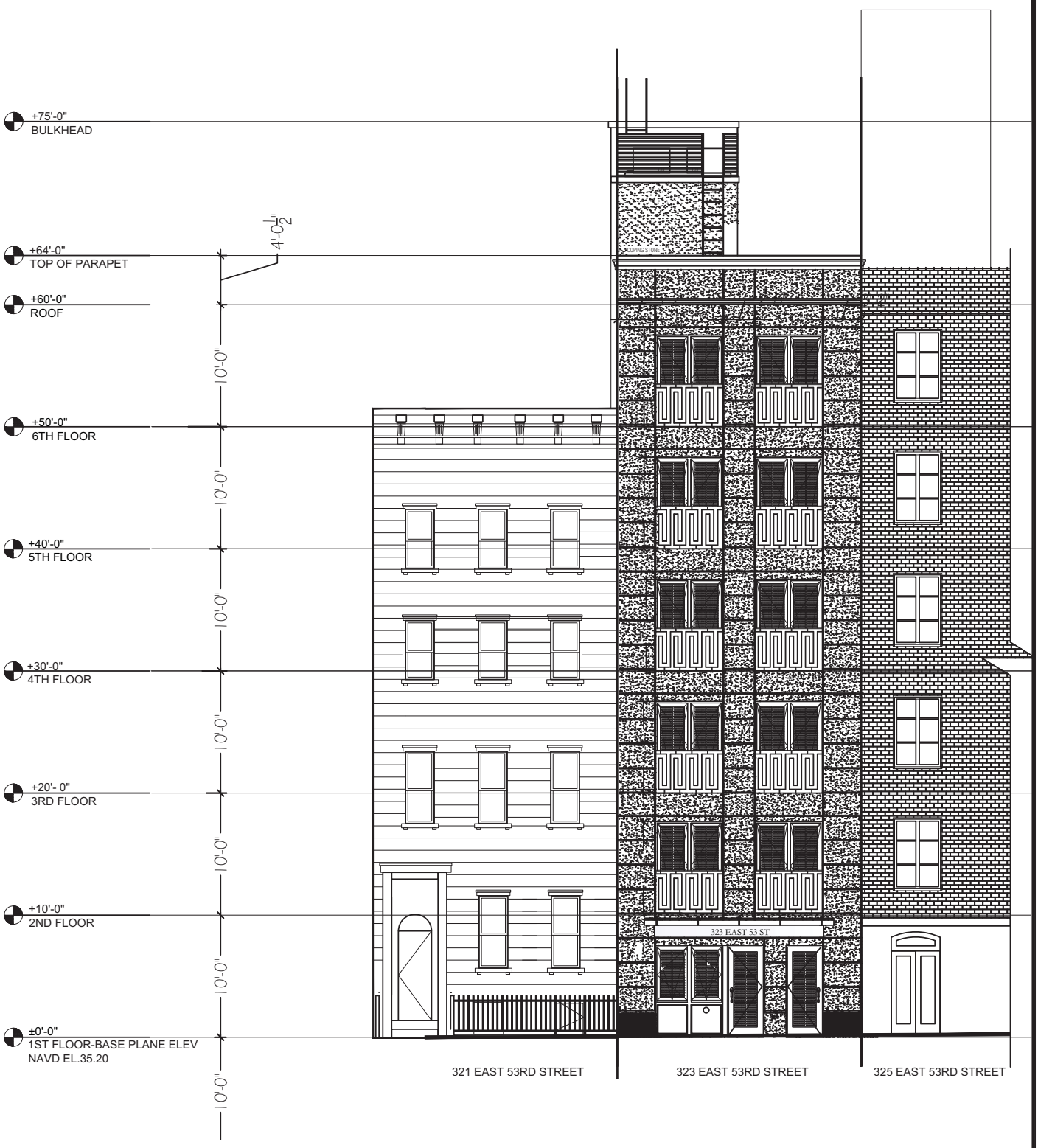
DRAWING TITLE: Site Plan

DATE: 2.3.21

323 East 53rd Street

SCALE: AS NOTED

DRAWING NO.: 115

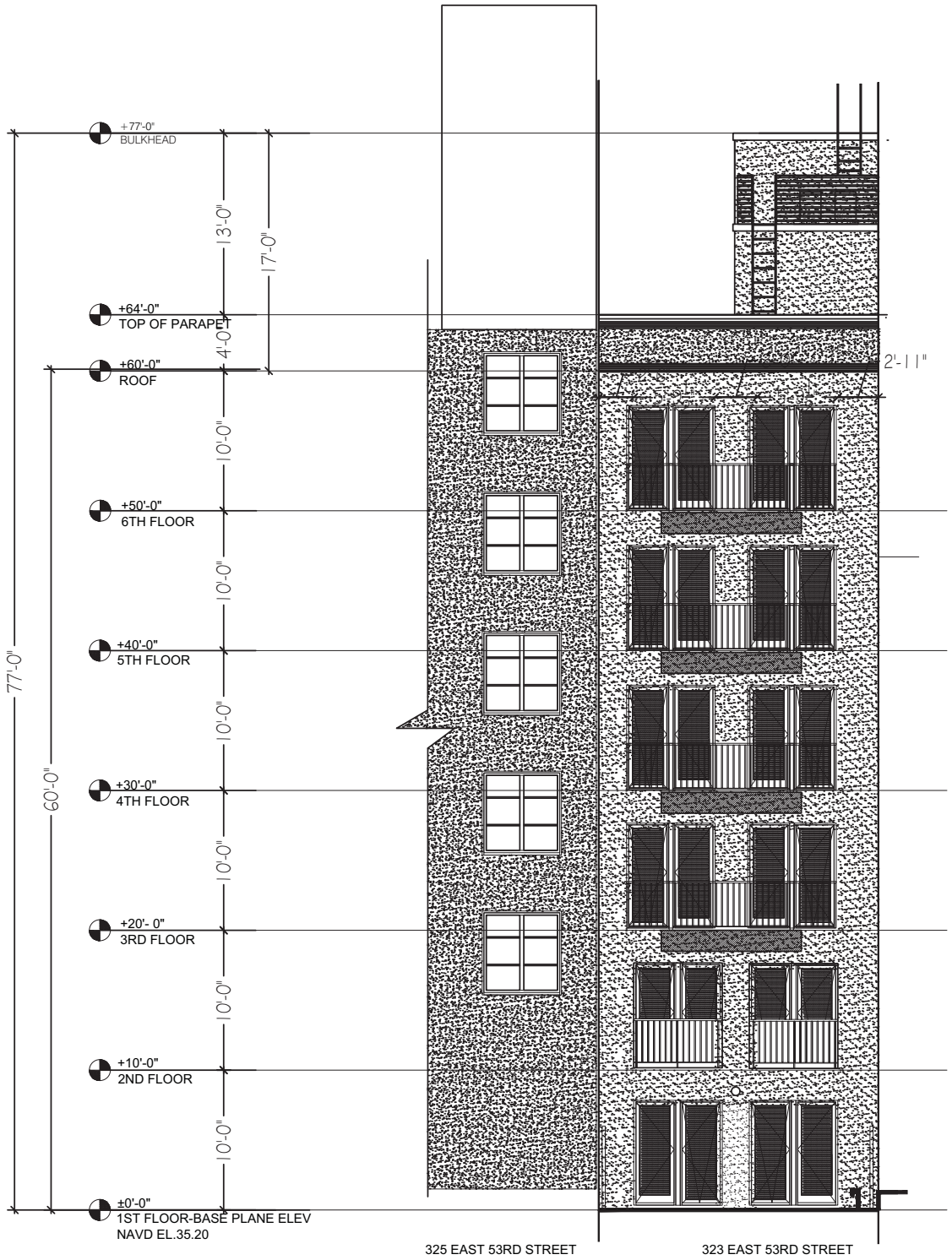


JOHN SARACCO ARCHITECT L.L.C.
PO BOX 245
BOONTON, N.J. 07005
TEL: 973.299.4428
www.saracco.us

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCE. DIMENSIONS ARE MAXIMUM OVERALL AND MAY OMIT CUTOUTS. WE RESERVE THE RIGHT TO MAKE CHANGES DUE TO UNFORESEEN CONDITIONS IN ACCORDANCE TO THE OFFERING PLAN.

DRAWING TITLE: FRONT ELEVATION
DATE: 2.3.21
323 East 53rd Street
SCALE: AS NOTED

DRAWING NO.: 116



JOHN SARACCO ARCHITECT L.L.C.
PO BOX 245
BOONTON, N.J. 07005
TEL: 973.299.4428
www.saracco.us

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCE. DIMENSIONS ARE MAXIMUM OVERALL AND MAY OMIT CUTOUTS. WE RESERVE THE RIGHT TO MAKE CHANGES DUE TO UNFORESEEN CONDITIONS IN ACCORDANCE TO THE OFFERING PLAN.

DRAWING TITLE: REAR ELEVATION
DATE: 2.3.21
323 East 53rd Street
SCALE: AS NOTED

DRAWING NO.: 117

DECLARATION OF CONDOMINIUM

THIS PAGE INTENTIONALLY LEFT BLANK

THE DECLARATION OF CONDOMINIUM

CONDOMINIUM NO. _____

Establishing a Plan for Condominium Ownership
of the Premises known as

323 EAST 53rd STREET
NEW YORK, NEW YORK 10022

Pursuant to Article 9-B of
the Real Property Law of the State of New York

323 E 53rd STREET OWNER LLC, DECLARANT

OF

323 EAST 53rd STREET CONDOMINIUM

Prepared by and Return to:

Lester Bleckner & Shaw LLP
350 Fifth Avenue, Suite 3301
New York, NY 10118

This land affected by the within instrument
on the Tax Map of the Borough of Manhattan
Block _____
Lots _____
New York County, City and State of New York

THIS PAGE INTENTIONALLY LEFT BLANK

TABLE OF CONTENTS FOR THE DECLARATION

PAGE

Declaration
Section 1 - Submission of the Property....1
Section 2 - The Land....1
Section 3 - The Property and Building....2
Section 4 - The Units....2
Section 5 - Dimension of Units....2
Section 6 - Common Elements....3
Section 7 - Name of Condominium....5
Section 8 - Use of Units....5
Section 9 - Changes in the Condominium....7
Section 10 - Person to Receive Service....8
Section 11 - Determination of Percentage Interests; Common Elements....8
Section 12 - Encroachments....8
Section 13 - Facilities and All Other Common Elements....8
Section 14 - Easements....9
Section 15 - Power of Attorney to Condominium Board....12
Section 16 - Acquisition of Interest in Unit....12
Section 17 - Covenants to Run with the Land....13
Section 18 - Amendments of Declaration....13
Section 19 - Termination of Condominium....15
Section 20 - Waiver....15
Section 21 - Captions....16
Section 22 - Certain References....16
Section 23 - Severability....16
Section 24 - Covenant of Further Assurances....16
Section 25 - Successors and Assigns....17
Section 26 - Definitions....17
Exhibit A - Description of Land....19
Exhibit B - Description of Units....20
Exhibit C- Definitions....21

THIS PAGE INTENTIONALLY LEFT BLANK

DECLARATION

OF

323 EAST 53rd STREET CONDOMINIUM

(Pursuant to Article 9-B of the Real Property
Law of the State of New York)

323 E 53rd Street Owner LLC, having an office located at c/o Maverick Real Estate Partners LLC, 100 Park Avenue, Suite 2805, New York, NY 10017 ("Sponsor") hereby declares as follows:

ARTICLE 1
SUBMISSION OF THE PROPERTY

1.1 Sponsor hereby submits the Land (as defined in Section 2 and Building (as defined in Section 3), to be renovated and erected thereon, all easements, rights and property, real (including the Air Rights attributable to the property at 323 East 53rd Street, New York, New York 10022), personal or mixed, intended for use in connection therewith (collectively, the "Property") to the provisions of Article 9-B of the Real Property Law of the State of New York (the "New York Condominium Act") and pursuant thereto does hereby establish a condominium to be known as 323 East 53rd Street Condominium (the "Condominium").

1.2 Attached to this Declaration and made a part hereof are the By-Laws of the Condominium, which set forth detailed provisions governing the operation, use and occupancy of the Condominium (such "By-Laws" in this Declaration). All capitalized terms, which are not separately defined herein, shall have the meanings given to those terms in the By-Laws.

1.3 As of the date of filing of this Declaration with the City Register's Office, fee simple absolute title shall automatically vest in all Units (the "Units"), individually and collectively without the need to execute specific and particular deeds or indenture for each and every Unit.

ARTICLE 2
THE LAND

Included in the Property described in Article 1 is all that certain tract, plot, piece and parcel of land (the "Land") situate, lying and being in the County of New York, City and State of New York, and more particularly described in Exhibit A annexed hereto and made a part hereof, with

an address at 323 East 53rd Street, New York, New York. The Land is owned by Sponsor in fee simple absolute and the size of the site is approximately 2,013 square feet.

ARTICLE 3
THE PROPERTY AND BUILDING

Included in the Property described in Article 1 is a building (the "Building") having one (1) six (6) story building consisting of eleven (11) residential Units. The Building will contain one (1) residential Unit on the first floor, and two (2) residential Units on the second, third, fourth, fifth and sixth floors. The Building will contain cellar space, consisting of storage lockers ("Storage Lockers"), bicycle parking within six (6) of the Storage Lockers and mechanical rooms, as well as a rooftop containing Private Terrace A and Private Terrace B, a common terrace for public access, a hot water heater room and an elevator machine room. An owner of a Unit is sometimes referred to as a "Unit Owner". The Building will be classified as class 1-B under the New York City Building Code.

ARTICLE 4
THE UNITS

Exhibit B annexed hereto and made a part hereof sets forth the following data with respect to each Unit necessary for the proper identification thereof: Unit designation and tax lot, approximate square foot area, number of rooms, the portions of the Common Elements (as hereinafter defined) to which the Unit has immediate access or the right to exclusive use; and the percentage interest in the Common Elements appurtenant to such Unit. The location of such Unit is shown on the floor plans of the Building (the "Floor Plans") certified by John Saracco Architect LLC, intended to be filed in the New York County office of the Register of the City of New York (the "City Register's Office") simultaneously with the recording of this Declaration.

ARTICLE 5
DIMENSION OF UNITS

5.1 Generally, a Unit consists of the square foot area of the Unit measured as follows: Each Unit is measured horizontally from the exterior side of the exterior walls (columns, mechanical pipes, shafts, shaftways, chases, chaseways and conduits are not deducted from measurement of each Unit) to the centerline of the partitions separating one Unit from another Unit, or separating one Unit from corridors, stairs, and other mechanical equipment spaces or any Common Elements not within a Unit or to the exterior side of the opposite exterior walls. 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. All dimensions are approximate and subject to construction variance and tolerances. As is customary in New York, the estimated dimensions and floor area of the Units may significantly exceed the usable floor area of each Unit and shall include columns, mechanical risers, shaftways, chases, chaseways and conduits that may be incorporated behind protruding walls, or may be separately enclosed as free-standing columns, thereby reducing the available floor area. The measurement for any Unit does not exclude for the purpose of computing the size of any Unit, any Common Elements located within the Unit.

However, any Common Elements included within any Unit shall not be considered part of that Unit.

5.1.1 The Common Elements within the Unit consisting of any piping, ductwork, wiring, etc., which may or may not be concealed by any suspended ceiling, shall not be considered as part of such Unit.

5.2 Each Unit includes, and each Unit Owner shall be responsible for, all plumbing, gas and heating fixtures and equipment such as dishwashers, heating and air conditioning Units, heating equipment, ranges and other appliances, as may be affixed, attached or appurtenant to such Unit. Plumbing, gas and heating fixtures and equipment as used in the preceding sentence shall include exposed gas and water pipes attached to the fixtures, appliances and equipment and the fixtures, appliances and equipment to which they are attached, and any special pipes or equipment, which a Unit Owner may install within a wall or ceiling, but shall not include gas, water or other pipes, conduits, wiring or ductwork, within the walls, ceilings or floors unless they exclusively serve only such Unit Owner. Each Unit also includes all lighting and electrical fixtures or facilities affixed, attached or appurtenant to the Unit to the extent located within a Unit and serving or benefiting only that Unit.

ARTICLE 6
COMMON ELEMENTS

6.1 The Common Elements of the Condominium (the "Common Elements") consist of the entire Property, including the Land, development rights, if any, and all parts of the Building and improvements thereon other than the Units and Limited Common Elements. The Limited Common Elements are described in Section 6.4 below. The Common Elements include, but are not limited to, the Land and those rooms, areas, corridors, spaces 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 and the Unit Owners, which are necessary or convenient for the existence, maintenance, management, operation or safety of the Property.

6.1.1. 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 19 hereof and the By- Laws.

6.2 The Common Elements include, without limitation, the following:

6.2.1 The Land (including the landscaping appurtenant thereto) and any improvements thereon, together with all easements, rights and privileges appurtenant thereto, and the development rights, if any,

6.2.2 All foundations, footings, columns, girders, beams, supports;

6.2.3 All exterior walls and columns of the Building, not including the unfinished surface of sheetrock within a Unit, which abuts the metal stud, brickwork, or insulating material within the exterior walls of the Building; all walls and partitions separating one Unit from another Unit or from corridors, stairs, elevator shafts, and other mechanical equipment spaces, other than the Unit side of the unfinished surface of sheetrock abutting the metal stud, brickwork, or insulating material within the walls and partitions; and all concrete floors and concrete ceilings;

6.2.4 All concrete floor slabs and concrete ceilings, beams, supports, all curbs, passages, hallways, corridors, stairs, elevator shafts, mechanical and electrical spaces, service entrances, vestibules, yards, general illumination fixtures and security systems, to the extent that the same are not expressly included as part of the Common Elements or the Limited Common Elements;

6.2.5 All roofs, halls, corridors, lobbies, stairs, stairways and all entrance doors and door frames separating the Units from the corridors;

6.2.6 All basements and cellars (except to the extent that Units and/or Common Elements and/or Limited Common Elements are located on such levels), yards, and other areas used in connection therewith, all underground utility or other vaults, all recreational facilities not specifically included within a Unit to the extent that the same are not expressly included as a part of the Common Elements or Limited Common Elements pursuant to the terms of this Article 6;

6.2.7 All central and appurtenant installations for services such as power, light, telephone, intercom, master and cable television and other mechanical and electrical systems, heat, garbage disposal, gas, sewer, plumbing, drainage, hot and cold water, including all pipes, ducts, chutes, wires, cables, and conduits used in connection therewith, whether located in common areas or in Units and all other mechanical equipment spaces, to the extent such installations service both the Units and/or the Common Elements and the Limited Common Elements, to the extent that the same are not expressly included as a part of the Common Elements or Limited Common Elements pursuant to the terms of this Article 6;

6.2.8 All tanks, pumps, motors, fans compressors and control equipment;

6.2.9 All sewage and drainage pipes and facilities; and

6.2.10 All other parts of the Property and all apparatus, installations and facilities now existing or hereafter constructed in the Building or on the Property for common use or necessary or convenient to the existence, maintenance or safety of the Property.

6.3 The Limited Common Elements: The Limited Common Elements are those certain portions of the Land and the Building (other than the Units) that are for the use of one or more specified Units to the exclusion of all other Units. The Limited Common Elements include, but are not limited to, the Storage Lockers, Terraces and private open spaces which are appurtenant to and for the exclusive use of the associated Units, as reflected on the Floor Plans, and the windows of each Unit, as well as all replacements thereof.

6.4 The Common Elements: The Common Elements are those certain portions of the Land and the Building (other than the Units) that are for the use of the owners of the Units. Without intending to limit the generality of the foregoing in any respect, the Common Elements include the areas on the Building used for mechanical and boiler rooms, the bulkhead roof, the storm detention tank and electrical rooms.

6.5 Although the sidewalks adjacent to the Building are not a Common Element, the repair and maintenance thereof shall be effectuated as if such sidewalks were Common Elements.

ARTICLE 7
NAME OF CONDOMINIUM

The Condominium and the Building shall be designated as 323 East 53rd Street Condominium. Only Sponsor shall have the right to change the name of the Condominium. In addition, Declarant shall have the right, at its option, for as long as the property is a Condominium, to maintain a plaque identifying Declarant as Sponsor of the Condominium offering, together with such information as Declarant determines in its sole discretion.

ARTICLE 8
USE OF UNITS

8.1 As more particularly set forth in the By-Laws, the Building will contain eleven (11) Units, to be used for residential purposes, subject to such limitations as may be contained in the By-Laws. A Unit owned or leased by an individual corporation, partnership, fiduciary, or any other entity may only be occupied by said individual, or an officer, director, stockholder, or employee of such corporation, or a partner or employee of such partnership, or said fiduciary (including directors, officers, stockholders or employees of corporate fiduciaries, or partners or employees of partnership fiduciaries) or the beneficiary of said fiduciary, or a principal or employee of such other entity, respectively, or members of the immediate family or guests of any of the foregoing (and nothing contained in this sentence shall be deemed to prohibit the exclusive occupancy of any Unit by such family members or guests); except that any Unit may be used as a professional office or for any other lawful purpose, provided such use is in compliance with applicable zoning and other governmental regulations does not violate the then Certificate of Occupancy covering such Unit, and the prior written consent of Sponsor or the Condominium Board is first given, which consent shall not be unreasonably withheld. Units can only be leased in accordance with the By-Laws and the Rules and Regulations. A home office use hereunder shall only be accessory to the use of the Unit. No signs shall be allowed in connection with the home office.

8.2 Notwithstanding the foregoing or anything contained in the By-Laws or the Rules and Regulations to the contrary, Sponsor or its designee and their respective successors and assigns may, without the permission of the Condominium Board (i) use any Unsold Units as models and sales and/or promotion offices in connection with the sale or rental of the Units, or for any other purpose, or (ii) grant permission for the use of any 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 covering such Unit, and the user of such Unit complies with all applicable governmental regulations.

8.3 The Unsold Units (as defined in the Plan) may be used as a single- family residence and for any home occupation permitted by law. Any Unit may be used as a professional office or for any other lawful purpose, provided such use is in compliance with applicable zoning and other governmental regulations, does not violate the then Certificate of Occupancy covering such Unit, and the prior written consent of Sponsor or the Condominium Board is first given, which consent shall not be unreasonably withheld. Units can only be leased in accordance with the By-Laws and the Rules and Regulations.

8.4 No nuisance or immoral, improper, offensive or unlawful use shall be allowed in the Building or any portion thereof. No portion of a Unit, other than the entire Unit, may be rented, and no transient tenants may be accommodated therein. All valid laws, zoning ordinances and regulations of governmental bodies having jurisdiction thereof, relating to any portion of the Property, shall be complied with at the sole expense of the respective Unit Owners or the Board of Managers, whoever shall have the obligation to maintain or repair such portion of the Property.

The Condominium Board and the Unit Owners do not have any right of approval over the use of the Unsold Units or any part thereof.

ARTICLE 9
CHANGES IN THE CONDOMINIUM

Except to the extent prohibited by law, Sponsor or its designee and its respective successors and assigns shall have the right, without the vote or consent of the Condominium Board, other Unit Owners or the representatives of holders of mortgages on Units, if any, to: (a) make alterations, additions, or improvements, whether structural or non-structural, interior or exterior, ordinary or extraordinary, in, to and upon Units owned by Sponsor or its designee ("Unsold Units"); (b) change the layout of, or number of rooms in any Unsold Units from time to time; (c) change the size and/or number of Unsold Units by subdividing one or more Unsold Units into two or more separate Units, combining several Unsold Units (including those resulting from such subdivision or otherwise) into one (1) or more Units, altering the boundary walls between any Unsold Units, or otherwise; (d) incorporating into any Unsold Unit any of the Common Elements (whereupon any such Common element shall be deemed to be a Limited Common Element, including, but not limited to, hallway space), provided only that access to any other Unit on the floor is not materially impaired; and (e) reapportion among the Unsold Units affected by such change in size or number, pursuant to Article 11, their appurtenant interest in the Common Element, provided, however, that the percentage interest in the Common Elements of any other Units (other than Unsold Units) shall not be changed by reason thereof unless the Owners of such Units shall consent thereto and, provided, further, that Sponsor or its designee and its respective successors and assign shall comply with all laws, ordinances and regulations of all governmental authorities having jurisdiction, and shall agree to hold the Condominium Board and all other Unit Owners harmless from any liability arising therefrom. The provisions of this Article may not be added to, amended, modified or deleted without the prior written consent of Sponsor or its designee

and its respective successors and assigns. By the prior written permission of the Condominium Board, which permission shall not be unreasonably withheld, any other Unit Owner may be given, with respect to such owner's Unit, the same rights as are set forth in this Article with respect to Unsold Units and provided further that such rights do not adversely affect any other Unit.

ARTICLE 10
PERSON TO RECEIVE SERVICE

The Secretary of State of the State of New York is hereby designated to receive service of process in any action, which may be brought against the Condominium.

ARTICLE 11
DETERMINATION OF PERCENTAGE INTERESTS IN COMMON ELEMENTS

11.1 The respective percentage interest of each Unit in the Common Elements (hereinafter called the "Common Interest") have been determined pursuant to the method set forth in Real Property Law Section 339-i(1) and is based upon the floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of the Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit in accordance with Article 5.

ARTICLE 12
ENCROACHMENTS

If (a) any portion of the Common Elements encroaches upon any Unit, (b) any Unit encroaches upon any other Unit or upon any portion of the Common Elements, or (c) any encroachment shall thereafter occur as a result of (i) construction of the Building or settling or shifting of the Building, (ii) any alteration or repair to the Common Elements made by or with the consent (when required by the By-Laws) of the Condominium Board, or made by Sponsor or its designee or its respective successors and assigns, or any Unit Owner, in accordance with this Declaration or the By-Laws, or (iii) any repair or restoration of the Building (or any portion thereof) or of any Unit or Common Elements after damage by fire or other casualty or any taking by condemnation or eminent domain proceedings of all or any portion of any Unit or the Common Elements, then, in any such event, a valid easement shall exist for such encroachment and for the maintenance of the same as long as the Building shall stand.

ARTICLE 13
FACILITIES AND ALL OTHER COMMON ELEMENTS

13.l Each Unit shall have an easement in common with all other Units to use, maintain, repair, alter and replace all pipes, wires, ducts, vents, cable, conduits, public utility lines and other facilities and all other Common Elements located in any of the Units or elsewhere on the Property which serve such Unit. Each Unit shall be subject to an easement in favor of all Units to use, maintain, repair, alter and replace the pipes, wires, ducts, vents, cables, conduits, public utility lines and other facilities and all other Common Elements located in such Unit or elsewhere on the

Property which serve other Units. The Condominium Board, superintendent and/or any person authorized by any of the foregoing, shall have the right of access to each Unit to inspect the same; to remove violations noted by any governmental authority against the Unit, the Common Elements, or any other part of the Property; to correct any conditions originating in the Unit and threatening another Unit or any other part of the Common Elements; to install, alter or repair the mechanical or electrical services or other portions of the Common Elements within the Unit or elsewhere in the Building; to read, maintain or replace utility meters or to correct any condition, which violates the provisions of any mortgage covering another Unit, provided such right of access shall be exercised in such a manner as will not unreasonably interfere with the use of the Units for dwelling or other lawful purposes. Such entry shall be permitted on not less than one (1) days' notice, except that no notice will be necessary in the case of an emergency, which shall include, without limitation, a condition requiring repairs or replacements immediately necessary for the preservation or safety of the Building or for the safety of the occupants of the Building, or other persons, or required to avoid the suspension of any necessary service in the Building.

13.2 Sponsor or its designee (for as long as either owns any Unit) reserves for itself the right to grant such additional electric, gas, 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 or its designee or the Board of Managers, 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 Owners, tenants and occupants of the appropriate Units, provided, however, that the grant of such additional utility easements, or the relocation of existing utility easements, shall not unreasonably interfere with the use of the Units for their permitted purposes. Any utility company, as well as its officers, employees and agents, shall have a right to access to each Unit and to the Common Elements in furtherance of such easement. However, such right of access shall be exercised in such manner as will not unreasonably interfere with the use of the Units for their permitted purposes.

13.2.1 Each Unit and the Common Elements shall have easements of support and necessity, and the same shall be subject to such easements in favor of all the other Units and the Common Elements.

ARTICLE 14
EASEMENTS

14.1 Each Unit shall have an easement, in common with all other Units, for the exclusive use of the Common Elements. Each Unit shall have an easement, in common with all other Units, for the exclusive use of the Common Elements.

14.2 Each Unit shall have, in common with all other Units, and each Unit shall be subject to, an easement to use, install, operate, maintain, repair, alter, rebuild, restore and replace such other Units, and any pipes, wires, ducts, vents, cables, conduits, or other lines, equipment or facilities forming a part of or relating to such other Units located in, over, through, under or upon the Unit, other Units, the Common Elements, or other parts of the Property. All easements and rights of access to any Unit or the Common Elements described in this Article 14 shall be exercised

in such a manner as will not unreasonably interfere with (i) the use of the Units for dwelling or other lawful purposes or (ii) the use of the Common Elements. Such entries into and/or through the Units and Common Elements shall be permitted on at least one (1) day's prior notice, except that no notice will be necessary in the case of an "emergency" (i.e., a condition requiring a 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 suspension of any necessary service in the Building).

14.3 Each Unit shall have an easement of support and of necessity and shall be subject to an easement of support and necessity in favor of all other Units and the Common Elements.

14.4 Each Unit shall be subject to existing easements in favor of any utility company for construction, use, maintenance, repair and replacement of all utility lines, wires, terminal boxes, mains, pipes, cables, conduits, and other equipment and facilities in, under, over and across the Land and Building.

14.5 Sponsor or its designee and their respective successors and assigns shall have an easement to maintain on the roof of the Building mechanical equipment, satellite dishes and communication towers, whether related to or unrelated to the operation of the Condominium, or the sales of the Units. Sponsor or its designee and their respective successor and assigns shall also have an easement to maintain, repair and replace, one or more signs on the Property, including the exterior walls of the Building, including the right to install in or upon the walls of the Building such equipment, hooks, supports, materials and other fixtures and equipment as may be necessary to affix the signs to the exterior of the Building. The signs and equipment may be of such size and material and contain such content as Sponsor or its designee deems appropriate. Sponsor shall have an easement to install such signs on the exterior of the Building, whether or not related to the use or sale of any Unit, provided only that any such signs comply with all governmental rules and regulations relating to any such installation.

Sponsor and its designees and their respective successors and assigns and their agent, servants, contractors and employees shall also have the right of access to the exterior walls and if necessary or desirable, access to the roof of the Building and to other portions of the Building, whether interior or exterior, as may be necessary or desirable for the installation and or maintenance of the signs. Neither Sponsor nor its designee shall be obligated to pay any fee to the Condominium, nor shall the Condominium be entitled to receive any proceeds from the use of the walls or the roof relating to placing signs on the Building or equipment on the roof.

14.6 Sponsor, its contractors, subcontractors, agents and employees shall have the right of access to the Common Elements and the Units for the purposes of completing construction of the Building and to fulfill Sponsor's obligations as set forth in the Offering Plan covering the Condominium under the section entitled "Rights and Obligations of Sponsor," provided that access thereto is exercised in such a manner as would not unreasonably interfere with the use of the Units for dwelling and other lawful purposes.

14.7 Sponsor reserves the right, for itself and its designee and its respective successors and assigns (for so long as Sponsor or its designee and its respective successors and assigns own any Units), to grant such additional electric, gas, steam or other utility easements, or relocate any existing utility easements in any portion of the Property as Sponsor or its designee and its respective successors and assigns or the Condominium Board shall deem 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, tenants and occupants of the Units, provided that such additional utilities or the relocation of existing utilities will not prevent or unreasonably interfere with the use of the Units for dwelling or other lawful purposes. Any utility company and its employees and agents shall have the right of access to any Unit or the Common Elements in furtherance of such easement, provided such right of access shall be exercised in such a manner as shall not unreasonably interfere with the use of the Units for dwelling or other lawful purposes.

14.8 Each Unit Owner whose Unit has one or more appurtenant Limited Common Elements shall have an exclusive easement for the use and enjoyment thereof. The Units having the exclusive use of the Limited Common Elements are indicated on Exhibit B to this Declaration.

14.9 Notwithstanding anything to the contrary contained in Section 15.1 hereof, Sponsor and its successors, assignees, invitees, licensees, contractors, employees, agents and tenants shall have an easement in, over, under, through and upon the Common Elements to use the same, without being subject to any fee or charge, for all purposes and activities in connection with the sale or renting of Unsold Units. In addition, Sponsor shall have the right, to the extent not prohibited by Law, to use one or more portions of the Limited Common Elements and Common Elements, as designated by Sponsor, in its sole discretion, for sales, rental, or display purposes, which right shall include, without limitation, the right to place "for sale," "for rent" and other signs and promotional materials of such size and content as Sponsor shall determine, in, on, about and adjacent to the Building (including on the exterior walls thereof) and the Property.

14.10 Sponsor shall have an easement, to construct, maintain, repair, install or replace a ventilation flue or other mechanical equipment, running up the side of the Building, or to be placed on the roof of the Building, at any time after the recording of this Declaration.

14.11 The Board of Managers, Sponsor and its designees shall have an easement to install pipes, conduits, wires, ducts and other facilities along the walls and above the ceilings of any of the Units.

14.12 Pursuant to the existing zoning laws and building codes, the Owner of any Unit that has appurtenant to it outdoor Limited Common Element has the right, without obtaining a permit, to install roof decking and gardening provided, however, that the Unit Owner will not be entitled to use the roof unless and until the Unit Owner installs an adequate traffic surface.

14.15 The Condominium Board and Sponsor shall have the right of access and egress to any Unit for the purposes of making any repairs to any Common Elements located in any of the other Units or elsewhere in the Building for the purpose of making inspections of the Unit or any Common Elements located therein. The Condominium shall be responsible for the repair or

replacement of the roof unless the repair is required as a result of the conduct of the Owner of the Unit or such Owner's guests, invitees, contractors or occupants provided however, that nothing contained herein is intended to obligate the Condominium to repair the traffic surface installed or to be installed by the Unit Owner.

14.17 Notwithstanding anything contained herein to the contrary, the Condominium Board who has access to a right or easement of access has the obligation, at its sole cost and expense, to repair any damage to the affected Common Elements or the affected Unit (as applicable) caused by the exercise and performance of such right of reasonable access so as to restore the damaged area and any damaged equipment, facilities and installations thereon or therein to as near as reasonable and economically practical to the condition existing immediately prior to such exercise or performance.

ARTICLE 15
POWER OF ATTORNEY TO THE CONDOMINIUM BOARD

15.1 Each Unit Owner shall grant to the persons who shall, from time to time, constitute the Condominium Board, an irrevocable power of attorney, coupled with an interest (in such form and content as the Condominium Board shall determine, together with a fee to cover recording of such power of attorney) (a) to acquire title to, or lease, any Unit and its Appurtenant Interests (as hereinafter defined) whose owner desires to sell, convey, transfer, assign, lease or surrender the same, or which becomes the subject of a foreclosure or other similar sale, in the name of the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners, (b) to convey, sell, lease, mortgage, or otherwise deal with (but not to vote the interest appurtenant to) any such Unit as acquired, or to sublease any Unit so leased, and (c) to execute, acknowledge and deliver (i) any declaration or other instrument affecting the Condominium, which the Condominium Board deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority applicable to the maintenance, demolition, construction, alteration, repair or restoration of the Condominium, or (ii) any consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting the Condominium or the Common Elements, which the Condominium Board deems necessary or appropriate, and (iii) to retain counsel on behalf of any Unit Owner to review the assessed valuation of the Unit, and to bring tax certiorari proceedings on behalf of any Unit Owner. Each Unit Owner shall further grant to Declarant a Power of Attorney to amend the Condominium Declaration and to effectuate the rights granted to Declarant under the Declaration and By-Laws and the Plan including the power to execute the required documentation.

ARTICLE 16
ACQUISITION OF INTERESTS IN UNITS

16.1 If (a) any Unit Owner surrenders his or her Unit, together with (i) the undivided interest in the Common Elements appurtenant thereto, (ii) the interest of such Unit Owner in any other Units heretofore acquired by the Condominium Board or its designee, corporate or otherwise on behalf of all Unit Owners, or the proceeds of the sale or lease thereof, if any, and (iii) the assets

of the Condominium (such interest in (i), (ii) and (iii) being hereinafter collectively called the "Appurtenant Interests"), pursuant to the provisions of Section 339-x of the New York Condominium Act; (b) the Condominium Board acquires or leases a Unit, together with its Appurtenant Interests, or purchases, at a foreclosure or other similar sale, a Unit together with its Appurtenant Interests; or (c) the Condominium Board purchases from any Unit Owner, who has elected to sell the same, together with the Appurtenant Interests, pursuant to Article 7 of the By-Laws, then, in any such event, title to any such Unit, together with its Appurtenant Interests, shall be held by the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners in proportion to their respective interests in the Common Elements.

ARTICLE 17
COVENANTS RUNNING WITH THE LAND

17.1 All provisions of this Declaration, the By-Laws and the Rules and Regulations (true copies of which are annexed hereto and made a part hereof), including, without limitation, the provision 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 shall be binding upon, and inure to the benefit of the Owner of all or any part thereof, or interest therein and his and/or her heirs, executors, administrators, legal representatives, successors and assigns, but the same are not intended to create nor shall they be construed as creating any rights in, or for the benefit of, the general public. All present and future Owners, tenants and occupants of Units shall be subject to, and shall comply with, the provisions of this Declaration, the By-Laws and the Rules and Regulations, as they may be amended from time to time. The acceptance of a deed or conveyance or the entering into a lease or the entering into occupancy of any Unit shall constitute an agreement that the provisions of this Declaration, the By-Laws and the Rules and Regulations, as they may be amended from time to time, are accepted and ratified by such Owner, tenant or occupant, and all of such provisions shall be deemed and taken to be covenants running with the Land and shall bind any person having, at any time, any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed or conveyance or lease thereof.

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 New York Condominium Act, such provisions shall be deemed deleted from this Declaration or the By-Laws, as the case may be, for the purpose of submitting the Property to the provisions of the New York Condominium Act, but shall, nevertheless, be valid and binding upon, and inure to the benefit of, the Owners of the Property and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part thereof and interest therein under other applicable law, 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 provisions as a covenant running with the Land. If any provision, which is necessary to cause this Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the New York Condominium Act, is missing from the Declaration or the By-Laws, then such provision shall be deemed included as part of this

Declaration or the By-Laws, as the case may be, for the purposes of submitting the Property to the provisions of the New York Condominium Act.

ARTICLE 18
AMENDMENTS OF DECLARATION

18.1 Subject to the provisions contained herein or in the By-Laws, with respect to amendments, modifications, additions, or deletions affecting Sponsor or its designee and its respective successors and assigns or any Unsold Units, any provision of this Declaration may be added to, amended, modified or deleted by the vote of at least sixty-six and two thirds (66-2/3%) percent in number and in Common Interest of all Unit Owners taken in accordance with the provisions of the By-Laws, or in lieu of a meeting, any amendment may be approved in writing by 66-2/3% in number and in Common Interest of all Unit Owners, 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 affected. No such amendment, modification, addition or deletion shall be effective until recorded in the New York City Register's Office. The holders of mortgages or Units may, at their election, designate a representative(s) (not to exceed three (3) in number) ("Mortgagee Representatives") to act upon any and all amendments to this Declaration and if such representative(s) is (are) designated and written notice thereof is given to the Condominium Board by certified mail addressed to the office of the Condominium, then any amendment to this Declaration shall require the written approval of said representative(s) (by a majority vote if more than one). Subject to the provisions contained herein or in the By-Laws, with respect to amendments, modifications, additions or deletions affecting Sponsor or its designee and its respective successors and assigns or any Unsold Units, any such amendment, modification, addition or deletion shall be executed by the Condominium Board as attorney-in-fact for the Unit Owners, coupled with an interest, which Condominium Board is hereby authorized by the Unit Owners so to act as their attorney-in-fact. Subject to the rights of Sponsor or its designee and its respective successors and assigns under the terms of this Declaration and the By-Laws this Declaration may not be amended, modified, added or deleted unless (in addition to the consent, if required, of Mortgagee Representatives, if any, as set forth above) eighty (80%) percent in number and in Common Interest of all Unit Owners thereby approve such amendment, modification, addition or deletion in the manner set forth above. Each Unit Owner shall further grant to Declarant a Power of Attorney to amend the Condominium Declaration and to effectuate the rights granted to Declarant under the Declaration and By-Laws and the Plan including the power to execute the required documentation.

18.2 If the number of rooms in an Unsold Unit is changed, or the size and/or number of Unsold Units is changed (whether as a result of a subdivision or combination of Unsold Units or alteration of boundary walls between Unsold Units, or otherwise) and the appurtenant percentage interest in the Common Elements is reapportioned as a result thereof, then Sponsor or its designee and its respective successors and assigns shall have the right to execute, or (on its request) to require any other Unit Owner or the Condominium Board to execute and record in the City Register's Office and elsewhere, if required by law, an amendment to this Declaration (together with such other documents as deems appropriate to effectuate the same), reflecting such change in the number of rooms in an Unsold Unit or in the size and/or number of Unsold Units (whether as

a result of said subdivision, combination, alteration or otherwise) and the reapportionment of the Common Interests resulting therefrom, all without the approval of the Condominium Board, the Unit Owners or Mortgagee Representatives, if any.

18.3 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 adopted which would:

18.3.1 interfere with the sale, lease or other disposition of an Unsold Unit;

18.3.2 abridge, modify, suspend, eliminate or otherwise affect any right, power, easement, privilege or benefit reserved to Sponsor or its designee (as Owner of a Unit);

18.3.3 impose any discriminatory charge or fee against Sponsor or its designee, unless Sponsor or such designee shall consent thereto, by joining in the execution of such Amendment; or

18.3.4 change the permitted use of any Unit or such Unit's Common Interest, unless the Owner of such affected Unit shall consent thereto by joining in the execution of such Amendment.

18.4 The provisions of Sections 18.1, 18.2 and 18.3 may not be modified, amended, added to or deleted, in whole or in part, without the prior written consent of Sponsor or its designees and its respective successors and assigns (so long as Sponsor or its designee and its respective successors and assigns owns any Units).

18.5 In the case of any such amendment, modification, addition or deletion which does not adversely affect the Unit Owners, the Condominium Board shall be in the attorney-in-fact for the Unit Owners, coupled with an interest, for the purpose of approving and executing any instrument effecting such amendment, modification, addition or deletion.

ARTICLE 19
TERMINATION OF CONDOMINIUM

The Condominium shall continue until (a) terminated by casualty loss, condemnation or eminent domain, as more particularly provided in the By-Laws, or (b) such time as withdrawal of the Property from provisions of the New York Condominium Act is authorized by a vote of at least eighty (80%) percent in number and Common Interest of all Unit Owners. Sponsor will not vote its interests appurtenant to any Unsold Units for such withdrawal unless at least eighty (80%) percent in number and in Common Interest of all Unit Owners so elect for such withdrawal, at which time Sponsor may choose to vote either in favor of or against withdrawal from Condominium ownership, as it sees fit. In the event said withdrawal is authorized as aforesaid, the Property shall be subject to an action for the 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 his share of such net proceeds all liens on his or her Unit, in the order of priority of such liens.

ARTICLE 20
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 21
CAPTIONS

The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this Declaration nor the intent of any provision hereof.

ARTICLE 22
CERTAIN REFERENCES

22.1 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.

22.2 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.

22.3 Unless otherwise stated, all references herein to Articles, Sections or other provisions are references to Articles, Sections or other provisions of this Declaration.

ARTICLE 23
SEVERABILITY

Subject to the provisions of Section 17.2 hereof, if any provision of this Declaration is invalid or unenforceable as against any person or under certain circumstances, the remainder of this Declaration and the applicability of such provision to other persons or circumstances shall not be affected thereby. Each provision of this Declaration shall, except as otherwise herein provided, be valid and enforceable to the fullest extent permitted by law.

ARTICLE 24
COVENANT OF FURTHER ASSURANCES

24.1 Any party, which is subject to the terms of this Declaration, whether such party is a Unit Owner, a lessee or sublessee of a Unit Owner, an occupant of a Unit, an officer of the Condominium, or otherwise, shall at the expense of any such other party requesting the same, execute, acknowledge and deliver to such other party such instruments, in addition to those specifically provided for herein, and take such other action, as such other party may reasonably request to effectuate the provisions of this Declaration or of any transaction contemplated herein, or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

24.2 If any Unit Owner or any other party, which is subject to the terms of this Declaration, fails to execute, acknowledge or deliver any instrument, or fails or refuses, within ten (10) days after request therefore, to take any action which such Unit Owner or party is required to execute, acknowledge and deliver or to take pursuant to this Declaration, then the Condominium Board is hereby authorized as attorney-in-fact for such Unit Owner or other party, and such document or action shall be binding on such Unit Owner or other party.

24.3 If any Unit Owner or the Condominium Board or any other party which is the subject to the terms of this Declaration, fails to execute, acknowledge or deliver any instrument, or fails or refuses, within ten (10) days after request therefore, to take any action, which the Condominium Board or Unit Owner or other party is required to execute, acknowledge or deliver or to take pursuant to this Declaration at the request of Sponsor or its designee and its respective successors and assigns, then Sponsor or its designee and its respective successors and assigns is hereby authorized as attorney-in-fact for the Condominium Board or such Unit Owner or other party, coupled with an interest, to execute, acknowledge and deliver such instrument or to take such action, in the name of the Condominium Board, such Unit Owner or other party, and such document or action shall be binding on the Condominium Board or such Unit Owner or other party, as the case may be.

ARTICLE 25
SUCCESSORS AND ASSIGNS

The rights and/or obligations of Sponsor or its designee as set forth herein shall inure to the benefit of, and be binding upon, any successor or assign or Sponsor or its designee or, with the consent of Sponsor or its designee, any transferee of all the then Unsold Units. Subject to the foregoing, Sponsor shall have the right, at any time, in its sole discretion, to assign or otherwise transfer its interest herein, whether by merger, consolidation, lease, assignment or otherwise.

ARTICLE 26
DEFINITIONS

All capitalized terms used in this Declaration that are not otherwise defined in the Articles hereof will have the meanings set forth in Exhibit C annexed hereto, unless the context in which the same are used will otherwise require. Each of the said capitalized terms shall be applicable to similar and to plural nouns, as well as to verbs of any tense.

REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK;
SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, Sponsor has caused this Declaration to be executed as of the _____ day _____, 2021.

323 E 53rd STREET OWNER LLC,
By: Maverick Lien Fund IV LP,
its Sole Member
By: Maverick Real Estate Partners LLC,
its Manager

By: _____
Name: Edward Martell
Title: Managing Member

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On the _____day of _____in the year 2021 before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

_____
Notary Signature

EXHIBIT A

DESCRIPTION OF PROPERTY

EXHIBIT B

TO THE DECLARATION

DESCRIPTION OF THE UNITS

Unit No.	Storage Unit	Tax Lot	Unit Sq. Ft.	Storage Unit Sq. Ft.	Terrace / Balcony Sq. Ft.	Location of Unit	Percentage Common Interest	Number Bedrooms/ Baths
Garden Suite	S-5		552	27	592	1st Floor	10.9718%	0BR/1BA
2A	S-9		542	25	0	2nd Floor	8.5330%	1BR/1BA
2B	S-8		560	26	0	2nd Floor	8.8179%	1BR/1BA
3A	S-11		542	25	0	3rd Floor	8.5330%	1BR/1BA
3B	S-10		560	26	49	3rd Floor	9.0056%	1BR/1BA
4A	S-7		542	18	0	4th Floor	8.4687%	1BR/1BA
4B	S-6		560	18	49	4th Floor	8.9321%	1BR/1BA
5A	S-3		542	26	0	5th Floor	8.5422%	1BR/1BA
5B	S-4		560	26	49	5th Floor	9.0056%	1BR/1BA
Terrace Suite A	S-1		542	27	154	6th Floor	9.1412%	1BR/1BA
Terrace Suite B	S-2		560	27	319	6th Floor	10.0489%	1BR/1BA

EXHIBIT C

DEFINITIONS APPLICABLE TO THE 323 EAST 53rd STREET CONDOMINIUM

(1) "Board of Managers" or "Board" or "Condominium Board" shall mean the governing body of the 323 East 53rd Street Condominium, which was established pursuant to the terms of this Declaration and is to be governed pursuant to the terms of the By-Laws.

(2) "Building" shall mean the building situated on the Land and known as 323 East 53rd Street, New York, New York.

(3) "By-Laws" shall mean the by-laws of the Condominium, which are annexed to this Declaration, as the same may be amended from time to time pursuant to the terms thereof.

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

(5) "Common Elements" shall mean those certain portions of the Land and the Building (other than the Units) that are for the use of the owners of the Units. Without intending to limit the generality of the foregoing in any respect, the Common Elements include the areas on the Building used for mechanical and boiler rooms, the bulkhead roof, the storm detention tank and electrical rooms.

(6) "Common Expenses" shall mean all costs and expenses to be incurred generally by the Unit Owners pursuant to this 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 and the Limited 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 and/or Limited Common Elements or to make up any deficit in the Common Charges for any prior year(s): (iii) the purchase, lease, or sublease by the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners, of any Unit whose Owner has elected to sell, lease, transfer, or convey the same, or that is to be sold at a foreclosure or other sale; and (iv) generally, the conduct of the affairs of the Condominium.

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

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

(9) "Condominium Documents" shall mean this Declaration, and all exhibits thereto, including the By-Laws, the Rules and Regulations, the Floor Plans, the form of Unit Deed and the form of Unit Owners Power of Attorney.

(10) "Declarant" or "Sponsor" shall mean 323 E 53rd Street Owner LLC, having an office located at c/o Maverick Real Estate Partners LLC, 100 Park Avenue, Suite 2805, New York, New York 10017.

(11) "Declaration" shall mean this Declaration as executed by Declarant for the purposes of submitting the Property to the provisions of the Condominium Act and establishing a regime for the Condominium ownership thereof.

(12) "Facilities" shall mean all personal property and fixtures now or hereafter existing in, on, or under the Land or the Building and either existing for the common use of the Units or the Unit Owners, or necessary or convenient for the existence, maintenance, or safety 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 beads, electric distribution facilities, wiring, wireways, switches, switchboards, circuit breakers, transformers, fittings, siamese connections, hoses, plumbing fixtures, lighting fixtures, other fixtures, bulbs, signs, antennae, telephones, meters, meter assemblies, scaffolding, piping, lines, ducts, conduits, cables, risers, mains, shafts, pits, flues, locks, hardware, racks, screens, strainers, traps, drains, catch basins, leaden, filters, incinerators, canopies, closets, risers, doors, railings, copings, steps, furniture, mirrors, furnishings, appurtenances, urns, baskets, mail chutes, mail boxes, carpeting, tiles, floor coverings, draperies, shades, window coverings, wallpaper, wall coverings, trees shrubbery, flowers, plants, horticultural tubs and horticultural boxes.

(13) "First Closing" shall mean the first date upon which title to a Unit is conveyed to a purchaser pursuant to the terms of the Plan.

(14) "Family Members" shall mean the spouse or one live-in companion, children (natural and adopted, stepchildren, grandchildren, siblings, parents, parents' in-law and grandparents of a Unit Owner who reside in such Unit Owner's Unit.

(15) "Floor Plans" shall mean the floor plans of the Units certified by John Saracco Architect LLC and filed in the City Register's Office simultaneously with the recording of this Declaration, together with any supplemental floor plans thereto.

(16) "Initial Control Period" the period ending on the earlier to occur of (i) the date on which one hundred percent (100%) of the Unsold Units are sold or (ii) five (5) years from the date of the First Closing.

(17) "Institutional Lender" shall mean (i) a savings bank, savings and loan association, bank or trust company, insurance company, real estate investment trust, or mortgage trust, or (ii) a federal, state, municipal, teacher's or union employee, welfare, pension or retirement fund or system.

(18) “Institutional Mortgage” shall mean any first mortgage covering one or more Units that is a Permitted Mortgage and the initial holder of which is either the Declarant or its designee or an Institutional Lender.

(19) “Insurance Trustee” shall mean a bank or a trust company, in either event having both an office in the City of New York and a capital surplus and undivided profits of One Hundred Million ($100,000,000.00) dollars or more, from time to time appointed to serve as such by the Board of Managers.

(20) “Land” shall mean all that certain tract, plot, piece and parcel of land situate, lying and being in the County of New York, City and State of New York, as more particularly described in Exhibit A to this Declaration.

(21) “Law” shall mean the laws and ordinances of any or all of the Federal, New York State, New York City governments, the rules, regulations, orders and directives of any or all departments, subdivisions, bureaus, agencies, or offices thereof or of any other govern- mental, 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.

(22) “Limited Common Elements” shall mean those certain portions of the Land and the Building (other than the Units and the Common Elements) that are to be used by the Owners of one or more specified Units to the exclusion of all other Unit Owners, and more particularly described in Article 6 of this Declaration. The following items are Limited Common Elements appurtenant to the Units indicated: the areas on the Building reserved for the installation of Storage Lockers, private balconies, Terraces or open spaces comprising, which are appurtenant to, and for the exclusive use of, the associated Units, as reflected on the Floor Plans being filed with the City Register’s Office

(23) “Managing Agent” shall mean a Person employed by the Board of Managers pursuant to Section 2.5 of the By-Laws, who shall undertake to perform the duties and services that the Board of Managers shall direct and who shall have whatever powers the Condominium shall delegate, subject to the limitations contained in Section 2.5 of the By-Laws.

(24) "Major Repair/Alteration" shall mean any repair or alteration to a Unit that affects the structural components of the Building or a Unit's entrance, private Terrace, windows or other portion of a Unit exposed to public view, which shall be deemed to include any alterations to the exterior of any storefront but to exclude any alterations to any interior portion of any Unit, unless such alterations are Structural Alterations, as defined herein, or requires a work permit or other authorization from the Department of Buildings or other Governmental Authority having jurisdiction.

(25) “Majority of Unit Owners” shall mean those Unit Owners having more than fifty (50%) percent of the total authorized votes of all Unit Owners (determined in accordance with the terms of Section 4.5 of the By-Laws) who are present, in person or by proxy, and voting at any duly constituted meeting of the Unit Owners at which a quorum is present.

(26) “Mortgagee Representatives” shall mean designated representatives of the holders of mortgages or Units, not to exceed three (3) in number.

(27) “Permitted Mortgage” shall mean a mortgage complying with the provisions of the By-Laws and which the Board has received written notice.

(28) “Permitted Mortgagee” shall mean the holder of any mortgage of a Unit or Units, which is permitted to be placed thereon pursuant to the By-Laws.

(29) “Person” shall mean any natural person, partnership, corporation, trust, estate, fiduciary, unincorporated association, syndicate, joint venture, organization, government or any department or agency thereof, or any other entity.

(30) “Plan” shall mean that certain offering plan to convert the Property to a Condominium filed with the Department: of Law of the State of New York pursuant to Section 352-e of the General Business Law of the State of New York.

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

(32) “Register's Office” or “City Register’s Office” shall mean the New York County office of the Register of the City of New York.

(33) “Rules and Regulations” shall mean the rules and regulations of the Condominium, which arc annexed as an addendum to the By-Laws, as any of the same may be amended, modified, added to, or deleted from time to time pursuant to the terms of the By-Laws provided that they are not in conflict with the terms of the Condominium Act, the Declaration, or the By-Laws.

(34) “Selling Agent” shall mean any Person employed by Declarant or its designee in connection with the sale, renting, management, operation, and/or promotion of the Unsold Units.

(35) “Special Assessments” shall mean the charges allocated and assessed by the Board of Managers to the Unit Owners, pro-rata in accordance with their respective Common Interest (except as otherwise provided in the Declaration or in the By-Laws), in accordance with Section 6.1 of the By-Laws.

(36) "Structural Alteration" shall mean any repair or alteration that affects the structural components of the Building.

(37) “Terrace” shall mean any terrace, balcony, areaway or garden, if applicable, which is appurtenant to a Unit as a 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 or balconies or areaways or gardens are, collectively, referred to as “Terraces”.

(38) “Unit” shall have the same meaning as such term is defined in the Condominium Act.

(39) “Units” shall mean more than one (1) Unit.

(40) “Unit Owner” shall mean the owner of a given Unit, as applicable.

(41) “Unit Owners” shall mean the Owners of all Units at the time in question.

(42) “Unsold Unit” shall mean any Unit owned by Declarant or its designee at the time in question.

(43) “Unsold Units” shall mean more than one (1) Unsold Unit.

EXHIBIT D

323 EAST 53rd STREET CONDOMINIUM

Located at
323 EAST 53rd STREET
NEW YORK, NEW YORK 10022

UNIT OWNER'S POWER OF ATTORNEY

RESIDENTIAL CONDOMINIUM UNIT NO.___

Block___
Lot

Return to:

Lester Bleckner & Shaw LLP
350 Fifth Avenue
Suite 3301
New York, New York 10118
Attn: Ian Lester, Esq.

POWER OF ATTORNEY

The undersigned, _____, residing at 323 East 53rd Street, New York, New York, the Owner of Condominium Unit (hereinafter referred to the "Undersigned's Unit") known as Unit ___ located at 323 East 53rd Street, New York, New York said Unit being designated and described as Unit ___ in the Declaration of the 323 East 53rd Street Condominium (hereinafter referred to the "Condominium") and also designated as Tax Lot __ in Block 1346 of the City of New York on the Tax Map of the Real Property Assessment Department of the City of New York and on the Floor Plans, does hereby irrevocably nominate, constitute and appoint the persons who may, from time to time, constitute the Condominium's Board of Managers' true and lawful attorneys' names, as members of the Board of Managers or in the name of their designee (corporate or otherwise), on behalf of all Unit Owners' respective Common Interests, subject to the provisions of the By-Laws then in effect: (1) (a) to acquire or lease any Unit, together with its Appurtenant Interests, from any Unit Owner desiring to sell, convey, transfer, assign, or lease the same; (b) to acquire any Unit, together with its Appurtenant Interests, whose owner elects to surrender the same pursuant to the terms of paragraph (c) of Section 6.2 of the By-Laws; (c) to acquire any Unit, together with its Appurtenant Interests, that becomes the subject of a foreclosure or other similar sale, on such terms and (with respect to any transfer pursuant to the terms of subdivision (a) or (c) of this paragraph) at such price or at such rental, as the case may be, as said attorneys-in-fact shall deem proper, and thereafter to convey, sell, lease, mortgage or otherwise deal with (but not vote the interest appurtenant to) any such Unit so acquired by them, or to sublease any Unit so leased by them, on such terms as said attorneys-in-fact may determine, granting to said attorneys-in-fact the power to present; and (2) to execute, acknowledge and deliver (i) any declaration or other instrument affecting the Condominium that the Board of Managers deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution, or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the maintenance, demolition, construction, alteration, repair, or restoration of the Condominium; or (ii) any consent, covenant, restriction, easement, or declaration, or any amendment thereto, affecting the Condominium or the Common Elements, that the Board of Managers deems necessary or appropriate; and (3) to contest the assessed valuation allocated to the Unit or the Property on behalf of any Unit Owner and to settle such contest on such terms as the Board of Managers deems appropriate.

The acts of a majority of such persons constituting the Board of Managers shall constitute the acts of said attorney-in-fact.

The Undersigned does hereby irrevocably nominate, constitute and appoint (until such date as Sponsor or its designee no longer owns any Unsold Units under the Plan) 323 E 53rd Street Owner LLC (hereinafter referred to as "Sponsor") as attorney-in-fact for the undersigned, coupled with an interest, with power of substitution, to amend from time to time said Declaration, By-Laws and the Rules and Regulations of the said Condominium, or any of said documents when such amendment (1) shall be required to reflect any changes in Unsold Units and/or the reapportionment of the Common Interests of the affected Unsold Units resulting therefrom, made by Sponsor or its designee in accordance with Article 10 of 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 Unit (by any governmental agency having regulatory jurisdiction over the Condominium), or (b) any title insurance company selected by Sponsor to insure title to any Unit, 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, or require a material, physical modification to the Undersigned's Unit, or require a material, physical modification to the Common Elements serving the Undersigned's Unit, or (iii) adversely affect the priority or validity of the lien of any purchase money mortgage or any mortgage held by an Institutional Lender covering the Undersigned's Unit unless the Undersigned (in the event described in subdivision (i) or (ii) of this paragraph) 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 Sponsor or its designees shall cease to own any of the Units in the Condominium.

IN WITNESS WHEREOF, the Undersigned has executed this Unit Owner's Power of Attorney as of this __ day of _____, 202__

_____

_____

BY-LAWS OF CONDOMINIUM

THIS PAGE INTENTIONALLY LEFT BLANK

BY-LAWS

Of the

323 East 53rd Street Condominium

323 EAST 53rd STREET
NEW YORK, NEW YORK 10022

Prepared by:

Lester Bleckner & Shaw LLP
350 Fifth Avenue, Suite 3301
New York, New York 10118

THIS PAGE INTENTIONALLY LEFT BLANK

TABLE OF CONTENTS

ARTICLE 1

GENERAL
Section 1.1. Purpose 1
Section 1.2. Definitions 1
Section 1.3. Applicability of By-Laws 1
Section 1.4. Principal Office of the Condominium 2

ARTICLE 2

BOARD OF MANAGERS
Section 2.1. General 2
Section 2.2. Status of the Condominium Board 2
Section 2.3. Principal Office of the Condominium Board. 2
Section 2.4. Powers and Duties of the Condominium Board 2
Section 2.5. Exercise and Delegation of Powers and Duties 6
Section 2.6. Number, Election and Qualification of Members 7
Section 2.7. Term of Office of Members 10
Section 2.8. Resignation and Removal of Members 11
Section 2.9. Vacancies 11
Section 2.10. Organizational Meetings of the Condominium Board 11
Section 2.11. Regular Meetings of the Condominium Board 11
Section 2.12. Special Meetings of the Condominium Board 11
Section 2.13. Waiver of Notice of Meetings. 11
Section 2.14. Quorum of the Condominium Board 12
Section 2.15. Conduct of Meetings 12
Section 2.16. Decision by the Condominium Board 12
Section 2.17. Compensation of Members 12
Section 2.18. Common or Interested Members of the Condominium Board 12
Section 2.19. Liability of the Condominium Board 13
Section 2.20. Committees 14
Section 2.21. Incorporation of Condominium Board of Unit Owners 15
Section 2.22. Condominium Board as Agent of Unit Owners 15

ARTICLE 3

OFFICERS
Section 3.1. General 15
Section 3.2. President. 15
Section 3.3. Vice President. 15
Section 3.4. Secretary 16
Section 3.5. Treasurer 16
Section 3.6. Election, Term of Office and Qualifications of Officers 16
Section 3.7. Removal and Resignation of Officers 16

Section 3.8. Vacancies 16
Section 3.9. Compensation of Officers 16
Section 3.10. Liability of the Officers of the Condominium 16

ARTICLE 4

UNIT OWNERS
Section 4.1. Annual Meetings of the Unit Owners 17
Section 4.2. Special Meetings of Unit Owners 17
Section 4.3. Place of Meetings 16
Section 4.4. Notice of Annual Meetings 16
Section 4.5. Quorum of the Unit Owners 16
Section 4.6. Conduct of Meetings 16
Section 4.7. Order of Business 16
Section 4.8. Voting at Meetings of Unit Owners 19
Section 4.9. Election of Members of the Condominium Board 19
Section 4.10. Action Without a Meeting 20
Section 4.11. Title to Units 20
Section 4.12. Contractual Liability of Unit Owners 20

ARTICLE 5

OPERATION OF THE PROPERTY
Section 5.l. Determination of Common Expenses and Fixing of Common Charges 20
Section 5.2. Liability for Common Charges: Liens 22
Section 5.3 Collection of Common Charges 22
Section 5.4. Default in Payment of Common Charges 22
Section 5.5. Foreclosure of Liens for Unpaid Common Charges 23
Section 5.6. Statement of Common Charges 23
Section 5.7. Insurance 23
Section 5.8. Maintenance and Repairs 25
Section 5.9. Violations of Maintenance Obligations 26
Section 5.10. Alterations, Additions, or Improvements in and to Units 27
Section 5.11. Alterations, Additions, or Improvements to the Common Elements 28
Section 5.12. Casualty or Condemnation 29
Section 5.13. Structural Alterations, Additions, Improvements and Repairs of Units and Appurtenant Limited Common Elements 31
Section 5.14. Alterations, Additions, Improvements and Repairs to Common Elements 33
Section 5.15. Expansion of Certain Common Elements 33
Section 5.16. Use of the Property 34
Section 5.17. Restrictions on Use of Units 34
Section 5.18. Use of Common Elements 36
Section 5.19. Use of Limited Common Elements 37
Section 5.20. Rules and Regulations 37
Section 5.21. Real Estate Taxes, Water Charges and Sewer Rents 37
Section 5.22. Gas 38

Section 5.23. Electricity 38
Section 5.24. Utilities Serving the Common Elements 38
Section 5.25. Abatement and Enjoinment of Violations by Unit Owners 38
Section 5.26. Rights of Access 39
Section 5.27. Vault Charges 40
Section 5.28. Records and Audits 40

ARTICLE 6

COMMON CHARGES
Section 6.1. Determination of Common Expenses and Fixing of Common Charges 41
Section 6.2. Payment of Common Charges 42
Section 6.3. Statement of Common Charges 43
Section 6.4. Default In Payment of Common Charges 43

ARTICLE 7

SELLING AND LEASING OF UNITS
Section 7.1. General. 45
Section 7.2. Payment of Common Charges and Assessments. 45
Section 7.3. Power of Attorney 45
Section 7.4. No Restrictions on Sponsor 45
Section 7.5. Procedure to Sell or Lease 46
Section 7.6. Consent of Unit Owners to Purchase or Lease of Units by Condominium Board 48
Section 7.7. No Severance of Ownership 48
Section 7.8. Release by Condominium Board of Right of First Refusal 48
Section 7.9. Certificate of Termination of Right of First Refusal 48
Section 7.10. Financing of Purchase of Units by Condominium Board 48
Section 7.11. Exceptions 49
Section 7.12. Gifts and Devices, etc 49
Section 7.13. Waiver of Right of Partition With Respect to Units Acquired on Behalf of Unit Owners as Tenants-in-Common 49
Section 7.14. Mortgage of Units 49
Section 7.15. Notice of Unpaid Common Charges and Default 50
Section 7.16. Performance by Permitted Mortgagees 50
Section 7.17. Examination of Books 50
Section 7.18. Additional Rights of Mortgagee 50

ARTICLE 8

CERTAIN REMEDIES
Section 8.1. Self Help 51
Section 8.2. Abatement and Enjoinment. 52
Section 8.3. Remedies Cumulative 52
Section 8.4. Costs and Expenses 52

ARTICLE 9

ARBITRATION
Section 9.1. General Procedure 53
Section 9.2. Variation by Agreement 53
Section 9.3. Binding Effect. 53
Section 9.4. Costs and Expenses 53

ARTICLE 10

NOTICES
Section 10.1. General. 53
Section 10.2. Waiver of Service of Notice 54

ARTICLE 11

AMENDMENTS TO BY-LAWS
Section 11.1. General 54
Section 11.2. Amendments Affecting Sponsor of Unsold Unit 54
Section 11.3. Amendments Affecting Permitted Mortgagees 55

ARTICLE 12

FURTHER ASSURANCES
Section 12.1. Covenants of Further Assurances 55
Section 12.2. Failure to Deliver or Act 55

ARTICLE 13

MISCELLANEOUS
Section 13.1. Inspection of Documents 55
Section 13.2. Waiver 56
Section 13.3. Conflicts 56
Section 13.4. Severability 56
Section 13.5. Insurance Trustees. 56
Section 13.6. Successors and Assigns 56
Section 13.7. Gender 56
Section 13.8. Captions 56

RULES AND REGULATIONS 57

BY-LAWS

323 East 53rd Street Condominium

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 323 East 53rd Street Condominium (the "Condominium") in accordance with Article 9-B of the Real Property Law of the State of New York (the "Condominium Act") and the Declaration referred to below. The Condominium covers the Property, which consists of: (i) the Land, which is described in Exhibit A to the Declaration of the Condominium; (ii) the Building and other improvements now or hereafter to be constructed thereon (hereinafter collectively called the "Building"), including, without limitation, the Units, the Common Elements, Limited Common Elements and all easements, rights and appurtenances belonging thereto; and (iii) all other property, real, personal, or mixed, intended for use in connection therewith, all of which have been submitted to the provisions of the Condominium Act by the recording of the Declaration (which, as the same may be amended from time to time, is herein called the "Declaration") in the New York City office of the Register of the City of New York (the "City Register's Office"), together with these By-Laws.

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 used shall otherwise require. All capitalized terms used in these By-Laws that are defined in any of the Articles hereof shal1 have the meanings ascribed to them in such Articles, unless the context in which the same are used shall otherwise require. Each of the aforesaid 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. The term "Property" as used herein shall include the Land, the Building and all improvements thereon (including the Units, Limited Common Elements, and the Common Elements) owned in fee simple absolute. All present and future Owners, mortgagees, lessees, sublessees and occupants of Units and employees and guest of Unit Owners, as well as all other persons who may use the facilities of the Property, are and shall be subject to the Declaration, these By-Laws and the Rules and Regulations (as hereinafter defined), as each of the same may be amended from time to time. The acceptance of a deed or conveyance, or the succeeding of title to, or the execution of a lease or sublease for, or the act of occupancy of, a Unit shall constitute an agreement that the provisions of these By-Laws, the Rules and Regulations and the Declaration, as each of the same may be amended from time to time, are accepted, ratified, and will be complied with.

Section 1.4. 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
BOARD OF MANAGERS

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 Board of Managers. 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 term 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. 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. All determinations with respect to the administration of the affairs of the Condominium shall be made by the Condominium Board. 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 records with respect to the finances and the operation of the Condominium, including, without limitation: (a) detailed accounts of receipts and expenditures affecting the Property; (b) 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 (c) minutes and other records of all meetings held pursuant to the terms of these By-Laws;

(iv) to prepare and 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 determine the amount and establish the means and methods of payment of, and to collect, the Common Charges and Special Assessments from the Unit Owners;

(vi) to borrow money on behalf of the Condominium 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 all of the members of the Condominium Board shall be required for the borrowing of any sum in excess of $20,000.00 in any one fiscal year (regardless of the balance of any loans outstanding from previous fiscal years); (b) the affirmative consent of seventy-five (75%) percent of the Unit Owners shall be required for the borrowing of any sum in excess of $20,000.00 in any one fiscal year (regardless of the balance of any loans outstanding from previous fiscal years); (c) 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 (d) 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 bears to the aggregate Common Interest of all Unit Owners 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 therefore;

(viii) to use the Common Charges and Special Assessments, if any, collected from Unit Owners, or a reserve fund, 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, including the Units, pursuant to the terms of Section 5.7 hereof;

(x) to adjust and settle claims under insurance policies obtained pursuant to the terms of Section 5.7 hereof, and to execute and deliver releases upon such adjustment and settlement on behalf of: (a) all Unit Owners; (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 accept the surrender of any Unit pursuant to the terms of paragraph (C) of Section 6.4 hereof, in the name of the Condominium Board or its designee, corporate or otherwise, and on behalf of all Unit Owners;

(xiii) to purchase, lease, or otherwise acquire Units offered for sale or lease by their owners, in the name of the Condominium Board or its designee, corporate or otherwise, and on behalf of all Unit Owners;

(xiv) 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;

(xv) to sell, lease, mortgage and otherwise deal with Units acquired by, and to sublease 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 the vote appurtenant to any such Unit;

(xvi) to adopt and amend the Rules and Regulations and to levy and collect fines against Unit Owners for violations of the same;

(xvii) 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;

(xviii) to incorporate, to the extent and in the manner provided in the Condominium Act, provided, however, that: (a) the certificate of incorporation and by-laws of any such resulting corporation shall conform as closely as practicable to the terms of the Declaration and these By-Laws and (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 By-laws;

(xix) to organize corporations 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;

(xx) to execute, acknowledge and deliver: (a) any declaration 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;

(xxi) 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, modifications, additions and deletions theretofore made to the same;

(xxii) to execute, acknowledge and deliver any documents necessary for filing an appeal for reduction of assessment of real estate taxes on behalf of all Units in the Condominium, unless written notice is received by the Condominium Board from any Unit Owner not to so on behalf of his or her condominium Unit;

(xiii) unless and until real estate taxes, water charges and sewer rents are billed directly to the Unit Owners by the New York City Department of Finance and/or the Department of Environmental Protection, the Condominium Board shall promptly pay such taxes, charges and rents as a common expense;

(xiv) to retain counsel on behalf of Unit Owners for the purpose of reviewing and/or contesting the assessed valuation of any Unit; commencing tax certiorari proceedings and withdrawing or settling any such proceeding or commencing any other proceeding by or in the name of the Condominium or the Unit Owners. Notwithstanding the foregoing and except for proceedings to collect maintenance charges, the Board shall require the consent of not less than seventy-five (75%) percent in Common Interests of all of the Unit Owners prior to commencing any proceeding, the cost of which will exceed One Hundred Thousand ($100,000.00) dollars in the aggregate, to prosecute any such proceeding to its completion as reasonably estimated by the Board; and

(xv) to carry out any other duties imposed upon the Condominium Board pursuant to the Declaration and these By-Laws.

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.

Notwithstanding anything to the contrary contained in these By-Laws, until the date which is the earlier to occur of (i) five (5) years after the First Unit Closing, or (ii) all of the Units are sold, the Board may not, without Sponsor's prior written consent (a) make any addition, alteration or improvement to the Common Elements (unless required by law); (b) assess any Common Charges for the creation of, addition to or replacement of, all or part of any reserve, contingency or surplus funds in excess of the balance thereof at the time of the first closing of title to a Unit, other than a twelve (12) month reserve for contingencies not exceeding five (5%) percent of the budgeted operating expenses for the ensuing twelve (12) months of condominium operation; (c) hire any employee in addition to the employees provided for in Schedule B entitled "Projected Budget for the First Year of Condominium Ownership" set forth in the Offering Plan for 323 East 53rd Street Condominium, Premises: 323 East 53rd Street, New York, New York, as the same has been and may, from time to time be amended (the "Offering Plan"); (d) enter into any service or maintenance contract for work not covered in said Schedule, or otherwise provide services in excess of those contemplated by such schedule of the Offering Plan, which cost more than Ten Thousand ($10,000.00) dollars per year; (e) borrow money on behalf of the Condominium; (f) eliminate or reduce the insurance coverage or any services below contemplated by such Schedule; or (g) undertake any capital or major improvement or addition not mandated by the Offering Plan unless required by law or which is approved by a resolution of the Unit Owners and is necessary to avoid jeopardy to the continued existence of the premises, or which constitutes a danger to health or safety, or to avoid risk of severe deterioration, destruction or breakdown of a component part, fixture or element of the Building. While Sponsor has voting control of the Board, Sponsor will not reduce or eliminate the services to be provided to the Condominium as set forth in this Plan.

Any action of the Condominium Board, which exclusively benefits one or more Unit Owners, shall be taken at the sole expense of said affected Unit Owners. The Board of Managers may not, without the written consent of Sponsor, take any action, which materially and adversely affects Sponsor's interest in any of the Unsold Units or impairs Sponsor's ability to perform its obligations, if any, set forth in the Plan unless required to do so to avoid jeopardy to the continued existence of the premises, or which constitutes a danger to health or safety, or to avoid risk of severe deterioration, destruction or breakdown of a component part, fixture or element of the Building.

Section 2.5. <u>Exercise and Delegation of Powers and Duties</u>.

(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 contained in paragraph (D) of this Section 2.5 and such additional 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 um 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 2.5.

(C) The Condominium Board may employ a Managing Agent to serve at a compensation to be established 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 2.5, 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 2.5, 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), (vii), (x), (xiii), (xiv), (xv), (xvi), (xvii), (xix), (xx) and (xxi) of paragraph (A) of Section 2.4 hereof. In addition, neither the Managing Agent nor any of the committees described in Subsection (B) of this Section 2.5 shall have, or be entitled to exercise, any of the powers of the Condominium Board, except to the extent permitted by Law.

Section 2.6. Number, Election and Qualification of Board Members.

(A) Sponsor's Initial Control Period. Sponsor or its designee shall designate all members of a three (3) member Board during the "Initial Control Period." Sponsor shall have the right to vote all of the Common Interest attributable to the Unsold Units. Further, at all elections held after the expiration of the Initial Control Period (i.e., the period ending on the earlier to occur of (i) the date on which one hundred (100%) percent of the Unsold Units are sold, or (ii) five (5) years from the date of the First Unit Closing), at which time the number of the members of the Board of Managers shall increase to five (5) members.

(i) The first Board shall consist of three (3) persons designated by Sponsor or its designee and respective successors and assigns, none of whom need to be a Unit Owner, and they shall hold office and exercise all powers of the Board. At the First Annual Meeting, which will be held within approximately nine (9) months after the First Unit

Closing, the three (3) member Board of Managers shall resign in favor of a new three (3) member Board of Managers which shall be designated by Sponsor, provided that the Initial Control Period has not ended.

(ii) If the Initial Control Period has ended prior to the First Annual Meeting, then at the First Annual Meeting the Board of Managers shall increase from three (3) members to five (5) members, the original three (3) member board shall resign and the Unit Owners in good standing shall elect the new five (5) member Board of Managers. If the Initial Control Period has not ended by the date of the First Annual Meeting, then within thirty (30) days of the expiration of the Initial Control Period, Sponsor shall give a thirty (30) day written notice to all Unit Owners of a meeting of Unit Owners for the purpose of electing a new Board of Managers, where the number of members of the Board of Managers shall increase to five (5). The Sponsor-appointed three (3) member Board shall resign and all Unit Owners in good standing shall be entitled to vote for all members of the five (5) member Board of Managers. In the event the Initial Control Period ends due to the expiration of the five (5) year period from the First Unit Closing rather than expiring due to Sponsor selling one hundred (100%) percent of the Units, Sponsor may still control a majority of the Common Interest attributed to all of the Units. Thus, Sponsor may exercise voting control, and through such voting power continue to control certain decisions of the Condominium.

(iii) In no event shall Sponsor be obligated to transfer control of the Board to the Unit Owners prior to the earlier to occur of (x) the date which is five (5) years from the First Closing of title and (ii) closing as to Units representing one hundred (100%) percent of the Unsold Units.

(B) First Annual Meeting of Unit Owners. Within approximately nine (9) months after title to the first Unit has been conveyed (other than to Sponsor's designee or a successor and assign of Sponsor or its designee), the first annual meeting of Unit Owners shall be held. Thereafter, annual meetings shall be held in each succeeding year as determined by the Board. At such meetings, the Unit Owners shall elect members to fill vacancies in the Board, if necessary, or to succeed retiring members of the Board as provided in Article 2 of these By-Laws and shall also transact such other business of the Condominium as may properly come before the meeting.

(C) Qualification of Board Members. Except for members designated by Sponsor, all other members of the Board shall be Unit Owners or spouses of Unit Owners, or an individual Permitted Mortgagee (as hereinafter defined), or, in the case of partnership Unit Owners or Permitted Mortgagees, shall be managers or employees (or their spouses) of such partnerships, or in the case of corporate Unit Owners or Permitted Mortgagees, shall be directors, officers, stockholders or employees (or their spouses) of such corporation, or, in the case of fiduciary Unit Owners or Permitted Mortgagees, shall be the fiduciaries or their beneficiaries (or their spouses), or directors, officers, stockholders or employees (or their spouses) of a corporate fiduciary, or partners or employees (or their spouses) of a partnership fiduciary. Except for members designated by Sponsor (unless all Units owned by Sponsor are sold), no member shall continue to serve on the Board after he ceases to be a Unit Owner or an interested party in a Unit as specified in the preceding sentence. At such time as title to

all Sponsor-Owned Units is conveyed, all members elected by Sponsor or its designee, as a result of its ownership of said Sponsor-Owned Units, shall resign. As used herein, the term "Permitted Mortgagee" means the holder of any mortgage of a Unit or Units, which is permitted to be placed thereon pursuant to these By-Laws. All members must be over the age of eighteen (18). After the Initial Control Period, the President and the Treasurer of the Board must be members who reside at the Condominium and who are unrelated to Sponsor and its principals.

(D) Election of Condominium Board. Subject to the provisions of Section 2.6(A)(i) through (iii), all elections of Board members shall be determined by a majority of Unit Owners.

(i) The term "quorum" of the Unit Owners means the presence, in person or by proxy, of Unit Owners owning more than one-half (1/2) of the Common Interests of all Units.

(ii) At all meetings of Unit Owners, the affirmative vote of a Majority of Unit Owners shall be binding upon all Unit Owners for all purposes. Board Members shall be elected by a majority of the votes cast at a meeting at which a quorum shall be present.

(iii) Each Unit Owner or one (1) person designated by such Unit Owner to act by proxy on his behalf and who need not be a Unit Owner, shall be entitled to cast the votes appurtenant to such Unit, at all meetings of Unit Owners. If two (2) or more Persons own a Unit, they shall designate one Person amongst them to vote the Common Interest or votes appurtenant to their Unit in a writing given to the Secretary, 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 or cast such votes under one (1) ballot without division, and the concurrence of all such Persons shall be conclusively presumed if any one (1) of them purports to vote such Common Interest or cast such votes 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 or votes appurtenant to such Unit shall be counted solely for the purpose of determining whether a quorum is present for such voting.

(iv) The Owner of any Unit may designate any individual to act as a proxy on such Owner's behalf. The designation of any such proxy shall be made in a writing both signed and dated by the Unit Owner and delivered to the Secretary or an Assistant Secretary at or before the appointed time for the meeting during which the same is to be effective, provided, however, that no designation to act as a proxy shall be effective for a period in excess of six (6) months except a designation of a Permitted Mortgagee to act as the proxy of its mortgagor.

(v) A fiduciary shall be the voting member with respect to any Unit owned in a fiduciary capacity. Neither the Board nor its designee shall be entitled to vote any interest appurtenant to any Unit owned by the Board or its designee, and the

Common Interest of such Unit shall be excluded from the total of Common Interests when computing the total Common Interest of all Unit Owners for voting purposes.

(vi) At all meetings of Unit Owners, Sponsor or its designee shall be able to vote and thus able to exercise its vote in Board elections. When Sponsor or its designee no longer owns any Unsold Units neither Sponsor nor its designee shall have any further right to vote.

(vii) Except when otherwise required by Law or otherwise provided in the Declaration or in the By-Laws, the affirmative vote of a majority or other specified number or percentage of those Unit Owners in number of Units and/or Common Interest (as applicable), or in Common Interest if not otherwise expressly provided, attending a duly constituted meeting of Unit Owners at which a quorum is present shall be binding upon all Unit Owners for all purposes. An Owner of more than one (1) Unit shall be counted as a separate Owner for each Unit so owned by such Unit Owner. If a Unit is owned by more than one (1) Person, all such Persons shall be regarded as one (1) Unit Owner as to any vote count based on the number of Unit Owners.

(viii) When voting for Board Members or other matters as applicable in accordance with these By-Laws, each Unit Owner (or his or her proxy (including Sponsor with respect to Units owned by Sponsor, but excluding the Board or its nominee or designee as Owner of any Unit)) shall be entitled to cast for each Board Member to be elected not more or less than one (1) vote for each 0.01% (rounded to the nearest 0.01%) of Common Interest appurtenant to each and every Unit owned by such Owner (for example, a Unit Owner would have 914 votes if the Common Interest allocation to his/her Unit is 9.1412%). Accordingly, the number of votes received by each candidate for whom a Unit Owner casts a ballot will equal the total number of votes such Owner is entitled to cast (or, in the above example, 914 votes for each candidate).

(ix) A Unit Owner may not cumulate, split or otherwise transfer the number of votes such Unit Owner is entitled to cast from one candidate to another candidate.

(x) In order to allow for Unit Owners to be able to vote confidentially at virtual meetings, Unit Owners shall vote electronically. Such electronic voting shall include, but is not limited to, the use of electronic mail votes or votes conducted through voting applications and/or services.

(E) Form of Ballot. When voting for members of the Board, the voting shall be by ballot and shall state the name of the Unit Owner voting, the number of such Unit Owner's Unit and the percentage of Common Interests owned by such Unit Owner, and, in addition, the name of the proxy if such ballot is cast by a proxy. Nothing contained in these By-Laws shall be determined to permit cumulative voting.

Section 2.7. Term of Office of Members. The term of office of each member of the Condominium Board, with the exception of any Sponsor designated member, shall consist of at least one (1) member for (1) year and one (1) member for two (2) years. A Sponsor designated member shall have the right to serve indefinitely during Sponsor's Initial Control

Period. Notwithstanding anything to the contrary, however, each Condominium Board shall serve until a successor Board is elected and qualified. At the expiration of the initial term of office of each member, his or her successor shall be elected to serve for a term of two (2) years. The members shall hold office for the term herein fixed and until their successors have been qualified and elected. There shall be no limit on the number of successive terms a member may serve on the Board, if elected as herein provided.

Section 2.8. Resignation and Removal of Members. Any member of the Condominium Board may resign his or her membership at any time by giving written notice thereof to the Condominium Board. Subject to the provisions of Section 2.6(A), at any regular or special meeting of Unit Owners, any one or more of the members of the Board may be removed with or without cause by a vote of seventy-five percent (75%) vote of the Unit Owners, and a successor may then and there or thereafter be elected to fill the vacancy thus created, except that members elected by Sponsor or its designee (a "Sponsor Member") may only be removed (i) by the Board for cause; or (ii) by Sponsor or said designee, respectively, and only Sponsor or said designee shall have the right to designate a replacement for any Sponsor Member removed by the Board for cause, Sponsor or said designee. Any member of the Board whose removal has been proposed by the Unit Owners shall be given an opportunity to be heard at the meeting.

Section 2.9. Vacancies. Any vacancy in the Board caused by any reason other than the removal of a member thereof by a vote of the Unit Owners shall be filled by vote of a majority of the remaining members at a special meeting of the Board held for that purpose promptly after the occurrence of any such vacancy, even though the managers present at such meeting may constitute less than a quorum, and each person so elected shall be a manager of the Board for the remainder of the term of the member creating such vacancy and until a successor shall be elected at the next annual meeting of the Unit Owners. Notwithstanding the foregoing, vacancies of members designated by Sponsor or its designee shall be filled only by Sponsor or said designee, respectively.

Section 2.10. Organizational Meeting of the Condominium Board. The first meeting of the Board following each annual meeting of Unit Owners shall be held within ten (10) days after such annual meeting, at such time and place in the City of New York as shall be fixed by a majority of the members thereof, and no notice shall be necessary to the newly elected Board members in order to legally constitute such meeting, provided that a majority of the members of the Board shall be present thereat. The first meeting of the Board following each annual meeting of Unit Owners may be conducted through a virtual meeting, through videoconference, teleconference, or other similar electronic means.

Section 2.11. 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 two (2) such meetings shall be held during each fiscal year. Notice of regular meetings shall be given to each member thereof by personal delivery, mail or e-mail at least five (5) business days prior to the date scheduled for such meeting. Regular meetings of the Condominium Board may

be conducted through virtual meetings, through videoconference, teleconference, or other similar electronic means.

Section 2.12. Special Meetings of the Condominium Board. Any officer of the Board may call a special meeting of the Condominium Board whenever he or she deems the same to be necessary or desirable provided all members of the Board are given oral, written or electronic communication with a minimum of 48-hour notice unless all Board members agree to an earlier meeting. Special meetings of the Condominium Board may be conducted through virtual meetings, through videoconference, teleconference, or other similar electronic means.

Section 2.13. 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 him or her of notice of the time and place thereof.

Section 2.14. Quorum of the Condominium Board. For purposes of all meetings of the Condominium Board, the attendance of a majority of all Board Members thereof shall be required for the transaction of business. In connection therewith, one or more members of the Condominium Board may participate in any meeting thereof by means of 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.

Section 2.15. Conduct of Meetings. The minutes of the meetings of the Condominium Board shall be faithfully recorded, 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 shall govern the conduct of 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 2.16. Decision by the Condominium Board. Except as otherwise expressly provided in the Declaration or these By-Laws, the affirmative vote of a majority of the members of the Condominium Board shall constitute the decision of the Condominium Board. 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 Condominium in the minutes of the Condominium Board. In the event of a deadlock in voting between Units or in the Condominium Board, such deadlock shall be submitted to an arbitration board in accordance with Article 9 “Arbitration,” below.

Section 2.17. Compensation of Members. No member of the Condominium Board shall receive any compensation from the Condominium for acting as such.

Section 2.18. Common or Interested Members of the Condominium Board. Each member of the Condominium Board shall perform his or her duties, and shall exercise his or her 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 (x) any of its members or (y) any corporation, partnership, fiduciary, firm, 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, pecuniary or otherwise, shall be deemed either void or voidable because either (1) 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 (2) the vote of any such member was counted for such purpose, provided, however, that either:

(i) the fact thereof is disclosed to, or known by, the Condominium Board or noted in the minutes thereof, and the Condominium Board shall authorize, approve, or ratify such contract or transaction in good faith by vote of the Condominium Board;

(ii) the fact thereof is disclosed to, or known by the Unit Owners, and the Unit Owners authorize, approve, or ratify such contract or transaction; or

(iii) the contract or transaction is commercially reasonable to the Condominium Board at the time that the same is authorized, approved, ratified, executed, or otherwise consummated.

Any such member of the Condominium Board may be counted in determining the requisite attendance of any meeting of the Condominium Board that authorizes, approves, or ratifies any such contract or transaction. Sponsor is not subject to this section in regard to contracts with or employment of agents, contractors and specialists in order to complete construction, maintain, repair or replace one or more sections of the Property in order to comply with the building code and any government agency with jurisdiction thereof, and representations set forth in the Offering Plan.

Section 2.19. Liability of the Condominium Board.

(A) To the extent permitted by law, no manager of the Board shall have any personal liability with respect to any contract, act or omission of the Board or of any managing agent or superintendent 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 hereinafter set forth. Board members shall have no liability to Unit Owners for errors of judgment, negligence or otherwise, except that a Board manager shall be liable for his own bad faith or willful misconduct. All Unit Owners, as the case may be, shall severally, to the extent of their respective interests in their Units and their appurtenant interest in the Common Elements, indemnify each Condominium Board member against any liability or claim, except those arising out of his own bad faith or willful

misconduct. The Board may contract or effect any other transaction with any Board member, any Unit Owner, Sponsor or any affiliate of any of them without, except in cases of bad faith or willful misconduct, incurring any liability for self-dealing.

(B) Every contract made, and other document executed, by or on behalf of the Condominium Board, any committee thereof, or the Managing Agent shall expressly state (if obtainable and in addition to the limitation of liability of the officers of the Condominium and the Unit Owners pursuant to the terms of Sections 3.10 and 4.12 hereof, respectively) that the same is made or executed by or on behalf of the Condominium Board, such committee, or the Managing Agent solely as agent for the Unit Owners and that the members of the Condominium Board or such committee or the Managing Agent shall have no liability thereon, except to the extent of their liability, if any, as Unit Owners pursuant to the terms of Section 4.12 hereof.

(C) 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; 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.

(D) The Unit Owners shall jointly and severally indemnify and hold each member of the Condominium Board harmless from and against any claim or liability to others arising from his or her acts or omissions as, or by reason of the fact that such individual is or was, a member of the Condominium Board, except, however, to the extent that such claim or liability shall be due to, or shall arise out of, the bad faith or willful misconduct of such member. To the extent that a manager of the Board or an officer of the Condominium has been successful on the merits, or otherwise in the defense of any action, suit or proceeding, or in defense of any claim, issue or matter therein, or has settled such action, suit or proceeding with the consent of the other members of the Board, or if all Board members are co-defendants with the consent of a majority in Common Interest of all Unit Owners, he or she shall be indemnified against any losses, liabilities or expenses (including legal fees) actually and reasonably incurred by him in connection therewith, consistent with the limitation expressed in Section 2.19(A), above.

(E) Expenses incurred in defending a civil action, suit or proceeding may be paid by the Condominium in advance of the final disposition of such action, suit or proceeding as authorized by the Board in the specific case upon receipt of an undertaking, by or on behalf of the person or entity seeking such indemnification or payment in advance, to

prepay such amount unless it shall ultimately be determined that s/he is entitled to be indemnified by the Condominium as authorized in this Section 2.19.

(F) The Board shall obtain and ensure maintenance of fidelity bonds or insurance, in amounts deemed to be appropriate by it, for all its members, officers and employees and the managing agent or manager, if any, employed by it and the premium of such bonds or insurance shall constitute Common Expenses.

Section 2.20. Committees. The Board may, subject to such limitations and exceptions as the Board may prescribe, appoint an Executive Committee and such other committees as the Board may deem appropriate, each to consist of three (3) or more managers of the Board.

Section 2.21. Incorporation of Condominium Board of Unit Owners. The Board or the Unit Owners may be incorporated as permitted by the laws of the State of New York. In the event that the Board of Unit Owners so incorporate, they shall have, to the extent permitted by applicable law, the status conferred upon them under such laws in addition to the status conferred upon them under, or pursuant to, the provisions of the New York Condominium Act. The certificate of incorporation and by-laws of any such resulting corporation shall conform as closely as practicable to the provisions of the Declaration and these By-Laws and the provisions of the Declaration and these By-Laws shall control in the event of any inconsistency or conflict between the provisions thereof and the provisions of such certificate of incorporation and by-laws.

Section 2.22. Condominium Board as Agent of Unit Owners. In exercising its powers and performing its duties under the Declaration and these By-Laws, the Condominium Board may act as the agent of the Unit Owners, subject to, and in accordance with, the provisions of the Declaration and these By-Laws.

ARTICLE 3
OFFICERS

Section 3.1. General. The principal officers of the Condominium shall be the President, the Secretary and the Treasurer. The Condominium Board may appoint a Vice President, an Assistant Treasurer, an Assistant Secretary and such other officers as in its discretion may be necessary or desirable. Where necessary, one individual may act as or hold the office of more than one office. All agreements, contracts, deeds, leases, checks and other instruments of the Condominium shall be executed, upon the direction of the Condominium Board, by the 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 he or she may decide, in his or her discretion, are appropriate to assist in the conduct of the affairs of the Condominium. Sponsor or its designee shall be the President of the Board as long as it has the right to designate a majority of the Board. Sponsor or its designee need not be residents of the Condominiums.

Section 3.3. Vice President. The Vice President shall take the place of the President and perform his or her 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 him or her 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 Qualifications of Officers. The officers of the Condominium Board shall be elected annually by a majority vote of the Condominium Board from amongst the members of the Board, taken at the organizational meeting of each new Condominium Board, and shall serve at the pleasure of the Condominium Board. All members of the Board and officers of the Board shall be resident Unit Owners, except for Sponsor and its designee who need not be resident Unit Owners.

Section 3.7. Removal and Resignation of Officers. Any officer of the Condominium 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 an officer of the Board shall cease to be a member of the Condominium Board during his or her term of office, such officer shall be deemed to have resigned his or her office effective upon the date upon which his or her 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. Liability of the Officers of the Condominium.

(A) The officers of the Condominium shall have no liability to the Unit Owners for errors of judgment, negligence, or otherwise, except that each officer of the Condominium shall be liable thereto for his or her own bad faith or willful misconduct. In addition, every contract made, and other document executed, by one or more officers or other Persons on behalf of the Condominium shall expressly state (if obtainable and in addition to the limitation of liability of the members of the Condominium Board and the Unit Owners pursuant to the terms of Sections 2.19 and 4.12 hereof, respectively) that the same is made or executed by such officers or Persons on behalf of the Condominium solely as agent for the Unit Owners and that such officers or Persons shall have no liability thereon, except to the extent of their liability, if any, as Unit Owners pursuant to the terms of Section 4.12 hereof.

(B) None of the officers of the Condominium shall be liable for either:

(i) any failure or interruption of any utility or other services to be obtained by any such officer on behalf of the Condominium or to be paid for as a Common Expense; 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.

(C) The Unit Owners shall jointly and severally indemnify and hold each officer of the Condominium harmless from and against any claim or liability to others arising from his or her acts or omissions as, or by reason of the fact that such individual is or was, an officer of the Condominium, except, however, to the extent that such claim or liability shall be due to, or shall arise out of, the bad faith or willful misconduct of such officer.

ARTICLE 4
UNIT OWNERS

Section 4.1. Annual Meetings of the Unit Owners. Sponsor shall give a thirty (30) day written notice to all Unit Owners of the First Annual Meeting of Unit Owners. Annual meetings of the Unit Owners shall be on or about the anniversary date of the first annual meeting unless otherwise set forth by majority vote of the Unit Owners. At each such subsequent meeting, the Unit Owners shall transact such business as may properly come before such meeting. In the event that any annual meeting of members is delayed, the existing Condominium Board shall continue to serve.

Section 4.2. Special Meetings of Unit Owners. The Condominium Board shall call a special meeting of the Unit Owners whenever so directed by the President of the Board or by a duly adopted resolution of the Condominium Board or upon receipt of a petition calling for such a meeting signed by at least five (5) Unit Owners. It shall be the duty of the Secretary of the Board to notify all Unit Owners of record by mail, personal delivery, fax, or e-mail at least five (5) business days but not more than fifteen (15) days prior to such meeting stating the purpose thereof and the date, time and place of the meeting and no business shall be transacted at such special meeting except business reasonably related to such stated purposes. Only Unit Owners in good standing may vote at such meetings.

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 as may be designated by the Condominium Board. Meetings of the Unit Owners may be conducted virtually, through videoconference, teleconference, or other similar electronic means.

Section 4.4. Notice of Annual Meetings. The Condominium Board shall give notice of each annual 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, telephone, e-mail, or telegram not later than ten (10) days prior to the day fixed for the meeting and not earlier than forty (40) days prior to the day fixed for the meeting; however, the mailing of such notice to any Unit Owner, addressed to his or her address at the Property, at least ten (10) days prior to the day fixed for the meeting shall be conclusively deemed the giving of notice to such Unit Owner of such 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 Condominium Board not less than ten (10) days prior to the giving of notice of the applicable meeting.

Section 4.5. Quorum of the Unit Owners. Except as otherwise provided in these By-Laws, the presence, in person or by proxy, of a Majority of all Unit Owners shall be required at all meetings of the Unit Owners.

Section 4.6. Conduct of Meetings. The minutes of all meetings of the Unit Owners shall be faithfully recorded, 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.

Section 4.7. Order of Business. The order of business at all annual meetings of the Unit Owners shall be as follows:

(i) Roll call;

(ii) Proof of notice of meeting;

(iii) Reading of the minutes of the preceding meeting (unless waived);

(iv) Reports of officers of the Condominium;

(v) Reports of committees;

(vi) Reports of inspectors of election (when so required);

(vii) Election or designation of members of the Condominium Board if there is vacancy);

(viii) Unfinished business; and

(ix) New business.

Section 4.8. Voting at Meetings of Unit Owners.

(A) Subject to the terms of Sections 2.6 and 4.9 hereof, at meetings of Unit Owners, each Unit Owner (including Sponsor or its designee, for so long as Sponsor or such designee shall own Unsold Units) shall be entitled to cast not more or less than one (1) vote for each 0.0001% (rounded to the nearest 0.01%) of Common Interest appurtenant to each and every Unit owned by such Owner (for example, a Unit Owner would have 914 votes if the Common Interest allocation to his/her Unit is 9.1412%). In order to allow for Unit Owners to be able to vote confidentially at virtual meetings, Unit Owners shall vote electronically. Such electronic voting shall include, but is not limited to, the use of electronic mail votes or votes conducted through voting applications and/or services.

(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 the vote appurtenant to any Unit owned by the Condominium Board or such designee. The vote of all Units whose owners are precluded from voting pursuant to the terms of this paragraph (B) will be excluded when computing the results of voting.

(C) A fiduciary shall be the voting member with respect to a Unit owned in a fiduciary capacity. In addition, if two (2) or more Persons own a Unit, they shall designate one Person amongst them the vote appurtenant to their Unit in a writing given to the Condominium Board, and the vote of such designee shall be binding upon all of such Persons. Failing such a designation, all of such Persons shall mutually exercise the vote appurtenant to such Unit under one ballot without division, and the concurrence of all Persons shall be conclusively presumed if any one of them purports to exercise such vote without protest being contemporaneously made to the individual presiding over the meeting at which such vote is taken. If protest is made, the vote appurtenant to such Unit shall be counted solely for the purpose of determining whether the required attendance is present for such voting.

(D) The owner(s) of any Unit may designate any Person to act as a proxy on his or her behalf. The designation of any such proxy shall be made in a writing both signed and dated by the designator and delivered to the Condominium Board 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 Condominium Board; however, no revocation of such a designation shall be effective with respect to any votes cast by such proxy prior to the receipt of such revocation notice by the Condominium Board.

Section 4.9. Election of Members of the Condominium Board. At such meeting of the Unit Owners for the purpose of voting for members of the Board of Managers, there shall be elected - by ballot of the Unit Owners - a Board of Managers in accordance with the requirements of Article 2 hereof.

Section 4.10. 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 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 4.10 shall be retained in the records of the Condominium together with a true copy of the resolution to which they relate.

Section 4.11. Title to Units. Title to any Unit may be taken by any Person or by any two (2) or more Persons as joint tenants, tenants in common, or tenants by the entirety, as may be appropriate, but not as owners in severalty.

Section 4.12. 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 Section 2.19 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 and (ii) such Unit Owner's interest in his or her Unit and its Appurtenant Interests, unless otherwise provided by Law.

ARTICLE 5
OPERATION OF THE PROPERTY

Section 5.1. Determination of Common Expenses and Fixing of Common Charges.

(A) The Board shall, from time to time, but at least annually prepare a budget to meet the expenses of the Condominium, determine the amount of the charges payable by each Unit Owner and allocate and assess such common charges and expenses among the Unit Owners, pro-rata in accordance with their respective Common Interest or such different method of allocation as is set forth in the "Projected Budget for First Year of Condominium Operation," Schedule B to the Plan, or as is determined by the Board of Managers to reflect the exclusive use or availability or control of a particular Common

Elements or services provided by the Condominium. In addition, until the Units are separately assessed for real estate tax purposes, the Board will pay or cause to be paid all taxes with respect to the Property and allocate the cost thereof among all Units in proportion to each Unit's percentage of Common Interest as shown on Schedule A of the Offering Plan, and each Unit Owner will pay to the Board for his proportionate share thereof. Such payment shall be allocated as if it were a Common Charge.

(B) Copies of the estimated annual budget for each fiscal year shall be furnished by the Board to each Unit Owner not later than thirty (30) days prior to its adoption by the Board, and in no event later than thirty (30) days prior to the beginning of each fiscal year. On or before the first day of the first month and of each succeeding month of the year covered by the annual budget, each Unit Owner shall pay, as his respective monthly Common Charge, one-twelfth (1/12) of his proportionate share of the Common Expenses for such year as shown by the annual budget. In the event that the Board shall not approve an estimated annual budget or fail to determine new monthly Common Charges for any year, or shall be delayed in doing so, each Unit Owner shall continue to pay each month the amount of his respective monthly Common Charges as last determined. Each Unit Owner shall pay his monthly Common Charge on or before the first day of each month to the managing agent, or as may be otherwise directed by the Board. No Unit Owner shall be relieved of his or her obligation to pay his or her Common Charge by abandoning or not using his or her Unit or the Common Elements.

(C) For the first fiscal year, the annual budget shall be approved by the first Board. If such first fiscal year, or any succeeding fiscal year, shall be less than a full year, then the monthly Common Charge for each Unit Owner shall be proportionate to the number of months and days in such period covered by such budget. Commencing with the date of occupancy of his or her Unit, each Unit Owner shall pay his Common Charge for the following month or fraction of a month, which shall be in proportion to his respective ownership interest in the Common Elements and the number of months and days remaining of the period covered by the current annual budget, and which Common Charge shall be as computed by the Board.

(D) Within ninety (90) days after the end of each fiscal year covered by an annual budget, or as soon thereafter as shall be practicable, but in any event within one hundred twenty (120) days, the Board shall cause to be furnished to each Unit Owner a statement for such year so ended, prepared by an independent public accountant, showing an itemized accounting of the Common Expenses for the preceding year actually incurred and paid, together with a tabulation of the amounts collected pursuant to the budget or Common Charges and showing the net excess or deficit of income over expenditures plus reserves, and such other information as the Board shall deem desirable.

(E) In the event that during the course of any year, it shall appear to the Board that the monthly Common Charges, determined in accordance with the estimated annual budget for such year, are insufficient or inadequate to cover the estimated Common Expenses for the remainder of such year, or if there shall be any non-recurring Common Expenses or any Common Expenses not set forth in the annual budget as adopted, then the Board shall prepare and approve a supplemental budget covering the estimated deficiency

for the remainder of such year, copies of which supplemental budget shall be furnished to each Unit Owner, and thereupon a supplemental Common Charge shall be made to each Unit Owner for his proportionate share of such supplement budget, subject, nevertheless, to the following rules: Any nonrecurring Common Expense, any Common Expense not set forth in the budget as adopted, and any increase over the amount in the annual budget shall be separately charged against all Unit Owners.

(F) The excess of all rents, profits and revenues derived from the rental or use of any space forming part of, or included in, any Common Element remaining after the deduction of the expenses in connection therewith shall constitute income of the Unit Owners and be collected on behalf of the Unit Owners by the Board. Notwithstanding any provision contained in these By-Laws or in the Declaration to the contrary, in no event shall any rent, profit or revenue be derived from the rental or use of any floor slabs, ceilings or walls delineating or enclosing such space or the incidental use of any portion of any Common Elements appurtenant to such space.

Section 5.2. Liability for Common Charges: Liens.

(A) No Unit Owner shall be liable for the payment of any part of the Common Charges assessed against his or her Unit subsequent to a sale or other conveyance by him (made in accordance with these By-Laws) of such Unit together with its appurtenant interest in the Common Elements. Any Unit Owner may convey such Unit together with its appurtenant interest in the Common Elements to the Board or its designee, corporate or otherwise, on behalf of all Unit Owners, and, in such event, be exempt from Common Charges thereafter accruing, subject to the terms and conditions of these By-Laws and provided that (a) such Unit is free and clear of liens and encumbrances other than Permitted Mortgages and the statutory lien for unpaid Common Charges, and (b) no violation of any provision of the Declaration, these By-Laws or the Rules and Regulations then existing with respect to such Unit. However, in no event shall Sponsor or its designee be permitted to convey any Unsold Unit to the Board and thereby exempt itself from Common Charges attributable to such Unit thereafter accruing. A purchaser of a Unit shall be liable for the payment of Common Charges accrued and unpaid against such Unit, except that, to the extent permitted by law, a purchaser of a Unit at a foreclosure sale of a Permitted Mortgage (as hereinafter defined) shall not be liable for the payment of Common Charges accrued and unpaid against such Unit prior to the acquisition by said purchaser of such Unit. However, in the event of a foreclosure sale of a Unit by a Permitted Mortgagee, the owner of such Unit prior to the foreclosure sale shall remain liable for the payment of all unpaid Common Charges which accrued prior to such sale. Except to the extent prohibited by law, the Board, on behalf of all Unit Owners, shall have a lien on each Unit for unpaid Common Charges, together with interest thereon, assessed against such Unit.

(B) All liens provided for in Section 5.2(A), to the extent permitted by applicable law, shall be subordinate to a lien created by (i) any mortgage placed on any Unit by a Permitted Mortgagee and; (ii) open real estate taxes on the Unit.

Section 5.3. Collection of Common Charges. The Board shall take prompt action to collect any Common Charges due to the Board, including, but not limited to, the institution of such actions for the recovery of interest and expenses as provided in Article 6.4.

Section 5.4. Default in Payment of Common Charges. In the event that any Unit Owner shall fail to make prompt payment of Common Charges, such Unit Owner shall be obligated to pay a penalty charge equal to ten (10%) percent of the outstanding charge, 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 aforementioned lien, including, without limitation, reasonable attorneys' fees and disbursements and court costs. In addition, if the Condominium Board shall bring an action to foreclose the aforementioned lien, the defaulting Unit Owner shall be required to pay a reasonable rental for the use of his or her Unit, and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. All such interest, costs and expenses and rentals shall be added to and shall constitute Common Charges payable by such Unit Owner.

Section 5.5. Foreclosure of Liens for Unpaid Common Charges. In any action brought by the Board to foreclose a lien on a Unit because of unpaid Common Charges, the Unit Owner shall be required to pay a reasonable rental for the use and occupancy of his or her Unit and the plaintiff in such foreclosure action shall be entitled to the appointment, without notice, of a receiver to collect the same. The Board, acting on behalf of all Unit Owners, shall have the power to purchase 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 interest appurtenant to such Unit). A suit to recover a money judgment for unpaid Common Charges shall be maintainable without foreclosing or waiving the lien securing such charges. If the net proceeds received on such foreclosure (after deduction of all legal fees, advertising costs, brokerage commissions and other costs and expenses incurred in connection therewith) are insufficient to satisfy the defaulting Unit Owner's obligations, such Unit Owner shall remain liable for the deficit.

Section 5.6. Statement of Common Charges. The Board shall promptly provide any Unit Owner who so requests with a written statement of all unpaid Common Charges due to it from such Unit Owner. The Board may establish a reasonable charge for issuance of such statement.

Section 5.7. Insurance. If the same shall be obtainable, the Condominium Board shall obtain, and shall maintain in full force and effect, fire insurance policies with all risk extended coverage, vandalism and malicious mischief endorsements, insuring 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 or any furniture, furnishings, decorations, belongings, or other personal property supplied or installed by Unit Owners or the tenants of Unit Owners) and covering the interest of the Condominium, the Condominium Board, all of the Unit Owners and all Permitted Mortgagees, as their interests may appear. Duplicate originals or certificates of all such policies and of all renewals thereof, together with proof of payment of premiums, shall be

sent to all Unit Owners and Permitted Mortgagees at least ten days prior to the expiration of the then current policies. 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 5.7 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 5.7 hereof; and

(iv) a provision that such policy may not be either cancelled or substantially modified except upon at least ten days' prior written notice to all of the insureds, including all Permitted Mortgagees.

(v) The Condominium Board shall also obtain and maintain, to the extent practical:

(a) comprehensive 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 (w) the Condominium Board and each member thereof, (x) the Managing Agent or manager (if any), (y) each officer and employee of the Condominium and (z) each Unit Owner (except, however, that such insurance shall not cover any liability of a Unit Owner arising from occurrences within his or her own Unit);

(b) rent insurance (if applicable);

(c) workmen's compensation and New York State disability benefits insurance;

(d) boiler and machinery insurance; and

(e) such other insurance as the Condominium Board shall from time to time determine.

(vi) Each of the aforementioned policies of insurance shall also cover cross-liability claims of one insured against another.

(vii) 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:

(a) 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 eighty percent of the full replacement cost of the Building, exclusive of excavation and foundations, without deduction for depreciation, as approved by a fire insurance company, a qualified insurance broker, or another qualified source;

(b) with respect to insurance policies maintained by the Condominium Board pursuant to subparagraph (i) of paragraph (a) hereof, such policies shall contain single limits of not less than Five Hundred Thousand ($500,000.00) dollars in the aggregate until the first regular meeting of the first Condominium Board elected by the Unit Owners; and

(c) 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.

The cost of all insurance maintained by the Condominium Board pursuant to this Section 5.7, 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 Condominium Board as a Common Expense.

Unit Owners shall not be prohibited from carrying other insurance for their own benefit, provided that all such policies shall contain waivers of subrogation and further provided 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.

The Board shall be required to give written notice to each Unit Owner of insurance maintained by the Board against loss or damage by fire and such other hazards as may be required, and of any change therein or termination thereof.

Section 5.8. Maintenance and Repairs. Except as otherwise provided in the Declaration or in these By-Laws, all painting, decorating, maintenance, 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, ceilings and floors in the Unit, kitchen and bathroom fixtures and appliances, windows and their frames, sills and sashes, interior face of all doors (entrance and Terrace or patio, if any) and their frames and saddles, exposed plumbing, gas and heating fixtures, shall be performed by the owner of such Unit at such Unit Owner's cost and expense; and

(ii) in or to the Common Elements shall be performed by the Condominium Board as a Common Expense.

(iii) However, if any work is necessitated by any condition or occurrence in the individual Unit, such Unit Owner shall be liable for such costs which are not paid by the insurance carrier. Promptly upon obtaining knowledge thereof, each Unit Owner shall report to the Condominium Board or to the Managing Agent any defect which the Condominium Board is responsible pursuant to the terms thereof. 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.

(iv) Notwithstanding anything to the contrary provided in Section 5.8, however, the exterior glass surfaces of all windows of each Unit are to be washed and cleaned by the owner of such Unit at such Unit Owner's sole cost and expense. In addition, if any painting, decorating, maintenance, or replacements to the Property or any part thereof, whether structural or non-structural, ordinary or extraordinary, is 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 Board as a Common Expense, 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 or repair his or her Unit or any portion thereof as required herein.

(v) Each Unit and all portions of the Common Elements shall be kept in first-class condition and order (and free of snow, ice and accumulation of water with respect to any Terrace, patio, roof, 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. In addition, the public areas of the Building and those areas exposed to public view shall be kept in good appearance, in conformity with the dignity and character of the Building, by (i) the 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 and exterior surfaces of Terraces, patios, windows and shades, venetian or other blinds, drapes, curtains or other window decorations in or appurtenant to his or her Unit.

Section 5.9. Violations of Maintenance Obligations. If any Unit Owner, after receipt of written notice from the Board, fails or neglects in any way to perform any obligations of his or her with respect to the painting, decorating, maintenance, repair or replacement of his or her Unit as provided in this Article, or of any Common Element for which such Unit Owner is responsible under the Declaration or these By-Laws, the Board may perform or cause to be performed such painting, decorating, maintenance, repairs or replacements unless such Unit Owner, within five (5) days after receiving notice of such default by the Board, cures such default, or in the case of 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, repairs or replacement in such Unit Owner's Unit shall be immediately payable by such Unit Owner to the Board and shall, for all purposes hereunder, constitute Common Charges payable by such Unit Owner.

Section 5.10. Alterations, Additions, or Improvements in and to Units.

Each Unit Owner shall have the right to:

(i) paint and decorate his or her Unit, install floor coverings, repair or replace appliances, kitchen fixtures and bathroom fixtures within his or her Unit, without the prior consent of Sponsor or the Board of Managers, except that in the case of removing or delivering large items in or to the Building, such Unit Owner must give prior notice to the Managing Agent;

(ii) make alterations, additions, or improvements in the interior of his or her Unit provided such conforms to the Property's Certificate of Occupancy;

(iii) make alterations, additions, or improvements in the interior of to any part of the property allocated to his or her Unit;

(iv) change the layout of his or her Unit, excluding modification of structural walls or make any change that require a building permit without the consent of Sponsor and the board of Managers, after sponsor no longer owns any Unsold Units; provided, however, that, with respect to any such alteration, addition, improvement or change in, to, of or upon a Unit:

(a) no physical modification shall be made to any other Unit, and the Common Interest 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;

(b) the Unit Owner shall agree to hold the Condominium Board and all other Unit Owners harmless from any liability arising therefrom;

(c) such alteration, addition, improvement or change shall not jeopardize the soundness or structural integrity of any part of the Building or the safety of any tenant or other persons at the Property. In the event that any Unit is subdivided, the subdivided Units shall jointly exercise and share the vote allocated to the original Unit. Prior to, and as a condition of, the granting of any such approval, the Condominium Board may, at its sole option, require the Unit Owner to procure and agree to maintain during the course of such work such insurance as the Condominium Board may reasonably prescribe and to execute an agreement, in form and substance satisfactory to the Condominium Board, setting forth the terms and conditions under which such alteration, addition, improvement, or repair may be made, including, without limitation, the indemnity referred to in paragraph (ix) of this Article hereof and the days and hours during which any such work may be done;

(v) other than it pertains to (i) above, a Unit Owner planning any other work to the interior of his or her Unit must first obtain the written approval of Sponsor as long as Sponsor owns one (l) Unsold Unit or until the issuance of a permanent Certificate of Occupancy for the Building is obtained. After Sponsor no longer owns any Unsold Units in the Building and the permanent Certificate of Occupancy for the Building has been issued, the Unit Owner must first seek approval from the Board of Managers;

(vi) all alterations, additions, and improvements by Unit Owners shall be made in compliance with laws. 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 (but other than that of the nature described in paragraphs (i), (ii) and (iii) of this Section 5.10), the same was approved by Sponsor or Condominium Board pursuant to the terms of paragraph (viii) hereof. All professional fees and expenses incurred by the Board of Managers in connection with review and/or approval of all alterations shall be borne exclusively by the Unit Owner proposing such alteration. The Unit Owner shall produce and deliver a set of building plans to the Board of managers stamped and perforated by the Buildings Department, a copy of the construction contract and proof of the contractor’s license and insurance;

(vii) a Unit Owner whose Unit includes a Terrace or balcony must comply with all local laws and ordinances concerning the type and weight of planters, landscaping features and structures erected or installed in such Terrace. No such planter, fixture or structure may be placed on the Terrace which may impair the structural integrity of the waterproofing ability of the Terraces, roof membranes and flashing systems of the Terraces or which imposes weight exceeding the recommended weight of the roof manufacturer or installer. No Terrace may be enclosed nor may any structure, component, antenna be attached to a roof, Terrace or parapet. Sponsor or its principals or its designee are not subject to the foregoing requirements;

(viii) neither the Condominium Board nor any Unit Owner (other than the Unit Owner(s) making any alterations, improvements, additions, or repairs, or causing any of the same to be made, in or to his, her or their Unit(s)) shall incur any liability, cost, or expense either (i) in connection with the preparation, execution, or submission of the applications referred to in paragraph (ix) hereof; (ii) to any contractor, subcontractor, materialman, architect, or engineer on account of any alterations, improvements, additions, or repairs made or asserting any claim for personal injury or property damage arising therefrom. Any Unit Owner(s) making any alterations, improvements, additions, or repairs, or causing any of the same to be made, in or to his, her or their Unit(s) 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, and the Managing Agent and all other Unit Owners harmless from and against any such liability, cost and expense.

Section 5.11. 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 Common Expense. Notwithstanding the foregoing, however, whenever the cost and expense of any such alterations, additions, or improvements would, in the judgment of the Condominium Board, exceed Twenty Thousand ($20,000.00) dollars in the aggregate in any calendar year, such proposed alterations, additions, or improvements shall not be made unless first approved by all of the Unit Owners at a duly constituted meeting of the Unit Owners 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 Twenty Thousand ($20,000.00) dollars or less in the aggregate in any calendar year may be made as aforesaid without the approval of either the Unit Owners or any Mortgage Representatives.

Section 5.12. Casualty or Condemnation.

(i) In the event that either (i) the Building or any part thereof is damaged or destroyed by fire or other casualty (hereinafter referred to as a "Casualty Loss") or (ii) the Common Elements or any part thereof is taken in condemnation or by eminent domain (hereinafter referred to as a "Taking"), the net insurance proceeds payable under the insurance policies maintained by the Condominium Board pursuant to the applicable terms of Section 5.12 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 to the Condominium Board. In either instance, all such monies actually received (hereinafter referred to as the "Trust Funds") shall be held in trust for the benefit of all Unit Owners and their Permitted Mortgagees and shall be disbursed pursuant to the terms of this Section 5.12. Notwithstanding anything to the contrary contained either in this paragraph (i) or elsewhere in this Section 5.12, however, no Unit Owner whose Unit, or any portion thereof, is 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 he or she may have to pursue a separate claim against the condemning authority by reason thereof.

(ii) Subject to the terms of paragraph (i) above, the Condominium Board shall arrange for the prompt repair or restoration (hereinafter referred to as the "Casualty 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 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 Element affected by such Taking. 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. In addition, each Unit Owner whose Unit, or any portion thereof: shall be the subject of all or part of any Casualty Work shall have the right, subject to the terms of applications provisions of Section 5.12 hereof, to supervise any redecorating of his or her Unit.

(iii) In the event that Casualty Work shall be performed pursuant to the terms of paragraphs (i) and (ii) of this Section, the Condominium Board or the Insurance Trustee, as the case may be, shall disburse the Trust Funds to the contractors engaged in the Casualty Work in appropriate progress payments. If the Trust Funds shall be less than sufficient to discharge the cost and expense of performing the Casualty 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, and all proceeds of such Special Assessment shall become part of the Trust Funds. However, if the insurance proceeds are not sufficient to discharge the cost and expense of performing any work attributable to any part of the Building which is not a "Common Element", such cost and expense must be paid by the owner or owners of the Units or Limited Common Element which were damaged, and no special assessment may be levied against the Unit Owners. If, conversely, the Trust Funds shall prove to be more than sufficient to discharge the cost and expense of performing the Casualty Work, such excess shall be paid to the Unit Owner of the damaged Unit, except that no payment shall be made to a Unit Owner until there has first been paid, out of said 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 (iii) 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 Casualty Work, any portion of the Trust Funds remains 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, free of any claim of any lienor (including, without limitation, any Permitted Mortgagee).

In the event that the damages are caused to both a Unit and Common Elements, the Condominium Board shall retain the services of an insurance adjuster to

determine the amount of damages caused separately by the Unit and Common Element and all the underpayment s and overpayments shall be subject to provisions in this paragraph.

(iv) If either seventy-five (75%) percent or more of a Building is destroyed or substantially damaged by fire or other casualty or seventy-five (75%) percent or more of the Common Elements are taken in a Taking, the Casualty Work shall not be performed unless seventy-five (75%) percent or more of the Unit Owners of the Building shall promptly resolve to proceed with the same. In the event that a sufficient number of Unit Owners shall so resolve, the Casualty Work shall be performed pursuant to the terms of paragraphs (ii) and (iii) hereof. Conversely, in the event that a sufficient number of Unit Owners shall either fail or refuse to so resolve, the Casualty 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 Interests, 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 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.

(v) 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 (iv) hereof, the Common Interest appurtenant to such Unit shall be adjusted in the proportion that the total floor area of such Unit after such Taking bears to the total floor area of such Unit prior to such Taking. The Condominium Board shall promptly prepare and record an amendment to the Declaration reflecting the new Common Interest 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). In either event, the Common Interests of the other or remaining Units shall be adjusted accordingly and reflected in an amendment to the Declaration duly executed and acknowledged by the Condominium Board and the owners of, together with the holders of record of all liens upon, all of the other or remaining Units.

(vi) As used in this Section, the terms:

a. “prompt repair or restoration” shall mean that the Casualty Work is to be commenced not more than sixty (60) days after the date on which the Condominium Board has received the Trust Funds, whether or not the same are sufficient to discharge the cost and expense of the Casualty Work; and

b. “promptly resolve” shall mean that a resolution shall be duly made not more than sixty days after the date on 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 Casualty Work, as the case may be.

(vii) Any dispute that may arise under this Section between Unit Owners or between any Unit Owner(s) and the Condominium Board shall be resolved by arbitration pursuant to the terms of Article 9 hereof.

Section 5.13. Structural Alterations, Additions, Improvements and Repairs of Units and Appurtenant Limited Common Elements.

(i) Except as otherwise provided in the Declaration, no Unit Owner shall make any structural alteration, addition, improvement or repair in or to his or her Unit or appurtenant Limited Common Elements without the prior written approval of the Board. Under no circumstances, shall any alteration to or penetration of ceilings in a Unit be made without the prior written approval by the Board of Managers. The Board shall have the obligation to answer any written request by a Unit Owner for approval of a proposed structural alteration, addition or improvement in or to such Unit Owner's Unit or appurtenant Limited Common Elements within sixty (60) days after such request is received, and the failure to do so within the stipulated time shall constitute the Board's consent to the proposed alteration, addition or improvement. Prior to, and as a condition of, the granting of its consent to the making of a structural alteration, addition or improvement in or to a Unit or appurtenant Limited Common Elements, the Board may, at its option, require the Unit Owner to execute an agreement in form and substance satisfactory to the Board setting forth the terms and conditions under which such alteration, addition or improvement may be made, including, without limitation, the days and hours during which any work may be done.

(ii) All structural alterations, additions and improvements by Unit Owners shall be made in compliance with all laws, rules, ordinances and regulations of all governmental authorities having jurisdiction thereof. A Unit Owner making or causing to be made any structural alteration, addition or improvement shall agree, and shall be deemed to have agreed, to hold the Board and all other Unit Owners harmless from any liability arising therefrom.

(iii) Any application to any department of the City of New York or to any other governmental authority having jurisdiction thereof for a permit to make a structural alteration, addition or improvement in or to any Unit or appurtenant Limited Common Elements so approved by the Board shall be executed by the Board, provided that the Board shall not incur any liability, cost or expense in connection with such application to any contractor, subcontractor, materialman, architect or engineer on account of such addition, alteration or improvement, or to any person having any claim for injury to person or damage to property arising therefrom.

(iv) The foregoing restrictions of this Section shall not apply to Sponsor-Owned Units or its appurtenant Limited Common Elements. If not prohibited by the New York Condominium Act, Sponsor or its designee shall have the right, without the consent or approval of the Board, other Unit Owners or the Permitted Mortgagee to (a) make alterations, additions or improvements, structural and non-structural, interior and exterior, ordinary and extraordinary, in, to, and upon any Unit or its appurtenant Limited Common Elements owned by it (including, without limitation, the removal of walls, floors, ceilings and other structural

portions of the Building), (b) subdivide any Unit and its appurtenant Limited Common Elements owned by it into separate Units along with separate appurtenant Limited Common Elements and combine Units and its appurtenant Limited Common Elements (including those resulting from such subdivision or otherwise) into one or more Units along with its combined appurtenant Limited Common Elements, (c) incorporating into any Unsold Unit any of the Common Elements (whereupon any such Common element shall be deemed to be a Limited Common Element, including, but not limited to, hallway space, provided only that access to any other Unit on the floor is not materially impaired; and (d) alter the boundary walls between Units and its appurtenant Limited Common Elements, provided, however, that in each instance, Sponsor or its designee (as the case may be) shall comply with all laws, rules, ordinances and regulations of all governmental authorities having jurisdiction thereof, and agrees, and shall be deemed to have agreed, to hold the Board and all other Unit Owners harmless from any liability arising therefrom. Sponsor or its designee shall not be required to enter into the agreement with the Board referred to in the last sentence of Section 5.13(i) in connection with any said alteration, addition or improvement. Some of Sponsor's alterations, additions or improvements permitted hereunder may result in the interruption of certain Building wide services for a period of time. Sponsor shall have the right to perform such work at such times and hours as shall be determined by Sponsor.

(v) At the request of Sponsor, the Board will execute any application or other document required to be filed with the City of New York or any other governmental authority having or asserting jurisdiction in connection with any such structural addition, alteration or improvement made by Sponsor to any Unit, provided, however, that the Board and the Unit Owners shall incur no liability, cost or expense in connection with such application or document or to any contractor, subcontractor, materialman, architect or engineer on account of such addition, alteration or improvement, or to any person having any claim for injury to person or damage to property arising therefrom. If the Board fails to promptly execute any such documents, Sponsor may execute such documents on behalf of the Board.

Section 5.14. Alterations, Additions or Improvements to Common Elements. Except as otherwise provided in the Declaration or these By-Laws, all alterations, additions or improvements in or to any Common Elements shall be made by the Board and the cost and expense thereof shall be charged either to all Unit Owners as a Common Expense or to the Unit Owner responsible therefore, as the case may be. Whenever in the judgment of the Board, the cost to the Board of any such alteration, addition or improvement would exceed Fifty Thousand ($50,000.00) dollars in the aggregate in any calendar year, then such proposed alteration, addition or improvement shall not be made unless first approved by a majority of the Unit Owners who shall be required to bear the cost and expense thereof as aforesaid, if any. Except as otherwise provided in the Declaration or these By-Laws, all such alterations, additions or improvements costing in the aggregate Fifty Thousand ($50,000.00) dollars or less in any calendar year may be made as aforesaid without the approval of the Unit Owners.

Section 5.15. Expansion of Certain Common Elements.

(i) If, pursuant to any of the provisions of these By-Laws, any consent by the Board or any Unit Owner is required as a condition precedent to any alternation, addition or improvement to any Common Element (collectively sometime referred to in this Section 5.15 as an "Expansions"), proposed to be made by Sponsor or the Board (collectively sometimes referred to herein as the "Proponent"), such consent shall not be unreasonably withheld or delayed by Sponsor or the Board (referred to in this Section 5.15 as the "Opposing Party") whose consent is so required. The Proponent shall give to the Opposing Party notice setting forth in reasonable detail the material aspects of such proposed Expansion. If the Opposing Party does not give notice of any objection to the Proponent within thirty (30) days after the Proponent gives its notice, then the Opposing Party shall be deemed to have consented to the making of the proposed Expansion. If the Opposing Party does give notice of objection (which notice of objection shall set forth in reasonable detail the specific objections of the Opposing Party) within such thirty (30) day period and the Proponent considers such objection unreasonable, then the Proponent may submit to Arbitration the question of whether or not the Opposing Party unreasonably withheld consent. If in such Arbitration it is determined that the Opposing Party unreasonably withheld its consent, the Proponent may make the proposed Expansion. In no event shall any arbitrator in such Arbitration determine that the Opposing Party reasonably withheld its consent to such proposal if (a) the Proponent makes or causes to be made reasonable provisions for the costs and expenses of the Expansion to be paid by it, and stipulates that no costs and expenses for maintaining and repairing such Expansion after its completion will be charged to the Opposing Party; (b) the proposed Expansion would not unreasonably or unnecessarily interfere with the use and enjoyment of the Owners, tenants and occupants of those Units affected by the Expansion; (c) the proposed Expansion would not materially weaken the structure of the Building; and (d) the proposed expansion does not violate any governmental or other restrictions.

(ii) Nothing contained in this Section 5.15 shall in any way be deemed to limit either (a) the Proponent's right to modify any proposal made by it thereunder in such a manner as the Proponent believes will meet the objections of the Opposing Party or any arbitrator, or (b) any other party's right, pursuant to the other applicable provisions of these By-Laws or the Declaration or make any Expansion to a Common Element without the Opposing Party's approval.

Section 5.16. <u>Use of the Property</u>.

(i) No nuisance shall be allowed on the Property, nor shall any use or practice be allowed that either is a source of annoyance to its residents or occupants or interferes with the peaceful possession or proper use of the Property by its residents or occupants or that interferes with the peaceful possession or proper use of the Property by its residents or any portion thereof. 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 full cost and expense of the respective Unit Owners or the Condominium Board, whoever shall have the obligation to maintain or repair such part of the Property.

(ii) 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 written consent of Sponsor as long as Sponsor owns one unsold Unit or the Condominium Board. 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. Nothing shall be done in any Unit or in, on or to the Common Elements that will impair the structural integrity of the Property or that will structurally change the Building, except as is otherwise provided in the Declaration or in these By-Laws. In no event shall interior partitions contributing to the support of any Unit or the Common Elements be altered or removed.

Section 5.17. Restrictions on Use of Units.

In order to provide for congenial occupancy of the Property and for the protection of the values of the Units, the use of the Property shall be restricted to, and shall be in accordance with, the following provisions:

(i) Each Unit shall be used as a residence only, except as otherwise herein expressly provided. A Unit may be owned by an individual, corporation, partnership, fiduciary or any other entity, and may only be occupied by (a) the individual Unit Owner (or members of his family or guests), (b) an officer, director, stockholder or employee of such corporation (or members of his family or guests), (c) a partner or employee of such partnership (or members of his family or guests), or (d) the fiduciary or beneficiary of such fiduciary (or members of his family or guests), or (e) a principal or employee or such other entity (or members of his family or guests), as the case may be. Unless otherwise consented to by the Board or Sponsor, occupants of a leased Unit must be (A) an individual lessee (or members of his family or guests), (B) an officer, director, stockholder or employee or a corporate lessee (or members of his family or guests), (C) a partner or employee of a partnership lessee (or members of his family or guests), (D) a fiduciary or beneficiary of a fiduciary lessee (or members of his family or guests). "Members of his family" or words of similar import, whenever used herein, shall be deemed to mean spouse, parents, parents-in-law, brothers, sisters, children and grandchildren, and nothing contained herein shall be deemed to prohibit the exclusive occupancy of any Unit by such family members or guests. Notwithstanding the foregoing, the Board may consent to occupancy of a Unit by persons other than those set forth above. If permitted by applicable laws and governmental regulations, and not in violation of the then existing Certificate of Occupancy covering a Unit, and with the prior written consent of Sponsor or the Board, which consent shall be in writing and be personal to such Unit Owner, a Unit Owner may use the Unit for professional offices (e.g., accounting or legal practice), real estate brokerage, for a fine arts studio, for the business or private teaching of not more than four (4) persons, provided, however, that if musical instruction is to be given, only one (1) student may be taught at any time, and for any other lawful purpose. In addition, the number of permitted employees is restricted to one (1) secretary or assistant.

(ii) No portion of a Unit (other than the entire Unit) may be sold, conveyed, leased or subleased and Units may not be rented on a transient basis.

(iii) Notwithstanding the provisions of Section 5.16, Sponsor may, without the permission of the Board, use any Unsold Unit as models and sales and/or promotion offices in connection with the sale or rental of the Units, as a professional office or for any other purpose, subject only to compliance with applicable governmental laws and regulations.

Section 5.18. Use of Common Elements. Subject to the terms of these By-Laws and as provided in the Rules and Regulations of the Condominium, 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. The lobbies, vestibules, public halls, stairways and shall be used only for normal passage through them. Accordingly, all Unit Owners shall require their tradesmen to utilize exclusively the entrance designated by the Condominium Board for transporting packages, merchandise, or other objects. 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 other than the areas designated as storage areas without the prior consent of the Board. The lobbies, vestibules, public halls, stairways and public elevators shall be used only for normal passage through them. The provisions of Section 5.18 shall not apply to Sponsor so long as there are any Unsold Units, provided, however, that no such party shall use such Common Elements in such a manner as will unreasonably interfere with the use of the other Units for their permitted purposes.

Section 5.19. Use of the Limited Common Elements. The cost of maintenance, repair and replacement of Limited Common Elements shall be borne by the Unit Owner having the exclusive or shared use thereto if such Unit Owner or other person for whom he/she is legally responsible for has caused damage thereto. In the event that the damage caused to a Limited Common Element was not brought about by the Unit Owner having exclusive or shared right thereto or such other person for whom s/he is legally responsible for, than the Condominium Board shall be responsible for the cost of such maintenance, repair and replacement, if so necessary. The provisions of Section 5.19 shall not apply to Sponsor so long as there are any Unsold Units, provided, however, that no such party shall use such Common Elements in such a manner as will unreasonably interfere with the use of the other Units for their permitted purposes.

Section 5.20. Rules and Regulations. Annexed hereto as Schedule A and made a part hereof are rules and regulations ("Rules and Regulations") concerning the use of the Units and Common Elements. The Condominium Board shall have the right to amend, modify, add to or delete any of the Rules and Regulations from time to time, provided, however, that any such amendment, modification, addition, or deletion may be overruled by the vote of sixty-six and two-thirds (66-2/3%) percent of the Unit Owners. Copies of the text of any amendments, modifications, additions, or deletions to the Rules and Regulations shall be furnished to all Unit Owners not less than thirty (30) days prior to the effective date

thereof. While Sponsor owns at least one (1) Unsold Unit, no regulations or amendments thereto or restriction to the tights reserved to Sponsor in the Declaration or By-Laws or the Rules and Regulations shall be applicable to Sponsor or its designee unless agreed to by Sponsor or its designee in writing.

Section 5.21. Real Estate Taxes, Water Charges and Sewer Rents.

(i) Water for the Building shall be supplied by the City of New York. Unless and until real estate taxes, water charges and sewer rents are billed directly to Unit Owners by the City Collector, the Condominium Board shall promptly pay such taxes, charges and rents as a Common Expense and the Unit Owners shall be required to pay the Board, as a Common Charge, for their proportionate share of such taxes, charges and rents. However, the Condominium Board shall have the right, exercisable in its sole discretion to require the installation of sub-meters to determine the consumption of water by each Unit. In the event of a proposed sale of a Unit, the Condominium Board (for so long as the Condominium Board is still paying such real estate taxes, water charges and sewer rents) 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 taxes, charges and rents affecting such owner's Unit to the date of the closing of title to such Unit.

(ii) Both hot and cold water is provided to the Units and the cost of such service is included to the Owners in the Common Charges for the Building.

(iii) Condenser water will be supplied to all of the Units to service their HVAC Units. The cost of supplying the condensed water is included in the Common Charges for the Building.

Section 5.22. Gas. Gas is supplied by National Grid for cooking and domestic hot water heaters. Natural gas is supplied to each Unit and connected to burners via shut-off valves. Natural gas is metered through common shared meters in the Building, shared by all Units. The gas meters are located in the cellar.

The cost of gas service through these meters will be divided among all Units according to their proportionate share of Common Elements allocated to those Units.

Section 5.23. Electricity. Consolidated Edison Company, Inc. will provide electricity to the Condominium. Each Unit will be separately metered for electricity. Each Unit Owner will pay the cost of electricity consumed in his or her Unit directly to the utility company and same is not included in the Common Charges.

Section 5.24. Utilities Serving the Common Elements. The cost and expense of water, electricity and gas serving or benefiting any Common Element or Limited Common Element, if any, shall be (a) deemed part of the expense of maintaining such Element, (b) determined by the Board; and (c) charged to the Unit Owners as a Common Expense or to the Units or Units benefiting from such service.

Section 5.25. Abatement and Enjoinment of Violations by Unit Owners.

(i) The violation of any of the Rules and Regulations or the breach of any By-Law contained herein, or the breach of any provision of the Declaration, shall give the Board the right, in addition to such other rights set forth in these By-Laws, (a) to enter any Unit or Common Element 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, the Board not thereby to be deemed guilty or liable in any matter of trespass, and (b) to enjoin, abate or remedy by appropriate legal proceedings either at law or in equity, the continuance of any such violation or breach.

(ii) The violation or breach of any of the provisions of these By-Laws, any of the Rules and Regulations, or the Declaration with respect to any rights, easements, privileges, or licenses granted to Sponsor shall give to Sponsor the right, in addition to any other rights set forth in these By-Laws or the Declaration, to enjoin, abate, or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such violation or breach.

Section 5.26. Rights of Access.

(i) Each Unit Owner shall grant a right of access to his or her Unit to the Board, the managing agent, manager, superintendent and/or any other person authorized by any of the foregoing for the purpose of making inspections of, or for the purpose of removing violations noted or issued by any governmental authority against, the Common Elements, or any other part of the Property, or for the purpose of curing defaults hereunder or under the Declaration or Rules and Regulations by such Unit Owner or correcting any conditions originating in his or her Unit and threatening another Unit or any part of the Common Elements, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other portions of the Common Elements within his or her Unit or elsewhere in the Building, or for the purpose of reading, maintaining or replacing utility meters relating to the Common Elements, his or her Unit or any other Unit in the Building or to correct any condition that violates the provisions of any Permitted Mortgage covering another Unit, provided that requests for such entry are made not less than one day in advance and that any such right shall be exercised in such a manner as will not unreasonably interfere with the use of the Units for their permitted purposes. In case of an emergency (i.e., a condition requiring repairs or replacements immediately necessary for the preservation or safety of the Building or for the safety of occupants of the Building, or other persons, or required to avoid the suspension of any necessary service in the Building), such right to entry shall be immediate, without advance notice, whether or not the Unit Owner is present. For purposes of this Section 5.26(A), each Unit Owner shall grant to the Condominium Board a right of access to his or her Unit and the Condominium Board shall grant rights of access to the Common Elements, provided that access thereto shall not be exercised with respect to any Unit in such a manner as will unreasonably interfere with the use of such Unit for its permitted purposes.

(ii) Except in cases of emergency (that is, a condition requiring repairs or replacements 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 one day's advance notice and only in such a manner as will not unreasonably interfere with the use of the Units 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.

(iii) A right of access is hereby granted to the Unit Owners, their successors, heirs and assigns, for the purpose of gaining access to the following areas: common areas; mechanical areas of the Building, including but not limited to the boiler room, storage room, meter room or any other facility to which each such Unit Owner has a right of use; or to any area of the property that such Unit Owner has a right to use as part of his or her Unit or as a Common Element. However, the right shall only be exercised in a reasonable manner.

(iv) A Unit Owner shall grant a right of access to his or her Unit, and the Board shall grant rights of access to the Common Elements, to Sponsor and its contractors, subcontractors, agents and employees, for the purposes of fulfilling Sponsor's obligations as set forth in the Offering Plan, provided that access thereto shall be exercised in such a manner as will not unreasonably interfere with the use of the Unit for its permitted purposes. To the extent that the Board or any Unit Owner fails to permit Sponsor and its agents, employees, servants and contractors access to any Unit or the Common Elements then Sponsor shall no longer have any obligation to complete any work in and to any Unit or the Common Elements, as the case may be. In addition, if Sponsor elects to enforce any rights it may have pursuant to the terms of these By-Laws, the Declaration or under the Plan then, Sponsor shall be entitled to recover the costs incurred by it (including legal fees) in enforcing Sponsor's rights from the Unit Owner or the Condominium whose conduct gave rise to the proceeding.

Section 5.27. Vault Charges. All license fees, and all periodic taxes and charges, for vaults or other protrusions beyond the Building line, if any, shall be paid by the Condominium Board as a Common Expense.

Section 5.28. Records and Audits.

(i) The Condominium Board, or the Managing Agent, shall keep full, detailed and accurate records with respect to the financial affairs of the Condominium, which records and books of account shall include, without limitation: (i) financial records and books of account with respect to the activities of the Board, including a listing of all receipts of and expenditures by the Condominium Board and the Managing Agent; (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; (iii) minutes of the meetings of the Board and (iv) minutes of the meetings of the Unit Owners.

(ii) Subject to the provisions of Article 5.1(D) hereof, within (4) four 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 by an independent accountant. The cost of preparing and distributing each such report shall be borne by the Unit Owners as a Common Expense.

(iii) Copies of the Declaration, these By-Laws, the Rules and Regulations and the Floor Plans, as the same may be amended from time to time, shall be maintained at the office of the Board and shall be available for inspection by Unit Owners and their authorized agents during reasonable business hours.

ARTICLE 6
COMMON CHARGES

Section 6.1. Determination of Common Expenses and Fixing of Common Charges. In addition to the provisions set forth in Section 5.1 above: generally, Common Charges are projected based on estimated usage and benefit derived from the units and allocated to Units based on Percent Common Interest. If in the future, the Board assesses additional expenses, other than the expenses set forth in the initial Budget of the condominium, each Unit shall bear the proportionate share of such expense(s).

(i) 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.

(ii) 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 2.4 hereof to levy Special Assessments to meet the Common Expenses. All Special Assessments shall be levied against all Unit Owners in proportion to their respective Common Interests and 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 fifteen (15) days' 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 6.4 hereof).

(iii) 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 Common Element remaining after

deduction of all expenses incurred in connection with generating the same shall constitute income of the Unit Owners and shall be collected on behalf of the Unit Owners by the Condominium Board and applied against the Common Expenses for the 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 Common Expenses for the next succeeding year(s) of operation, and 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. Notwithstanding any provision contained in these By-Laws or in the Declaration to the contrary, however, in no event shall any rent, profit, or revenue derived from the rental or use of any space in the Building be deemed to be derived from the rental or use of any floor slabs, ceilings, or walls delineating or enclosing such space or the incidental use of any portion of any Common Elements appurtenant to such space.

Section 6.2. Payment of Common Charges.

(i) All Unit Owners 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.

(ii) No Unit Owner shall be liable for the payment of any part of the Common Charges and any Special Assessments assessed against his or her Unit subsequent to a sale, transfer, or other conveyance by him or her 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 his or her acquisition thereof, except that, to the extent permitted by Law, a Permitted First Mortgagee acquiring title to a mortgaged Unit or a purchaser at a mortgage foreclosure sale held with respect to a Permitted First 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 First Mortgage and prior to the acquisition of title to such Unit by the Permitted First Mortgagee or by such purchaser. However, in the event of a foreclosure of a Permitted First 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. Any unpaid Common Charges and Special Assessments that are not

collected from such defaulting Unit Owner shall be deemed a Common Expense, collectible from all those who are Unit Owners at the time that the same is levied.

(iii) Subject to the terms and conditions contained in these By-Laws, any Unit Owner may convey his or her 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 therefore, and, in such event, be exempt from the payment of Common Charges and Special Assessments thereafter accruing, provided, however that: (a) all Common Charges and any Special Assessments then due and payable with respect to such Unit have been paid; (b) such Unit is free and clear of all liens and encumbrances other than a Permitted First Mortgage and the statutory lien for unpaid Common Charges and Special Assessments; and (c) no violation of any provision of the Condominium Documents then exists with respect to such Unit.

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 his or her Unit (except with respect to a conveyance of the same to the Condominium Board, without compensation), pursuant to the terms of paragraph (iii) hereof. Except as expressly provided to the contrary herein, 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: (a) the failure or interruption of any utility or other services; (b) the making of repairs or improvements to the Common Elements or any Unit (including, without limitation, such Unit Owner's Unit) pursuant to the terms of Sections 5.1, 5.2 or 5.3 hereof; or any action taken by the Condominium Board to comply with Law.

(iv) Any dispute that may arise under this Section between Unit Owners or between any Unit Owner(s) and the Condominium Board shall be resolved by arbitration pursuant to the terms of Article 9 hereof.

Section 6.3. Statement of Common Charges. The Condominium Board shall promptly provide a written statement of all unpaid Common Charges due from any Unit Owner upon its receipt of a written request therefore from such Unit Owner. In addition, each Unit Owner 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 6.4. Default In Payment of Common Charges.

(i) In the event that any party defaults in performing any act or making any payment which is that party's responsibility hereunder and said default is not cured within fifteen (15) days of written notice of said default, then the Condominium Board shall take prompt action to collect any Common Charges due to the Condominium Board that remains unpaid for more than thirty (30) days after the due date for the payment thereof. In connection therewith, the Condominium Board shall at its discretion or upon instruction by sponsor if sponsor is in control of the Board 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 399-z of the Condominium Act, to cause such liens to be foreclosed in the manner provided in Section 399-aa of the Condominium Act and/or to institute all other proceedings deemed necessary or desirable by the Condominium Board to recover a11 such unpaid Common Charges, together with all additional sums of money collectable by the Condominium Board by reason of such nonpayment pursuant to the terms of paragraph (ii) 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.

(ii) In the event that any Unit Owner shall fail to make prompt payment of Common Charges, such Unit Owner shall be obligated to pay a penalty charge equal to ten (10%) percent of the outstanding charge, 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 aforementioned lien, including, without limitation, reasonable attorneys' fees and disbursements and court costs. In addition, if the Condominium Board shall bring an action to foreclose the aforementioned lien, the defaulting Unit Owner shall be required to pay a reasonable rental for the use of his or her Unit, and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. All such interest, costs and expenses and rentals shall be added to and shall constitute Common Charges payable by such Unit Owner.

(iii) 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 sale 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.

(iv) Failure by Non-Occupying Owner to Make Payments on its Unit: Section 339-kk of the Real Property Law of the State of New York (the Condominium Act applies to all condominium plans in existence after July 22, 1998). It is intended to provide financial protection for a condominium association if a non-occupying owner fails to make monthly payments for its Units. The terms of Section 339-kk are as follows:

(v) For purposes of this section, a non-occupying owner means a condominium Unit owner who does not occupy the dwelling Unit. 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 60 days of the expiration of any grace period after they are due, the Condominium Board shall provide written notice to the tenant and the non-occupying owner that rental payments from the tenant shall be paid directly to the Condominium Board. Such notice shall provide that commencing immediately and until

such time as all such payments are made current, all rental payments due subsequent to the issuance of such notice are to be made to the Condominium Association at the address listed on the notice. However, where a majority of the Board of Managers has been elected by Unit Owners who are in occupancy, the Board may elect not to require that rental payments be made payable to the Condominium Board. When such payments from the non-occupying owner are once again current, written notice of this fact shall be given within 3 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 Board's claim to rental payments pursuant to Section 339-kk shall be entitled to present facts supporting such position at the next scheduled meeting of the Board of Managers, which must be held within 30 days of the date that such Board receives notice that such owner seeks to dispute such claim. Nothing in Section 339-kk shall limit any rights of Unit Owners or of the Condominium Board existing under any other law or agreement. Payment by a rental tenant to the Condominium Board made in connection with Section 339-kk 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.

ARTICLE 7
SELLING, LEASING AND MORTGAGING OF UNITS

Section 7.1. General. No Unit Owner may sell or lease his or her Unit except in compliance with, the applicable provisions of this Article 7. Any purported sale or lease consummated in default of 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 leasing 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 leasing) in the name of the said Unit Owner as the owner or landlord, as the case may be. The said Unit Owner shall reimburse the Condominium Board for all costs and expenses paid or incurred in connection with such proceedings, including, without limitation, reasonable attorneys' fees and disbursements and court costs.

Section 7.2. Payment of Common Charges and Assessments. No Unit Owner shall be permitted to convey or lease his or her Unit unless he or she shall have paid in full to the Condominium Board all unpaid Common Charges and Special Assessments, if any, heretofore assessed against such Unit and shall have satisfied all unpaid liens, other than that of Permitted Mortgages, levied against such Unit.

Section 7.3. 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 his or her title insurance company (or, if no such representative is present, to the Condominium Board) for recording in the Register's Office, the Unit Owner's Power of Attorney required in Article l5 of the Declaration, in the form set forth as **Exhibit D** to the Declaration.

Section 7.4. No Restrictions on Sponsor. Sponsor may freely rent, sell, assign or mortgage its Unsold Units without the consent of the Board of Managers, Unit Owners, the Managing Agent or any agent of the Condominium. This right shall not be subject to any amendment to the Condominium Documents for this Condominium as long as Sponsor and/or its designee owns at least one (1) Unsold Unit.

Section 7.5. Procedure to Sell or Lease.

(i) Any Unit Owner who receives a bona fide offer to (a) purchase his or her Unit together with its Appurtenant Interests in the Common Elements or (b) lease his or her Unit (such offer to purchase or lease a Unit, as the case may be, is called an "Outside Offer", the party making any such Outside Offer is called "Outside Offeror" and the Unit Owner to whom the Outside Offer is made is called an "Offeree Unit Owner"), which he intends to accept, shall give notice, together with a copy of a signed agreement between the Outside Offeror and the Offeree Unit Owner, by certified or registered mail to the Board, of the receipt of such Outside Offer. Said notice shall also state the name and address of the Outside Offeror, the terms of the proposed transaction and such other information as the Board may reasonably require. The giving of such notice of the Board shall constitute an offer by such Unit Owner to sell his or her Unit, together with its appurtenant interest in the Common Elements, or to lease his or her Unit to the Board, or its designee, corporate or otherwise, on behalf of all other Unit Owners, upon the same terms and conditions as contained in such Outside Offer and shall also constitute a representation and warranty by the Unit Owner who has received such Outside Offer, to the Board on behalf of all Unit Owners, that such Unit Owner believes the Outside Offer to be bona fide in all respects. The Offeree Unit Owner shall submit in writing such further information with respect thereto as the Board may reasonably request. Not later than thirty days after receipt of such notice together with such further information as may have been requested, the Board may elect, by sending written notice to such Offeree Unit Owner before the expiration of said thirty-day period, by certified or registered mail, to purchase such Unit together with its Appurtenant Interest in the Common Elements or to lease such Unit, as the case may be (or to cause the same to be purchased or leased), on behalf of all Unit Owners, upon the same terms and conditions as contained in the Outside Offer and as stated in the notice from the Offeree Unit Owner.

(ii) If the Board shall timely elect to purchase such Unit together with its Appurtenant Interests in the Common Elements or to lease such Unit, or to cause the same to be purchased or leased by its designee, corporate or otherwise, title shall close or a lease shall be executed at the office of the attorneys for the Board, in accordance with the terms of the Outside Offer, within forty-five (45) days after the giving of notice by the Board of its election to accept such offer. If, pursuant to such Outside Offer to purchase said Unit, the Outside Offeror was to assume or take title to the Unit subject to the Offeree Unit Owner's existing mortgage or mortgages, the Board may purchase the Unit and assume or take title to the Unit subject to said existing mortgage or mortgages, as the case may be. At the closing, the Offeree Unit Owner, if such Unit together with its Appurtenant Interests in the Common Elements is to be sold, shall convey the same to the Board, or to its designee, on behalf of all other Unit Owners, by deed in the form required by Section 339-o of the Real Property Law of the State of New York, with all tax and/or documentary stamps affixed at the expense of

such Unit Owner, who shall also pay all other taxes arising out of such sale. Real estate taxes (including water charges and sewer rents whether or not separately assessed, if applicable), mortgage interest, if any, and Common Charges shall be apportioned between the Offeree Unit Owner and the Board, or its designee, corporate or otherwise, as of the Closing Date. If such Unit is to be leased, the Offeree Unit Owner, as landlord, and the Board, or its designee, corporate or otherwise, as tenant, shall execute a lease covering such Unit for the rental and term contained in such Outside Offer.

(iii) If the Board or its designee shall fail to accept such offer within thirty (30) days after receipt of notice, as aforesaid, the Board shall be deemed to a have waived its right of first refusal, but such waiver shall only be effective if Common Charges through and including the date of closing of title to such Unit have been paid, and such Offeree Unit Owner may consummate the sale or lease to the Outside Offeror. In the event that the Offeree Unit Owner does not, within ninety (90) days following the expiration of said thirty (30) day period consummate the sale or lease of such Unit to the Outside Offeror, then, should such Offeree Unit Owner thereafter elect to sell such Unit together with its Appurtenant Interest in the Common Elements or to lease such Unit, as the case may be, the Offeree Unit Owner shall be required to again comply with all the terms and provisions of this Section 7.5.

(iv) Any deed to an Outside Offeror shall be deemed to provide that the acceptance thereof by the grantee shall constitute an affirmative acceptance and assumption of the provisions of the Declaration, these By-Laws and the Rules and Regulations, as the same may be amended from time to time.

(v) Any lease executed in connection with the acceptance of any Outside Offer to lease a Unit shall be consistent with these By-Laws and shall provide that it may not be modified, amended, extended or assigned without the prior consent in writing of the Board, that the tenant shall not assign his interest in such lease or sublet the demised premises or any part thereof without the prior consent in writing of the Board and that the Board shall have power to terminate such lease and/or to bring summary proceedings to evict the tenant in the name of the landlord thereunder, in the event of (i) a default by the tenant in the performance of his obligations under such lease or (ii) a foreclosure of the lien granted by Section 339-z of the Real Property Law of the State of New York.

(vi) Except as hereinbefore set forth or as may be approved by Sponsor, the form of any such lease executed by the Board or an Outside Offeror shall be the then current form of apartment lease recommended by the Managing Agent and shall contain such modifications as shall be approved in writing by the Board or Sponsor. Any lease executed by the Board as tenant shall provide that the Board may enter into a sublease of the Unit without the consent of the landlord. No Unit Owner shall lease his or her Unit on a transient basis. In addition, any such lease shall provide that the tenant under the lease shall, at the request of the Board, pay to the Board any amounts due under the lease on account of any sums that the Board claims are due and owing to the Condominium. No lease shall be for a period of which is less than six (6) months in order to avoid transient tenancies.

(vii) Any purported sale or lease of a Unit in violation of this Section 7.5 shall be voidable at the election of the Board, and if the Board shall so elect, the Unit Owner shall be deemed to have authorized and empowered the Board to institute legal proceedings to evict the purported tenant (in case of an unauthorized leasing), in the name of the said Unit Owner as the purported landlord. Such Unit Owner shall reimburse the Board for all expenses (including attorneys' fees and disbursements) incurred in connection with such proceedings

(viii) The foregoing restrictions of this Section 7.5 shall not apply to Unsold Units. Sponsor and its designees shall have the right freely to sell such Units or freely to lease all or any part thereof without first having to offer the same for sale or lease to the Board.

Section 7.6. Consent of Unit Owners to Purchase or Lease of Units by Condominium Board. The Board shall neither exercise any option hereinabove set forth to purchase or lease any Unit without the prior approval of a Majority of Unit Owners.

Section 7.7. No Severance of Ownership. No Unit Owner shall execute any deed, mortgage or other instrument conveying or mortgaging title to his or her Unit without including therein its Appurtenant Interests in the Common Elements, it being the intention to prevent any severance of such combined ownership. Any such deed, mortgage or other instrument purporting to affect one or more of such interests without including all such interests shall be deemed and taken to include the interest or interests so omitted even though the latter shall not be expressly mentioned or described therein. No part of the Appurtenant Interests in the Common Elements 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 in the Common Elements of all Units.

Section 7.8. Release by Condominium Board of Right of First Refusal. The right of first refusal contained in Section 7.5 may be released or waived by the Board only in the manner provided in Section 7.5(iii). In the event the Board shall release or waive its right of first refusal as to any Unit, such Unit together with its Appurtenant Interests in the Common Elements may be sold, conveyed or leased, free and clear of the provisions of 7.5, except that such release or waiver shall only be effective if Common Charges through and including the date of closing of title to such Unit have been paid.

Section 7.9. Certificate of Termination of Right of First Refusal. A certificate executed and acknowledged by the Secretary or Assistant Secretary of the Condominium stating either that the provisions of 7.5 have been met by a Unit Owner or that the right of first refusal contained therein has been duly released or waived by the Board subject to the provisions of Section 7.8, and that as a result thereof the rights of the Board thereunder have terminated, shall be conclusive upon the Board and the Unit Owners in favor of all persons who rely on such certificate in good faith. The Board shall furnish such certificate upon request to any Unit Owner in respect to whom the provisions of Section 7.5 have, in fact, terminated. The Board may establish a reasonable fee for such certificate from time to time.

Section 7.10. Financing of Purchase of Units by Condominium Board. The purchase of any Unit by the Board of its designee, on behalf of all Unit Owners, may be made from the funds deposited in the capital and/or expense accounts of the Board. If the funds in such accounts are insufficient to effectuate any such purchase, the Board may levy an assessment against each Unit Owner, in proportion to his respective Common Interest, as a Common Charge, and/or the Board may, in its discretion, finance the acquisition of such Unit; provided, however, that no such financing may be secured by an encumbrance or hypothecation of any portion of the Property other than the Unit to be purchased together with its Appurtenant Interests in the Common Elements.

Section 7.11. Exceptions. The provisions of 7.1 shall not apply with respect to any lease, sale or conveyance of any Unit together with its Appurtenant Interests in the Common Elements by (a) the Unit Owner thereof to his spouse, adult children, parents, parents-in-law, adult siblings or to any one or more of them or to any related or controlled entity of the Unit Owner thereof, (b) Sponsor, (c) the Board, (d) any proper officer conducting the sale of a 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 (e) a Permitted Mortgagee or his nominee, who has acquired title to any Unit at any foreclosure sale of his Permitted Mortgage or by deed in lieu thereof delivered in a bona fide transaction; provided, however, that each succeeding Unit Owner shall be bound by, and his or her Unit subject to, the provisions of this Article 7.

Section 7.12. Gifts and Devises, etc. Any Unit Owner shall be free to convey or transfer his or her Unit by gift or may devise his or her Unit by will or have his or her Unit pass by intestacy, without restriction, provided, however, that each succeeding Unit Owner shall be bound by, and his or her Unit subject to, the provisions of this Article 7 and to all the provisions of this Declaration and By-Laws.

Section 7.13. Waiver of Right of Partition With Respect to Units Acquired on Behalf of Unit Owners as Tenants-in-Common. If any Unit shall be acquired by the Board or its designee, corporate or otherwise, on behalf of all Unit Owners, as tenants-in-common, all such Unit Owners shall be deemed to have waived all rights of partition with respect to such acquired Unit and the entire Property as herein provided.

Section 7.14. Mortgage of Units. Subject to Article 7 hereof and Section 7.2, each Unit Owner shall have the right to mortgage his or her Unit without restriction, provided that any such mortgage covering a Unit shall be substantially in the form of the New York statutory form of mortgage, except for such changes or additions as may be required in order to permit a particular bank, trust company, insurance company, savings and loan association or other institutional or non-institutional lender to make the mortgage loan. Other than Sponsor or its designee, any Unit Owner who mortgages his or her Unit, or the holder of such mortgage, shall supply the Condominium Board with the name and address of his or her mortgagee and shall file a confirmed copy of the note and mortgage with the Condominium Board. Other than Sponsor or its designee, any Unit Owner who satisfies a mortgage covering his or her 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." No Unit Owner shall execute any mortgage or other document mortgaging, pledging, or hypothecating title to his or her 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.

Section 7.15. Notice of Unpaid Common Charges and Default. The Condominium Board shall promptly report to such Permitted Mortgagee any default by his or her mortgagor(s) in the payment of Common Charges or Special Assessments or 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 his or her Permitted Mortgagee. However, the Condominium Board shall have no liability for any failure, through oversight or negligence, in notifying a Permitted Mortgagee of any default by his or her 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 6.4 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 7.16. 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 his or her 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 7.17. 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 7.18. Additional Rights of Mortgagee: Except as otherwise expressly provided for herein or in the Declaration, no consent or approval by any mortgagee shall be required with respect to the determination or act of the Board of any Unit Owner, provided, however, that nothing contained herein shall be deemed to limit or affect the rights of any mortgagee against his mortgagor.

(i) If the Declaration and the By-Laws of the Condominium are to be amended and such amendment would materially interfere with any right or interest of any Permitted Mortgagee, such amendment may only be filed upon approval of fifty-one (51%) percent of all Permitted Mortgagees. Additionally, as described in Section 11.3 of the By-Laws, below, notwithstanding any provision contained herein to the contrary, no

modification, addition, amendment or deletion of or to Article 6 or Article 7 or Article 8 that effects a Permitted Mortgagee or Permitted Mortgage shall be effective as against the holder of any Permitted Mortgage heretofore made unless such holder has given its prior written consent thereto.

(ii) In addition to any other notices provided for in the Declaration and By-Laws, upon the happening of any of the following circumstances to either the building or to a mortgaged Unit, notices will be sent to any mortgagee by certified or registered mail, return receipt requested, (a) in the event that either (x) the Building or any part thereof is damaged or destroyed by fire or other casualty (hereinafter referred to as a "Casualty Loss") or (y) the Common Elements or any part thereof is taken in condemnation or by eminent domain (hereinafter referred to as a "Taking") in accordance with Section 5.5 of the By-Laws; (b) in addition to notice in the event of any happening in this subsection, when applicable no termination of condominium shall occur without 51% mortgagee approval; and (c) in the event that any party whose Unit or interest is mortgaged to a mortgagee defaults in performing any act or making any payment which is that party's responsibility hereunder, including common charges and or special assessments, for a period of sixty (60) days after the obligation to pay, and said default is not cured within fifteen (15) days of written notice of said default.

(iii) Any insurance policies insuring the Building and all service machinery contained therein covering the interest of the Condominium, the Condominium Board, all of the Unit Owners and all Permitted Mortgagees, as their interests may appear may not be either cancelled, or be allowed to lapse, or substantially modified except upon at least ten (10) days' prior written notice to all of the insureds, including all Permitted Mortgagees.

(iv) In the event of a condemnation of a Unit, any award in connection therewith to the applicable Unit Owner, shall upon notice by such applicable Permitted Mortgage, be delivered instead to such Permitted Mortgagee.

(v) In the event of any award of insurance proceeds in connection with a casualty to a Unit, after such proceeds are used by such Unit Owner to pay for the reasonable repair, rebuilding or replacement of such Unit, the balance of any remaining insurance proceeds shall, upon request by such applicable Permitted Mortgage holding a mortgage covering such Unit, be delivered to such Permitted Mortgagee.

(vi) Notwithstanding the foregoing provisions in the event a mortgagee fails to respond to written notice within sixty (60) days of said written notice, provided notice was delivered by certified or registered mail return receipt requested said silence shall be construed as an implied approval by a mortgagee.

(vii) Each Unit Owner and the Board shall submit a draft of any proposed amendment to the Declaration and/or By-Laws to its Permitted Mortgagee in the event such

proposed amendment is of a materially adverse nature and/or effect to such Permitted Mortgagee, and each such Permitted Mortgage whose mortgage grants it such right, shall have the right to approve or disapprove such amendment prior to the Board Member designated by its mortgagor (if any) being entitled to vote for the adoption of such amendment by the Board. Any approval or disapproval of a proposed amendment to the Declaration and/or Condominium By-Laws shall be given by each Permitted Mortgagee entitled to give the same within sixty (60) days after such Permitted Mortgagee's receipt of a written request therefor, and each such Permitted Mortgagee's failure to timely respond to any such request shall constitute such Permitted Mortgagee's approval of the proposed amendment. Such approval of a Permitted Mortgagee shall continue to be required notwithstanding that a default exists and is continuing with respect to such Permitted Mortgagee's mortgagor.

ARTICLE 8
CERTAIN REMEDIES

Section 8.1. Self Help.

(i) Other than Sponsor or its designee in regard to its Unsold Units, if any Unit Owner shall violate or breach any of the provisions of the Condominium Documents on his or her part to be observed or performed, including, without limitation, any breach of his or her obligation to paint, decorate, maintain, or repair his or her Unit pursuant to the terms of Article 5 hereof, and shall fail to cure such violation or breach within ten (10) 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 ten (10) 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 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.

(ii) Notwithstanding any other provision of the Declaration or By-Laws to the contrary, upon the occurrence of a default by any Unit Owner, no remedies shall be exercised by the Condominium Board or any other Unit Owner with respect thereto if a Permitted Mortgagee of such Unit Owner shall (1) with respect to a monetary default, within thirty (30) days following its receipt of any notice to the effect that a monetary default has occurred with respect to its mortgagor, cure (or cause to be cured) such monetary default, (2) with respect to any non-monetary default that is reasonably capable of being cured without owning or controlling the applicable Unit, within thirty (30) days following its receipt of any

notice to the effect that such non-monetary default has occurred with respect to its mortgagor (a "Default Notice"), cure (or cause to be cured) such non-monetary default, which thirty (30) day period to cure shall be extended for so long as the Permitted Mortgagee is diligently and continuously pursuing such cure until completion, or (3) with respect to any non-monetary default in respect of which ownership or control of the applicable Unit is reasonably necessary to cure such non-monetary default, within-ninety (90) days following its receipt of a Default Notice with respect thereto, commence to cure (or cause to be cured) the applicable non-monetary default, which cure may consist solely of exercising diligent efforts to obtain ownership or control of the applicable Unit, and then diligently and continuously pursue such cure until completion. Payment or performance of any obligation of a Unit Owner by a Permitted Mortgagee (prior to the date on which such Permitted Mortgagee or its assignee or designee or nominee shall take title to the defaulting Unit Owner's Unit) shall not give rise to any obligation on the part of the Permitted Mortgagee to continue to pay or perform in the future.

(iii) Notwithstanding any provision hereof to the contrary, if one or more defaults have occurred with respect to Sponsor as holder of an Unsold Unit, but such defaulting Sponsor's Permitted Mortgagee is taking the actions described herein (as and when provided therein) with respect to, and/or has cured, each such default, then: (1) the Permitted Mortgagee shall be entitled to replace and designate the Condominium Board Members that such defaulting Sponsor would otherwise have been entitled to designate; (2) the Permitted Mortgagee shall be entitled to vote at all Unit Owners' meetings the Common Interest associated with the Unsold Unit associated with such default that the Sponsor would otherwise have been entitled to vote thereat and to give any consent or approval that Sponsor could have given, which shall be granted or withheld under the same terms as are applicable to such Sponsor, as if such Permitted Mortgagee were its mortgagor; and (3) the Condominium Board shall rely (and be entitled to rely) on the votes of or actions taken by the Permitted Mortgagee or the Condominium Board Member designated by it in determining the appropriateness of any action to be taken.

Section 8.2. Abatement and Enjoinment. In the event that any Unit Owner shall violate or breach any of the provisions of the Condominium Documents on his or her part to be observed or performed, the Condominium Board shall have the right to enjoin, abate, or remedy the continuance or repetition of any such violation or breach by appropriate proceedings brought either at law or in equity.

Section 8.3. Remedies Cumulative. The remedies specifically granted to the Condominium Board in this Article 8 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. Further, the exercise of any remedy shall not operate as a waiver, or preclude the exercise, of any other remedy.

Section 8.4. Costs and Expenses. All sums of money expended, and all costs and expenses incurred, by 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 8.2 or Section 8.3 hereof shall be immediately payable by

such Unit Owner to the Condominium Board, which amount shall be paid within ten (10) days of receiving notice. In the event it is not paid within ten (10) days of receiving notice, a penalty charge equal to ten (10%) percent of the outstanding charge shall be payable. All sums payable by a Unit Owner to the Condominium Board pursuant to the terms of this Section 8.4 shall, for all purposes hereunder, constitute Common Charges payable by such Unit Owner.

ARTICLE 9
ARBITRATION

Section 9.1. General Procedure. Any matter or issue that may be resolved by arbitration pursuant to New York State law, or if there is a deadlock in any matter, must be submitted to arbitration. No party may commence a proceeding in any other forum other than to enforce these arbitration provisions. Any arbitration provided for in these By-Laws shall be conducted before one arbitrator in New York City by the American Arbitration Association or any successor organization thereof, in accordance with its rules then in effect and the decisions rendered in such arbitration shall be binding upon the parties and may be entered in any court having jurisdiction. Notwithstanding the foregoing, any arbitration held pursuant to the Declaration or these By-Laws with respect to a dispute which arose prior to the first annual meeting of Unit Owners shall be non-binding. If the American Arbitration Association shall not then be in existence and has no successor, any arbitration hereunder shall be conducted in New York City before one arbitrator appointed on application of any party, by any justice of the highest court of appellate jurisdiction located in the County of New York. The decision of one arbitrator so chosen shall be given within ten (10) days after his appointment. All expenses of arbitration hereunder, including the fees and expenses of counsel and experts, shall be Common Expenses. Any arbitrator appointed or selected in connection with any arbitration hereunder shall be a member of a law firm whose principal office is in the Borough of Manhattan and which has it least five (5) members.

Section 9.2. 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 9.1 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 9.3. Binding Effect. The decision in any arbitration conducted pursuant to the terms of Sections 9.1 and 9.2 hereof shall be binding upon all of the parties thereto and may be entered in any court of appropriate jurisdiction. Notwithstanding the foregoing, however, any arbitration held pursuant to the terms of the Condominium Documents with respect to a matter that arose prior to the first annual meeting of all Unit Owners held pursuant to the terms of Section 4.1 hereof shall be non-binding.

Section 9.4. Costs and Expenses.

(i) The fees, costs and expenses of the arbitrators shall be borne equally by the disputants. Each disputant shall also bear the fees and expenses of his or her counsel and expert witnesses.

(ii) 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 Common Expenses.

ARTICLE 10
NOTICES

Section 10.1. General. All notices required or desired to be given hereunder 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 1.4 hereof, with a photocopy sent to the Managing Agent (if any) at its principal office address as aforesaid;

(ii) if to a Unit Owner, to such Unit Owner at his or her address at the Property; and,

(iii) 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 10.l shall be deemed given when deposited in a United States Postal Service depository located in the State of New York enclosed in a sealed, postage prepaid wrapper, provided, however, that notices of change of address, notices designating additional addresses and notices deposited in a United State Postal Service depository located outside of the State of New York shall be deemed to have been given when received.

Section 10.2. 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 Person or Persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

ARTICLE 11
AMENDMENTS TO BY-LAWS

Section 11.1. General. Subject to the provisions contained herein, or in the Declaration with respect to amendments affecting Sponsor or any Unsold Unit, any provision of these By-Laws may be amended, modified, added to, or deleted by the affirmative vote of at least sixty-six and two-thirds (66 2/3%) percent in Common Interest of all Unit Owners either taken at a duly constituted meeting thereof or given in writing without a meeting as

provided in Section 4.10 hereof provided, however, that the Common Interest appurtenant to each Unit as expressed in the Declaration shall not be altered without the written consent of all Unit Owners affected thereby. Subject to the provisions contained herein or in the Declaration with respect to amendments, modifications, additions or deletions affecting Sponsor or any Unsold Units, any such amendment, modification, addition or deletion shall be shall be effectuated in an instrument executed by the Board, as attorney-in-fact for the Unit Owners, coupled with an interest, for the purpose of approving and executing any instrument effecting such amendment, modification, addition or deletion, 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 of Unit Owners approved the amendment, modification, addition, or deletion set forth therein either at a duly constituted meeting of 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 of 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 duty recorded in the Register's Office. And no such Amendment to the Condominium Declaration, the By-Laws and/or the Condominium Rules and Regulation shall restrict the rights herein reserved to Sponsor or its designee.

Section 11.2. Amendments Affecting Sponsor or Unsold Unit. Notwithstanding any provision contained herein to the contrary, no amendment, modification, addition or deletion of or to these By-Laws, the Declaration or the Rules and Regulations shall be effective in any way against either (a) Sponsor or the Holder of any Unsold Unit, unless Sponsor has given its prior written consent thereto, or (b) the holder of any present or future mortgage, pledge or other lien or security interest covering any Unsold Unit unless such holder has given its prior written consent thereto.

Section 11.3. Amendments Affecting Permitted Mortgagees. Notwithstanding any provision contained herein to the contrary, no modification, addition, amendment or deletion of or to Article 6 or Article 7 or Article 8 that effects a Permitted Mortgagee or Permitted Mortgage shall be effective as against the holder of any Permitted Mortgage heretofore made unless such holder has given its prior written consent thereto.

ARTICLE 12
FURTHER ASSURANCES

Section 12.1. Covenants of Further Assurances. Any Person, other than Sponsor or its designee, 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 therein, 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 12.2. Failure to Deliver or Act. Other than Sponsor or its designee, 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 ten (10) days after request therefore, 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 or its Managing Agent, 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. If the Board, any Unit Owner or other party which is subject to the terms of these By-Laws fails to execute, acknowledge or deliver any instrument, or fails or refuses, within ten (10) days after request therefore, to take any action which the Board, such Unit Owner or other party is required to execute, acknowledge and deliver or to take pursuant to these By-Laws at the request of Sponsor, then Sponsor is hereby authorized, as attorney-in-fact for the Board, such Unit Owner or other party, coupled with an interest, to execute, acknowledge and deliver such instrument, o to take such action, in the name of the Board, such Unit Owner or other party, and such document or action shall be binding on the Board, such Unit Owner or other party.

ARTICLE 13
MISCELLANEOUS

Section 13.1. Inspection of Documents. Copies of the Declaration, these By-Laws, the Rules and Regulations and the Floor Plans, as the same may be amended from time to time, shall be maintained at the office of the Condominium Board and shall be available for inspection by Unit Owners and their authorized agents during reasonable business hours.

Section 13.2. 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 13.3. Conflicts. In the event that any provision of these By-Laws or of the 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. All provisions of the Declaration and By-Laws are subject to any written agreement among the Unit Owners.

Section 13.4. 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 13.5. Insurance Trustee. If the Board shall appoint an Insurance Trustee; the Insurance Trustee shall be a bank or trust company in the City of New York designated by the Board and having a capital surplus and undivided profits of $100,000,000 or more. If the Insurance Trustee resigns or is replaced by the Board, the Board shall appoint a new Insurance Trustee which shall be a bank or trust company having an office located in the City of New York and having a capital surplus and undivided profits of $100,000,000 or more. The Board shall pay the fees and disbursements of any Insurance Trustee and such fees and disbursements shall constitute a Common Expense.

Section 13.6. Successors and Assigns. The rights and/or obligations of Sponsor as set forth herein shall inure to the benefit of and be binding upon any successor or assign of Sponsor or, with the consent of Sponsor, upon any transferee or designee of all then Unsold Units.

Section 13.7. Gender. A reference in these By-Laws to any one gender, masculine, feminine, or neuter, includes the other two, and the singular includes the plural, and vice-versa, unless the context otherwise requires.

Section 13.8. 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.

THIS PAGE INTENTIONALLY LEFT BLANK

SCHEDULE A

323 EAST 53rd STREET CONDOMINIUM
RULES AND REGULATIONS

l. The sidewalks, entrances, passages, public halls, elevators, vestibules, corridors and stairways of or appurtenant to the Building shall not be obstructed or used in any manner to impede the ingress and egress to the Units.

2. 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 without the consent of the consent of the Board of Managers, or fire tower landings of the Building, nor shall any fire exit thereof be obstructed in any manner.

3. Nothing shall be hung or shaken from any doors, window, or open Terraces or patios, or placed upon the windowsills, of the Building, and no Unit Owner shall sweep or throw, or permit to be swept or thrown, any dirt, debris or other substance therefrom.

4. There shall be no playing or lounging in the entrances, passages, public halls, vestibules, corridors, stairways, or fire towers of the Building, except in recreational areas or other areas designated as such in the Declaration or by the Condominium Board.

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

6. Nothing shall be done or be kept in any Unit, Limited Common Elements, or in the Common Elements that will increase the rate of insurance of the Building, or the contents thereof, without the prior written consent of the Condominium Board. No Unit Owner shall permit anything to be done or kept in his or her 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 Unit Owner or any of his or her Family Members, agents, servants, employees, licensees, or visitors shall, at any time, bring into or keep in his or her Unit any inflammable, combustible, or explosive fluid, material, chemical, or substance.

7. There shall be no barbecuing in the Units, or in the Limited Common Elements such as Terraces or Common Elements, except for those areas (if any) specifically designated for barbecuing by the Condominium Board such as the Limited Common Elements. Terraces and roof Terraces are designated for barbecuing provided it conforms to code and the proper and safe barbecuing equipment are in conformity with the Condominium's rules.

8. No Unit Owner shall make, cause, or permit any unusual, disturbing, or objectionable noises (except for noises made by children under the age of ten (10) years) or

odors to be produced upon or to emanate from his or her Unit or permit anything to be done therein that will interfere with the rights, comforts, or conveniences of the other Unit Owners. No 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 between midnight and the following 8:00 A.M., if the same shall disturb or annoy other occupants of the Building, and in no event shall any Unit Owner practice or suffer to be practiced either vocal or instrumental music between the hours of 8:00 AM and 10:00 P.M. No construction, repair work, or other installation involving noise shall be conducted in any Unit except on weekdays and Saturdays (not including legal holidays) and only between the hours of 8:00 A.M. and 6:00 P.M., unless such construction or repair work is necessitated by an emergency. Sponsor or its designee may continue to perform construction work in order to complete its obligations under the offering plan or comply with the building code or the certificate of occupancy during weekdays and Saturdays.

9. 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. No radio or television aerial, satellite dish or other similar devise shall be erected on the roof, Terraces, or exterior walls of the Building without obtaining in each instance the prior consent of the Board of Managers. Unit Owner alone shall be liable for any damage or injury caused by any radio, television, or other electrical equipment.

10. Nothing shall be done in any Unit or in, on or to the Common Elements which would involve, or impair the weather tightness, moisture proofing or the structural integrity of the Building without the prior written consent of the Board of Managers.

11. 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 the same. Any damage resulting from misuse of any water-closets or other apparatus in a Unit shall be repaired and paid for by the owner of such Unit.

12. Each Unit Owner shall keep his or her Unit in a good state of preservation, condition, repair and cleanliness in accordance with the terms of the By-Laws.

13. No Unit Owner, other than sponsor or its designee, may display “for sale”, “For Rent”, or “For Lease”, or other window displays or advertisements on any part of the Property or in any Unit therein, nor shall any Unit be used for transient, hotel or motel purposes.

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

15. The Condominium Board or the Managing Agent may retain a passkey to each 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 Unit Owner is not personally present to open and permit an entry to his or her Unit at any time when an entry there is necessary or permissible under these 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 Unit Owner's property).

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

17. 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 other than as permitted by the Board of Managers which shall have the sole right to determine any restrictions to access and use of the roof. No furniture or plants shall be brought to and/or left on the roof except as permitted by the Board of Managers.

18. 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.

19. Any consent or approval given under these Rules and Regulations may be amended, modified, added to, or repealed at any time by resolution of the Condominium Board except that such will not be applicable to Unsold Units without the express consent of Sponsor or its designee. Further, any such consent or approval may, in the discretion of the Condominium Board or the Managing Agent, be conditional in nature.

20. No pets other than dogs weighing less than fifty (50) pounds, caged birds, cats and fish (which do not cause a nuisance, health hazard or unsanitary condition), shall be permitted, kept or harbored in any Unit without the expressed written consent of the Board of Managers or Managing Agent, which consent, if given, shall be revocable by the Board or Managing Agent in their sole discretion, at any time. In no event, no more than two (2) pets in a Unit shall be permitted without the prior written consent of the Board. No animal shall be permitted in any part of the elevator or any limited or public portion of the Building unless carried or on a leash. No birds or animals may be fed from the Building’s windows Terraces or the Building’s sidewalk. Violations are subject to fees set by the Board. Any Unit Owner keeping pets in the Building shall indemnify and hold the Condominium Board, Unit Owners and Managing Agent harmless from all claims and expenses resulting from the acts of such pets.

21. Unit Owners will faithfully observe the procedures established from time to time by the Board of Managers or the managing agent with respect to the services provided and in managing the Building.

22. Unit Owners shall, at their sole cost and expense, comply with all present and future laws, orders and regulations of all state, federal, municipal and local governments, departments, commissions and boards, regarding the collection, sorting, separation, recycling and disposal of waste products, garbage, refuse and trash.

23. Complaints shall be made in writing to the Condominium Board or the Managing Agent.

24. Condominium Smoking Policy:

A. Smoking (as such term is defined in Paragraph 24.C, below) is prohibited (i) in any Common Areas within the interior of the Building; (ii) outside of areas appurtenant to Residential Units including Balconies and Terraces, if applicable; (iii) in any Common Areas outside the exterior of Building, including rooftops, parking areas, open courtyards; and (iv) outdoors within 15 feet of entrances, exists, windows and air intake Units on property grounds.

B. Smoking is NOT prohibited inside of Residential Units.

C. Smoking is defined as Smoking, inhaling, exhaling, burning or carrying any lighted or heated cigar, electronic device, cigarette, little cigar, pipe, water pipe or hookah, herbal cigarette, nontobacco smoking product (e.g., marijuana or non-tobacco shisha), or any similar form of lighted object or device (including electronic cigarettes) designed for people to use to inhale smoke.

UNIT OWNER'S SPECIMEN TITLE POLICY

THIS PAGE INTENTIONALLY LEFT BLANK

Owner's Policy

Owner's Policy of Title Insurance
ISSUED BY
First American Title Insurance Company
POLICY NUMBER
5011436-SPECIMEN POLICY

Any notice of claim and any other notice or statement in writing required to be given to the Company under this policy must be given to the Company at the address shown in Section 18 of the Conditions.

COVERED RISKS

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B, AND THE CONDITIONS, **FIRST AMERICAN TITLE INSURANCE COMPANY**, a Nebraska corporation (the "Company") insures, as of Date of Policy and, to the extent stated in Covered Risks 9 and 10, after Date of Policy, against loss or damage, not exceeding the Amount of Insurance, sustained or incurred by the Insured by reason of:

1. Title being vested other than as stated in Schedule A.
2. Any defect in or lien or encumbrance on the Title. This Covered Risk includes but is not limited to insurance against loss from
   (a) A defect in the Title caused by
      (i) forgery, fraud, undue influence, duress, incompetency, incapacity, or impersonation;
      (ii) failure of any person or Entity to have authorized a transfer or conveyance;
      (iii) a document affecting Title not properly created, executed, witnessed, sealed, acknowledged, notarized, or delivered;
      (iv) failure to perform those acts necessary to create a document by electronic means authorized by law;
      (v) a document executed under a falsified, expired, or otherwise invalid power of attorney;
      (vi) a document not properly filed, recorded, or indexed in the Public Records including failure to perform those acts by electronic means authorized by law; or
      (vii) a defective judicial or administrative proceeding.
   (b) The lien of real estate taxes or assessments imposed on the Title by a governmental authority due or payable, but unpaid.
   (c) Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land. The term "encroachment" includes encroachments of existing improvements located on the Land onto adjoining land, and encroachments onto the Land of existing improvements located on adjoining land.
3. Unmarketable Title.
4. No right of access to and from the Land.

(Covered Risks Continued on Page 2)

In Witness Whereof, First American Title Insurance Company has caused its corporate name to be hereunto affixed by its authorized officers as of Date of Policy shown in Schedule A.

First American Title Insurance Company

Dennis J. Gilmore, President

Greg L. Smith, Secretary

(This Policy is valid only when Schedules A and B are attached) **This Jacket was created electronically and constitutes an original document**

Copyright 2006-2009 American Land Title Association. All rights reserved. The use of this form is restricted to ALTA licensees and ALTA members in good standing as of the date of use. All other uses are prohibited. Reprinted under license from the American Land Title Association.

5. The violation or enforcement of any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
   (a) the occupancy, use, or enjoyment of the Land;
   (b) the character, dimensions, or location of any improvement erected on the Land;
   (c) the subdivision of land; or
   (d) environmental protection
   if a notice, describing any part of the Land, is recorded in the Public Records setting forth the violation or intention to enforce, but only to the extent of the violation or enforcement referred to in that notice.
6. An enforcement action based on the exercise of a governmental police power not covered by Covered Risk 5 if a notice of the enforcement action, describing any part of the Land, is recorded in the Public Records, but only to the extent of the enforcement referred to in that notice.
7. The exercise of the rights of eminent domain if a notice of the exercise, describing any part of the Land, is recorded in the Public Records.
8. Any taking by a governmental body that has occurred and is binding on the rights of a purchaser for value without Knowledge.
9. Title being vested other than as stated in Schedule A or being defective
   (a) as a result of the avoidance in whole or in part, or from a court order providing an alternative remedy, of a transfer of all or any part of the title to or any interest in the Land occurring prior to the transaction vesting Title as shown in Schedule A because that prior transfer constituted a fraudulent or preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws; or
   (b) because the instrument of transfer vesting Title as shown in Schedule A constitutes a preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws by reason of the failure of its recording in the Public Records
      (i) to be timely, or
      (ii) to impart notice of its existence to a purchaser for value or to a judgment or lien creditor.
10. Any defect in or lien or encumbrance on the Title or other matter included in Covered Risks 1 through 9 that has been created or attached or has been filed or recorded in the Public Records subsequent to Date of Policy and prior to the recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The Company will also pay the costs, attorneys' fees, and expenses incurred in defense of any matter insured against by this Policy, but only to the extent provided in the Conditions.

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
      (i) the occupancy, use, or enjoyment of the Land;
      (ii) the character, dimensions, or location of any improvement erected on the Land;
      (iii) the subdivision of land; or
      (iv) environmental protection;
      or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
   (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
   (a) created, suffered, assumed, or agreed to by the Insured Claimant;
   (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
   (c) resulting in no loss or damage to the Insured Claimant;
   (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
   (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
   (a) a fraudulent conveyance or fraudulent transfer; or
   (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

1. DEFINITION OF TERMS

The following terms when used in this policy mean:

(a) "Amount of Insurance": The amount stated in Schedule A, as may be increased or decreased by endorsement to this policy, increased by Section 8(b), or decreased by Sections 10 and 11 of these Conditions.

(b) "Date of Policy": The date designated as "Date of Policy" in Schedule A.

(c) "Entity": A corporation, partnership, trust, limited liability company, or other similar legal entity.

(d) "Insured": The Insured named in Schedule A.

(i) The term "Insured" also includes

(A) successors to the Title of the Insured by operation of law as distinguished from purchase, including heirs, devisees, survivors, personal representatives, or next of kin;

(B) successors to an Insured by dissolution, merger, consolidation, distribution, or reorganization;

(C) successors to an Insured by its conversion to another kind of Entity;

(D) a grantee of an Insured under a deed delivered without payment of actual valuable consideration conveying the Title

(1) if the stock, shares, memberships, or other equity interests of the grantee are wholly-owned by the named Insured,

(2) if the grantee wholly owns the named Insured,

(3) if the grantee is wholly-owned by an affiliated Entity of the named Insured, provided the affiliated Entity and the named Insured are both wholly-owned by the same person or Entity, or

(4) if the grantee is a trustee or beneficiary of a trust created by a written instrument established by the Insured named in Schedule A for estate planning purposes.

(ii) With regard to (A), (B), (C), and (D) reserving, however, all rights and defenses as to any successor that the Company would have had against any predecessor Insured.

(e) "Insured Claimant": An Insured claiming loss or damage.

(f) "Knowledge" or "Known": Actual knowledge, not constructive knowledge or notice that may be imputed to an Insured by reason of the Public Records or any other records that impart constructive notice of matters affecting the Title.

(g) "Land": The land described in Schedule A, and affixed improvements that by law constitute real property. The term "Land" does not include any property beyond the lines of the area described in Schedule A, nor any right, title, interest, estate, or easement in abutting streets, roads, avenues, alleys, lanes, ways, or waterways, but this does not modify or limit the extent that a right of access to and from the Land is insured by this policy.

(h) "Mortgage": Mortgage, deed of trust, trust deed, or other security instrument, including one evidenced by electronic means authorized by law.

(i) "Public Records": Records established under state statutes at Date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without Knowledge. With respect to Covered Risk 5(d), "Public Records" shall also include environmental protection liens filed in the records of the clerk of the United States District Court for the district where the Land is located.

(j) "Title": The estate or interest described in Schedule A.

(k) "Unmarketable Title": Title affected by an alleged or apparent matter that would permit a prospective purchaser or lessee of the Title or lender on the Title to be released from the obligation to purchase, lease, or lend if there is a contractual condition requiring the delivery of marketable title.

2. CONTINUATION OF INSURANCE

The coverage of this policy shall continue in force as of Date of Policy in favor of an Insured, but only so long as the Insured retains an estate or interest in the Land, or holds an obligation secured by a purchase money Mortgage given by a purchaser from the Insured, or only so long as the Insured shall have liability by reason of warranties in any transfer or conveyance of the Title. This policy shall not continue in force in favor of any purchaser from the Insured of either (i) an estate or interest in the Land, or (ii) an obligation secured by a purchase money Mortgage given to the Insured.

3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT

The Insured shall notify the Company promptly in writing (i) in case of any litigation as set forth in Section 5(a) of these Conditions, (ii) in case Knowledge shall come to an Insured hereunder of any claim of title or interest that is adverse to the Title, as insured, and that might cause loss or damage for which the Company may be liable by virtue of this policy, or (iii) if the Title, as insured, is rejected as Unmarketable Title. If the Company is prejudiced by the failure of the Insured Claimant to provide prompt notice, the Company's liability to the Insured Claimant under the policy shall be reduced to the extent of the prejudice.

4. PROOF OF LOSS

In the event the Company is unable to determine the amount of loss or damage, the Company may, at its option, require as a condition of payment that the Insured Claimant furnish a signed proof of loss. The proof of loss must describe the defect, lien, encumbrance, or other matter insured against by this policy that constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage.

5. DEFENSE AND PROSECUTION OF ACTIONS

(a) Upon written request by the Insured, and subject to the options contained in Section 7 of these Conditions, the Company, at its own cost and without unreasonable delay, shall provide for the defense of an Insured in litigation in which any third party asserts a claim covered by this policy adverse to the Insured. This obligation is limited to only those stated causes of action alleging matters insured against by this policy. The Company shall have the right to select counsel of its choice (subject to the right of the Insured to object for reasonable cause) to represent the Insured as to those stated causes of action. It shall not be liable for and will not pay the fees of any other counsel. The Company will not pay any fees, costs, or expenses incurred by the Insured in the defense of those causes of action that allege matters not insured against by this policy.

(b) The Company shall have the right, in addition to the options contained in Section 7 of these Conditions, at its own cost, to institute and prosecute any action or proceeding or to do any other act that in its opinion may be necessary or desirable to establish the Title, as insured, or to prevent or reduce loss or damage to the Insured. The Company may take any appropriate action under the terms of this policy, whether or not it shall be liable to the Insured. The exercise of these rights shall not be an admission of liability or waiver of any provision of this policy. If the Company exercises its rights under this subsection, it must do so diligently.

(c) Whenever the Company brings an action or asserts a defense as required or permitted by this policy, the Company may pursue the litigation to a final determination by a court of competent jurisdiction, and it expressly reserves the right, in its sole discretion, to appeal any adverse judgment or order.

6. DUTY OF INSURED CLAIMANT TO COOPERATE

(a) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding and any appeals, the Insured shall secure to the Company the right to so prosecute or provide defense in the action or proceeding, including the right to use, at its option, the name of the Insured for this purpose. Whenever requested by the Company, the Insured, at the Company's expense, shall give the Company all reasonable aid (i) in securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement, and (ii) in any other lawful act that in the opinion of the Company may be necessary or desirable to establish the Title or any other matter as insured. If the Company is prejudiced by the failure of the Insured to furnish the required cooperation, the Company's obligations to the Insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such cooperation.

(b) The Company may reasonably require the Insured Claimant to submit to examination under oath by any authorized representative of the Company and to produce for examination, inspection, and copying, at such reasonable times and places as may be designated by the authorized representative of the Company, all records, in whatever medium maintained, including books, ledgers, checks, memoranda, correspondence, reports, e-mails, disks, tapes, and videos whether bearing a date before or after Date of Policy, that reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the Insured Claimant shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect, and copy all of these records in the custody or control of a third party that reasonably pertain to the loss or damage. All information designated as confidential by the Insured Claimant provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of the Insured Claimant to submit for examination under oath, produce any reasonably requested information, or grant permission to secure reasonably necessary information from third parties as required in this subsection, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this policy as to that claim.

7. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY

In case of a claim under this policy, the Company shall have the following additional options:

(a) To Pay or Tender Payment of the Amount of Insurance.
To pay or tender payment of the Amount of Insurance under this policy together with any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment or tender of payment and that the Company is obligated to pay. Upon the exercise by the Company of this option, all liability and obligations of the Company to the Insured under this policy, other than to make the payment required in this subsection, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.

(b) To Pay or Otherwise Settle With Parties Other Than the Insured or With the Insured Claimant.

(i) To pay or otherwise settle with other parties for or in the name of an Insured Claimant any claim insured against under this policy. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay; or

(ii) To pay or otherwise settle with the Insured Claimant the loss or damage provided for under this policy, together with any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay.

Upon the exercise by the Company of either of the options provided for in subsections (b)(i) or (ii), the Company's obligations to the Insured under this policy for the claimed loss or damage, other than the payments required to be made, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.

8. DETERMINATION AND EXTENT OF LIABILITY

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the Insured Claimant who has suffered loss or damage by reason of matters insured against by this policy.

(a) The extent of liability of the Company for loss or damage under this policy shall not exceed the lesser of

(i) the Amount of Insurance; or

(ii) the difference between the value of the Title as insured and the value of the Title subject to the risk insured against by this policy.

(b) If the Company pursues its rights under Section 5 of these Conditions and is unsuccessful in establishing the Title, as insured,

(i) the Amount of Insurance shall be increased by 10%, and

(ii) the Insured Claimant shall have the right to have the loss or damage determined either as of the date the claim was made by the Insured Claimant or as of the date it is settled and paid.

(c) In addition to the extent of liability under (a) and (b), the Company will also pay those costs, attorneys' fees, and expenses incurred in accordance with Sections 5 and 7 of these Conditions.

9. LIMITATION OF LIABILITY

(a) If the Company establishes the Title, or removes the alleged defect, lien, or encumbrance, or cures the lack of a right of access to or from the Land, or cures the claim of Unmarketable Title, all as insured, in a reasonably diligent manner by any method, including litigation and the completion of any appeals, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused to the Insured.

(b) In the event of any litigation, including litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals, adverse to the Title, as insured.

(c) The Company shall not be liable for loss or damage to the Insured for liability voluntarily assumed by the Insured in settling any claim or suit without the prior written consent of the Company.

10. REDUCTION OF INSURANCE; REDUCTION OR TERMINATION OF LIABILITY

All payments under this policy, except payments made for costs, attorneys' fees, and expenses, shall reduce the Amount of Insurance by the amount of the payment.

11. LIABILITY NONCUMULATIVE

The Amount of Insurance shall be reduced by any amount the Company pays under any policy insuring a Mortgage to which exception is taken in Schedule B or to which the Insured has agreed, assumed, or taken subject, or which is executed by an Insured after Date of Policy and which is a charge or lien on the Title, and the amount so paid shall be deemed a payment to the Insured under this policy.

12. PAYMENT OF LOSS

When liability and the extent of loss or damage have been definitely fixed in accordance with these Conditions, the payment shall be made within 30 days.

13. RIGHTS OF RECOVERY UPON PAYMENT OR SETTLEMENT

(a) Whenever the Company shall have settled and paid a claim under this policy, it shall be subrogated and entitled to the rights of the Insured Claimant in the Title and all other rights and remedies in respect to the claim that the Insured Claimant has against any person or property, to the extent of the amount of any loss, costs, attorneys' fees, and expenses paid by the Company. If requested by the Company, the Insured Claimant shall execute documents to evidence the transfer to the Company of these rights and remedies. The Insured Claimant shall permit the Company to sue, compromise, or settle in the name of the Insured Claimant and to use the name of the Insured Claimant in any transaction or litigation involving these rights and remedies.

If a payment on account of a claim does not fully cover the loss of the Insured Claimant, the Company shall defer the exercise of its right to recover until after the Insured Claimant shall have recovered its loss.

(b) The Company's right of subrogation includes the rights of the Insured to indemnities, guaranties, other policies of insurance, or bonds, notwithstanding any terms or conditions contained in those instruments that address subrogation rights.

14. ARBITRATION

Either the Company or the Insured may demand that the claim or controversy shall be submitted to arbitration pursuant to the Title Insurance Arbitration Rules of the American Land Title Association ("Rules"). Except as provided in the Rules, there shall be no joinder or consolidation with claims or controversies of other persons. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the Insured arising out of or relating to this policy, any service in connection with its issuance or the breach of a policy provision, or to any other controversy or claim arising out of the transaction giving rise to this policy. All arbitrable matters when the Amount of Insurance is $2,000,000 or less shall be arbitrated at the option of either the Company or the Insured. All arbitrable matters when the Amount of Insurance is in excess of $2,000,000 shall be arbitrated only when agreed to by both the Company and the Insured. Arbitration pursuant to this policy and under the Rules shall be binding upon the parties. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court of competent jurisdiction.

15. LIABILITY LIMITED TO THIS POLICY; POLICY ENTIRE CONTRACT

(a) This policy together with all endorsements, if any, attached to it by the Company is the entire policy and contract between the Insured and the Company. In interpreting any provision of this policy, this policy shall be construed as a whole.

(b) Any claim of loss or damage that arises out of the status of the Title or by any action asserting such claim shall be restricted to this policy.

(c) Any amendment of or endorsement to this policy must be in writing and authenticated by an authorized person, or expressly incorporated by Schedule A of this policy.

(d) Each endorsement to this policy issued at any time is made a part of this policy and is subject to all of its terms and provisions. Except as the endorsement expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsement, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance.

16. SEVERABILITY

In the event any provision of this policy, in whole or in part, is held invalid or unenforceable under applicable law, the policy shall be deemed not to include that provision or such part held to be invalid, but all other provisions shall remain in full force and effect.

17. CHOICE OF LAW; FORUM

(a) Choice of Law: The Insured acknowledges the Company has underwritten the risks covered by this policy and determined the premium charged therefor in reliance upon the law affecting interests in real property and applicable to the interpretation, rights, remedies, or enforcement of policies of title insurance of the jurisdiction where the Land is located.

Therefore, the court or an arbitrator shall apply the law of the jurisdiction where the Land is located to determine the validity of claims against the Title that are adverse to the Insured and to interpret and enforce the terms of this policy. In neither case shall the court or arbitrator apply its conflicts of law principles to determine the applicable law.

(b) Choice of Forum: Any litigation or other proceeding brought by the Insured against the Company must be filed only in a state or federal court within the United States of America or its territories having appropriate jurisdiction.

18. NOTICES, WHERE SENT

Any notice of claim and any other notice or statement in writing required to be given to the Company under this policy must be given to the Company at **First American Title Insurance Company, Attn: Claims National Intake Center, 1 First American Way; Santa Ana, CA 92707. Phone: 888-632-1642.**

Schedule A	**Owner's Policy of Title Insurance** ISSUED BY **First American Title Insurance Company** POLICY NUMBER **SPECIMEN POLICY**

Name and Address of Title Insurance Company:
First American Title Insurance Company, 1 First American Way, Santa Ana, CA 92707.

Address Reference: 323 East 53rd Street, Unit TBD, New York, NY 10022 **(For Information Only)**

Amount of Insurance: $TBD

Date of Policy: TBD

1. Name of Insured:

   TBD

2. The estate or interest in the Land that is insured by this policy is:

   Fee Simple

3. Title is vested in:

   TBD by means of a deed made by 323 E 53rd Street Owner LLC dated TBD and being duly recorded in the Office of the Register, New York County.

4. The Land referred to in this policy is described as follows:

   See Continuation of Schedule A attached

SCHEDULE A CONTINUATION

Policy Number: SPECIMEN POLICY

The Condominium Unit (the "Unit") known as Unit No. TBD in the building (the "Building") known as TBD and by the street number 323 East 53rd Street, Borough of Manhattan, City, County and State of New York, said Unit being designated and described as Unit No. TBD in a certain declaration dated TBD, made by 323 E 53rd Street Owner LLC pursuant to Article 9-B of the Real Property Law of the State of New York (the "Condominium Act"), establishing a plan for condominium ownership of the Building and the land (the "Land") upon which the Building is situate (which Land is more particularly described herein), which declaration was recorded in the New York County Office of the Register of the City of New York (the "Register's Office") on TBD in CRFN TBD (which declaration and amendments thereto, if any, are hereafter collectively referred to as the "Declaration"). This Unit is also designated as Tax Lot TBD in Block 1346 in the Borough of Manhattan on the Tax Map of the Real Property Assessment Department of the City of New York and on the Floor Plans of the Building, certified by TBD, filed with the Real Property Assessment Department of the City of New York on TBD as Condominium Plan No. TBD, and also filed in the Register's Office on TBD in CRFN TBD.

TOGETHER with an undivided TBD% interest in the Common Elements (as such term is defined in the Declaration).

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, City, County and State of New York, described as follows:

BEGINNING at a point on the northerly side of 53rd Street distant 275 feet 8 inches easterly from the northeasterly corner of 53rd Street and 2nd Avenue;

THENCE northerly on a line parallel with 2nd Avenue and part of the distance through a party wall, 100 feet 5 inches;

THENCE easterly and parallel with 53rd Street, 20 feet 1/2 an inch;

THENCE southerly and parallel with 2nd Avenue, 100 feet 5 inches to the northerly side of 53rd Street; and

THENCE westerly along 53rd Street, 20 feet 1/2 an inch to the point or place of BEGINNING.

Schedule B	Owner's Policy of Title Insurance ISSUED BY **First American Title Insurance Company** POLICY NUMBER **SPECIMEN POLICY**

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees, or expenses that arise by reason of:

1. Any state of facts which an accurate survey and inspection might show, but policy will insure that any encroachment of a portion of the unit structure upon other units or upon the common elements may remain undisturbed as long as the same shall stand.

2. Rights of tenants or persons in possession.

3. Covenants, conditions, easements, leases, agreements of record, etc., as follows:

   a. Subject to terms and conditions set forth in the Declaration of Condominium and By-Laws of TBD, recorded TBD in CRFN TBD, but policy will insure against loss or damage occasioned by the premises not being part of a condominium validly created pursuant to Article 9-B of the Real Property Law, as amended.
   b. Unit Power of Attorney made by TBD to the Board of Managers to be recorded.
   c. Zoning Lot Certificate recorded 5/19/2015 in CRFN 2015000166917.
   d. Zoning Lot Description and Ownership Statement recorded 5/19/2015 in CRFN 2015000166918.
   e. Declaration of Restrictions recorded 12/21/2016 in CRFN 2016000452974.

4. Lis Pendens filed against the subject property:

   a) Plaintiff: CHIEN K. CHIANG
   Defendant: 323 EAST 53RD ASSOCIATES LLC

   Index #: 156269/2017

   Filed Date: 7/27/2017
   Note: For the removal of an encroaching independent wall.

5. This policy does not insure against any charges due to the City of New York for violations issued by the HPD Office of Rents and Housing Maintenance, ECB violations or water tap closings issued by the Department of Environmental Protection, Emergency Repair Liens issued by the Department of Housing Preservation and Development, or charges by any other City agency, unless said liens are listed in the records of the Department of Finance or the County Clerk's office prior to closing. This is required due to the inability to search for these liens because of New York City's failure to properly file notices of these charges.

6. Policy excepts all water meter and sewer charges from the last actual reading, including all charges entered after the date of the policy, but which might include usage prior thereto.

7. The tax search indicates that the land/unit described in Schedule A may be benefited by a tax exemption that may terminate upon transfer of said land/unit. The land/unit then may become taxed, pro-rata, for the unexpired term of the year from the termination of the exemption. Policy will except loss or damage arising from the retroactive reimposition of the taxes from the termination of the exemption.

STANDARD NEW YORK ENDORSEMENT
(OWNER'S POLICY)

Issued by

First American Title Insurance Company

Attached to and made part of Policy No.: SPECIMEN POLICY

1. The following is added as a Covered Risk:

   "11. Any statutory lien arising under Article 2 of the New York Lien Law for services, labor or materials furnished prior to the date hereof, and which has now gained or which may hereafter gain priority over the estate or interest of the insured as shown in Schedule A of this policy."

2. Exclusion Number 5 is deleted, and the following is substituted:

   5. Any lien on the Title for real estate taxes, assessments, water charges or sewer rents imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as Shown in Schedule A.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Dated: TBD

First American Title Insurance Company

Dennis J. Gilmore, President

Greg L. Smith, Secretary

REAL ESTATE TAX PROJECTION OPINION

THIS PAGE INTENTIONALLY LEFT BLANK

Real Estate Tax Estimate

for

323 East 53rd Street

New York, New York

Prepared for:
323 East 53rd Associates LLC
c/o Maverick Real Estate Partners
100 Park Avenue #2805
New York, NY 10017

May 8, 2020

May 8 2020

323 East 53rd Street Lenders LLC
c/o Maverick Real Estate Partners
100 Park Avenue #2805
New York, NY 10017

Re: 323 East 53rd Street
New York, New York

I, JEROME MAZURSKY, CERTIFY:

THAT I am a real estate appraiser and have many years of experience in the assessment of real estate for tax purposes both as an Assessor in the Borough of Manhattan and as the Department of Finance's Assistant Commissioner of the Real Property Assessment Division;

THAT I have been retained by the sponsor to estimate for inclusion in an Offering Plan to be submitted to the Attorney General, the assessed valuation of the above-captioned property after completion of construction of a new 6-story condominium;

THAT in estimating the assessed valuation of the property, I am aware of the construction costs, rental values and offering prices of the units;

THAT I have consulted with personnel in the Property Division of the Department of Finance regarding the current practice in assessing newly constructed mixed-use condominium buildings. Specifically, discussions centered around appropriate land and building factors and income projections for properties similar to the subject in type and location.

I have discovered the following:

1) The subject property is located at 323 East 53rd Street in the Midtown East section of the borough of Manhattan. The sponsor is in the process of constructing a 6-story condominium that will contain eleven (11) residential units.

The site has 20' frontage on the northerly side of East 53rd Street and extends 100.42' in depth. It is rectangularly-shaped and contains approximately 2,008 square feet of ground area. The property is identified as Block 1346 Lot 12.

2) After completion of construction, the units will contain the following square foot areas and uses:

UNIT	AREA	USE
1A	552	Studio Apartment
2A	542	1BR Apartment
2B	560	1BR Apartment
3A	542	1BR Apartment
3B	560	1BR Apartment
4A	542	1BR Apartment
4B	560	1BR Apartment
5A	542	1BR Apartment
5B	560	1BR Apartment
6A	542	1BR Apartment
6B	560	1BR Apartment

3) The property is currently assessed in Tax Class 2. After completion of construction and the establishment of a condominium, the units will continue to be assessed in Tax Class 2 under the classification system adopted by the State Legislature in its revision of the Real Property Tax Law (Section 305, Article 1802, and Section 581, applicable to the assessment of cooperative apartments and condominiums.)

Tax Class 2 is primarily comprised of residential rental, cooperatives or condominiums with more than ten units. The City's assessment ratio policy for properties in Tax Class 2 is to assess at 45% of market value based upon value as an income-producing property. Increases to value are unlimited but except for increases due to physical changes, are required to be phased-in over a five-year period. The taxable value is the lower of the actual or transitional values.

Para. 3) cont'd

The 2019/20 Tax Class 2 tax rate is $12.473 per $100. I estimate the tax rate, after completion of construction, at $12.55 per $100.

4) The recent history of assessed valuation of 323 East 53rd Street is as follows:

2019/20	Land	Total
Actual:	$ 679,500	$ 1,043,586
Transitional:	$ 506,550	$ 870,636

2020/21	Land	Total
Actual:	$ 679,500	$ 1,072,350
Transitional:	$ 593,026	$ 962,864

5) It is my judgment that after construction is completed, the property will be assessed as follows:

	Land	Total
Actual:	$ 679,500	$ 1,200,000
Transitional:	$ 593,026	$ 1,080,622

6) The tax liability after completion of construction, is estimated at $135,618 .The calculation is as follows:

$ 1,080,622 [1] x .1255 [2] = $135,618

Each unit will be given a separate tax lot number. Individual tax liability may be estimated by apportioning the total tax among the unit owners in accordance with their percentages of common interest, as indicated in the Offering Plan.

1. Estimated Taxable Assessed Value after completion of the construction.
2. Estimated Tax Rate

7) The co-op/condominium real estate tax abatement law that has had a favorable effect on the real estate tax burden of residential co-op and condominium unit owners was extended by the State Legislature. The Legislature indicated its intention in passing this law was to address the disparity between the tax burden of one to three family homeowners and that of residential co- op and condominium unit owners. If signed into law by the governor, effective July 1, 2020 only "qualified properties" will be eligible for the abatement. A "qualified property" is defined in Section 267-a of the RTPL as (i) a property with an average unit AV of less than or equal to $60,000; or (ii) a property in which all building service employees employed or to be employed at the property receive the applicable prevailing wage for the duration of the tax abatement. Owners of residential condominium units must also meet certain requirements of the New York City Department of Finance rules and regulations in order to be entitled to the Cooperative and Condominium Property Tax Abatement. Unit owners (i) must have purchased the unit on or before January 5th to qualify for the abatement for the upcoming tax year, (ii) cannot own more than 3 residential units in the building, and (iii) must occupy one of the units as their primary residence. Units owned by Sponsor or its successors do not qualify for the abatement. Units owned by a business designation (LLC) are not eligible for the abatement. If the abatement is granted to this condominium and unit owners qualify for the abatement, the law may allow up to a 17.5% abatement of the real estate tax bill. Excluded from receiving the abatement benefits are co-ops and condominiums that receive tax exemption benefits.

8) This estimate of the assessed valuation has been prepared for inclusion in the Offering Plan, and I consent to its use for this purpose. Although the aforesaid estimate of the Actual Assessed Valuation is a good-faith estimate, it is not possible to estimate same with any degree of certainty. Assessed valuations, when actually made, may be lesser or greater based on our interpretation of the administrative code and the applicable rules and regulations of the City of New York. Although I believe my opinions are well-founded, they are not intended, and should not be construed as warranties as to future assessed valuations of the property under discussion.

In no event will this firm, the Sponsor, the Sponsor's counsel or any other person be liable if the assessed valuation, when actually made, is lesser or greater than that estimated above, or if the administrative code and the applicable rules and regulations of the City of New York are changed in the future, or if the facts as represented prove to be untrue.

Jerome Mazursky, MAI, CAE

THIS PAGE INTENTIONALLY LEFT BLANK

THIS PAGE INTENTIONALLY LEFT BLANK

CERTIFICATION BY SPONSOR

New York State Department of Law
Real Estate Financing Bureau
Office of the New York State Attorney General
28 Liberty Street, 21st Floor
New York, NY 10005

Re: 323 East 53rd Street, New York, New York 10022

We are 323 E 53rd Street Owner LLC, the sponsor (the "Sponsor") of the condominium offering plan for the above-captioned property.

We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Department of Law in Part 20 and such other laws and regulations as may be applicable.

We have read the entire offering plan. We have investigated the facts set forth therein 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 me 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 statements 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 I:

(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.

This certification may be executed in two or more counterparts, and all counterparts so executed shall for all purposes constitute one agreement binding on all of the parties hereto, notwithstanding that all parties shall not have executed the same counterparts. Digital and signatures on this certification shall have the same force and effect as originals.

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 12, 2020.

REMAINDER OF THIS PAGE LEFT INTENTIONALLY BLANK;
SIGNATURE PAGE TO FOLLOW

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year first written above.

SPONSOR:
323 E 53rd STREET OWNER LLC,
a New York limited liability company

By: Maverick Lien Fund IV LP,
its Sole Member

By: Maverick Real Estate Partners LLC,
its Manager

By: _____
Name: Edward Martell
Title: Managing Member

PRINCIPALS:

_____
Edward Martell

_____
David Aviram

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year first written above.

SPONSOR:
323 E 53rd STREET OWNER LLC,
a New York limited liability company

By: Maverick Lien Fund IV LP,
its Sole Member

By: Maverick Real Estate Partners LLC,
its Manager

By: _____
Name: Edward Martell
Title: Managing Member

PRINCIPALS:

_____
Edward Martell

_____
David Aviram

THIS PAGE INTENTIONALLY LEFT BLANK

JOHN SARACCO
Architect LLC

P.O. Box 245
Boonton, N.J. 07005

o: 973.299.4428
m: 973.722.8725
js@saracco.us
www.saracco.us

CERTIFICATION BY ARCHITECT

February 3, 2021

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

Re: 323 East 53rd Street, New York, New York 10022

323 E 53rd Street Owner LLC is the sponsor (the "Sponsor") of the offering plan ("Offering Plan") to convert the captioned property to condominium ownership. The Sponsor retained our firm to prepare a report describing the construction of the property (the "Report"). We visually inspected the property located at 323 East 53rd Street, New York, New York on March 26, 2020 and examined the building plans and specifications that were prepared by John Saracco Architect LLC dated August 4, 2020 and prepared the Report dated February 3, 2021, a copy of which is intended to be incorporated into Offering Plan so that prospective purchasers may rely on the Report.

We are a registered architect in New York State, the state in which the property is located.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as 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 the Report 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 based on our visual inspection:

(i) sets forth in narrative form the description and/or physical condition of the entire property and is current and accurate as of

the date of inspection as it will exist upon 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 physical condition of the property as it will exist upon completion of construction, provided that construction is in accordance with the plans and specification that we examined;

(iii) does not omit any material fact;

(iv) does not contain any untrue statement of a material fact;

(v) does not contain any fraud, deception, concealment, or suppression;

(vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) does not contain any representation or statement which is false, where we:

(a) knew the truth;
(b) with reasonable effort could have known the truth;
(c) made no reasonable effort to ascertain the truth; or
(d) did not have knowledge concerning the representation or statement made.

We further certify that we are not owned or controlled by and have no beneficial interest in the sponsor and that our compensation for preparing 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.

REMAINDER OF PAGE LEFT INTENTIONALLY BLANK;

SIGNATURE PAGE TO FOLLOW

JOHN SARACCO
Architect, LLC

John Saracco Architect LLC

By: _____
Name: John Saracco
Title: Principal

Sworn to before this
3rd day of February, 2021

_____
Notary

KAYLA SHAY LASKIN
Notary Public, State of New York
Reg. No. 01LA6346018
Qualified in Queens County
Commission Expires 08/01/2024

CERTIFICATION OF SPONSOR'S EXPERT CONCERNING ADEQUACY OF BUDGET
A-3

THIS PAGE INTENTIONALLY LEFT BLANK

CERTIFICATION BY EXPERT OF THE ADEQUACY OF SCHEDULE B PURSUANT TO SECTION 20

February 19, 2021

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

Re: 323 East 53rd Street
New York, New York

Dear Sirs:

The Sponsor of the Condominium Offering Plan for the captioned property, has retained this firm to prepare Schedule B (the "Schedule"), containing projections of income and expenses of the condominium operation. Our experience in this field includes management of the operation of comparable condominium and cooperative and rental properties in Manhattan for over 33 years. The Andrews Organization, Inc. is a licensed real estate brokerage and management firm actively involved in the management of over 200 cooperative, condominium, and rental properties since 1987.

I understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to the Schedule.

I have reviewed the Schedule and investigated the facts set forth in the Schedule and the facts underlying them with due diligence in order to form a basis for this certification. We have also relied on our experience in managing residential buildings.

I certify that the projections in the Schedule appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses for the projected first year of condominium operation.

I certify that the Schedule:

(i) set forth in detail the projected income and expenses for the first year of condominium operation;

(ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of condominium operation;

(iii) do not omit any material fact;

(iv) do not contain any untrue statement of a material fact;

(v) do not contain any fraud, deception, concealment, or suppression;

(vi) do not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) do not contain any representation or statement which is false, where we:

(a) knew the truth;

(b) with reasonable effort could have known the truth;

(c) made no reasonable effort to ascertain the truth; or

(d) did not have knowledge concerning the representation or statement made.

I further certify that our firm is not owned or controlled by the sponsor, although we do have a contractual arrangement with the Sponsor for the management of the building after the conversion, the terms of which are described in the Offer Plan. I understand that a copy of this certification is intended to be incorporated into the Offering Plan. This Statement is not intended as a guarantee or warranty of the income and expenses for the first year of condominium operating. This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made.

I understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

Very truly yours,

THE ANDREWS ORGANIZATION, INC.

By: Stuart Smolar
Senior Vice President

Sworn to before me this
19th day of February, 2021

Notary Public

David H. Kalloo
NOTARY PUBLIC, STATE OF NEW YORK
Registration No. 01KA6383922
Qualified in Queens County
Commission Expires November 26, 2022

AFFIDAVIT OF SPONSOR AND PRINCIPAL OF SPONSOR REGARDING PRIOR PUBLIC OFFERING OR NO PUBLIC OFFERING
B-1

THIS PAGE INTENTIONALLY LEFT BLANK

AFFIDAVIT BY SPONSOR AND PRINCIPALS OF SPONSOR REGARDING PRIOR PUBLIC OFFERING OR NO PRIOR PUBLIC OFFERING

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

The undersigned, David Aviram, being duly sworn, deposes and says:

That I am a Managing Member of Maverick Real Estate Partners LLC, which is the Manager of Maverick Lien Fund IV LP, which is the Sole Member of 323 E 53rd Street Owner LLC ("Sponsor"), Sponsor of the offering plan for the condominium project located at 323 East 53rd Street, New York, New York 10022.

That Sponsor has not taken part in real estate syndications of securities consisting of participation interests or investments in real estate, including limited partnership interests or public offerings of cooperative interests in realty, including condominiums, in or from New York, which were initially offered during the preceding five (5) years.

I have not taken part in real estate syndications of securities consisting of participation interests or investments in real estate, including limited partnership interests or private or public offerings of cooperative interests in realty, including condominiums, in or from New York, which were initially offered during the preceding five years.

I 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 July 16, 2020.

[Remainder of Page Intentionally Left Blank;
Signature Page Follows This Page]

IN WITNESS WHEREOF, the undersigned has executed this affidavit as of the 16 day of July, 2020.

I 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 July 16, 2020.

David Aviram

323 E 53rd Street Owners, LLC
By: Maverick Lien Fund IV LP, Its sole member
By: Maverick Real Estate Partners LLC, Its manager

By: _____
David Aviram, Managing Member

AFFIDAVIT BY SPONSOR AND PRINCIPALS OF SPONSOR REGARDING PRIOR PUBLIC OFFERING OR NO PRIOR PUBLIC OFFERING

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

The undersigned, Edward Martell, being duly sworn, deposes and says:

That I am a Managing Member of Maverick Real Estate Partners LLC, which is the Manager of Maverick Lien Fund IV LP, which is the Sole Member of 323 E 53rd Street Owner LLC ("Sponsor"), Sponsor of the offering plan for the condominium project located at 323 East 53rd Street, New York, New York 10022.

That Sponsor has not taken part in real estate syndications of securities consisting of participation interests or investments in real estate, including limited partnership interests or public offerings of cooperative interests in realty, including condominiums, in or from New York, which were initially offered during the preceding five (5) years.

I have not taken part in real estate syndications of securities consisting of participation interests or investments in real estate, including limited partnership interests or private or public offerings of cooperative interests in realty, including condominiums, in or from New York, which were initially offered during the preceding five years.

I 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 July 17, 2020.

[Remainder of Page Intentionally Left Blank; Signature Page Follows This Page]

IN WITNESS WHEREOF, the undersigned has executed this affidavit as of the 17 day of July, 2020.

I 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 July 17, 2020.

Edward Martell

323 E 53rd Street Owners, LLC
By: Maverick Lien Fund IV LP, Its sole member
By: Maverick Real Estate Partners LLC, Its manager

By: _____
Edward Martell, Managing Member

THIS PAGE INTENTIONALLY LEFT BLANK

Article 14: Lead Poisoning Prevention and Control

§ 27-2056.1 Statement of findings and purposes.

Editor's note: *this section has been repealed and replaced by L.L. 2020/029, 2/11/2020, eff. 2/11/2021.*

The council finds that lead poisoning from paint containing lead is a preventable childhood disease and a public health crisis. The council further finds that the hazard in dwellings that may occur from paint containing lead is subject to many factors, such as the age of a building and its maintenance. The Council also finds and declares that City government must focus on primary prevention as the essential tool to combat childhood lead poisoning and to achieve the goal of preventing children from suffering the adverse health and other effects of exposure to lead-based paint. The pursuit of primary prevention, which means eliminating lead hazards before children are exposed, has been recommended by the United States Centers for Disease Control and Prevention and promoted by leading experts in the field as a critical course of action to protect the health of young children. The Council, therefore, declares that resources must be directed to primary prevention, including identifying children who are most at risk.

The council recognizes that it cannot legislate a single maintenance standard for all dwellings to eliminate this hazard. Instead, the council by enacting this article makes it the responsibility of every owner of a multiple dwelling to investigate dwelling units for lead-based paint hazards and to address such hazards on a case-by-case basis as the conditions may warrant, taking such actions as are necessary to prevent a child from becoming lead poisoned. Having established this responsibility, the council finds that sufficient information exists to guide owners in making determinations about the existence of lead-based paint hazards. See, e.g., United States environmental protection agency, "Identification of Dangerous Levels of Lead; Final Rule" Federal Register, Vol. 66, No. 4 (January 5, 2001); United States department of housing and urban development, "Guidelines for the Evaluation and Control of Lead-Based Paint Hazards in Housing" (June 1995, revised 1997).

The New York city department of health and mental hygiene has reported for the year 2001 that among children tested, 5,638 were newly identified with elevated blood lead levels of 10 micrograms per deciliter or above. The New York city department of health and mental hygiene has reported for the year 2001 that among children tested, 653 were newly identified at or above the department's environmental intervention blood lead level, which is a blood lead level equal to or exceeding 20 micrograms per deciliter in a single test or two reported blood lead levels between 15 and 19 micrograms per deciliter at least three months apart, and has also reported an overall incidence of 931 children tested with blood lead levels equal to or exceeding 20 micrograms per deciliter. When a child is identified with environmental intervention blood lead levels, the city is obligated to investigate potential sources of the lead poisoning, incurring the expense of an environmental investigation and often times also incurring the expense of medical treatment and remedial education, if necessary. The council finds that these blood lead levels among New York city children constitute a severe health crisis and has established as its goal the elimination of childhood lead poisoning by the year 2010.

In addition, the department of health and mental hygiene has reported for the year 2001 that only 29% of children in New York city are tested both at age one and age two for the disease of lead poisoning even though the testing of all children at age one and age two is mandatory under state law. The council finds that improved screening among these children is critical since children at these ages are at greatest risk for lead poisoning. The council declares that it is reasonable and necessary to increase the rate of blood-lead testing. This local law requires the department of health and mental hygiene to report to the council on progress toward increasing screening rates and reducing the incidence rates of children newly identified with elevated blood lead levels.

The council further finds that the administration and enforcement of the City's lead poisoning prevention programs can be better coordinated. While it is intended that the department of housing preservation and development remain the agency responsible for the implementation and enforcement of this article, it is also intended that the department of health and mental hygiene shall have a significant role in the promulgation and interpretation of rules and in the development of necessary procedures pursuant to this article.

§ 27-2056.2 Definitions.

Whenever used in this article the following terms shall have the following meanings:

(1) "Chewable surface" shall mean a protruding interior window sill in a dwelling unit in a multiple dwelling where a child of applicable age resides and which is readily accessible to such child. "Chewable surface" shall also mean any other type of interior edge or protrusion in a dwelling unit in a multiple dwelling, such as a rail or stair, where there is evidence that such other edge or protrusion has been chewed or where an occupant has notified the owner that a child of applicable age who resides in that multiple dwelling has mouthed or chewed such edge or protrusion.

(2) "Common area" shall mean a portion of a multiple dwelling that is not within a dwelling unit and is regularly used by occupants for access to and egress from any dwelling unit within such multiple dwelling.

(3) "Deteriorated subsurface" shall mean an unstable or unsound painted subsurface, an indication of which can be observed through a visual inspection, including, but not limited to, rotted or decayed wood, or wood or plaster that has been subject to moisture or disturbance.

(4) "Friction Surface" shall mean any painted surface that touches or is in contact with another surface, such that the two surfaces are capable of relative motion and abrade, scrape, or bind when in relative motion. Friction surfaces shall include, but not be limited to, window frames and jambs, doors, and hinges.

(5) "Impact Surface" shall mean any interior painted surface that shows evidence, such as marking, denting, or chipping, that it is subject to damage by repeated sudden force, such as certain parts of door frames, moldings, or baseboards.

(6) "Lead-based paint hazard" shall mean any condition in a dwelling or dwelling unit that causes exposure to lead from lead-contaminated dust, from lead-based paint that is peeling, or from lead-based paint that is present on chewable surfaces, deteriorated subsurfaces, friction surfaces, or impact surfaces that would result in adverse human health effects.

(7) (a) "Lead-based paint" shall mean paint or other similar surface coating material containing 1.0 milligrams of lead per square centimeter or greater, as determined by laboratory analysis, or by an x-ray fluorescence analyzer. If an x-ray fluorescence analyzer is used, readings shall be corrected for substrate bias when necessary as specified by the performance characteristic sheets released by the United States environmental protection agency and the United States department of housing and urban development for the specific x-ray fluorescence analyzer used. X-ray fluorescence readings shall be classified as positive, negative or inconclusive in accordance with the United States department of housing and urban development "Guidelines for the Evaluation and Control of Lead-Based Paint Hazards in Housing" (July 2012) and the performance characteristic sheets released by the United States environmental protection agency and the United States department of housing and urban development for the specific x-ray fluorescence analyzer used. X-ray fluorescence readings that fall within the inconclusive zone, as determined by the performance characteristic sheets, shall be confirmed by laboratory analysis of paint chips, results shall be reported in milligrams of lead per square centimeter and the measure of such laboratory analysis shall be definitive. If laboratory analysis is used to determine lead content, results shall be reported in milligrams of lead per square centimeter. Where the surface area of a paint chip sample cannot be accurately measured or if an accurately measured paint chip sample cannot be removed, a laboratory analysis may be reported in percent by weight. In such case, lead-based paint shall mean any paint or other similar surface-coating material containing more than 0.5 percent of metallic lead, based on the non-volatile content of the paint or other similar surface-coating material.

(b) Notwithstanding paragraph (a) of this subdivision, no less than 10 months after the effective date of this section and upon the promulgation of a rule by the department stating that the federal department of housing and urban development has provided at least one performance characteristic sheet or other sufficient written technical guidance approving a commercially available x-ray fluorescence analyzer tested at the level of 0.5 milligrams of lead per square centimeter, “lead-based paint” shall mean paint or other similar surface coating material containing 0.5 milligrams of lead per square centimeter or greater, as determined by laboratory analysis, or by an x-ray fluorescence analyzer. X-ray fluorescence readings shall be classified as positive or negative in accordance with such performance characteristic sheet or other guidance. If laboratory analysis is used to determine lead content, results shall be reported in milligrams of lead per square centimeter. Where the surface area of a paint chip sample cannot be accurately measured or if an accurately measured paint chip sample cannot be removed, a laboratory analysis may be reported in percent by weight. In such case, lead-based paint shall mean any paint or other similar surface-coating material containing more than 0.25 percent of metallic lead, based on the non-volatile content of the paint or other similar surface-coating material.

(c) Before and until the effective date of the rule described in paragraph (b) of this subdivision, for the purposes of the department of health and mental hygiene finding unsafe lead paint in a dwelling unit and issuing an order to abate a condition in a dwelling unit where a child of applicable age with an elevated blood lead level resides, pursuant to section 173.13 of the health code, nothing in this article shall prevent the board of health from determining that unsafe lead paint may include paint with a concentration of lead content that is less than the concentration of lead content in paint set forth in paragraph (a) of this subdivision. Such a determination of unsafe lead paint may include paint with a concentration of lead content no less than 0.5 milligrams of lead per square centimeter, as determined by laboratory analysis, or by an x-ray fluorescence analyzer. X-ray fluorescence readings shall be classified as positive or negative in accordance with the manufacturer’s instructions. If laboratory analysis is used to determine lead content, results shall be reported in milligrams of lead per square centimeter. Where the surface area of a paint chip sample cannot be accurately measured or if an accurately measured paint chip sample cannot be removed, a laboratory analysis may be reported in percent by weight. For such purposes, such concentration determined by the board of health pursuant to this paragraph shall be no less than 0.25 percent of metallic lead, based on the non-volatile content of the paint or other similar surface-coating material.

(8) (a) "Lead-contaminated dust" shall mean dust containing lead at a mass per area concentration of 10 or more micrograms per square foot on a floor, 50 or more micrograms per square foot on window sills, and 100 or more micrograms per square foot on window wells, or such more stringent standards as may be adopted by rule of the department of health and mental hygiene, provided that, if the federal environmental protection agency or a successor agency, or the federal department of housing and urban development or a successor agency, adopts lower definitions of lead-contaminated dust, the board of health shall define in the health code such lower levels for the purposes of this subchapter.

(b) Notwithstanding subdivision (a) of this section, on and after June 1, 2021, “lead-contaminated dust” shall mean dust containing lead at a mass per area concentration of 5 or more micrograms per square foot on a floor, 40 or more micrograms per square foot on window sills, and 100 or more micrograms per square foot on window wells, or such more stringent standards as may be adopted by the board of health, provided that, if the federal environmental protection agency or a successor agency, or the federal department of housing and urban development or a successor agency, adopts lower definitions of lead-contaminated dust, the board of health shall define in the health code such lower levels for the purposes of this subchapter.

(9) "Lead-contaminated dust clearance test" shall mean a test for lead-contaminated dust on floors, window wells, and window sills in a dwelling, that is made in accordance with section 27-2056.11 of this article.

(10) "Peeling" shall mean that the paint or other surface-coating material is curling, cracking, scaling, flaking, blistering, chipping, chalking or loose in any manner, such that a space or pocket of air is behind a portion thereof or such that the paint is not completely adhered to the underlying surface.

(11) "Remediation" or "Remediate" shall mean the reduction or elimination of a lead-based paint hazard through the wet scraping and repainting, removal, encapsulation, enclosure, or replacement of lead-based paint, or other method approved by the commissioner of health and mental hygiene.

(12) “Resides” shall mean to routinely spend 10 or more hours per week within a dwelling unit.*

(13) "Rule" or "rules" shall mean a rule or rules promulgated pursuant to section 1043 of the New York city charter.

(14) "Turnover" shall mean the occupancy of a dwelling unit subsequent to the termination of a tenancy and the vacatur by a prior tenant of such dwelling unit.

(15) "Underlying defect" shall mean a physical condition in a dwelling or dwelling unit that is causing or has caused paint to peel or a painted surface to deteriorate or fail, such as a structural or plumbing failure that allows water to intrude into a dwelling or dwelling unit.

(16) "Window" shall mean the non-glass parts of a window, including but not limited to any window sash, window well, window jamb, window sill, or window molding.

(Am. L.L. 2019/066, 4/14/2019, eff. 6/13/2019; Am. L.L. 2019/064, 4/14/2019, eff. 8/12/2019)

Editor's note: For related unconsolidated provisions, see Appendix A at L.L. 2019/064.

§ 27-2056.3 Owners' responsibility to remediate.

The existence of a lead-based paint hazard in any multiple dwelling where a child of applicable age resides is hereby declared to constitute a condition dangerous to life and health. An owner shall take action to prevent the reasonably foreseeable occurrence of such a condition and shall expeditiously remediate such condition and any underlying defect, when such underlying defect exists, consistent with the work practices established pursuant to section 27-2056.11 of this article, except where lead-contaminated dust is present in such multiple dwelling and the department of health and mental hygiene has made a determination pursuant to paragraph six of subdivision c of section 27-2056.10 of this article.

§ 27-2056.4 Owners' responsibility to notify occupants and to investigate.

a. In any dwelling unit in a multiple dwelling erected prior to January first, nineteen hundred sixty where a child of applicable age resides, and in any dwelling unit in a multiple dwelling erected on or after January first, nineteen hundred sixty and before January first, nineteen hundred seventy-eight where a child of applicable age resides and the owner has actual knowledge of the presence of lead-based paint, and in common areas of such multiple dwellings, the owner shall cause an investigation to be made for peeling paint, chewable surfaces, deteriorated subsurfaces, friction surfaces and impact surfaces. Such investigation shall be undertaken at least once a year and more often if necessary, such as when, in the exercise of reasonable care, an owner knows or should have known of a condition that is reasonably foreseeable to cause a lead-based paint hazard, or an occupant makes a complaint concerning a condition that is likely to cause a lead-based paint hazard or requests an inspection, or the department issues a notice of violation or orders the correction of a violation that is likely to cause a lead-based paint hazard. The owner shall ascertain whether a child resides therein pursuant to the requirements of this section.

a-1. Within five years of the effective date of this subdivision, or within one year after a child of applicable age comes to reside in a dwelling unit subject to the requirements of subdivision a of this section, whichever is sooner, one investigation for the presence of lead-based paint undertaken pursuant to subdivision a of this section shall be performed by a person who (i) is not the owner or the agent of the owner or any contractor hired to perform work related to the remediation of lead-based paint hazards, and (ii) is certified as an inspector or risk assessor pursuant to section 745.226 of title 40 of the code of federal regulations. Such inspection shall consist of the use of an x-ray fluorescence analyzer on all types of surfaces in accordance with the procedures described in chapter 7 of the United States department of housing and urban development guidelines for the evaluation and control of lead-based paint hazards in housing, including on chewable surfaces, friction surfaces, and impact surfaces, to determine whether lead-based paint is present, and where such paint is located, in such dwelling unit. Provided, however, that the investigation specified by this subdivision shall not be required if an investigation that complies with the requirements of this subdivision was previously completed and the owner retains records of such investigation, or if the dwelling unit has an exemption from the presumption of lead paint, as provided in subdivision b of section 27-2056.5 of this article.

b. No occupant in a dwelling unit in such multiple dwelling shall refuse or unreasonably fail to provide accurate and truthful information regarding the residency of a child of applicable age therein, nor shall an occupant refuse access to the owner at a reasonable time and upon reasonable prior notice to any part of the dwelling unit for the purpose of investigation and repair of lead-based paint hazards.

c. All leases offered to tenants or prospective tenants in such multiple dwellings must contain a notice, conspicuously set forth therein, which advises tenants of the obligations of the owner and tenant as set forth in this section. Such notice must be in a manner approved by the department, the content of which shall, at a minimum, be in English and Spanish. The owner of such multiple dwelling shall provide the occupant of such multiple dwelling with the pamphlet described in subdivision b of section 17-179 of this code.

d. (1) The owner of such a multiple dwelling shall provide to an occupant of a dwelling unit at the signing of a lease, including a renewal lease, if any, or upon any agreement to lease, or at the commencement of occupancy if there is no lease, a notice in English and Spanish, the form and content of which shall be approved by the department of health and mental hygiene, inquiring whether a child of applicable age resides or will reside therein. If there is a lease, such notice shall be included in such lease or be attached as a

rider to such lease. Such notice shall be completed by the occupant at the time of such signing of a lease, including a renewal lease, if any, or such agreement to lease, or at such commencement of occupancy.

(2) Where an occupant has responded to the notice provided by the owner pursuant to paragraph one of subdivision d of this section by indicating that no child of applicable age resides therein, during the period between the date of such response and the delivery of the notice provided by the owner pursuant to subdivision e of this section during the immediately following year the occupant shall have the responsibility to inform the owner of any child of applicable age that comes to reside therein during such period. In the event such occupant fails to inform the owner of such child as required by this paragraph, and the owner does not otherwise have actual knowledge that such child is residing in the dwelling unit, the presumption provided for in section 27-2056.5 of this article shall not apply in any action to recover damages for personal injury caused by contact with or exposure to lead-based paint or lead-contaminated dust.

e. (1) Each year, an owner of a multiple dwelling erected prior to January first, nineteen hundred sixty shall, no earlier than January first and no later than January sixteenth, except as provided for in subparagraph iii of paragraph two of this subdivision, present to the occupant of each dwelling unit in such multiple dwelling a notice inquiring as to whether a child of applicable age resides therein. Such notice, the form and content of which shall be approved by the department of health and mental hygiene, shall be presented as provided for in paragraph two of this subdivision, and shall be in English and Spanish.

(2) The owner may present the notice required by paragraph one of this subdivision by delivering said notice by any one of the following methods:

(i) by first class mail, addressed to the occupant of the dwelling unit;

(ii) by hand delivery to the occupant of the dwelling unit;

(iii) by enclosure with the January rent bill, if such rent bill is delivered after December fifteenth but no later than January sixteenth; or

(iv) by delivering said notice in conjunction with the annual notice required pursuant to section 17-123 of this code and the rules of the department of health and mental hygiene pertaining to the installation of window guards.

(3) (i) Upon receipt of such notice the occupant shall have the responsibility to deliver by February fifteenth of that year, a written response to the owner indicating whether or not a child of applicable age resides therein. If, subsequent to delivery of such notice, the owner does not receive such written response by February fifteenth, and does not otherwise have actual knowledge as to whether a child of applicable age resides therein, then the owner shall at reasonable times and upon reasonable notice inspect that occupant's dwelling unit to ascertain the residency of a child of applicable age and, when necessary, conduct an investigation in order to make that determination. Where, between February sixteenth and March first of that year, the owner has made reasonable attempts to gain access to a dwelling unit to determine if a child of applicable age resides in that dwelling unit and was unable to gain access, the owner shall notify the department of health and mental hygiene of that circumstance.

(ii) Where an occupant has responded to the notice provided by the owner pursuant to subparagraph (i) of this paragraph by indicating that no child of applicable age resides therein, during the period between the date of such response and the delivery of the notice provided by the owner pursuant to this subdivision during the immediately following year the occupant shall have the responsibility to inform the owner of any child of applicable age that comes to reside therein during such period. In the event such occupant fails to inform the owner of such child as required by this paragraph, and the owner does not otherwise have actual knowledge that such child is residing in the dwelling unit, the presumption provided for in section 27-2056.5 of this article shall not apply in any action to recover damages for personal injury caused by contact with or exposure to lead-based paint or lead contaminated dust.

(4) For calendar year two thousand four, an owner shall be deemed to have satisfied the provisions of paragraphs one through three of this subdivision if such owner delivers or has already delivered to each dwelling unit where a child under six years of age resides a notice identical or substantially similar to that required to have been delivered in calendar year two thousand three, (i) in the same manner as was required in calendar year two thousand three, and (ii) during the same periods of time in calendar year two thousand four as such notice was required to have been delivered during calendar year two thousand three.

f. The owner shall inform the occupant in writing of the results of an investigation undertaken pursuant to this section and shall provide a copy of any such report received or generated by an investigation. The owner shall retain a copy of each investigation report, for ten years from the date of such report and such report shall be made available to the department on request and shall be transferred by the owner to the owner's successor in title.

g. Any owner who violates the provisions of this section, or the rules promulgated hereunder, shall be guilty of a misdemeanor punishable by a fine of up to five hundred dollars or imprisonment for up to six months or both. In addition, any violation of this section shall subject the owner to a civil penalty of not more than one thousand five hundred dollars per violation.

h. The department may, at its discretion, perform sample audits to determine compliance with the requirements of this section.

(Am. L.L. 2020/031, 2/11/2020, eff. 8/9/2020)

§ 27-2056.5 Presumption.

a. In any multiple dwelling erected prior to January 1, 1960, it shall be presumed that the paint or other similar surface-coating material in any dwelling unit where a child of applicable age resides or in the common areas is lead-based paint. The presumption

established by this section may be rebutted by the owner of the dwelling or dwelling unit by submitting to the department a sworn written statement by the owner supported by lead-based paint testing or sampling results, a sworn written statement by the person who performed the testing if performed by an employee or agent of the owner, and such other proof as the department may require. Testing performed to rebut the presumption may only be performed by a person who has been certified as an inspector or risk assessor in accordance with subparts L and Q of 40 CFR part 745 or any successor regulations. The determination as to whether such proof is adequate to rebut the presumption established by this section shall be made by the department.

b. The owner of a dwelling or a dwelling unit may apply to the department to have such dwelling or dwelling unit exempted from the presumption contained in subdivision a of this section when either (i) an inspection for lead-based paint in such dwelling or dwelling unit, performed in accordance with 40 CFR § 745.227, or any successor regulation, has determined that there is no lead-based paint present in such dwelling or dwelling unit, or (ii) substantial alterations have been made to such dwelling or dwelling unit and such alterations have resulted in the removal or permanent covering of all lead-based paint in that dwelling or dwelling unit. The department shall by rule determine the requirements needed to qualify for such an exemption. Sections 27-2056.4, 27-2056.8 and 27-2056.9 of this article shall not apply to any dwelling or dwelling unit that has been granted an exemption by the department.

c. Any exemption for a dwelling unit granted pursuant to this section prior to the effective date of this subdivision shall remain in effect until: (i) the turnover of such unit on or after the effective date of the rule promulgated by the department pursuant to paragraph (b) of subdivision (7) of section 27-2056.2, (ii) issuance of a denial of a rebuttal of a lead-based paint violation based upon the presumption of lead paint for such dwelling unit filed pursuant to subdivision a of section 27-2056.5, (iii) issuance of a lead-based paint violation based upon testing by the department for such dwelling unit, or (iv) issuance of an order to abate lead-based paint hazards or unsafe lead paint by the department of health and mental hygiene, or upon issuance of a denial of an objection to such a commissioner's order to abate filed pursuant to section 173.13 of the health code. Upon the expiration of an exemption pursuant to this subdivision, such exemption shall no longer apply and such dwelling unit shall be subject to all applicable provisions of this article. The owner of such a dwelling unit that was previously exempted may apply for a new exemption pursuant to subdivision b of section 27-2056.5. The department shall establish requirements for the owner of a dwelling unit that has been granted an exemption by the department prior to the effective date of this subdivision to notify the department of the turnover of the dwelling unit.

(Am. L.L. 2019/066, 4/14/2019, eff. 8/12/2019)

§ 27-2056.6 Violation in a dwelling unit.

The existence of lead-based paint in any dwelling unit in a multiple dwelling where a child of applicable age resides shall constitute a class C immediately hazardous violation if such paint is peeling or is on a deteriorated subsurface.

§ 27-2056.7 Audit and inspection by department following commissioner's order to abate.

Editor's note: *this section has been amended by L.L. 2020/028, 2/11/2020, eff. 2/11/2021.*

a. When the department of health and mental hygiene issues a commissioner's order to abate pursuant to section 173.13 of the New York city health code or a successor rule that addresses lead-based paint hazards or unsafe lead paint in a specific dwelling unit in a multiple dwelling, the department, within fifteen days of such order, shall notify the owner of the multiple dwelling where the dwelling unit is located that the owner shall, within forty-five days of the department's notice, provide to the department all records required to be maintained under this article. Upon the department's receipt of those records and a determination that there may exist uncorrected lead-based paint hazards in dwelling units where a child of applicable age resides, the department within ten days shall attempt to inspect such units to determine whether there are any violations of section 27-2056.6 of this article.

b. If the owner does not provide to the department the records as mandated by subdivision a of this section, the department shall within forty-five days of such failure attempt to inspect dwelling units where a child of applicable age resides to determine whether there are any violations of section 27-2056.6 of this article in such units.

c. The department is not required to undertake the procedures specified in this section in a particular multiple dwelling if it has done so in such building during the prior twelve month period.

d. Any owner who fails to comply with the provisions of this section in accordance with the rules of the department shall be liable for a class C immediately hazardous violation, and a civil penalty in an amount not to exceed one thousand dollars.

(Am. L.L. 2019/066, 4/14/2019, eff. 6/13/2019)

§ 27-2056.8 Violation in a dwelling unit upon turnover.

Editor's note: *this section has been amended by L.L. 2020/028, 2/11/2020, eff. 2/11/2021.*

a. Upon turnover of any dwelling unit in a multiple dwelling erected prior to January 1, 1960 or a dwelling unit in a private dwelling erected prior to January 1, 1960 where each dwelling unit is to be occupied by persons other than the owner or the owner's family, the owner shall within such dwelling unit have the responsibility to:

(1) remediate all lead-based paint hazards and any underlying defects, when such underlying defects exist;

(2) make all bare floors, window sills, and window wells in the dwelling unit smooth and cleanable;

(3) provide for the removal or permanent covering of all lead-based paint on all friction surfaces on all doors and door frames; and

(4) provide for the removal or permanent covering of all lead-based paint on all friction surfaces on all windows, or provide for the installation of replacement window channels or slides on all lead-based painted friction surfaces on all windows.

b. All work performed pursuant to this section shall be performed pursuant to the safe work practices promulgated pursuant to section 27-2056.11(a)(3) of this article.

c. Any owner who fails to comply with the provisions of subdivision a of this section, or the rules of the department of health and mental hygiene or the department promulgated pursuant to section 27-2056.11(a)(3) shall be liable for a class C immediately hazardous violation.

§ 27-2056.9 Department inspections.

Editor's note: *this section has been amended by L.L. 2020/028, 2/11/2020, eff. 2/11/2021.*

a. When entering a dwelling unit in a multiple dwelling constructed prior to January 1, 1960 for the purpose of investigating the existence of any violation of this code, the department shall make diligent efforts to ascertain whether a child of applicable age resides therein and shall request from the occupant an acknowledgement as to whether such a child resides in the dwelling unit. Whenever a child of applicable age resides in a dwelling unit, the department shall immediately perform a room-by-room inspection of the dwelling unit and record for each room in a report of such inspection whether the paint or other similar surface-coating material in each room is peeling or intact. For each room where peeling paint is found, the department shall also inspect for evidence of an underlying defect and shall indicate on the inspection report the peeling paint's location within the room, the condition of the subsurface below it, and the location of any underlying defect. When performing such inspection, the department need only inspect those portions of the dwelling unit where furniture or other furnishings do not obstruct the view of a surface, except when there is visible evidence that causes the department to believe that the obstructed surface has peeling paint. Where, upon conducting an inspection, the department determines the existence of a condition constituting a violation of this article, the department shall serve a notice of violation within ten additional days.

b. In any dwelling unit in a multiple dwelling erected prior to January 1, 1960 where a child of applicable age resides, the department shall conduct an inspection pursuant to subdivision a of this section no later than ten days after the department's receipt of a complaint describing peeling paint, or a deteriorated subsurface or underlying defect in the dwelling unit. The department shall make diligent efforts to ascertain whether a child of applicable age resides therein. Where the department attempts to perform an inspection of a dwelling unit within the time period required by this subdivision but is unable to gain access, the department shall be required to make a reasonable attempt to gain access to such dwelling unit within five days of such attempt. If the department is unable to gain access to that dwelling unit during this additional time period, the department shall provide written notice to the occupant of such dwelling unit that no further attempts at access shall be made unless a new complaint is submitted.

c. Each inspector who performs an inspection pursuant to subdivision b of this section shall use an x-ray fluorescence analyzer during the course of that inspection to determine whether lead-based paint is present in such dwelling unit except that, for reasons beyond the control of the department, such x-ray fluorescence analysis is unable to be performed during such inspection, the department shall rely on the presumption set forth in subdivision a of section 27-2056.5 of this article. Where peeling paint is found during an inspection of a dwelling unit performed pursuant to subdivision a of this section, the department shall within ten days thereafter perform another inspection of such dwelling unit using an x-ray fluorescence analyzer to determine whether lead-based paint is present in such dwelling unit. Where, upon conducting an inspection, the department determines the existence of a condition constituting a violation of this article, the department shall serve a notice of violation within ten additional days.

d. The pamphlet developed by the department of health and mental hygiene pursuant to section 17-179 of this code shall be left at the premises of the dwelling unit at the time of an inspection made by the department pursuant to this section.

e. The department shall develop a pamphlet listing the work practices to be established pursuant to section 27-2056.11 of this article. Such pamphlet shall be delivered by the department in conjunction with all notices of violation issued pursuant to paragraph one of subdivision l of section 27-2115 of this code. Failure to include such pamphlet with such notices of violation shall not render null and void the service of such notices of violation. Such pamphlet shall also be made available to any member of the public upon request.

f. Notwithstanding any other provision of law, failure by the department or the department of health and mental hygiene to comply with any time period provided in this article or section 27-2115 of this chapter relating to responsibilities of the department and the department of health and mental hygiene, shall not render null and void any notice of violation issued by the department or the department of health and mental hygiene pursuant to such article or section, and shall not provide a basis for defense or mitigation of an owner's liability for civil penalties for violation of such article.

§ 27-2056.10 Department implementation and enforcement.

a. The department shall provide appropriate training for lead-based paint inspection and supervisory personnel. Department personnel who conduct a visual inspection pursuant to this article shall receive training which at a minimum, shall be the training approved by the United States department of housing and urban development for performance of visual inspections. Department personnel who perform lead-based paint inspections using XRF machines shall receive training required by the United States environmental protection agency pursuant to 40 CFR § 745.226(b) or successor regulations. Training of all inspection and supervisory personnel shall also include background information pertaining to applicable state and local lead-based paint laws and guidance on

identifying violations in a multiple dwelling, and require that the individual has successfully demonstrated knowledge of the requirements of this article. The department shall provide for the continuing education of inspection and supervisory personnel.

b. The department, with the approval of the department of health and mental hygiene, shall promulgate a comprehensive written procedure to guide department personnel in implementing and enforcing this article. Where feasible, such procedures shall establish a uniform method for the department of health and mental hygiene and the department, following the method implemented by the department of health and mental hygiene, to describe violations and identify their location in a dwelling or dwelling unit. Such procedures shall include a methodology and a form to be used by department personnel when conducting an inspection to carry out and record an inspection pursuant to section 27-2056.9 of this article.

c. The department shall promulgate rules for the implementation and enforcement of this article and to effect compliance with all applicable provisions of this article, rules promulgated thereunder, and all applicable city, state or federal laws, rules or regulations. Such rules shall be subject to the approval of the department of health and mental hygiene prior to their promulgation and shall include, but not be limited to, establishing:

(1) uniform specifications and procedures to govern testing, including a standardized format for reporting such testing results, whenever paint or a similar surface-coating material is tested for its lead content, whether by or on behalf of an owner or an agency of the city of New York;

(2) procedures by which an owner shall comply with section 27-2056.4 of this article, including the form and content of the annual notice;

(3) procedures by which an owner shall submit rebuttal documentation to the department pursuant to 27-2056.5 of this article;

(4) procedures by which an owner may apply to the department to postpone the date by which a violation shall be corrected pursuant to subdivision l of section 27-2115 of this code, including, but not limited to, the stabilization of the paint which is the subject of the violation where an owner requests a second postponement of time to correct a violation in accordance with subdivision l of section 27-2115 of this code; and

(5) procedures to implement and to enforce compliance with paragraph two of subdivision l of section 27-2115 of this code, which shall include, but not be limited to, the requirement that an owner certify to:

(i) the correction of a violation of this article of the code, and

(ii) compliance with the rules promulgated by the department pursuant to section 27-2056.11 of this code; and

(6) procedures to be established by the department of health and mental hygiene to order or provide for the expeditious cleanup and removal of lead-contaminated dust when the department of health and mental hygiene determines that there is lead-contaminated dust in a dwelling unit where a child of applicable age resides, such child has an elevated blood level, and the department of health and mental hygiene determines that the source of that lead-contaminated dust is not a condition of the dwelling in which such dwelling unit is located.

§ 27-2056.11 Work practices.

a. The department shall promulgate rules, with the approval of the department of health and mental hygiene, establishing work practices to which an owner shall be subject in each of the following circumstances:

(1) where an owner is performing work in order to comply with a notice of violation or order to correct issued by the department pursuant to this article, which shall be no less stringent than the safety standards required by the commissioner of health and mental hygiene whenever such commissioner shall order the abatement of lead-based paint hazards or unsafe lead paint pursuant to section 173.13 of the health code or a successor rule. Such rules shall provide for temporary relocation provided by the owner of the occupants of a dwelling or dwelling unit to appropriate housing when work cannot be performed safely. Such rules shall provide that all such work be performed only by firms which have received certification to perform lead abatement under the regulations issued by the United States environmental protection agency at subpart L of 40 CFR part 745, or any successor regulations.

(2) where an owner, other than in response to an order to correct or notice of violation issued by the department or the department of health and mental hygiene, is performing work that will disturb lead-based paint or paint of unknown lead content in a dwelling unit where a child of applicable age resides or in the common area of the multiple dwelling in which such dwelling unit is located, where such multiple dwelling was erected prior to January first, nineteen hundred sixty, or where the owner has actual knowledge of the presence of lead-based paint and such multiple dwelling was erected on or after January first, nineteen hundred sixty and before January first, nineteen hundred seventy-eight.

(i) Except as provided in subparagraph (ii) of this paragraph, such rules shall incorporate work practices that are no less protective of public health than those set forth in subdivisions d and e of section 173.14 of the health code and those parts of subdivision b of such section applicable thereto or a successor rule, and shall include a requirement that lead-contaminated dust clearance testing be performed at the completion of such work. Such rules shall require that such work be performed by a person who has, at a minimum, successfully completed a course on lead-safe work practices given by or on behalf of the department or, by the United States environmental protection agency or an entity authorized by it to give such course, or by the United States department of housing and urban development or an entity authorized by it to give such course. Such rules shall require temporary relocation provided by the owner of the occupants of a dwelling or dwelling unit to appropriate housing when work cannot be performed safely.

(ii) Where such work will disturb more than one hundred square feet of lead-based paint or paint of unknown lead content in a room in a multiple dwelling, or will involve the removal of two or more windows with lead-based paint or paint of unknown lead content, such rules shall incorporate work practices that are no less protective of public health than those set forth in subdivisions d and e of section 173.14 of the health code and those parts of subdivision b of such section applicable thereto, or a successor rule, and shall include a requirement that lead-contaminated dust clearance testing be performed at the completion of such work. Such rules shall also require temporary relocation provided by the owner of the occupants of a dwelling or dwelling unit to appropriate housing when work cannot be performed safely. Such rules shall require, in addition, that all such work be performed only by firms which have received certification to perform lead abatement under the regulations issued by the United States environmental protection agency at subpart L of 40 CFR part 745 for the abatement of lead hazards, or any successor regulations. Such rules shall also provide that not less than ten days prior to the commencement of such work the owner of the premises, or the firm, shall file with the department of health and mental hygiene a notice of commencement so that the department of health and mental hygiene may, at its discretion, perform sample audits of such notices to determine that the firms performing the work are properly certified. Such notice shall be signed by the owner or by a representative of the firm, and shall be in a form satisfactory to or prescribed by the department of health and mental hygiene, and shall set forth at a minimum the following information:

(a) The address of the multiple dwelling and the specific location of the work within the multiple dwelling.

(b) The name, address and telephone number of the owner of the multiple dwelling in which the work is to be performed.

(c) The name, address and telephone number of the firm which will be responsible for performing the work.

(d) The date and time of commencement of the work, working or shift hours, and the expected date of completion; and

(e) Identification of the surfaces and structures, and surface area, subject to the work.

The rules shall also provide that any changes in the information contained in the notice shall be filed with the department of health and mental hygiene prior to commencement of work, or if work has already commenced, within twenty-four hours of any change. The rules shall provide that a copy of the notice of commencement shall be posted at the work site.

(iii) The provisions of this paragraph shall not apply where such work disturbs surfaces of less than (a) two square feet of peeling lead-based paint per room or (b) ten percent of the total surface area of peeling paint on a type of component with a small surface area, such as a window sill or door frame.

(3) where an owner is performing work on turnover pursuant to 27-2056.8 of this article. Such rules shall include, but not be limited to, requiring lead-contaminated dust clearance tests at the completion of such work.

b. No person shall perform a lead-contaminated dust clearance test pursuant to this section unless such person is a third-party, who is independent of the owner and any individual or firm that performs the work, and has successfully completed a course approved or administered by the department of health and mental hygiene or by the United States environmental protection agency or the United States department of housing and urban development and obtained a certificate or other document issued by or acceptable to the department of health and mental hygiene.

c. The department, with the approval of the department of health and mental hygiene, shall promulgate rules requiring that all lead-contaminated dust clearance tests submitted to a laboratory for analysis include a sworn certification that such test was performed in compliance with all applicable rules and regulations and shall include any additional information that the department shall determine is necessary for the administration and enforcement of this section.

d. Where an owner is performing work pursuant to paragraph (1) of subdivision a of this section, all lead-contaminated dust clearance test results shall be filed with the department, and a copy shall be provided by the owner to the occupant of the dwelling unit. Where an owner is performing work pursuant to paragraphs (2) and (3) of subdivision a of this section, a copy of all lead-contaminated dust clearance test results shall be provided to the occupant of the dwelling unit. Copies of lead-contaminated dust clearance test results provided to the occupant of the dwelling unit pursuant to this subparagraph shall be in a form satisfactory to or prescribed by the department of health and mental hygiene that provides a sufficiently clear explanation of the meaning of such results.

(Am. L.L. 2019/066, 4/14/2019, eff. 6/13/2019)

§ 27-2056.12 Reporting.

a. Within four months after the close of the first fiscal year after which this article takes effect and for every fiscal year thereafter, the commissioner shall provide to the council a written report on the department's implementation of this article during the preceding year. Such report shall include, at a minimum, an analysis of the department's program, a detailed statement of revenue and expenditures and statistical section designed to provide a detailed explanation of the department's enforcement including, but not limited to, the following:

(1) the number of complaints for peeling paint in pre-1960 dwelling units where a child of applicable age resides, disaggregated by city or non-city ownership of the building which is the subject of the complaint;

(2) the number of inspections by the department pursuant to section 27-2056.9, disaggregated by the city or non-city ownership of the building where the inspection occurred;

(3) the number of jobs performed by the department in city-owned buildings to address lead-based paint hazards and any underlying defects;

(4) the number of violations issued by the department pursuant to this article, disaggregated by the number of violations issued pursuant to subdivision a of section 27-2056.9;

(5) the number of violations issued pursuant to this article that were certified as corrected by the owner, the number of such certifications that did not result in the removal of such violations, and the number of civil actions brought by the department against such owners;

(6) the number of jobs performed in which violations issued pursuant to this article were corrected by the department, the average time between the issuance of such violations and their correction, the total amount spent by the department to address the violations, and the average amount spent per dwelling unit where correction of such conditions was completed;

(7) a statistical profile with geographic indexing, such as by community district, council district, and/or zip code, of multiple dwellings in which violations are placed, indicating the ages of the multiple dwellings and other factors relevant to the prevalence of lead-based paint hazards, which may include the prior lead poisoning of a child in the multiple dwelling, outstanding violations, and emergency repair charges;

(8) the number of investigations conducted pursuant to section 27-2056.4, and the number of violations issued pursuant to subdivision g of section 27-2056.4;

(9) the number of investigations conducted pursuant to section 27-2056.8, and the number of violations issued pursuant to subdivision c of section 27-2056.8;

(10) the number of dwelling units in which violations for underlying defects were placed in addition to violations for lead-based paint;

(11) the number of inspectors assigned at the end of the fiscal year to conduct inspections using XRF machines; and

(12) the number of audits conducted under subdivision b of section 27-2056.17 and the number of violations issued pursuant to subdivision c of section 27-2056.17, disaggregated by the section of this article for which such violations were issued.

b. The department of health and mental hygiene shall prepare a report on progress toward increasing screening rates and reducing the incidence rates of children newly identified with elevated blood lead levels. This report shall be utilized by the department in its implementation of this article. Such report shall be submitted to the council within nine months after the close of each calendar year. Such report shall include comprehensive information for the prior calendar year regarding the implementation and enforcement of all lead poisoning prevention and control measures required by local law or rule, and shall include, but not be limited to:

(1) the number of addresses inspected and the number of commissioners orders and violations issued pursuant to section 27-2056.11 and any regulations promulgated thereunder;

(2) the number of incidences of lead poisoning in children and pregnant women; and

(3) information on the implementation of the education and outreach program required by subdivision a of section 17-186.1.

c. The department shall maintain a central register of all department orders to correct a violation under this article. Such register shall indicate, if applicable, the date of the complaint, address of the premises, and the date of each inspection and reinspection.

(Am. L.L. 2019/070, 4/14/2019, eff. 4/14/2020)

§ 27-2056.13 Transmittal of violations to the Department of Health and Mental Hygiene.

The department shall send a notice which shall be addressed to the dwelling unit in the multiple dwelling, when a dwelling unit is identified, for which a violation of this article was issued. Such notice shall include a telephone number for the department of health and mental hygiene. The department shall also refer to the department of health and mental hygiene the address of the unit in the multiple dwelling for which such violation was issued, the name of the complainant, if any, and the complainant's telephone number, if available. The department of health and mental hygiene, pursuant to section 17-179 of this code, shall refer to appropriate medical providers any person who requests assistance in blood lead screening, testing, diagnosis or treatment, and upon the request of a parent or guardian, arrange for blood lead screening of any child who requires screening and whose parent or guardian is unable to obtain a lead test because the child is uninsured or the child's insurance does not cover such screening.

§ 27-2056.14 Inspections by Department of Health and Mental Hygiene and removal of health code violations by Department of Housing Preservation and Development.

Whenever a report has been made to the department of health and mental hygiene of a person under eighteen years of age with an elevated blood lead level that is at or above the blood lead reference level established pursuant to section 17-912 residing in any dwelling unit, the department of health and mental hygiene shall conduct such investigation as may be necessary to identify potential sources of the elevated blood lead level, including but not limited to, an inspection of the dwelling unit where such person resides. If the department of health and mental hygiene issues an order to correct any violation, the department of health and mental hygiene shall notify the department of each dwelling unit in a dwelling for which the department of health and mental hygiene has issued an order to

correct a violation. Where the owner of the dwelling or relevant dwelling unit within such dwelling fails to comply with an order of the department of health and mental hygiene to correct a violation placed by the department of health and mental hygiene, the department of health and mental hygiene shall certify such conditions to the department of housing preservation and development. The certification procedure shall be completed within sixteen days of the report of the elevated blood lead level. The conditions so certified shall be corrected within eighteen days of certification to the department.

(Am. L.L. 2019/066, 4/14/2019, eff. 8/12/2019)

§ 27-2056.15 Waiver of benefit void.

a. No owner may seek to have an occupant of a dwelling unit waive the benefit or protection of any provision of this article. Any agreement by the occupant of a dwelling unit purporting to waive the benefit or protection of any provision of this article is void. Any owner who violates this section, or the rules promulgated hereunder, shall be guilty of a misdemeanor punishable by a fine of up to five hundred dollars or imprisonment for up to six months or both. In addition, any owner who violates this section shall be liable for a civil penalty of not more than five hundred dollars per violation.

b. Notwithstanding any other provision of this article, nothing herein shall be construed to alter existing or future agreements which allocate responsibility for compliance with the provisions of this article between a tenant shareholder and a cooperative corporation or between the owner of a condominium unit and the board of managers of such condominium.

c. The provisions of this article, other than section 27-2056.14, shall not apply to a dwelling unit in a multiple dwelling where (i) title to such multiple dwelling is held by a cooperative housing corporation or such dwelling unit is owned as a condominium unit, and (ii) such dwelling unit is occupied by the shareholder of record on the proprietary lease for such dwelling unit or the owner of record of such condominium unit, as is applicable, or the shareholder's or record owner's family.

§ 27-2056.16 Exemption for emergency conditions.

For emergency actions immediately necessary to safeguard against imminent danger to human life, health or safety or to protect property from further major damage, such as when a property has been damaged by a natural disaster, fire, structural collapse, cascading water, lack of utilities or other emergency conditions, occupants shall be protected from exposure to lead in dust and debris generated by such emergency actions to the extent practicable and the requirements of this article shall not apply. This exemption applies only to repairs immediately necessary to respond to the emergency. The requirements of this article shall apply to any work undertaken subsequent to or above and beyond such emergency actions.

§ 27-2056.17 Record keeping requirements.

Editor's note: *this section has been amended by L.L. 2020/028, 2/11/2020, eff. 2/11/2021.*

a. The owner of any multiple dwelling or dwelling that performs any work or provides any notices pursuant to this article shall retain all records relating to such work or notices for a period of no less than ten years from the completion date of such work or notification as provided in the rules of the department and this article. If the multiple dwelling is subject to the requirements of section 27-2056.4 or section 27-2056.8, for each dwelling unit in such dwelling the owner shall keep a record of: (i) the date that such unit turned over whenever such turnover occurs; (ii) the name of each inspector, risk assessor or contractor who performed required investigations pursuant to subdivision a-1 of section 27-2056.4; (iii) all testing results performed pursuant to subdivision a-1 of section 27-2056.4 and any other lead based paint testing that has occurred in such unit; and (iv) whether the department has granted an exemption from the presumption established by section 27-2056.5 for any unit in the multiple dwelling. The owner shall make any such records required to be retained by this article available to the department upon the department's request, and shall transfer such records to the owner's successor in title.

b. To determine compliance with the requirements of this article, in addition to the audits required by section 27-2056.7, the department shall audit the records required to be kept pursuant to this article, including pursuant to section 27-2056.4 and 27-2056.8, for a minimum of 200 buildings each fiscal year. Such additional 200 buildings shall be selected by the department using criteria that shall include, but need not be limited to:

(1) buildings with peeling lead-based paint violations issued as a result of positive XRF tests;

(2) buildings with violations that have been issued for other indicators of deteriorated subsurfaces including, but not limited to, mold and leaks;

(3) buildings selected from a random sample of buildings based on data on the prevalence of elevated blood lead levels in certain geographic areas identified by the department of health and mental hygiene; and

(4) buildings selected from a random sample of buildings that are subject to the presumption in section 27-2056.5.

c. Notwithstanding any inconsistent provision of section 27-2115, any owner who fails, in response to a demand by the department and in accordance with rules of the department, to produce a record required to be retained by this article within 45 days of such request, shall be liable for a class C immediately hazardous violation, and a civil penalty of not less than $1,000 and not more than $5,000.

(Am. L.L. 2019/070, 4/14/2019, eff. 10/11/2019; Am. L.L. 2020/031, 2/11/2020, eff. 8/9/2020)

§ 27-2056.18 Application of this article based on age of child.

For the purposes of this article, the term "applicable age" shall mean "under seven years of age" for at least one calendar year from the effective date of this section. Upon the expiration of such one year period, in accordance with the procedures by which the health code is amended, the board of health may determine whether or not the provisions of this article should apply to children of age six, and based on this determination, may redefine "applicable age" for the purposes of some or all of the provisions of this article to mean "under six years of age," but no lower.

/